
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this circular and accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or to the transferee.

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This circular, for which the Directors collectively and individually accept full responsibility, including particulars given in compliance with 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 the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

ERA Mining Machinery Limited 年代煤礦機電設備制造有限公司

(formerly known as “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)

ADOPTION OF NEW SHARE OPTION SCHEME AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the EGM to be held at Unit 9B, 9th Floor, Shun Ho Tower, 24-30 Ice House Street, Central, Hong Kong on Thursday, 14 July 2011 at 11:00 a.m. is set out on pages 19 to 20 of this circular. A form of proxy for use at the EGM is also enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar of the Company, Boardroom Share Registrars (HK) Limited at 12th Floor, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong as soon as possible, but in any event not less than 48 hours before the time of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person in the EGM or any adjournment thereof if you so wish.

This circular will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for 7 days from the date of its posting and on the website of the Company at www.eraholdings.com.hk.

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CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Adoption Date”	the date on which the New Scheme is conditionally adopted by resolution of the Shareholder at the EGM
“Articles of Association”	the articles of association of the Company
“Associate(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the business of dealing in securities
“Company”	ERA Mining Machinery Limited (formerly known as ERA Holdings Global Limited), a company incorporated in Cayman Islands with limited liability, and the Shares of which are listed on GEM
“connected person(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at Unit 9B, 9th Floor, Shun Ho Tower, 24-30 Ice House Street, Central, Hong Kong on Thursday, 14 July 2011 at 11:00 a.m.
“Eligible Person(s)”	(a) an Executive; (b) a director or proposed director (including an independent non-executive director) of any member of the Group; (c) a direct or indirect shareholder of any member of the Group; (d) a supplier of goods or services to any member of the Group;

DEFINITIONS

- (e) a customer, consultant, advisor, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group;
- (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group; and
- (g) an Associate of any of the foregoing persons

“Employee”	any employee of the Company or of any Subsidiary, including (without limitation) any director of the Company or any Subsidiary
“Executive”	any proposed Employee, any full-time or part-time Employee, or a person for the time being seconded to work full-time or part-time for any member of the Group
“Existing Scheme”	a share option scheme adopted by the Company on 5 June 2001
“GEM”	the Growth Enterprises Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Grantee”	any Eligible Person who accepts the grant of Options, or (in the case of an Eligible Person being an individual and where the context so permits) is the legal representative(s) entitled to any such Option in consequence of the death of the Eligible Person
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Latest Practicable Date”	28 June 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Model Code”	the required standard of dealings regarding directors’ securities transactions as set out in Rules 5.48 to 5.67 of the GEM Listing Rules
“New Scheme”	the new share option scheme which is proposed to be adopted by the Company at the EGM, the principal terms of which are set out in the Appendix to this circular
“Option(s)”	a right granted to subscribe for Shares under the Existing Scheme or the New Scheme
“Option Period”	in respect of an Option, a period to be notified by the Board to each Grantee and in any event such period of time shall not exceed a period of 10 years commencing on the date upon which such Option is deemed to be granted and accepted in accordance with the New Scheme
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Subsidiary(ies)”	has the same meaning ascribed to it under the GEM Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“%”	per cent.

LETTER FROM THE BOARD

ERA Mining Machinery Limited 年代煤礦機電設備製造有限公司

(formerly known as “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)

Executive Directors:

Mr Emory Williams (*Chairman*)
Mr Lee Jong Dae (*Vice Chairman*)
Mr Li Rubo
Dr Phil Qiu Jin
Mr Wang Fu

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands
British West Indies

Independent non-executive Directors:

Mr Jiang Ming
Mr Dong Xiangge
Mr Chan Sze Hon
Mr Christopher John Parker
Mr David Marc Boulanger

*Head office and principal place of
business in Hong Kong:*

Unit 9B, 9th Floor
Shun Ho Tower
24-30 Ice House Street
Central, Hong Kong

29 June 2011

*To the Shareholders, and,
for information purpose only, and
the holders of Options*

Dear Sir or Madam,

ADOPTION OF NEW SHARE OPTION SCHEME AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

The purpose of this circular is to give you notice of the EGM and to provide you with information regarding the resolution for approval of the adoption of the New Scheme to be proposed at the EGM to enable you to make an informed decision on whether to vote for or against the resolution.

