



## ERA Holdings Global Limited

年代國際控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8043)

### QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

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*This announcement, for which the directors (the “Directors”) of ERA Holdings Global Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:*

- (1) the information contained in this announcement is accurate and complete in all material respects and not misleading;*
- (2) there are no other matters the omission of which would make any statement in this announcement misleading; and*
- (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

## RESULTS

The Directors are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (together the “Group”) for the three months and nine months ended 30 September 2010, together with the unaudited comparative figures for the corresponding periods in 2009 as follows:

|   | <i>Note</i> | For the three months<br>ended 30 September |  | For the nine months<br>ended 30 September |  |
|---|-------------|--|--|---|--|
|   |             | 2010<br>(unaudited)<br><i>HK\$'000</i>     | 2009<br>(unaudited)<br>(restated)<br><i>HK\$'000</i> | 2010<br>(unaudited)<br><i>HK\$'000</i>    | 2009<br>(unaudited)<br>(restated)<br><i>HK\$'000</i> |
| Turnover  | 2           | 496,670                                    | 181,151  | 919,122                                   | 623,842  |
| Cost of goods sold  |             | (395,294)                                  | (149,200)  | (755,552)                                 | (532,793)  |
| Gross profit  |             | 101,376                                    | 31,951   | 163,570                                   | 91,049   |
| Other income  |             | 8,329                                      | 6,872  | 29,292                                    | 29,792   |
| Selling and distribution costs  |             | (27,562)                                   | (12,791)   | (69,425)                                  | (46,812)   |
| Administrative expenses   |             | (14,487)                                   | (10,462)   | (53,566)                                  | (27,337)   |
| Other operating expenses  |             | (9)  | (765)  | (16)                                      | (3,240)  |
| Profit from operations  |             | 67,647                                     | 14,805   | 69,855                                    | 43,452   |
| Finance costs   |             | (11,149)                                   | (4,860)  | (26,914)                                  | (16,005)   |
| Profit before tax   |             | 56,498                                     | 9,945  | 42,941                                    | 27,447   |
| Income tax expense  | 3           | (8,868)                                    | (768)  | (10,845)                                  | (5,972)  |
| Profit and total comprehensive<br>income for the period<br>attributable to owners of the<br>Company |             | 47,630                                     | 9,177  | 32,096                                    | 21,475   |
|   |             | <i>HK cents</i>                            | <i>HK cents</i>                                      | <i>HK cents</i>                           | <i>HK cents</i>                                      |
| Earnings per share  | 4           |  |  |   |  |
| – basic   |             | 1.19                                       | 0.23   | 0.80                                      | 0.54   |
| – diluted   |             | N/A  | N/A  | N/A                                       | N/A  |

*Notes:*

## **1. Basis of preparation**

The unaudited consolidated results have been prepared in accordance with all applicable accounting standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), the applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong and accounting principles generally accepted in Hong Kong.

The accounting policies adopted in preparing the unaudited consolidated results for the period under review are consistent with those adopted in the Accountant’s Report contained in Appendix I to the Company’s circular dated 30 June 2010 issued in connection with reverse takeover as described in the Management Discussion and Analysis section of this announcement. The consolidated results for the nine months ended 30 September 2010 are unaudited and have been reviewed by the audit committee of the Company.

The Group has not applied the new standards, amendments or interpretations which have been issued but are not yet effective. The Group has already commenced an assessment of their impact but is not yet in a position to state whether they would have a material impact on its results of operations and financial positions.

On 30 September 2010, a very substantial acquisition and reverse takeover involving a new listing application were completed. The Group acquired from Mining Machinery Ltd. the entire issued share capital of Hong Kong Siwei Holdings Limited, a company incorporated in Hong Kong with limited liability, (formerly known as International Mining Machinery Siwei Holdings Limited) and its subsidiary, Zhengzhou Siwei Mechanical & Electrical Equipment Manufacturing Co., Ltd (“Zhengzhou Siwei”) (collectively as “HK Siwei”).

