

EARNEST INVESTMENTS HOLDINGS LIMITED

安利時投資控股有限公司*

(Continued into Bermuda with limited liability)

(Stock Code: 339)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2007

The Board of Directors (the "Board") of Earnest Investments Holdings Limited (the "Company") is pleased to present the unaudited interim financial results of the Company for the six months ended 30 June 2007 together with comparative figures for the corresponding period.

CONDENSED INCOME STATEMENT

For the six months ended 30 June 2007

		Six months ended 30 June	
		2007 (unaudited)	2006 (unaudited)
	Notes	HK\$	HK\$
Turnover	4	20,248,883	101,560
Cost of sales		(4,205,100)	(73,000)
		16,043,783	28,560
Net unrealized holding gain/(loss) from financial assets at fair value through profit or loss		23,178,680	(1,539,045)
Administrative and other operating expenses		(943,921)	(1,404,321)
Profit/(loss) before taxation	5	38,278,542	(2,914,806)
Income tax expense	6	(2,010,500)	–
Profit/(loss) for the period attributable to equity holders of the Company		36,268,042	(2,914,806)
Earnings/(loss) per share			
Basic	7	0.4478	(0.0542)

CONDENSED BALANCE SHEET

As at 30 June 2007

	30 June 2007 (unaudited) HK\$	31 December 2006 (audited) HK\$
	<i>Notes</i>	
Non-current assets		
Available-for-sale financial assets	14,500,000	14,500,000
	14,500,000	14,500,000
Current assets		
Financial assets at fair value through profit or loss	28,885,400	9,911,820
Prepayments, deposits and other receivables	9,895,929	203,630
Bank and cash balances	16,518,716	7,046,738
	55,300,045	17,162,188
Current liabilities		
Accruals and other payables	2,052,536	182,721
Net current assets	53,247,509	16,979,467
Total assets less current liabilities	67,747,509	31,479,467
Capital and reserves attributable to equity holders of the Company		
Share capital	1,620,000	1,620,000
Reserves	66,127,509	29,859,467
TOTAL EQUITY	67,747,509	31,479,467
Net asset value per share	8 0.84	0.39

NOTES

1. Corporate Information

The Company was continued into Bermuda as an exempted company under the laws of Bermuda. The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda. The address of its principal place of business is Units 801-802, 8/F. Ginza Square, 565-567 Nathan Road, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The principal activity of the Company is investment in and trading of listed and unlisted companies.

2. Basis of Preparation

The condensed interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and The Hong Kong Accounting Standard (the "HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

3. Principal Accounting Policies

The condensed interim financial statements have been prepared under the historical cost basis, as modified by the revaluation of certain financial assets at fair value through profit or loss.

The accounting policies adopted in the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2006 except as described below.

In the current interim period, the Company has applied, for the first time, the following new standard, amendment and interpretations (the "new HKFRSs") issued by the HKICPA, which are effective for the Company's financial year beginning 1 January 2007.

HKAS 1 (Amendment)	Capital Disclosures ¹
HKFRS 7	Financial Instruments: Disclosures ¹
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ²
HK(IFRIC)-Int 8	Scope of HKFRS 2 ³
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives ⁴
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment ⁵

¹ Effective for annual periods beginning on or after 1 January 2007

² Effective for annual periods beginning on or after 1 March 2006

³ Effective for annual periods beginning on or after 1 May 2006

⁴ Effective for annual periods beginning on or after 1 June 2006

⁵ Effective for annual periods beginning on or after 1 November 2006

The adoption of these new HKFRSs had no material effect on the results of operations and financial position of the Company for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised. The Company has not early applied the following new standards or interpretations that have been issued but are not yet effective.

HKAS 23 (Revised)	Borrowing Costs ¹
HKFRS 8	Operating Segments ¹
HK(IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions ²
HK(IFRIC) – Int 12	Service Concession Arrangements ³

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 March 2007

³ Effective for annual periods beginning on or after 1 January 2008

The Company is in the process of assessing the potential impact of these standards or interpretations but not yet in a position to determine whether these standards or interpretations will have a significant impact on how its results of operations and financial position are prepared and presented. These standards or interpretations may result in changes in the future as to how the results and financial position are prepared and presented.

4. Turnover and Revenue

	Six months ended 30 June	
	2007	2006
	HK\$	HK\$
Turnover		
Dividend income from trading securities listed in Hong Kong	26,234	8,160
Bank Interest Income	88,839	–
Proceeds from sales of financial assets at fair value through profit or loss	20,133,810	93,400
Total Revenue	20,248,883	101,560

No segment information is presented as all of the turnover and contribution to operating results of the Company are attributed to investment activities which are carried out or originated principally in Hong Kong.

5. Profit/(Loss) before Taxation

Profit/(loss) before taxation is stated after charging:

	Six months ended 30 June	
	2007	2006
	HK\$	HK\$
Investment management fee	180,000	180,000
Staff costs	172,800	172,800

6. Income Tax Expense

	Six months ended 30 June	
	2007	2006
	HK\$	HK\$
The charge comprises:		
Current tax:		
Hong Kong Profits Tax	2,010,500	–
	2,010,500	–

Hong Kong Profits Tax is calculated at 17.5% on the estimated assessable profits. No provision for deferred tax has been made as the Company did not have any significant unprovided deferred taxation as at 30 June 2007 and 31 December 2006.

