

INTERIM REPORT

For the six months ended 30 June 2010



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

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 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 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 2010, together with the unaudited comparative figures for the corresponding periods in 2009 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and six months ended 30 June 2010

	Note	For the three months ended 30 June		For the six months ended 30 June	
		2010 (unaudited) HK\$'000	2009 (unaudited) HK\$'000	2010 (unaudited) HK\$'000	2009 (unaudited) HK\$'000
Turnover	3	245	341	530	603
Cost of goods sold		(106)	(164)	(227)	(270)
Gross profit		139	177	303	333
Other income		491	78	506	11,316
Fair value gain/(loss) on derivative components of convertible bonds		734	(3,935)	(7,510)	(3,673)
Administrative expenses		(6,751)	(5,069)	(11,108)	(14,051)
Loss from operations		(5,387)	(8,749)	(17,809)	(6,075)
Finance costs					
– interest on convertible bonds		(344)	(339)	(696)	(656)
Loss before tax		(5,731)	(9,088)	(18,505)	(6,731)
Income tax expense	5	–	–	–	–
Loss for the period attributable to owners of the Company	4	(5,731)	(9,088)	(18,505)	(6,731)
		<u>HK cents</u>	<u>HK cents</u>	<u>HK cents</u>	<u>HK cents</u>
Loss per share	6				
– basic		(1.430)	(2.279)	(4.621)	(1.699)
– diluted		N/A	N/A	N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2010

	For the three months ended 30 June		For the six months ended 30 June	
	2010 (unaudited) HK\$'000	2009 (unaudited) HK\$'000	2010 (unaudited) HK\$'000	2009 (unaudited) HK\$'000
Loss for the period	(5,731)	(9,088)	(18,505)	(6,731)
Other comprehensive income:				
Exchange differences on translating foreign operations	133	9	94	9
Total comprehensive loss for the period attributable to owners of the Company	(5,598)	(9,079)	(18,411)	(6,722)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

		30 June 2010 (unaudited) HK\$'000	31 December 2009 (audited) HK\$'000
	<i>Note</i>		
Non-current asset			
Property, plant and equipment	7	190	260
Current assets			
Trade and other receivables	8	3,575	6,100
Prepayments and deposits		20,083	19,486
Income tax recoverable		9	9
Pledged bank deposits		-	34
Bank and cash balances		2,646	5,266
		26,313	30,895
Current liabilities			
Trade and other payables	9	21,853	15,901
Derivative components of convertible bonds		21,696	14,548
Convertible bonds-current portion		-	394
		43,549	30,843
Net current (liabilities)/assets		(17,236)	52
Total assets less current liabilities		(17,046)	312
Non-current liabilities			
Convertible bonds		16,403	16,008
NET LIABILITIES		(33,449)	(15,696)
Capital and reserves			
Share capital	10	4,007	3,996
Share premium		93,518	92,871
Share option reserve		4,877	4,877
Exchange reserve		(420)	(514)
Accumulated losses		(135,431)	(116,926)
CAPITAL DEFICIENCY		(33,449)	(15,696)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2010

	(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 2010	3,996	92,871	(514)	4,877	(116,926)	(15,696)
Total comprehensive loss for the period	-	-	94	-	(18,505)	(18,411)
Issue of shares	11	647	-	-	-	658
At 30 June 2010	<u>4,007</u>	<u>93,518</u>	<u>(420)</u>	<u>4,877</u>	<u>(135,431)</u>	<u>(33,449)</u>

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
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>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2010

	For the six months ended 30 June	
	2010	2009
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(3,069)	13,260
NET CASH GENERATED FROM INVESTING ACTIVITIES	449	1,830
NET CASH GENERATED FROM FINANCING ACTIVITIES	-	1,667
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,620)	16,757
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5,266	6,466
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>2,646</u>	<u>23,223</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS, REPRESENTED BY		
Bank and cash balances	<u>2,646</u>	<u>23,223</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

These condensed consolidated financial information for the six months ended 30 June 2010 has been prepared in accordance with Hong Kong Accounting Standards 34 “Interim financial reporting” issued by the Hong Kong Institute of Certificate Public Accountants (the “HKICPA”) and the applicable disclosures required by the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

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

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2010. 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.

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 position.