The details of the above transactions are set out in a circular to shareholders of the Company dated 30 June 2010 and in the Management Discussion and Analysis section of this announcement.

Under the reverse acquisition of Hong Kong Financial Reporting Standards (“HKFRS”) 3 “Business Combinations”, the transaction has been accounted for as a reverse acquisition. Although the Company is regarded as the legal parent company and HK Siwei is regarded as the legal subsidiary, HK Siwei is deemed as the acquirer (for accounting purposes) and the Company is deemed as the acquiree (for accounting purposes). Consolidated financial results prepared following a reverse acquisition is issued as a continuation of the financial statements of the legal subsidiary – HK Siwei, and comparative information presented in the consolidated financial results are restated as HK Siwei’s.

## 2. Turnover

Turnover which represents sales of mining machineries and related spare parts for the three months and nine months ended 30 September 2009 and 2010 are as follows:

|                             | For the three months<br>ended 30 September |  | For the nine months<br>ended 30 September |  |
|-----------------------------|--|--|---|--|
|                             | 2010<br>(unaudited)<br><i>HK\$'000</i>     | 2009<br>(unaudited)<br>(restated)<br><i>HK\$'000</i> | 2010<br>(unaudited)<br><i>HK\$'000</i>    | 2009<br>(unaudited)<br>(restated)<br><i>HK\$'000</i> |
| Sales of mining machineries | <b>486,743</b>                             | 174,308  | <b>884,923</b>                            | 596,174  |
| Sales of spare parts        | <b>9,927</b>                               | 6,843  | <b>34,199</b>                             | 27,668   |
|                             | <b><u>496,670</u></b>                      | <u>181,151</u>                                       | <b><u>919,122</u></b>                     | <u>623,842</u>                                       |

## 3. Income tax expense

No provision for Hong Kong Profits Tax has been made for the periods as the Group did not generate any assessable profits arising in Hong Kong during the periods.

Zhengzhou Siwei is subject to an applicable tax rate of 15% for the periods as it was approved as a new and high technology enterprise operating in Zhengzhou High and New Technology Industries Development Zone.

## 4. Earnings per share

Basic earnings per share is calculated based on the Group's unaudited profit attributable to owners of the Company for the three months and nine months ended 30 September 2010 of approximately HK\$47,630,000 and HK\$32,096,000 respectively (unaudited profit for the three months and nine months ended 30 September 2009 (restated): HK\$9,177,000 and HK\$21,475,000 respectively) and the weighted average number of 4,000,000,000 shares for the three months and nine months ended 30 September 2010 (for the three months and nine months ended 30 September 2009 (restated): 4,000,000,000 shares).

As there was no dilutive potential ordinary shares for the Company, no diluted earnings per share was presented.

## 5. Movements in reserves

Movements in reserves during the periods are as follows:

|  | (Unaudited)      |                                       |                     |                      |                  |
|--|------------------|---------------------------------------|---------------------|----------------------|------------------|
|  | Issued<br>equity | Attributable to owners of the Company |                     |                      | Total<br>equity  |
|  |                  | Exchange<br>reserve                   | Retained<br>profits | Statutory<br>reserve |                  |
| <i>HK\$'000</i>  | <i>HK\$'000</i>  | <i>HK\$'000</i>                       | <i>HK\$'000</i>     | <i>HK\$'000</i>      |                  |
| At 1 January 2010  | 1                | 11,675                                | 172,770             | 35,246               | 219,692          |
| Profit for the period  | -                | -                                     | 32,096              | -                    | 32,096           |
| Capitalisation of an amount due to shareholder<br>of HK Siwei as share capital | 23,010           | -                                     | -                   | -                    | 23,010           |
| Arising from reverse acquisition   | 823,621          | -                                     | -                   | -                    | 823,621          |
| At 30 September 2010   | <u>846,632</u>   | <u>11,675</u>                         | <u>204,866</u>      | <u>35,246</u>        | <u>1,098,419</u> |

