

INTERIM REPORT

For the six months ended 30 June 2009



ERA Holdings Global Limited

年代國際控股有限公司

(incorporated in the Cayman Islands with liability)

Stock Code: 8043

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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 means that it is a market more suited to professional and other sophisticated investors.

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The Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the content of this report.

This report, for which the directors (the “Directors”) of Era Information & Entertainment 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 report 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 report misleading; and*
- (3) all opinions expressed in this report 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 condensed consolidated results of the Company and its subsidiaries (together the “Group”) for the three months and six months ended 30 June 2009, together with the unaudited comparative figures for the corresponding periods in 2008 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and six months ended 30 June 2009

	<i>Note</i>	For the three months ended 30 June		For the six months ended 30 June	
		2009 (unaudited) <i>HK\$'000</i>	2008 (unaudited) <i>HK\$'000</i>	2009 (unaudited) <i>HK\$'000</i>	2008 (unaudited) <i>HK\$'000</i>
Turnover	3	341	2,802	603	10,632
Cost of goods sold		(164)	(2,647)	(270)	(8,253)
Gross profit		177	155	333	2,379
Other income		78	291	11,316	390
Selling and distribution costs		–	(126)	–	(1,291)
Administrative expenses		(9,004)	(5,442)	(17,724)	(11,300)
Loss from operations		(8,749)	(5,122)	(6,075)	(9,822)
Finance costs		(339)	–	(656)	–
Loss before tax		(9,088)	(5,122)	(6,731)	(9,822)
Income tax expense	5	–	–	–	–
Loss for the period attributable to owners of the Company	4	(9,088)	(5,122)	(6,731)	(9,822)
		<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
Loss per share	6				
– basic		(2,279)	(1,334)	(1,699)	(2,558)
– diluted		N/A	N/A	N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the three months ended 30 June		For the six months ended 30 June	
	2009 (unaudited) <i>HK\$'000</i>	2008 (unaudited) <i>HK\$'000</i>	2009 (unaudited) <i>HK\$'000</i>	2008 (unaudited) <i>HK\$'000</i>
Loss for the period	(9,088)	(5,122)	(6,731)	(9,822)
Other comprehensive income:				
Exchange differences on translating foreign operations	9	2	9	(143)
Total comprehensive loss for the period attributable to owners of the Company	(9,079)	(5,120)	(6,722)	(9,965)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

	<i>Note</i>	30 June 2009 (unaudited) HK\$'000	31 December 2008 (audited) HK\$'000
Non-current asset			
Property, plant and equipment	7	330	399
Current assets			
Trade and other receivables	8	15,884	5,705
Prepayments and deposits		19,605	28,986
Pledged bank deposits		28	1,477
Bank and cash balances		23,223	6,466
		58,740	42,634
Current liabilities			
Trade and other payables	9	30,158	16,088
Derivative components of convertible bonds		4,713	1,041
Current tax liabilities		1	11
		34,872	17,140
Net current assets		23,868	25,494
Total assets less current liabilities		24,198	25,893
Non-current liabilities			
Convertible bonds		15,715	15,072
NET ASSETS		8,483	10,821
Capital and reserves			
Share capital	10	3,991	3,840
Share premium		92,760	91,066
Share option reserve		4,877	2,338
Exchange reserve		(410)	(419)
Accumulated losses		(92,735)	(86,004)
TOTAL EQUITY		8,483	10,821

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009

	(Unaudited)					
	Attributable to owners of the Company					
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 January 2009	3,840	91,066	(419)	2,338	(86,004)	10,821
Loss of the period	-	-	-	-	(6,731)	(6,731)
Exchange differences	-	-	9	-	-	9
Total comprehensive loss for the period	-	-	9	-	(6,731)	(6,722)
Issue of shares	151	1,694	-	-	-	1,845
Share-based payments	-	-	-	2,539	-	2,539
At 30 June 2009	<u>3,991</u>	<u>92,760</u>	<u>(410)</u>	<u>4,877</u>	<u>(92,735)</u>	<u>8,483</u>

For the six months ended 30 June 2008

	(Unaudited)					
	Attributable to owners of the Company					
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 January 2008	3,840	91,066	6	-	(58,807)	36,105
Loss of the period and total comprehensive loss of the period	-	-	(143)	-	(9,822)	(9,965)
At 30 June 2008	<u>3,840</u>	<u>91,066</u>	<u>(137)</u>	<u>-</u>	<u>(68,629)</u>	<u>26,140</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2009

	For the six months ended 30 June	
	2009 (unaudited) <i>HK\$'000</i>	2008 (unaudited) <i>HK\$'000</i>
NET CASH GENERATED FROM OPERATING ACTIVITIES	13,260	1,134
NET CASH FROM/(USED) IN INVESTING ACTIVITIES	1,830	(6,140)
NET CASH FROM FINANCING ACTIVITIES	1,667	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	16,757	(5,006)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	6,466	13,366
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>23,223</u>	<u>8,360</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS, REPRESENTED BY		
Bank and cash balances	<u>23,223</u>	<u>8,360</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

These condensed consolidated financial statements should be read in conjunction with the 2008 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2008 except as stated below.

