

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 2008

The Board of Directors (the “Board”) of Earnest Investments Holdings Limited (the “Company”) is pleased to present the unaudited interim financial results for the six months ended 30 June 2008 together with comparative figures for the corresponding period.

CONDENSED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008

		(Unaudited)	
		Six months ended 30 June	
	Note	2008	2007
		HK\$	HK\$
Turnover	4	<u>79,125</u>	<u>20,248,883</u>
Revenue	4	79,125	115,073
Realised gains on disposals of financial assets at fair value through profit or loss		-	15,928,710
Net unrealised holding (losses)/gains from financial assets at fair value through profit or loss		(63,696,570)	23,178,680
Administrative and other operating expenses		<u>(914,997)</u>	<u>(943,921)</u>
(Loss)/profit before tax		(64,532,442)	38,278,542
Income tax credit/(expense)	5	<u>10,665,762</u>	<u>(2,010,500)</u>
(Loss)/profit for the period attributable to equity holders of the Company	6	<u>(53,866,680)</u>	<u>36,268,042</u>
Dividend		<u>-</u>	<u>-</u>
(Loss)/earnings per share			
Basic	7	<u>(0.665)</u>	<u>0.448</u>

CONDENSED BALANCE SHEET

AS AT 30 JUNE 2008

	(Unaudited) 30 June 2008 HK\$	(Audited) 31 December 2007 HK\$
Non-current assets		
Available-for-sale financial assets	<u>11,800,000</u>	<u>11,800,000</u>
Current assets		
Financial assets at fair value through profit or loss	60,639,500	124,336,070
Prepayments, deposits and other receivables	163,728	63,149
Bank and cash balances	<u>5,941,178</u>	<u>7,057,430</u>
	66,744,406	131,456,649
Current liabilities		
Accruals and other payables	<u>82,000</u>	<u>261,801</u>
Net current assets	<u>66,662,406</u>	<u>131,194,848</u>
Total assets less current liabilities	78,462,406	142,994,848
Non-current liabilities		
Deferred tax liabilities	<u>3,705,503</u>	<u>14,371,265</u>
NET ASSETS	<u>74,756,903</u>	<u>128,623,583</u>
Capital and reserves attributable to equity holders of the Company		
Share capital	1,620,000	1,620,000
Reserves	<u>73,136,903</u>	<u>127,003,583</u>
TOTAL EQUITY	<u>74,756,903</u>	<u>128,623,583</u>
Net asset value per share	8	8
	<u>0.92</u>	<u>1.59</u>

NOTES

1. **CORPORATE INFORMATION**

The Company was continued into Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The address of its registered office is 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 "Stock Exchange").

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

2. **BASIS OF PREPARATION AND ACCOUNTING POLICIES**

These unaudited condensed financial statements have been prepared in accordance with Hong Kong Accounting Standards 34 "Interim Financial Reporting" which is one of the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants and 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").

These condensed financial statements should be read in conjunction with the 2007 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 2007 annual financial statements.

3. **CHANGES IN ACCOUNTING POLICIES**

In the current period, the Company has adopted all the new and revised HKFRSs that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2008. 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 substantial changes to the Company's accounting policies and amounts reported for the current period and prior periods.

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	
	2008	2007
	HK\$	HK\$
Dividend income from trading securities listed in Hong Kong	49,040	26,234
Bank interest income	<u>30,085</u>	<u>88,839</u>
Revenue	79,125	115,073
Proceeds from disposals of financial assets at fair value through profit or loss	<u>-</u>	<u>20,133,810</u>
Turnover	<u>79,125</u>	<u>20,248,883</u>

5. **INCOME TAX (CREDIT)/EXPENSE**

	(Unaudited)	
	Six months ended 30 June	
	2008	2007
	HK\$	HK\$
Current tax - Hong Kong Profits Tax Provision for the period	-	2,010,500
Deferred tax	<u>(10,665,762)</u>	<u>-</u>
Income tax (credit)/expense	<u>(10,665,762)</u>	<u>2,010,500</u>

No provision for Hong Kong Profits Tax has been made as the Company has no assessable profits for the period. The amount provided for the six months ended 30 June 2007 was calculated at 17.5% based on the assessable profits for that period.

Deferred tax has been provided at a rate of 16.5% (2007: Nil) on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits, and is accounted for using the balance sheet liability method.

6. **(LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY**

(Loss)/profit for the period attributable to equity holders of the Company is stated after charging the followings:

	(Unaudited)	
	Six months ended 30 June	
	2008	2007
	HK\$	HK\$
Investment management fee	180,000	180,000
Total staff costs	<u>172,800</u>	<u>172,800</u>

7. **(LOSS)/EARNINGS PER SHARE**

The calculation of basic (loss)/earnings per share attributable to equity holders of the Company is based on the (loss)/profit for the period attributable to equity holders of the Company of HK\$53,866,680 (2007: profit of HK\$36,268,042) and the number of ordinary shares of 81,000,000 (2007: 81,000,000) in issue during the period.

No diluted (loss)/earnings per share are presented as the Company did not have any dilutive potential ordinary shares during the six months ended 30 June 2008 and 2007.

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 2008 of HK\$74,756,903 (31 December 2007: HK\$128,623,583) and the number of ordinary shares of 81,000,000 (31 December 2007: 81,000,000) in issue as at that date.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the six months ended 30 June 2008, the net loss attributable to equity holders was approximately HK\$53.9 million (2007: profit of approximately HK\$36.3 million). The loss was mainly due to the unrealised loss on trading securities.

Interim Dividend

The Board does not recommend to pay any interim dividend for the six months ended 30 June 2008 (2007: Nil).

Business Review

During the period under review, the Company had not made any new investment. 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 2008 consisted of Sinocop Resources (Holdings) Limited (formerly known as "China Elegance (Holdings) Limited"), New Times Group Holdings Limited, Shougang Concord Century Holdings Limited, Shougang Concord International Enterprises Company Limited and APAC Resources Limited.

The Company's investments in unlisted companies had not generated any significant investment return for the period ended 30 June 2008. The Board will closely monitor such investments in unlisted companies and will take appropriate action if necessary.

As at 30 June 2008, approximately HK\$60.6 million (31 December 2007: HK\$124.3 million) of the Company's investments were in a portfolio of Hong Kong listed securities, HK\$11.8 million (31 December 2007: HK\$11.8 million) in the equity interests of unlisted companies, and approximately HK\$5.9 million (31 December 2007: HK\$7.1 million) in cash which was deposited with a bank in Hong Kong.

Liquidity, Financial Resources and Funding

For the period under review, the Company generally financed its operations and investment activities by internal resources. As at 30 June 2008, the net asset value of the Company was HK\$74,756,903 (31 December 2007: HK\$128,623,583) with net asset value per share of HK\$0.92 (31 December 2007: HK\$1.59).

The Company continued to maintain a low gearing ratio calculated on the basis of the Company's total liabilities over total shareholders' funds of 0.05 as at 30 June 2008 (31 December 2007: 0.11).

All the Company's cash and cash equivalents were denominated in Hong Kong dollars as at the balance sheet date. The Board believes 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 (2007: 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 2008, 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 its 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 for Securities Transactions by Directors of Listed Issuers ("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 2008.

By order of the Board
CHAN Chak Paul
Chairman

Hong Kong, 12 September 2008

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*