LETTER FROM THE BOARD

ADOPTION OF THE NEW SCHEME

As the Existing Scheme expired on 4 June 2011, the Company proposes to adopt the New Scheme. It is proposed by the Directors that at the EGM, an ordinary resolution will be proposed for the Company to approve and adopt the New Scheme, which will take effect on the date of its adoption at the EGM subject to the Stock Exchange granting approval for the listing of and dealing in the Shares which may fall to be allotted and issued upon the exercise of Options in accordance with the terms and conditions of the New Scheme.

The purpose of the New Scheme is to replace the Existing Scheme and to motivate Eligible Persons to optimize their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of Executives, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

The rules of the New Scheme provide that the Board may specify the Eligible Persons to whom Options shall be granted, the number of Shares subject to each Option and the date on which the Options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the New Scheme. There is no performance target specified in the New Scheme. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage Eligible Persons to acquire proprietary interests in the Company. The Company does not at present intend to appoint a trustee to the New Scheme.

Subject to the approval of the New Scheme by the Shareholders, a resolution will be proposed at the EGM for the Board to grant Options under the New Scheme for the subscription of not more than 10% of the entire issued capital of the Company (excluding, for this purpose, Options which have lapsed in accordance with the terms of any other share option scheme of the Group, and the outstanding Options granted and yet to be exercised pursuant to the Existing Scheme) as at the date of the passing of the relevant resolution.

As at the Latest Practicable Date, the Company had outstanding Options to subscribe for an aggregate of 19,300,000 Shares, representing approximately 0.34% of the Shares in issue as at the Latest Practicable Date. The total amount of Shares that may fall to be allotted and issued upon exercise in full of the Options that may be granted after the resolution authorising the Directors to allot and issue up to 10% of the issued share capital of the Company has passed at the EGM would be 568,307,439, which is still within the overall limit of 30% prescribed under Rule 23.03(3) of the GEM Listing Rules.

LETTER FROM THE BOARD

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the Option value have not been determined. Such variables include but not limited to the exercise price, exercise period and lock-up period (if any). The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to Shareholders.

With respect to the operation of the New Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 23 of the GEM Listing Rules.

CONDITIONS PRECEDENT OF THE NEW SCHEME

The effectiveness of the New Scheme is conditional upon:

- (a) the passing of an ordinary resolution to adopt the New Scheme by the Shareholders at the EGM; and
- (b) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, any Shares which may fall to be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the New Scheme.

Subject to the obtaining of Shareholders' approval with respect to the adoption of the New Scheme at the EGM, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Scheme must not in aggregate exceed 10 per cent. of the total issued capital of the Company as at the Adoption Date unless the Company obtains a fresh approval from Shareholders to renew the 10 per cent. limit on the basis that the maximum number of Shares in respect of which Options may be granted under the New Scheme together with any Options outstanding and yet to be exercised under the New Scheme and any other schemes of the Company shall not exceed 30 per cent. of the issued share capital of the Company from time to time.

A summary of the principal terms of the New Scheme which is proposed to be approved and adopted by the Company at the EGM is set out in the Appendix to this circular. A copy of the rules of the New Scheme is available for inspection at the Company's principal place of business in Hong Kong at Unit 9B, 9th Floor, Shun Ho Tower, 24-30 Ice House Street, Central, Hong Kong during normal business hours from the date hereof up to and including 14 July 2011.

LETTER FROM THE BOARD

APPLICATION FOR LISTING

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options that may be granted under the New Scheme.

EGM

The EGM will be held at Unit 9B, 9th Floor, Shun Ho Tower, 24-30 Ice House Street, Central, Hong Kong on Thursday, 14 July 2011 at 11:00 a.m. A notice of the EGM is set out on pages 19 to 20 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at 12th Floor, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjourned meeting thereof should you so wish.

