

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**EARNEST INVESTMENTS HOLDINGS LIMITED**

*(Continued into Bermuda with limited liability)*

**(Stock Code: 339)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2011**

The board of directors (the “Board”) of Earnest Investments Holdings Limited (the “Company”) is pleased to announce the unaudited interim financial results of the Company for the six months ended 30 June 2011 together with the comparative figures for the corresponding period in 2010.

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2011**

|  |      | (Unaudited)              |                    |
|--|------|--------------------------|--------------------|
|  |      | Six months ended 30 June |                    |
|  | Note | 2011<br>HK\$             | 2010<br>HK\$       |
| <b>Turnover</b>  | 4    | <u>4,336,783</u>         | <u>656,063</u>     |
| <b>Revenue</b>   | 4    | <b>50,783</b>            | 623                |
| Realised gains/(losses) on disposals of financial assets at fair value through profit or loss    |      | <b>1,854,857</b>         | (48,500)           |
| Realised losses on disposals of available-for-sale financial assets                              |      | -                        | (200,000)          |
| Net unrealised holding gains/(losses) from financial assets at fair value through profit or loss |      | <b>7,407,710</b>         | (4,010,054)        |
| Administrative and other operating expenses  |      | <u>(1,098,002)</u>       | <u>(1,026,558)</u> |
| <b>Profit/(loss) before tax</b>  |      | <b>8,215,348</b>         | (5,284,489)        |
| Income tax expense   | 5    | <u>(1,324,869)</u>       | -                  |
| <b>Profit/(loss) for the period attributable to owners of the Company</b>                        | 6    | <b>6,890,479</b>         | (5,284,489)        |
| <b>Other comprehensive income for the period, net of tax</b>                                     |      | <u>-</u>                 | <u>-</u>           |
| <b>Total comprehensive income for the period attributable to owners of the Company</b>           |      | <u><b>6,890,479</b></u>  | <u>(5,284,489)</u> |
| <b>Earnings/(loss) per share</b>   |      |                          |                    |
| Basic  | 7    | <u><b>0.085</b></u>      | <u>(0.065)</u>     |

**CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2011**

|   | Note | (Unaudited)<br>30 June<br>2011<br>HK\$ | (Audited)<br>31 December<br>2010<br>HK\$ |
|---|------|--|--|
| <b>Non-current assets</b>   |      |  |  |
| Available-for-sale financial assets                               |      | <u>650,000</u>                         | <u>650,000</u>                           |
| <b>Current assets</b>   |      |  |  |
| Financial assets at fair value through profit or loss             |      | 52,813,650                             | 47,837,083                               |
| Prepayments, deposits and other receivables                       |      | 167,475                                | 529,269                                  |
| Bank and cash balances  |      | <u>9,293,474</u>                       | <u>5,859,899</u>                         |
|   |      | <b>62,274,599</b>                      | 54,226,251                               |
| <b>Current liabilities</b>  |      |  |  |
| Accruals and other payables                                       |      | <u>43,000</u>                          | <u>210,000</u>                           |
| <b>Net current assets</b>   |      | <u><b>62,231,599</b></u>               | <u>54,016,251</u>                        |
| <b>Total assets less current liabilities</b>                      |      | <b>62,881,599</b>                      | 54,666,251                               |
| <b>Non-current liabilities</b>                                    |      |  |  |
| Deferred tax liabilities  |      | <u>2,467,131</u>                       | <u>1,142,262</u>                         |
| <b>NET ASSETS</b>   |      | <u><b>60,414,468</b></u>               | <u>53,523,989</u>                        |
| <b>Capital and reserves attributable to owners of the Company</b> |      |  |  |
| Share capital   |      | 1,620,000                              | 1,620,000                                |
| Reserves  |      | <u>58,794,468</u>                      | <u>51,903,989</u>                        |
| <b>TOTAL EQUITY</b>   |      | <u><b>60,414,468</b></u>               | <u>53,523,989</u>                        |
| <b>Net asset value per share</b>                                  | 8    | <u><b>0.75</b></u>                     | <u>0.66</u>                              |

*Notes:*

**1. REVIEW BY AUDITOR**

The interim financial information of the Company for the six months ended 30 June 2011 has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) and reviewed by the Company’s external auditor, RSM Nelson Wheeler, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, both of which were issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and an unmodified review conclusion has been issued.

## 2. BASIS OF PREPARATION

The unaudited condensed interim financial statements have been prepared in accordance with HKAS 34 and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

These condensed financial statements should be read in conjunction with the 2010 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2010.

## 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Company has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) that are relevant to its operations and effective for its accounting period beginning on 1 January 2011. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Company’s accounting policies, presentation of the Company’s financial statements and amounts reported for the current period and prior years.

The Company has not applied the new HKFRSs that have been issued but are not yet effective. The Company has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

## 4. REVENUE AND TURNOVER

|  | (Unaudited)              |         |
|--|--------------------------|---------|
|  | Six months ended 30 June |         |
|  | 2011                     | 2010    |
|  | HK\$                     | HK\$    |
| Dividend income from listed investments  | 49,950                   | -       |
| Bank interest income   | 833                      | 623     |
| <b>Revenue</b>   | <b>50,783</b>            | 623     |
| Proceeds from disposals of available-for-sale financial assets                   | -                        | 500,000 |
| Proceeds from disposals of financial assets at fair value through profit or loss | 4,286,000                | 155,440 |
| <b>Turnover</b>  | <b>4,336,783</b>         | 656,063 |

No segment information is presented as all of the turnover and revenue, contribution to operating results, assets and liabilities of the Company are attributable to investment activities which are carried out or originated principally in Hong Kong and the People’s Republic of China.