|                       | (Unaudited) (restated) |                                       |                    |                      |                 |
|-----------------------|------------------------|---------------------------------------|--------------------|----------------------|-----------------|
|                       | Issued<br>equity       | Attributable to owners of the Company |                    |                      | Total<br>equity |
|                       |                        | Exchange<br>reserve                   | Retained<br>profit | Statutory<br>reserve |                 |
| <i>HK\$'000</i>       | <i>HK\$'000</i>        | <i>HK\$'000</i>                       | <i>HK\$'000</i>    | <i>HK\$'000</i>      |                 |
| At 1 January 2009     | 1                      | 11,675                                | 63,661             | 13,420               | 88,757          |
| Profit for the period | -                      | -                                     | 21,475             | -                    | 21,475          |
| At 30 September 2009  | <u>1</u>               | <u>11,675</u>                         | <u>85,136</u>      | <u>13,420</u>        | <u>110,232</u>  |

## 6. Comparative figures

As set out in note 1, as a result of the reverse acquisition, comparative figures have been adjusted to conform to current period's presentation.

## DIVIDEND

The Directors do not recommend the payment of any dividend for the nine months ended 30 September 2010 (nine months ended 30 September 2009: Nil).

## **CHAIRMAN'S STATEMENT**

To Stakeholders:

This is the Company's first reporting period since completing its reverse takeover ("RTO") transaction on 30 September 2010. On behalf of the board of directors and senior management of our newly integrated enterprise, I want to take this opportunity to acknowledge and thank those who have supported us during and following our recent RTO transaction.

It is my honor and privilege to serve as Chairman of the Company. I am particularly fortunate to work with an unexcelled group of senior managers, with the highly competent and hard working employees who work for them, in an industry where China leads the world in production and innovation. That environment suits us; we have made leadership, innovation and service the cornerstones of our corporate culture. We greatly appreciate the faith that our employees, customers and shareholders have placed in us, and will continue to work hard to achieve our ambitious goals for the years ahead.

Respectfully,  
**Emory Williams**  
*Chairman*

9 November 2010

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Reverse Takeover**

As announced by the Company on 30 September 2010, the RTO and share placement have been completed on the same date.

### ***Background on Reverse Takeover***

On 9 October 2009, Vasky Energy Limited (“Vasky Energy”), a wholly owned subsidiary of the Company, and Mining Machinery Ltd. (the “Vendor”), a company incorporated in Mauritius, entered into a conditional sale and purchase agreement (the “Agreement”) relating to the sale and purchase of 100% of the issued share capital of HK Siwei (the “Acquisition”). It was also further announced that Vasky Energy and the Vendor entered into a supplemental deed on 31 March 2010 to amend certain terms of the Agreement. The aggregate consideration for the Acquisition payable by Vasky Energy to the Vendor was HK\$1,164,000,000, satisfied by procuring the Company to issue 4,000,000,000 consideration shares at an issue price of HK\$0.291 per consideration share to the Vendor at completion. Zhengzhou Siwei is one of the leading manufacturers of hydraulic roof supports in the People’s Republic of China (“PRC”). According to the China National Coal Machinery Industry Association, Zhengzhou Siwei was the third largest hydraulic roof support manufacturer among members of the China National Coal Machinery Industry Association in the PRC with market share in respect of sales of hydraulic roof support machinery of approximately 8.9% by units sold in 2009. HK Siwei generated approximately HK\$1,405 million and HK\$131 million of turnover and profit, respectively, for the year ended 31 December 2009. The Acquisition constitutes a very substantial acquisition for the Company under the GEM Listing Rules. Immediately upon completion of Acquisition, the interest of the Vendor and its concert parties exceeded 30% of the enlarged issued share capital of the Company and became a controlling shareholder of the Company.