RECOMMENDATION

The Directors consider that the adoption of the New Scheme is in the interests of the Group and the Shareholders as a whole and accordingly recommend all the Shareholders to vote in favour of the resolution to be proposed at the EGM.

Yours faithfully,
For and on behalf of
ERA Mining Machinery Limited
Emory Williams
Chairman

NEW SCHEME

The following is a summary of the principal terms of the New Scheme but does not form part of, nor was it intended to be, part of the New Scheme nor should it be taken as affecting the interpretation of the rules of the New Scheme:

(a) Purpose of the New Scheme

As the Existing Scheme expired on 4 June 2011, the Company proposes to adopt the New Scheme. The purpose of the New Scheme is to replace the Existing Scheme and to motivate Eligible Persons to optimize their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of Executives, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

(b) Grant and acceptance of Options

Subject to the terms of the New Scheme, the Board may, at its absolute discretion, grant Options to the Eligible Persons as the Board may in its absolute discretion select, and subject to such conditions, restrictions or limitation as the Board may think fit, to subscribe for such number of Shares as the Board may determine at a price calculated in accordance with paragraph (c) below.

An offer of the grant of an Option shall be made to Eligible Persons by forwarding an offer document in such form as the Board may from time to time determine and shall remain open for acceptance by the Eligible Person concerned for a period of 28 days from the date upon which it is made provided that no such offer shall be open for acceptance after the earlier of the 10th anniversary of the Adoption Date or the date of termination of the New Scheme.

A non-refundable nominal consideration of HK\$1.00 is payable by the Grantee upon acceptance of an Option. An Option shall be deemed to have been accepted when the duplicate letter comprising acceptance of the Option duly signed by the Eligible Person together with the said consideration of HK\$1.00 is received by the Company.

Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in such number of Shares as represents a board lot for the time being for the purpose of trading on the Stock Exchange or an integral multiple thereof.

(c) **Exercise price**

The exercise price for Shares under the New Scheme may be determined by the Board at its absolute discretion but in any event will not be less than the higher of:

- (i) the nominal value of a Share;
- (ii) the closing price of one Share as stated in the daily quotation sheets issued by the Stock Exchange on the date of offer of the Options, which must be a Business Day; and
- (iii) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five Business Days immediately preceding the date of offer of the Options.

(d) **Maximum number of Shares**

- (i) Subject to (iii) below, the maximum number of Shares in respect of which Options may be granted under the New Scheme shall not, when aggregated with any Shares subject to any other schemes, exceed such number of Shares as representing 10 per cent. of the issued Shares as at the Adoption Date (the “**Scheme Limit**”). The Company may seek approval of Shareholders in a general meeting for “refreshing” the Scheme Limit. However, the total number of Shares which may be issued upon exercise of all Options to be granted under all of the schemes of the Company (or its Subsidiaries) under the limit as “refreshed” must not exceed 10 per cent. of the Shares in issue as at the date of approval of the limit. Options previously granted under the scheme (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised Options) will not be counted for the purpose of calculating the limit as “refreshed”.
- (ii) Subject to (iii) below, the Company may issue Options to Eligible Persons specifically identified over and above the Scheme Limit subject to Shareholders’ approval in a general meeting and the issue of a circular.
- (iii) The total number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Scheme and any other scheme of the Company must not exceed 30 per cent. of the total issued Shares from time to time.

The total number of Shares issued and to be issued on the exercise of Options granted and to be granted (including both exercised and outstanding Options) in any 12-month period up to the date of grant of each Eligible Person shall not exceed 1 per cent. of the total issued Shares unless (i) a shareholders' circular is despatched to the Shareholders; (ii) the Shareholders approve the grant of the Options in excess of the 1 per cent. limit referred to in this paragraph; and (iii) the relevant Eligible Person and its associates abstain from voting on such resolution.

The exercise of any Option shall be subject to Shareholders' approval in a general meeting of any necessary increase in the authorised share capital of the Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of the Company to allot the Shares on the exercise of Options.