The condensed consolidated financial statements for the six months ended 30 June 2008 are unaudited and have been reviewed by the audit committee of the Company.

2. Adoption of new and revised Hong Kong Financial Reporting Standards

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2009. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior years except as stated below.

a. Presentation of Financial Statements

HKAS 1 (Revised) “Presentation of Financial Statements” affects certain disclosures and presentation of the financial statements. The balance sheet is renamed as the statement of financial position and the cash flow statement is renamed as the statement of cash flows. All income and expenses arising from transactions with non-owners are presented in the income statement and statement of comprehensive income, and the total carried to the statement of changes in equity. The owner changes in equity are presented in the statement of changes in equity. These presentation requirements have been applied retrospectively in these condensed consolidated financial statements.

b. Operating Segments

HKFRS 8 “Operating Segments” requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Previously, HKAS 14 “Segment Reporting” required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity’s ‘system of internal financial reporting to key management personnel’ serving as the starting point for the identification of such segments. HKFRS 8 results in a redesignation of the Group’s reportable segments, but has had no impact on the

reported results or financial position of the Group. HKFRS 8 has been applied retrospectively.

The segment accounting policies under HKFRS are stated in note 3 to the condensed financial statements.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group 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 positions.

3. Turnover and segment information

Turnover represents revenue arising from video related products and consultancy services.

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor Standard (HKAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. As a result, following the adoption of HKFRS 8, the identification of the Group's reportable segments has changed.

In prior years, segment information reported externally was analysed on the basis of the types of goods/services supplied by the Group's operating divisions (ie home video products distribution, theatrical release arrangement and film rights sub-licensing, and game distribution). However, information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of performance focuses more specifically on the category of nature for each type of goods/services. The principal categories of nature for these goods/services are video related products and consultancy services. The Group's reportable segments under HKFRS 8 are therefore as follows:

Video related products	- Sale of home video products, arrange distribution of motion pictures and sub-licensing film rights and sale of PC games and online games
Consultancy services	- Provision of corporate secretarial consultancy services

The accounting policies of the operating segments are the same as those described in the Group's financial statements for the year ended 31 December 2008. Segment profits or losses do not include gains or losses from derivative instruments. Segment assets do not include amounts due from related parties. Segment liabilities do not include convertible loans and derivative components of convertible bonds.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

	Video related products HK\$'000 (unaudited)	Consultancy services HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
6 months ended 30 June 2009:			
Revenue from external customers	-	603	603
Segment (loss)/profit	(2,559)	87	(2,472)
As at 30 June 2009:			
Segment assets	7,157	2,022	9,179
6 months ended 30 June 2008:			
Revenue from external customers	10,437	204	10,641
Segment loss	(5,142)	(5)	(5,147)
	(audited)	(audited)	(audited)
As at 31 December 2008:			
Segment assets	10,688	2,322	13,010

For the six months ended 30 June	
2009	2008
(unaudited)	(unaudited)
HK\$'000	HK\$'000

Reconciliations of segment profit or loss:

Total profit or loss of reportable segments	(2,472)	(5,147)
Other profit or loss	(4,259)	(4,675)
Consolidated loss for the period	<u>(6,731)</u>	<u>(9,822)</u>

4. Loss for the period

The Group's loss for the period is stated after charging/(crediting):

	For the three months ended 30 June		For the six months ended 30 June	
	2009	2008	2009	2008
	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000
Amortisation of film rights	-	787	-	4,438
Depreciation	34	38	69	111
Impairment losses				
– Other receivables	-	46	-	46
Fair value loss on derivative components of convertible bonds	3,935	-	3,673	-
Reversal of impairment losses				
– inventories (<i>note</i>)	-	(816)	-	(816)
	<u>-</u>	<u>(816)</u>	<u>-</u>	<u>(816)</u>

Note: The Group reversed the impairment loss on inventories as a result of sales and disposal of certain video and game products.

5. Income tax expense

No provision for Hong Kong and overseas profits tax has been made since the Group has no assessable profits for the three months and six months ended 30 June 2009 (2008: Nil).