In addition, the Acquisition and the transactions concluded under the Agreement constitute a RTO for the Company under Rule 19.06(6)(a) of the GEM Listing Rules. Accordingly, the Company was treated as if it were a new listing applicant. The Acquisition and transactions concluded under the Agreement were therefore also subject to the approval by the Listing Division of the Stock Exchange of a new listing application to be made by the Company. The new listing application was submitted to the Stock Exchange on 22 January 2010. The Listing Division of the Stock Exchange gave its approval in principle of the new listing application of the Company, the details of which were set out in the Company’s circular dated 30 June 2010.

Further on 23 July 2010, the shareholders of the Company at an extraordinary general meeting approved the Agreement and the proposed placing of the placing shares, up to 1.2 billion new shares which were allotted and offered by the Company (the “Placing”) at the extraordinary general meeting.

On 30 September 2010, both the RTO and the Placing were completed. On 13 October 2010, Mr. Lee Jong-Dae resigned as the Chairman of the Board as part of the arrangement of the restructuring of the composition of the Board following completion of the RTO but remains an executive Director. Mr. Emory Williams (“Mr. Williams”) was appointed as the Chairman on the same date.

### ***Placing***

The external financing by the Vasky Energy and/or the Vendor in an amount of not less than HK\$200 million, and the maintaining of 25% minimum public float of the Company immediately after completion of the Acquisition and the issuance of the consideration shares, were two of conditions precedent for completion of the Acquisition. On 30 September 2010, the Company issued 1.2 billion placing shares at HK\$0.364 per share.

The gross proceeds from the Placing of approximately HK\$436.8 million have been and will be used by the Company for the following purposes:

- (i) approximately HK\$112 million for repayment of outstanding loans and accrued interest due to TJCC Holdings Ltd.;
- (ii) approximately HK\$52 million for repayment of bridge loans due to Mr. Williams, Mr. Li Rubo and Williams Realty Co, LLC together with accrued interests due to them;
- (iii) approximately HK\$220.6 million for capital expenditure of HK Siwei;
- (iv) approximately HK\$12 million for payment of professional fees for the Placing and the Acquisition; and
- (v) the remaining balance for general working capital of the Group and the commission for placing agents.

### **Business Overview**

#### ***Product***

At present, Zhengzhou Siwei’s sole products are hydraulic roof supports (“shields”) and related equipments for the underground coal mining industry. Zhengzhou Siwei designs and manufactures a full range of shields ranging from 0.8 m to 6.5 m in height and from 1,800 KN to 18,000 KN in terms of working resistance. All shields delivered are custom manufactured to the mining requirements of each customer.



### ***Research and Development***

Zhengzhou Siwei has invested significantly in research and development in order to assist our customers improve mining safety and efficiency and to mitigate environmental impact. Research and development costs for the nine months ended 30 September 2010 were approximately HK\$10,934,000, of which approximately HK\$7,429,000 is included in salary, representing an increase of 48% in comparison to the same period in 2009. During 2010, Zhengzhou Siwei expanded the number of engineers in its research and development department by over 100 people. As of 30 September 2010, Zhengzhou Siwei had 78 patents or patents pending.

### ***Expansion of Manufacturing Capabilities and Capacity***

Zhengzhou Siwei has been constantly expanding its manufacturing capacity and capabilities. During 2010, most of this expansion has occurred or will occur in Zhengzhou Siwei's newest Guangwu factory location in Zhengzhou, where Zhengzhou Siwei is consolidating all of its shield manufacturing. Significant additions to manufacturing capacity have been made across the board during the first nine months of this year, especially in advanced electro-plating and welding. The management expects to continue its physical consolidation and capacity expansion during 2010 and 2011 to provide for future growth.

### ***Distribution***

As of 30 September 2010, Zhengzhou Siwei employed nine territorial sales consulting agents and expects the number to increase over time. Continuing enlargement of the sales network will enable Zhengzhou Siwei to achieve its goals of building closer working relationships with its customers and to improve service capabilities.