3. Turnover and segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by the chief operating decision-maker. 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
Consultancy services	- Provision of corporate secretarial consultancy services

Information about reportable segment profit or loss:

	Video related products HK\$'000	Consultancy services HK\$'000	Total HK\$'000
6 months ended 30 June 2010 (unaudited):			
Revenue from external customers	-	530	530
Segment loss	(254)	(48)	(302)
Depreciation and amortisation	70	-	70
Other material non-cash items:			
Allowance for trade receivables	-	246	246
As at 30 June 2010 (unaudited):			
Segment assets	2,808	1,995	4,803

	Video related products HK\$'000	Consultancy services HK\$'000	Total HK\$'000
6 months ended 30 June 2009 (unaudited):			
Revenue from external customers	-	603	603
Segment (loss)/profit	(2,559)	87	(2,472)
Interest revenue	49	-	49
Interest expense	13	-	13
Depreciation and amortisation	70	-	70
Other material non-cash items:			
Allowance for trade receivables	1,440	105	1,545
As at 31 December 2009 (audited):			
Segment assets	3,020	1,976	4,996

	For the six months ended 30 June	
	2010	2009
	(unaudited) HK\$'000	(unaudited) HK\$'000
Reconciliations of segment profit or loss:		
Total loss of reportable segments	(302)	(2,472)
Other loss	(10,693)	(10,754)
Loss on fair value on derivative components of convertible bonds	(7,510)	(3,673)
Reversal of impairment loss on prepayments and deposits	-	10,168
	<u> </u>	<u> </u>
Consolidated loss for the period	<u>(18,505)</u>	<u>(6,731)</u>

4. Loss for the period attributable to owners of the Company

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

	For the three months ended 30 June		For the six months ended 30 June	
	2010	2009	2010	2009
	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000
Depreciation	35	35	70	70
Impairment losses				
– Trade receivables	100	-	246	-
Reversal of impairment losses				
– Trade receivables	(77)	-	(91)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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 2010 (2009: Nil).

6. Loss per share

The calculation of the Group's basic loss per share attributable to owners of the Company for the three months and six months ended 30 June 2010 is based on the unaudited loss attributable to owners of the Company of approximately HK\$5,731,000 (for the three months ended 30 June 2009: HK\$9,088,000) and approximately HK\$18,505,000 (for the six months ended 30 June 2009: HK\$6,731,000) respectively.

The basic loss per share is based on the weighted average number of approximately 400,707,000 (2009: 398,733,000) and 400,485,000 (2009: 396,125,000) shares in issue during the three months and six months ended 30 June 2010 respectively.

No diluted loss per share figures are presented for the three and six months ended 30 June 2010 and 2009, respectively, as the effect of all potential ordinary shares are anti-dilutive for both periods.

7. Property, plant and equipment

During the six months ended 30 June 2010, the Group acquired property, plant and equipment of HK\$nil (30 June 2009: nil).

8. Trade and other receivables

- a. Trade and other receivables include trade receivables of approximately HK\$2,261,000 (31 December 2009: HK\$2,286,000). General credit terms of the Group range from 30 days to 90 days. The aging analysis of trade receivables at the end of reporting period as follows:

	30 June 2010 (unaudited) HK\$'000	31 December 2009 (audited) HK\$'000
Current – 30 days	84	2
31 – 60 days	-	164
61 – 90 days	91	34
Over 1 year	2,086	2,086
	<u>2,261</u>	<u>2,286</u>

- b. As at 30 June 2010 included in other receivables was amount due from Topluxe International Limited, a related company in respect of key management personnel of the Group, of HK\$775,250 (31 December 2009: HK\$775,250). The amount due was unsecured, interest free and repayable on demand. The maximum amount due during the period was HK\$775,250 (31 December 2009: HK\$775,250). Detailed relationship has been disclosed in note 11(b).

9. Trade and other payables

Trade and other payables include trade payables and film rights payables of approximately HK\$2,620,000 and HK\$1,465,000 respectively (31 December 2009: HK\$2,494,000 and HK\$1,465,000 respectively). The aging analysis of trade payables as at the end of reporting period is as follows:

	30 June 2010 (unaudited) HK\$'000	31 December 2009 (audited) HK\$'000
Current – 30 days	48	-
31 – 60 days	8	28
61 – 90 days	52	8
91 – 180 days	76	36
181 – 365 days	58	56
Over 1 year	<u>2,378</u>	<u>2,366</u>
	<u><u>2,620</u></u>	<u><u>2,494</u></u>

The aging analysis of film rights payables as at the end of reporting period is as follows:

	30 June 2010 (unaudited) HK\$'000	31 December 2009 (audited) HK\$'000
Over 1 year	<u>1,465</u>	<u>1,465</u>

10. Share capital

	30 June 2010 (unaudited) HK\$'000	31 December 2009 (audited) HK\$'000
Authorised:		
10,000,000 ordinary shares of HK\$0.01 each	<u>100,000</u>	<u>100,000</u>
Issued and fully paid:		
400,707,000 (At 31 December 2009: 399,563,000) ordinary shares of HK\$0.01 each	<u>4,007</u>	<u>3,996</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 2009		384,000	3,840
Issue of shares on placement	(ai)	14,724	147
Equity-settled share based payment	(aii)	839	9
At 31 December 2009		<u>399,563</u>	3,996
Shares issued	(b)	<u>1,144</u>	11
At 30 June 2010 (unaudited)		<u><u>400,707</u></u>	<u><u>4,007</u></u>

Note:

ai. 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.

a.ii. 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.