(e) Exercise of Options

An Option may be exercised at any time during the period to be determined and identified by the Board to each Grantee at the time of making an offer for the grant of an Option, but in any event no later than 10 years from the date of grant (the "**Option Period**").

An Option may be exercised in whole or in part and other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the Grantee giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate of the Company's auditors, the Company shall allot and issue the relevant Shares to the Grantee (or his legal personal representative(s)) credited as fully paid.

There is no performance target which must be achieved before any of the Options can be exercised, unless otherwise determined by the Board.

(f) Restrictions on the time of grant of Options

Grant of Options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in accordance with the GEM Listing Rules. In particular, no Option may be granted during the period commencing one month immediately preceding the earlier of:

- (1) the date of the Board meeting for the approval of the Company's annual, interim or quarterly results; and
- (2) the deadline for the Company to publish its annual, interim or quarterly results,

and ending on the date of actual publication of the announcement in respect of the Company's annual, interim or quarterly results.

Further, grant of Options may not be made to the Eligible Person who is subject to the Model Code during the periods or times in which such Eligible Person is prohibited from dealing in Shares pursuant to the Model Code.

(g) Rights are personal to Grantees

An Option is personal to the Grantee and shall not be assignable. An Option shall not be sold, transferred, charged, mortgaged, encumbered or created with any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so (save that the Grantee may nominate a nominee in whose name the Shares issued pursuant to the New Scheme may be registered). Any breach of the forgoing shall entitle the Company to cancel any outstanding Options or any part thereof granted to such Grantee.

(h) Rights on dismissal

If the Grantee of an Option leaves the services of the Group by reason of his termination of his employment on the grounds of serious misconduct, bankruptcy, insolvency, arrangement or composition with his creditors or being convicted of any criminal offence involving his integrity or honesty, his Option will lapse automatically on the date of cessation or termination (to the extent not already exercised). The date of such cessation shall be the last day on which the Grantee was at work with the Group whether salary is paid in lieu of notice or not (or such longer period as the Board may determine).

(i) Rights on cessation of employment or death

If the Grantee ceases to be an employee of the Group for any reasons other than death or those set out in paragraph (h) above, the Grantee (or his or her legal personal representatives) may exercise the Option in full (to the extent not already exercised) within a period of three months following the date of such cessation, which date shall be the last actual working day on which the Grantee was at work with the Company or the relevant Subsidiary on which salary is paid whether in lieu of notice or not or the date on which his contractual notice period expires, whichever is later, or such longer period as the Board may determine.

In the event the Grantee dies or becomes permanently disabled before exercising the Option in full and none of the events which would be a ground of termination of his or her employment under paragraph (h) above arises, the legal personal representative(s) of the Grantee shall be entitled within a period of 12 months from the date of death or being deemed as permanently disabled to exercise the Option in full (to the extent not already exercised) up to the entitlement of such Grantee as at the date of death.

(j) Rights on a general offer by way of takeover

In the event of a general offer by way of takeover is made to all the Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional during the Option Period of the relevant Option, the Grantee (or, where appropriate, his or her legal personal representatives) shall be entitled to exercise the Option in full (to the extent not already exercised even though the Option Period has not come into effect during the occurrence of the general offer) at any time within one month after the date on which the offer becomes or is declared unconditional.

(k) Rights on a general offer by way of scheme of arrangement

In the event of a general offer by way of scheme of arrangement is made to all the Shareholder with the New Scheme having been approved by the necessary number of Shareholders at the requisite meetings, the Grantee (or his or her legal personal representatives) may thereafter (but before such time as shall be notified by the Company) exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in such notice.

(l) Rights on winding up

In the event of a notice is duly given by the Company to the Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, every Option shall be exercisable in whole or in part at any time thereafter prior to the date the resolution is duly passed or defeated or the meeting concluded or adjourned sine die, whichever shall first occur and the Company shall, on the same day as it gives notice of the meeting to its Shareholders, give notice thereof to the Grantee (together with a notice of the existence of the provisions of this paragraph (l)) and the Grantee (or his or her legal personal representatives) may by notice in writing to the Company (such notice to be received by the Company not later than 4 Business Days prior to the proposed Shareholders' meeting) accompanying the remittance of the full amount of the exercise price payable on the exercise of the Option, exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice whereupon the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed Shareholders' meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise and if such resolution is duly passed, all Options shall, to the extent that they have not been exercised, thereupon cease and terminate.