### ***Market Overview***

China's ever increasing demand for highly mechanized coal mining equipment has been driven principally by two factors, China's increasing demand for electricity and China's government policy directed at improving the safety and efficiency of Chinese mining. These government policies are reflected in the consolidation of the small and medium sized coal mines and the mandating of increasingly rigorous safety measures. While growth of new mines may slow during China's 12th Five Year Plan, management expects this development to intensify the trend of comprehensive mechanization in China's existing and newly consolidated mines. The management expects these factors to continue to result in continued strong short and mid-term growth for China's mining machinery market.

### ***Prospects***

All indications point to continued strong economic growth in China, as well as continued initiatives by China's central government strengthening policies aimed at improving mine safety, efficiency and mitigating environmental impact, requiring mine mechanization and encouraging the further consolidation of small and medium sized coal mines.

Zhengzhou Siwei has also spent the first nine months of 2010 building the foundations for future growth. Heavy investment in improved manufacturing techniques, in new products and in added capacity, combined with the completion of Zhengzhou Siwei's 30 September 2010 reverse takeover and the capital raised, give the board and management reason to believe that they can achieve new levels of sales growth while improving profitability. The impact of these initiatives should become apparent over time as Zhengzhou Siwei employs the capital raised on 30 September 2010 to achieve manufacturing efficiencies and add capacity.

During the first nine months of 2010, Zhengzhou Siwei dedicated substantial resources towards building world class research and development capabilities in its core business. In particular, during the reporting period, Zhengzhou Siwei has introduced a number of new products, especially in the following areas:

- large height mine faces
- caving supports with large yield loads
- roof supports with back-filling capabilities
- large dip angle face supports
- ultrathin seam mining supports
- innovative production techniques

Over time, management expects these efforts to result in higher profit margins for new and improved versions of its current products, an increased sales percentage of new, higher margin products and increasing export sales.

## **Financial Review**

### ***Turnover***

China's continued strong economic growth, demand for energy and government policies encouraging coal mine mechanization helped the Group to achieve record sales and earnings. For the nine months ended 30 September 2010, the Group recorded a turnover of approximately HK\$919.1 million, represents a growth of 47.3% when compared to the same period last year.

The Group's sales are typically highly seasonal, with a majority of turnover occurring in the third and fourth quarters. Turnover in the third quarter of 2010 was 174.2% higher than prior year and represented 54.0% of YTD turnover for the first nine months.

### ***Cost of Sales***

For the nine months ended 30 September 2010, cost of sales was approximately HK\$755.6 million or 82.2% of turnover compared to HK\$532.8 million and 85.4% of turnover in 2009. Steel represented approximately 80% of the cost of sales for the nine months ended 30 September 2010, which is consistent with 2009.

### ***Gross Profit and Gross Margin***

The Group's gross profit for the nine months ended 30 September 2010 was HK\$163.6 million, 79.7% higher in comparison to the same period last year. Gross profit margin increased to 17.8% from 14.6% for the same period in the prior year, with margin increases primarily attributable to increases in average selling prices due to the sale of larger units and new patented products.

### ***Selling and Distribution Costs***

For the nine months ended 30 September 2010, the Group incurred selling and distribution costs of approximately HK\$69.4 million, an increase of approximately HK\$22.6 million or 48.3% when compared to the same period last year. Increases were primarily attributable to increased rates for freight and transportation on higher turnover volume.

### ***Administrative Expenses***

For the nine months ended 30 September 2010, the Group incurred administrative expenses of approximately HK\$53.6 million, an increase of approximately HK\$26.2 million or 95.9% when compared to the same period last year. Apart from the general increase as a result of business expansion, the significant increase in administrative expenses principally due to additional salary and benefits, research and development costs and a fair value change for the Company's cross guarantee for banking facilities.