7. Earnings/(Loss) Per Share

The calculation of the basic earnings/(loss) per share attributable to equity holders of the Company is based on the profit for the period attributable to equity holders of HK\$36,268,042 (2006: loss HK\$2,914,806) and on the 81,000,000 shares in issue (2006: on the weighted average number of ordinary shares of 53,772,025 shares).

No diluted earnings per share is presented for the current and prior period as the Company had no dilutive potential ordinary shares in issue.

8. Net Asset Value Per Share

The calculation of the net asset value per share is based on the net assets as at 30 June 2007 of HK\$67,747,509 (31 December 2006: HK\$31,479,467) and on the number of 81,000,000 ordinary shares in issue (31 December 2006: 81,000,000 shares).

INTERIM DIVIDEND

The Board does not recommend to pay any interim dividend for the six months ended 30 June 2007 (2006: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the six months ended 30 June 2007, the Company has recorded a turnover of approximately HK\$20 million (2006: approximately HK\$0.1 million) and a profit attributable to equity holders of approximately HK\$36 million (2006: loss of approximately HK\$2.9 million). The increase in turnover and the profit during the period were mainly due to the increase in trading volume and realized gain on trading securities.

Business Review

During the period under review, the Company had not made any new investment other than trading of Hong Kong listed securities. The Board will be cautious in making investment decision and hold cash in bank for the time being.

The Company's portfolio of Hong Kong listed securities as at 30 June 2007 consisted of China Elegance (Holdings) Limited, Shougang Concord International Enterprises Company Limited and Shougang Concord Century Holdings Limited. The Company's investments in unlisted companies had not generated any significant investment returns for the period ended 30 June 2007. The Board will closely monitor such investments in unlisted companies and will take appropriate action if necessary.

As at 30 June 2007, approximately HK\$29 million (31 December 2006: HK\$10 million) of the Company's investment was in a portfolio of Hong Kong listed securities, HK\$14.5 million (31 December 2006: HK\$14.5 million) in the equity interests of unlisted companies, and HK\$16.5 million (31 December 2006: HK\$7 million) in cash which was deposited with a bank in Hong Kong.

Liquidity, Financial Resources and Funding

For the period under review, the Company financed its operations and investment activities through its internal resources. As at 30 June 2007, the net asset value of the Company was HK\$67,747,509 (31 December 2006: HK\$31,479,467) with net asset value per share of HK\$0.84 (31 December 2006: HK\$0.39). The Company continued to maintain a low gearing ratio, calculated on the basis of the Company's total liabilities over total shareholders' funds, of 0.03 as at 30 June 2007 (31 December 2006: 0.006).

All the Company's cash and cash equivalents were denominated in Hong Kong dollars as at the balance sheet date. The Board believe that the Company has minimal exposure to foreign exchange risk.

Employees

During the period, the Company did not employ any employees other than the directors of the Company. Total staff cost for the period was HK\$172,800 (2006: HK\$172,800). The Company's remuneration policies are in line with the prevailing market practice.

Charges on the Company's Assets and Contingent Liabilities

As at 30 June 2007, there were no charges on the Company's assets and the Company did not have any significant contingent liabilities.

Prospects

The Company will continue to identify and pursue investment opportunities and manage the existing investments in accordance with the Company's investment objectives. The Board believes that the Company is able to further its investment objectives and to make timely investment as well as to capture opportunities when they arise.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the period, the Company neither purchased, sold nor redeemed any of its own listed securities.

CORPORATE GOVERNANCE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not or was not in compliance with the Code on Corporate Governance Practices (the "Corporate Governance Code") as set out in Appendix 14 of the Listing Rules throughout the period.

MODEL CODE

The Company has adopted the Model Code as the code of conduct regarding directors' securities transactions. All directors confirmed that they have complied with the required standards as set out in the Model Code.

AUDIT COMMITTEE

The audit committee, with its terms of reference established in accordance with the Corporate Governance Code, comprises three independent non-executive directors, Mr. Benny LUI, Mr. Oliver Yeung Kam LAI, and Mr. CHAN Francis Ping Kuen. The committee had reviewed the Company's unaudited interim financial statements for the six months ended 30 June 2007.

PUBLICATION OF DETAILED RESULTS ANNOUNCEMENT ON THE STOCK EXCHANGE WEBSITE

The 2007 interim report containing all the information required by Appendix 16 of the Listing Rules will be published on the website of the Stock Exchange in due course.

By Order of the Board

Chan Chak Paul

Chairman

Hong Kong, 14 September 2007

As at the date of this announcement, the board of directors of the Company consists of three executive directors, Mr. CHAN Chak Paul, Mr. WANG Daming and Mr. NGAI Wah Sang and three independent non-executive directors, Mr. Benny LUI, Mr. Oliver Yeung Kam LAI and Mr. CHAN Francis Ping Kuen.

* *for identification purpose only*