(m) Rights on compromise or arrangement

In the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement and any grantee (or his or her legal personal representatives) may by notice in writing to the Company accompanied by the remittance of the full amount of the exercise price payable on exercise of an Option and in respect of which the notice is given such notice to be received by the Company not later than 2 Business Days prior to the proposed meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice, and the Company shall as soon as possible and in any event no later than the day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise credited as fully paid and register the Grantee as holder thereof.

(n) Cancellation of Options

Any cancellation of Options granted but not exercised must be approved by the Grantees of the relevant Options. The issuance of any new Options to the same Grantee may only be made under the New Scheme with available unissued Options (excluding the cancelled Options) within the Scheme Limit referred to in paragraph (d)(i) above. Options lapsed in accordance with the terms of the New Scheme will not be counted for the purpose of calculating the Scheme Limit.

(o) Effect of alterations to share capital

In the event of any alteration in the capital structure of the Company by way of capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction while any Option remains exercisable), such corresponding alterations (if any) will be made in (i) the numbers of Shares subject to any outstanding Option and/or (ii) the subscription price per Share as the independent financial adviser or the auditors for the time being of the Company shall at the request of the Company or any Grantee certify in writing to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that the Grantee shall have the same proportion of the issued share capital of the Company to which he was entitled before such alteration and the aggregate subscription price payable by the Grantee on the full exercise of any Option shall remain as nearly as possible the same as (but not greater than) it was before such event, but so that no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. Save in the case of a capitalisation issue, an independent financial adviser or the auditors for the time being of the Company must confirm to the Directors in writing that such adjustment(s) satisfy the aforesaid requirements and/or such other requirement prescribed under the GEM Listing Rules from time to time.

(p) Ranking of Shares

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date on which the name of Grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date on which the name of Grantee is registered on the register of members of the Company other than any dividends or other distributions previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date on which the name of Grantee is registered on the register of members of the Company, provided always that when the date of exercise of the Option falls on a date upon which the register of members of the Company is closed then the exercise of the Option shall become effective on the first Business Day in Hong Kong on which the register of members of the Company is re-opened.

(q) Duration and administration of the New Scheme

The New Scheme shall continue in force for the period commencing from the Adoption Date and expiring at the close of business on the tenth anniversary thereof, after such period no further Options will be granted but the provisions of the New Scheme shall remain in full force and effect in respect of any Options granted before its expiry or termination but not yet exercised. The New Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the New Scheme or its interpretation or effect (save as otherwise provided therein) shall be final and binding on all parties.

(r) Alterations to the terms of the New Scheme

- (i) The provisions relating to the matters set out in Rule 23.03 of the GEM Listing Rules cannot be altered to the advantage of the Eligible Persons without the prior approval of Shareholders in a general meeting.
- (ii) Any material alterations to the terms and conditions of the New Scheme or any change to the terms of Options granted must be approved by Shareholders, except where the alterations take effect automatically under the existing terms of the New Scheme.

- (iii) The amended terms of the New Scheme or the Options must still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.
- (iv) Any change to the authority of the Directors or the New Scheme administrators in relation to any alteration to the terms of the New Scheme must be approved by Shareholders in a general meeting.

(s) Conditions of the New Scheme

The adoption of the New Scheme is conditional upon:

- (a) the passing of an ordinary resolution to adopt the New Scheme by the Shareholders at the EGM; and
- (b) the GEM Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares which may fall to be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the New Scheme.