In order to prepare for potential volume growth, Zhengzhou Siwei has been hiring and training staff extensively during the past nine months in anticipation of the increasing production and sales capabilities. Salaries and benefits increased 97% year on year, with 7% of the increase attributable to increases in salaries and benefits and 93% attributable to new hires. As of 30 September 2010, over 500 of the new hires had already been trained in anticipation of production capacity increases.

As mentioned in the Management Discussion and Analysis section, Zhengzhou Siwei has invested significantly in research and development, adding over 100 new research and development engineers during the reporting period, in order to assist our customers to improve mining safety, efficiency and lessen environmental impact. Additional research and development costs of approximately HK\$4,641,000, of which approximately HK\$2,393,000 are included in salary, was incurred for the nine months period ended 30 September 2010, representing an increase of 74% over the same period in 2009.

HK\$4.0 million of the increase in administrative expenses was due to the fair value change in the cross guarantee for banking facilities for the nine months ended 30 September 2010.

### ***Finance Costs***

For the nine months ended 30 September 2010, the Group incurred finance costs of approximately HK\$26.9 million, an increase of approximately HK\$10.9 million or 68.2% when compared to the same period last year. Finance costs for the current reporting period represent charges on short term bank borrowings (for working capital and capacity expansion), an amount due to a third party (TJCC Holdings Ltd), and the bridge loans due to Mr. Williams, Mr. Li Rubo and Williams Realty Co, LLC.

The amount due to TJCC Holdings Ltd and the bridge loans from Mr. Williams, Mr. Li Rubo and Williams Realty Co, LLC, representing finance costs of approximately HK\$8.8 million incurred during the reporting period, were fully settled in early October 2010 following the completion of RTO.

### ***Net Profit Attributable to Owners of the Company***

For the nine months ended 30 September 2010, the Group's net profit attributable to owners of the Company was approximately HK\$32.1 million, an increase of approximately HK\$10.6 million or 49.5% when compared to the same period last year.

### ***EBITDA***

Given the Group's increased financial costs due to continued growth in fixed assets and working capital needs, the management team believes EBITDA (a non HKFRS accounting standard metric comprised of net profit before income tax, net finance costs, depreciation and amortization) is a good metric for looking at the Group's results. EBITDA for the first nine months of 2010 increased by HK\$28.4 million, 54% ahead of the corresponding period in 2009.

|                             | <b>For the nine months<br/>ended 30 September</b> |             |             |
|-----------------------------|---|-------------|-------------|
|                             | <b>2010</b>                                       | 2009        | Variance in |
|                             | <b>(unaudited)</b>                                | (unaudited) | %           |
|                             |   | (restated)  |             |
|                             | <b>HK\$'000</b>                                   | HK\$'000    |             |
| Profit before tax           | <b>42,941</b>                                     | 27,447      | 56%         |
| Depreciation & amortization | <b>13,299</b>                                     | 10,088      | 32%         |
| Net finance costs           | <b>24,949</b>                                     | 15,280      | 63%         |
| EBITDA                      | <b>81,189</b>                                     | 52,815      | 54%         |

As the Group has invested significantly in the fixed assets to expand its production capacity, an increasing amount of depreciation & amortization was incurred compared the same period in 2009.

For comments on finance costs, please refer to the section above headed "Finance Costs".

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2010, the interests of the Directors and the chief executive of the Company in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) which would have to be notified to the Company and the Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they were taken or deemed to have taken under such provisions of the SFO) and/or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which had to be notified to the Company and the Exchange pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors were as follows:

### *Interests in shares of the Company*

| Name of Directors                                       | Capacity                       | Number and class of shares held                     | Approximate percentage of issued share capital |
|---|--------------------------------|---|--|
| Mr. Emory Williams<br>(appointed on<br>13 October 2010) | Corporate Interest<br>(Note 1) | 4,000,000,000<br>ordinary shares<br>(long position) | 71.24%   |
| Mr. Lee Jong Dae  | Corporate Interest<br>(Note 2) | 18,000,000<br>ordinary shares<br>(long position)    | 0.32%  |
| Mr. Lee Sung Min<br>(resigned on<br>13 October 2010)    | Corporate Interest<br>(Note 3) | 71,252,000<br>ordinary shares<br>(long position)    | 1.3%   |