6. Loss per share

The calculation of the Group's basic loss per share for the three months and six months ended 30 June 2009 is calculated based on the unaudited loss attributable to owners of the Company of approximately HK\$9,088,000 (for the three months ended 30 June 2008: HK\$5,122,000) and approximately HK\$6,731,000 (for the six months ended 30 June 2008: HK\$9,822,000) respectively.

The basic loss per share is based on the weighted average number approximately 398,733,000 (2008: 384,000,000) and 396,125,000 (2008: 384,000,000) shares in issue during the three months and six months ended 30 June 2009 respectively.

As the exercise of the Group's outstanding convertible bonds for both periods would be anti-dilutive and there was no dilutive potential ordinary shares for the Company's outstanding options, no diluted loss per share was presented in both periods.

7. Property, plant and equipment

During the six months ended 30 June 2009, the Group acquired property, plant and equipment of HK\$nil (30 June 2008: HK\$153,000).

8. Trade and other receivables

(a) Trade and other receivables include trade receivables of approximately HK\$ 2,428,000 (31 December 2008: HK\$3,832,000). General credit terms of the Group range from 30 days to 90 days. The aging analysis of trade receivables as at the balance sheet date is as follows:

	30 June 2009 (unaudited) HK\$'000	31 December 2008 (audited) HK\$'000
Current – 30 days	145	12
31 – 60 days	31	82
61 – 90 days	117	191
91 – 180 days	-	2,715
181 – 365 days	1,453	832
Over 1 year	682	-
	<u>2,428</u>	<u>3,832</u>

(b) As at 30 June 2009 included in other receivables was amount due from Era International (HK) Limited ("EIHK"), a related company of the subsidiary of the Group, of HK\$191,000. The amount due was unsecured, interest free and repayable on demand. The maximum amount due during the year was HK\$191,000. Detailed relationship has been disclosed in note 11 (ii).

9. Trade and other payables

Trade and other payables include trade payables and film rights payables of approximately HK\$2,091,000 and HK\$1,836,000 respectively (31 December 2008: HK\$2,480,000 and HK\$1,836,000 respectively). The aging analysis of trade payables as at the balance sheet date is as follows:

	30 June 2009 (unaudited) HK\$'000	31 December 2008 (audited) HK\$'000
Current – 30 days	27	6
31 – 60 days	11	28
61 – 90 days	18	24
91 – 180 days	37	125
181 – 365 days	109	109
Over 1 year	1,889	2,188
	<u>2,091</u>	<u>2,480</u>

The aging analysis of film rights payables as at the balance sheet date is as follows:

	30 June 2009 (unaudited) HK\$'000	31 December 2008 (audited) HK\$'000
181 – 365 days	-	405
Over 1 year	1,836	1,431
	<u>1,836</u>	<u>1,836</u>

10. Share capital

	30 June 2009 HK\$'000 (unaudited)	31 December 2008 HK\$'000 (audited)
Authorised: 10,000,000 ordinary shares of HK\$0.01 each	<u>100,000</u>	<u>100,000</u>
Issued and fully paid: 399,112,000 (At December 2008: 384,000,000) ordinary shares of HK\$0.01 each	<u>3,991</u>	<u>3,840</u>

A summary of the movements in the issued share capital of the Company is as follows:

	Note	Number of shares issued '000	Nominal value of shares issued HK\$'000
At 1 January 2008, 31 December 2008 and 1 January 2009		384,000	3,840
Shares issued	(a)	15,112	151
At 30 June 2009 (unaudited)		399,112	3,991

Note:

- a. On 2 February 2009, the Company issued 14,724,000 ordinary new shares at a subscription price of HK\$0.12 per share for a total cash consideration of approximately HK\$1.7 million.

On 29 June 2009, the Company issued 388,000 new shares to a financial advisor in settlement of fees at an issue price of HK\$0.2 each.

11. Related party transactions

The Group had the following transactions with its related parties during the period:

	Six months ended 30 June	
	2009 HK\$'000 (unaudited)	2008 HK\$'000 (unaudited)
China Healthcare Holdings Limited (note i)		
Rental income	143	66
Era International (HK) Limited (note ii)		
Distribution fee income	-	8
Accountancy fee income	60	109
Management fee income	-	150

- (i) On 24 April 2008, the Group entered into a tenancy agreement with China Healthcare Holdings Limited ("CHC") to lease an office area to CHC for a period of two years, commencing from 24 April 2008. The rental charged to CHC was determined by reference to open market rentals at HK\$30,000 per month. Mr. Lee Jong Dae, a chairman and executive director of the Company, is also an executive director of CHC. The agreement was subsequently terminated on 23 May 2009.
- (ii) Era Films (HK) Limited ("EFHK"), a wholly owned subsidiary of the Company, received distribution fee income, management fee income and accountancy fee income from Era International (HK) Limited ("EIHK") on the rates agreed by both parties. Mr. Leung Chung Chu, Andrew, being a director of EFHK, was also a director of EIHK.