(t) Grant of Options to connected persons or any of their associates

Any grant of Options to a connected person or its associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee). Where Options are proposed to be granted to a connected person who is also a substantial shareholder of the Company or an independent non-executive Director or their respective associates and if such grant would result in the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted (including Options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant to such person representing in aggregate over 0.1 per cent. of the total issued Shares and having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, then the proposed grant must be subject to the issue of the circular in accordance with Rules 23.04 and 23.06 of the GEM Listing Rules and the approval of Shareholders in a general meeting. All connected persons of the Company must abstain from voting at such general meeting (except where any connected person intends to vote against the proposed grant provided that his intention to do so has been stated in the Shareholders' circular to be issued as stated above).

(u) Lapse of Options

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) subject to paragraph (e), the expiry of the Option Period;
- (ii) the expiry of any of the periods referred to in paragraph (i), (j), (k), (l), or (m);
- (iii) the date on which the Grantee ceases to be an Eligible Person by reason of the termination of his employment or appointment (as the case may be) on any one or more of the grounds under paragraph (h). A resolution of the board of the Company or the relevant Subsidiary to the effect that employment or appointment (as the case may be) of a Grantee has or has not been terminated on one or more of the grounds specified above shall be conclusive and binding on the Grantee; or
- (iv) the date on which the Board shall exercise the Company's right to cancel the Option at any time after the Grantee commits a breach of paragraph (g) or the Options are cancelled in accordance with paragraph (n).

(v) Termination

The Company may by resolution in a general meeting or by the Board at any time resolve to terminate the operation of the New Scheme and in such event, no further Options will be offered but the provisions of the New Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted prior to such termination.

Details of the Options granted, including Options exercised or outstanding, under the New Scheme shall be disclosed in the circular to Shareholders seeking approval of any subsequent new scheme to be established after such termination.

(w) General

The terms of the New Scheme (and any other schemes adopted by the Company from time to time) shall be in accordance with the requirements set out in Chapter 23 of the GEM Listing Rules.

The Company will comply with the relevant statutory requirements and the GEM Listing Rules from time to time in force on a continuing basis in respect of the New Scheme and any other schemes of the Company.

Any dispute arising in connection with the New Scheme shall be referred to the decision of the auditors of the Company who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ERA Mining Machinery Limited 年代煤礦機電設備製造有限公司

(formerly known as “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)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “Meeting”) of ERA Mining Machinery Limited (formerly known as ERA Holdings Global Limited) (the “Company”) will be held at Unit 9B, 9th Floor, Shun Ho Tower, 24-30 Ice House Street, Central, Hong Kong on Thursday, 14 July 2011 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) conditional upon The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of and permission to deal in the shares (the “**Shares**”) of HK\$0.01 each in the capital of the Company which may fall to be allotted and issued pursuant to the exercise of options which may be granted under the new share option scheme (the “**New Share Option Scheme**”), the terms of which are set out in the document marked “A” which has been produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the rules of the New Share Option Scheme be and are hereby approved and adopted and the Directors be and are hereby authorised to grant options and to allot, issue and deal in the Shares which may fall to be allotted and issued upon the exercise of any option granted thereunder and to take all such steps as they may consider necessary or expedient to implement the New Share Option Scheme; and
- (b) the aggregate nominal amount of share capital to be allotted and issued pursuant to (a) above, together with any issue of Shares upon the exercise of any options granted under any other share option schemes as may from time to time be adopted by the Company, shall not exceed 10 per cent of the Shares in issue as at the date of the passing of this resolution.”

By Order of the Board of
ERA Mining Machinery Limited
Emory Williams
Chairman

Hong Kong, 29 June 2011

NOTICE OF EXTRAORDINARY GENERAL MEETING

Head office and principal place of business:

Unit 9B
9th Floor, Shun Ho Tower
24-30 Ice House Street
Central
Hong Kong

Notes:

- (1) Any member entitled to attend and vote at the Meeting convened by the above notice shall be entitled to appoint another person as his proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
- (2) To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the Boardroom Share Registrars (HK) Limited at 12th Floor, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong not later than 48 hours before the time of the meeting or any adjourned meeting.
- (3) Where there are joint holders of any shares in the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he were solely entitled thereto, but if more than one of such joint holders are present at the meeting, the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.