### *Notes:*

1. The 4,000,000,000 ordinary shares in the Company owned by Mr. Emory Williams are beneficially owned by and registered in the name of Mining Machinery Ltd. Mr. Emory Williams has 21.38% equity interests in Mining Machinery Ltd.
2. The 18,000,000 ordinary shares in the Company owned by Mr. Lee Jong Dae are beneficially owned by and registered in the name of Wah Hong Investment Limited.
3. The 71,252,000 ordinary shares in the Company owned by Mr. Lee Sung Min are beneficially owned by and registered in the name of Vasky Inc.

*Long positions in underlying shares of equity derivatives of the Company*

| <b>Name of Directors</b>                                | <b>Capacity</b>  | <b>Description of equity derivatives (number and class of underlying shares)</b>           | <b>Approximate percentage of issued share capital</b> |
|---|------------------|--|---|
| Mr. Emory Williams<br>(appointed on<br>13 October 2010) | Beneficial owner | share options to<br>subscribe for shares<br>(3,200,000 ordinary<br>shares) ( <i>Note</i> ) | 0.06%   |
| Mr. Li Rubo<br>(appointed on<br>13 October 2010)        | Beneficial owner | share options to<br>subscribe for shares<br>(3,200,000 ordinary<br>shares) ( <i>Note</i> ) | 0.06%   |
| Mr. Lee Jong Dae  | Beneficial owner | share options to<br>subscribe for shares<br>(3,800,000 ordinary<br>shares) ( <i>Note</i> ) | 0.07%   |
| Mr. David Marc Boulanger                                | Beneficial owner | share options to<br>subscribe for shares<br>(900,000 ordinary<br>shares) ( <i>Note</i> )   | 0.02%   |
| Mr. Christopher John Parker                             | Beneficial owner | share options to<br>subscribe for shares<br>(900,000 ordinary<br>shares) ( <i>Note</i> )   | 0.02%   |

| <b>Name of Directors</b>                             | <b>Capacity</b>  | <b>Description of equity derivatives (number and class of underlying shares)</b> | <b>Approximate percentage of issued share capital</b> |
|--|------------------|--|---|
| Mr. Chan Sze Hon                                     | Beneficial owner | share options to subscribe for shares (300,000 ordinary shares) ( <i>Note</i> )  | 0.01%   |
| Mr. Lee Sung Min<br>(resigned on<br>13 October 2010) | Beneficial owner | share options to subscribe for shares (900,000 ordinary shares) ( <i>Note</i> )  | 0.02%   |
| Mr. Kim Beom Soo<br>(resigned on<br>13 October 2010) | Beneficial owner | share options to subscribe for shares (900,000 ordinary shares) ( <i>Note</i> )  | 0.02%   |

*Note:* The aforesaid share options are classified as “long position” under the SFO. For details of the share options granted, please refer to the section headed “Share Option Scheme” below.

Save as disclosed above, as at 30 September 2010, none of the Directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules.

## SHARE OPTION SCHEME

The following table discloses details of options outstanding under the Company's share option scheme (the "Share Option Scheme") adopted by the Company on 5 June 2001.