The Directors have confirmed that all the related party transactions were conducted in the ordinary course of business.

12. Contingent liabilities

The Group did not have any significant contingent liabilities at 30 June 2009 (At 31 December 2008: HK\$ Nil).

13. Capital commitments

	30 June 2009 (unaudited) HK\$'000	31 December 2008 (audited) HK\$'000
PC games contracted but not provided for	1,764	1,764
Film rights contracted but not provided for	367	367

INTERIM DIVIDEND

The Directors do not recommend the payment of any dividend for the six months ended 30 June 2009 (six months ended 30 June 2008: Nil)

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2009, the Group recorded turnover of approximately HK\$603,000 for the period as a result of economic downturn and a lack of major video titles and theatrical release arrangement of film title released in the period under review. Turnover for the period represents corporate secretarial consultancy services income.

Due to the highly competitive home video products market and the challenges from illegal internet download and piracy, the Group continues to actively consider the diversification of business into new areas of high-growth potential which will be in the best interest of the Company.

On 16 April 2009, Vasky Energy Limited, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement (the "Agreement") with American Investors In China, LLC, and G. F. Transnational, Inc. (the "Sellers"), in relation to the acquisition of the entire issued capital of Key Target Holdings Limited, which is incorporated in Hong Kong and which will acquire a 50% equity interest in Xi'An Eastern Star Electric-Mechanical Limited Liability Company ("Eastern Star"), a sino-foreign joint venture company established in the PRC, which manufactures machinery and related moulds as well as modules for the manufacture of concrete masonry products, modular concrete products and other building materials (the "Acquisition").

Pursuant to the Agreement, the Sellers will procure that on or before the Completion, the Company will be entitled to nominate and Eastern Star shall appoint a total of three out of four directors to the board of directors of Eastern Star, representing a majority control to Eastern Star. Upon the fact that the majority of the board composition of Eastern Star is controlled by the Company, Eastern Star will be treated as a subsidiary of the Company and its financial results will be consolidated with the Group according to Hong Kong Financial Reporting Standards.

The Acquisition was approved, ratified and confirmed at the extraordinary general meeting (the “EGM”) held on 11 June 2009. Upon the completion of transfer of 50% equity interest of Eastern Star held by the Sellers to Key Target in conformity with all applicable laws and regulations and administrative procedures in the PRC and the constitutional documents of Eastern Star, including the obtaining of all necessary approvals where required and the successful re-registration in the PRC of the equity interest in Eastern Star under the name of Key Target, Eastern Star will be treated as a subsidiary of the Company and its financial results will be consolidated with the Group according to Hong Kong Financial Reporting Standards.

To reflect the change in control of the Company in August 2007 and subsequent change of business strategy the Company decided on a new corporate identity. The Board proposed change of name of the Company from “Era Information & Entertainment Limited” to “ERA Holdings Global Limited” and its Chinese name from “年代資訊影視有限公司” to “年代國際控股有限公司”. The Board believes that the proposed change of name of the Company is in the best interests of the Company and the Shareholders as a whole. The change of name of the company to “ERA Holdings Global Limited 年代國際控股有限公司” took effect on 12 May 2009 and that the certificate of incorporation on change of name was issued by the registrar of companies in the Cayman Islands on 12 May 2009.

Liquidity and financial resources

The Group generally financed its operations and investing activities with internally generated cashflows.

As at 30 June 2009, the Group had net current assets of approximately HK\$23.9 million, of which approximately HK\$23.2 million bank and cash balances. The Directors are confident that the Group’s existing financial resources will be sufficient to satisfy its commitments and working capital requirements.

Foreign exchange exposure

Transactions of the Group were mainly denominated either in Hong Kong dollars, United States dollars and Renminbi. In view of the stability of the exchange rate between these currencies, the Directors do not consider that the Group was significantly exposed to foreign exchange risk.

Capital structure

As at 30 June 2009, the Group’s net assets were financed by internal resources through share capital and reserves. Total equity attributable to shareholders was approximately HK\$8.4 million as at 30 June 2009, representing a decrease of approximately 21.6% over that of 31 December 2008.