## 5. INCOME TAX EXPENSE

|              | (Unaudited)              |      |
|--------------|--------------------------|------|
|              | Six months ended 30 June |      |
|              | 2011                     | 2010 |
|              | HK\$                     | HK\$ |
| Deferred tax | 1,324,869                | -    |

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2011 since the Company has sufficient tax losses brought forward to set off against current period's assessable profit.

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2010 was required since the Company had no assessable profit for that period.

## 6. PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY

The Company's profit/(loss) for the period attributable to owners of the Company is stated after charging the following:

|                           | (Unaudited)              |                |
|---------------------------|--------------------------|----------------|
|                           | Six months ended 30 June |                |
|                           | 2011                     | 2010           |
|                           | HK\$                     | HK\$           |
| Investment management fee | 180,000                  | 180,000        |
| Total staff costs         | <u>172,800</u>           | <u>201,600</u> |

## 7. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the profit for the period attributable to owners of the Company of HK\$6,890,479 (2010: loss of HK\$5,284,489) and the number of ordinary shares of 81,000,000 (2010: 81,000,000) in issue during the period.

No diluted earnings/(loss) per share are presented as the Company did not have any dilutive potential ordinary shares during the six months ended 30 June 2011 and 2010.

## 8. NET ASSET VALUE PER SHARE

The calculation of the net asset value per share is based on the net assets of the Company as at 30 June 2011 of HK\$60,414,468 (31 December 2010: HK\$53,523,989) and the number of ordinary shares of 81,000,000 (31 December 2010: 81,000,000) in issue as at that date.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Results

For the six months ended 30 June 2011, the Company's unaudited profit attributable to owners was approximately HK\$6.9 million (2010: loss of HK\$5.3 million) and basic earnings per share was HK\$0.085 (2010: loss per share of HK\$0.065). The profit was mainly due to realised and unrealised holding gains on Hong Kong listed securities.

### Business Review

During the period under review, the Company had recorded a net realised gain on disposal of the Company's investments in trading securities amounting to approximately HK\$1.9 million and net unrealised holding gains on trading securities amounting to approximately HK\$7.4 million. The carrying value of the Company's share portfolio had increased to approximately HK\$53 million as at 30 June 2011. The Board will be cautious in our share trading activity considering recent global economic atmosphere and share market volatility.

The Company's portfolio of Hong Kong listed securities as at 30 June 2011 consisted of Sinocop Resources (Holdings) Limited, New Times Energy Corporation Limited, Shougang Concord Century Holdings Limited, Shougang Concord International Enterprises Company Limited and APAC Resources Limited.

As at 30 June 2011, 84% (31 December 2010: 87%) of the Company's total investments were in a portfolio of Hong Kong listed securities, 1% (31 December 2010: 1%) in the equity interests of an unlisted company, 1% (31 December 2010 : 1%) in other assets, and 14% (31 December 2010: 11%) in cash which was deposited with a bank in Hong Kong.

### **Liquidity and Financial Resources**

For the period under review, the Company generally financed its operations and investment activities by internal resources. As at 30 June 2011, the net asset value of the Company was HK\$60,414,468 (31 December 2010: HK\$53,523,989) with net asset value per share of HK\$0.75 (31 December 2010: HK\$0.66).

The Company has no significant liabilities. The gearing ratio of the Company, calculated on the basis of the Company's total liabilities over total owners' equity, was 0.042 as at 30 June 2011 (31 December 2010: 0.025).

All the Company's cash and cash equivalents were denominated in Hong Kong dollars as at the end of the reporting period. The directors 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 costs for the period was HK\$172,800 (2010: HK\$201,600). 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 2011, there were no charges on the Company's assets and the Company did not have any significant contingent liabilities.

### **Prospects**

The Board will manage its existing investments in accordance with the Company's investment objectives, and will continue to identify and capture investment opportunities as and when they arise.

### **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2011 (2010: Nil).

### **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**

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules. The Company has applied the principles in the Code and complied with the code provisions during the six months ended 30 June 2011.

## **MODEL CODE**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as its code of conduct regarding directors’ securities transactions by the directors. All directors have confirmed in writing that they have complied with the required standards as set out in the Model Code throughout the period.

## **AUDIT COMMITTEE**

The audit committee, with its terms of reference established in accordance with the Code, comprises three independent non-executive directors, Mr. CHAN Francis Ping Kuen, Mr. TAN Yee Boon and Mr. WANG Jia Hua. The committee has reviewed the Company’s unaudited condensed interim financial statements for the six months ended 30 June 2011.

## **PUBLICATION OF 2011 INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the Company’s website ([www.earnest-inv.com](http://www.earnest-inv.com)) and the Stock Exchange’s website ([www.hkexnews.com.hk](http://www.hkexnews.com.hk)). The Company’s 2011 interim report will be made available on the websites of the Company and Stock Exchange and will be dispatched to Company’s shareholders in due course.

By order of the Board  
Earnest Investments Holdings Limited  
**CHAN Chak Paul**  
*Chairman*

Hong Kong, 26 August 2011

*As at the date of this announcement, the board of directors of the Company consists of three executive directors, Mr. CHAN Chak Paul, Mr. NGAI Wah Sang and Mr. WANG Daming and three independent non-executive directors, Mr. CHAN Francis Ping Kuen, Mr. TAN Yee Boon and Mr. WANG Jia Hua.*