| Name of grantee                                      | Date of grant | Granted    | Number of shares options                  |   |  |
|--|---------------|------------|---|---|--|
|  |               |            | Outstanding<br>as at<br>1 January<br>2010 | Lapsed during<br>the period<br>under review | Outstanding<br>as at<br>30 September<br>2010 |
| Mr. Lee Jong Dae                                     | 10 July 2008  | 3,800,000  | 3,800,000                                 | –   | 3,800,000                                    |
| Mr. David Marc Boulanger                             | 10 July 2008  | 900,000    | 900,000                                   | –   | 900,000                                      |
| Mr. Christopher John<br>Parker                       | 10 July 2008  | 900,000    | 900,000                                   | –   | 900,000                                      |
| Mr. Chan Sze Hon                                     | 10 July 2008  | 300,000    | 300,000                                   | –   | 300,000                                      |
| Mr. Lee Sung Min<br>(resigned on<br>13 October 2010) | 10 July 2008  | 900,000    | 900,000                                   | –   | 900,000                                      |
| Mr. Kim Beom Soo<br>(resigned on<br>13 October 2010) | 10 July 2008  | 900,000    | 900,000                                   | –   | 900,000                                      |
| Employees in aggregate                               | 10 July 2008  | 4,900,000  | 4,900,000                                 | –   | 4,900,000                                    |
| Advisors and Consultants                             | 10 July 2008  | 25,800,000 | <u>25,800,000</u>                         | <u>–</u>                                    | <u>25,800,000</u>                            |
| Total  |               |            | <u>38,400,000</u>                         | <u>–</u>                                    | <u>38,400,000</u>                            |

Mr. Emory Williams and Mr. Li Rubo, appointed as executive directors on 13 October 2010, each has 3,200,000 share options which are classified under the "Advisors and Consultants" category in the table above as at 30 September 2010.

The share options were granted on 10 July 2008 at the exercise price of HK\$0.40 per share with exercisable period from 10 July 2009 to 9 July 2013.

Details of the Share Option Scheme are set out in the Company's 2009 annual report.



**SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES**

As at 30 September 2010, so far as known to the Directors, the following persons (not being a Director or a chief executive of the Company) had an interest and/or a short position in the shares and/or underlying shares of the Company which would need to be disclosed to the Company and the Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and/or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO and/or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

| <b>Name of substantial shareholder</b> | <b>Capacity</b>  | <b>Number and class of shares held</b>                         | <b>Approximate percentage of issued share capital</b> |
|--|------------------|--|---|
| Mining Machinery Ltd.                  | Beneficial owner | 4,000,000,000 ordinary shares (long position)<br><i>(Note)</i> | 71.24%  |

*Note:* Mr. Emory Williams and Mr. James Edward Thompson III have 21.38% and 78.62% equity interests, respectively, in Mining Machinery Ltd. Mr. Emory Williams was appointed as the chairman and an executive Director of the Company.

Save as disclosed above, as at 30 September 2010, there was no person who had an interest and/or a short position in the shares and/or underlying shares of the Company which would need to be disclosed to the Company and the Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and/or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO and/or was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group, or any options in respect of such capital.

## **PURCHASE, REDEMPTION AND SALE OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the period under review.

## **COMPETING INTEREST**

As at 30 September 2010, the Directors are not aware of any business or interest of each Director, initial management shareholder and their respective associates (as defined in the GEM Listing Rules) that they believe competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

## **AUDIT COMMITTEE**

As required by the GEM Listing Rules, the Company has established an audit committee (the "Audit Committee") with written terms of reference which deal clearly with its authority and duties. Its principal duties are to review and supervise the Group's financial reporting process and internal control systems. The Audit Committee comprises three independent non-executive Directors, Mr. Chan Sze Hon, Mr. David Marc Boulanger and Mr. Christopher John Parker. The Group's unaudited results for the three months and nine months ended 30 September 2010 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosures have been made.

By Order of the Board  
**ERA Holdings Global Limited**  
**Emory Williams**  
*Chairman*

Hong Kong, 9 November 2010

*As at the date of this announcement, the executive Directors are Mr. Emory WILLIAMS, Mr. LEE Jong-Dae and Mr. LI Rubo and the independent non-executive Directors are Mr. BOULANGER David Marc, Mr. PARKER Christopher John and Mr. CHAN Sze Hon.*

*This announcement will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting and the Company's website at [www.eraholdings.com.hk](http://www.eraholdings.com.hk).*