Employee information

As at 30 June 2009, the Group had a total of 8 employees. The total staff costs, including directors' emoluments, amounted to approximately HK\$3.3 million for the period under review.

Save as disclosed hereof, no information in relation to the Group's performance has changed materially from the information disclosed in the Company's 2008 annual report.

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

As at 30 June 2009, the interests of the Directors and the chief executives 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 of 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 5.46 to 5.68 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. Lee Sung Min	Corporate Interest (Note 1)	105,512,000 ordinary shares (long position)	26.44%
Mr. Lee Jong Dae	Corporate Interest (Note 2)	18,000,000 ordinary shares (long position)	4.51%

Notes:

1. The 105,512,000 ordinary shares in the Company owned by Mr. Lee Sung Min are beneficially owned by and registered in the name of Vasky Inc.
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.

Long positions in underlying shares of equity derivatives of the Company

Name of Directors	Capacity	Description of equity derivatives (number and class of underlying shares)	Approximate percentage of issued share capital
Mr. Lee Jong Dae	Beneficial owner	share options to subscribe for shares (3,800,000 ordinary shares) (Note)	0.95%
Mr. Lee Sung Min	Beneficial owner	share options to subscribe for shares (900,000 ordinary shares) (Note)	0.23%
Mr. Kim Beom Soo	Beneficial owner	share options to subscribe for shares (900,000 ordinary shares) (Note)	0.23%
Mr. David Marc Boulanger	Beneficial owner	share options to subscribe for shares (900,000 ordinary shares) (Note)	0.23%
Mr. Christopher John Parker	Beneficial owner	share options to subscribe for shares (900,000 ordinary shares) (Note)	0.23%
Mr. Chan Sze Hon	Beneficial owner	share options to subscribe for shares (300,000 ordinary shares) (Note)	0.08%

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 June 2009, none of the Directors nor the chief executives 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 5.46 to 5.68 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 as at 31 March 2009
			Outstanding as at 1 January 2009	Lapsed during the period under review	
Mr. Lee Jong Dae	10 July 2008	3,800,000	3,800,000	-	3,800,000
Mr. Lee Sung Min	10 July 2008	900,000	900,000	-	900,000
Mr. Kim Beom Soo	10 July 2008	900,000	900,000	-	900,000
Mr. David Marc Boulanger	10 July 2008	900,000	900,000	-	900,000
Mr. Christopher John Parker	10 July 2008	900,000	900,000	-	900,000
Mr. Chan Sze Hon	10 July 2008	300,000	300,000	-	300,000
Employees in aggregate	10 July 2008	4,900,000	4,900,000	-	4,900,000
Advisors and Consultants	10 July 2008	25,800,000	25,800,000	-	25,800,000
Total			<u>38,400,000</u>	<u>-</u>	<u>38,400,000</u>

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 2008 annual report.

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

As at 30 June 2009, so far is 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 fall 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.

Name of substantial shareholder	Capacity	Number and class of shares held	Approximate percentage of issued share capital
Vasky Inc.	Beneficial owner	105,512,000 ordinary shares (long position) <i>(Note)</i>	26.44%

Notes: Vasky Inc. is wholly-owned by Mr. Lee Sung Min, an executive director of the Company.

Save as disclosed above, as at 30 June 2009, 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 fall 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 June 2009, 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 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 six months ended 30 June 2009 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.

COMPLIANCE WITH RULES 5.48 TO 5.67 OF THE GEM LISTING RULES

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the period under review. Having made specific enquiry, the Directors have confirmed that they have complied with such code of conduct and required standard of dealings throughout the period under review.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has established a formal and transparent procedure to protect the interests of the shareholders of the Company. The Company applied the principles and complied with all the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules throughout the year under review, except that:–

- Code A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lee Jong Dae is the Chairman and Chief Executive Officer of the Company. The Board consider that this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high caliber individuals and meets regularly to discuss issues affecting operations of the Company. The Board believe that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently. The Board have full confidence in Mr. Lee and believe that his appointment to the posts of Chairman and Chief Executive Officer is beneficial to the business prospects of the Company.

By Order of the Board
ERA Holdings Global Limited
Lee Jong Dae
Chairman

Hong Kong, 11 August 2009

As at the date of this report, the chairman and executive director of the Company is Mr. LEE Jong-Dae, the remaining executive directors are Mr. KIM Beom Soo and Mr. LEE Sung Min; the independent non-executive directors of the Company are Mr. CHAN Sze Hon, Mr. David Marc BOULANGER and Mr. Christopher John PARKER.