On 1 December 2009, the Company issued 450,581 new shares to a financial advisor in settlement of fees at an issue price of HK\$0.258 each.

b. On 5 February 2010, 1,144,000 ordinary shares of HK\$0.01 each was issued upon conversion of convertible bonds. The share capital and share premium of the Company, have been increased by approximately HK\$11,000 and HK\$647,000 respectively following the conversion.

11. Related party transactions

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

a.

	Six months ended 30 June	
	2010 (unaudited) HK\$'000	2009 (unaudited) HK\$'000
China Healthcare Holdings Limited (note i)		
Rental income	-	143
Era International (HK) Limited (note ii)		
Accountancy fee income	-	<u>60</u>

- (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, chairman and executive director of the Company, is also an executive director of CHC. Mr. Lee Jong Dae resigned as an executive director of CHC with effect on 25 August 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.

- b. During the period, IFS Asia-Pacific Limited (“IFSAP”), a wholly owned subsidiary of the Company, advanced HK\$775,000 to Toplux International Limited (“Toplux”). Mr. Franciso C. Sebastian., a key management personnel of the Group, is also a beneficial owner and director of Toplux. Detail refer to note 8(b).

12. Contingent liabilities

The Group did not have any significant contingent liabilities at 30 June 2010 (At 31 December 2009: HK\$ Nil).

INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2010 (for the six months ended 30 June 2009: Nil)

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2010, the Group recorded a turnover of approximately HK\$530,000 (for the six months ended 30 June 2009: approximately HK\$603,000), turnover for the period represents corporate secretarial consultancy services income.

The Group has recorded a loss of approximately HK\$18.5 million for the six months ended 30 June 2010 (for the six months ended 30 June 2009: HK\$6.7million), largely due to the fair value loss on derivative of approximately HK\$7.5 million. For the same period last year, as an one-off income from reversal of the allowance on deposit paid and the lesser amount of fair value loss on derivative incurred of approximately HK\$10.2 million and HK\$3.7 million respectively, therefore higher loss for the period had recorded accordingly for current reporting period.

On 9 October 2009, Vasky Energy Limited (“Vasky Energy”), a wholly owned

subsidiary of the Company, and Mining Machinery Limited (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 International Mining Machinery Siwei Holdings Limited, a company incorporated in Hong Kong with limited liability and its subsidiary, Zhengzhou Siwei Mechanical and Electrical Equipment Manufacturing Co., Ltd. (“Zhengzhou Siwei”) (collectively the “Target Group”) (the “Acquisition”). It was also further announced that Vasky Energy and the Vendor enter into a supplemental deed on 31 March 2010 to amend certain terms of the Agreement. The aggregate consideration for Acquisition payable by Vasky Energy to the Vendor shall be HK\$1,164,000,000, which shall be 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. The Target Group is one of leading manufacturers of hydraulic roof supports in the PRC. According to China National Coal Machinery Industry Association, Zhengzhou Siwei was the third largest hydraulic roof support manufacturers 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. The Target Group 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 will exceed 30% of the enlarged issued share capital of the Company and will become a controlling shareholder of the Company.


In addition, the Acquisition and the transactions contemplated under the Agreement constitute a reverse takeover for the Company under Rule 19.06(6)(a) of the GEM Listing Rules. Accordingly, the Company will be treated as if it were a new listing applicant. The Acquisition and transactions contemplated under the Agreement are 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. As previously announced, the new listing application was submitted to the Stock Exchange on 22 January 2010. The Listing Division of the Stock Exchange has given its approval in principle of the new listing application of the Company. Details are set out in the Company’s circular dated 30 June 2010.

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

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, are two of conditions precedent for completion of the Acquisition.

As the Placing was approved by the shareholders of the Company on 23 July 2010, the Company is now intending to enter into placing agreement(s) with relevant placing



agent(s) and/or placees setting out detailed rights and obligations of parties, and final terms in respect of the placing. Further announcement(s) will be made in accordance with the GEM Listing Rules when the Company enters into placing agreement(s).

Liquidity and financial resources

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

As at 30 June 2010, the Group had net current liabilities of approximately HK\$17.2 million, of which approximately HK\$21.7 million derivative components of convertible bonds. 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 2010, the Group's net liabilities were financed by internal resources through share capital and reserves. Total deficiency attributable to shareholders was approximately HK\$33.4 million as at 30 June 2010, representing an increase of approximately 113.1% over that of 31 December 2009.

Employee information

As at 30 June 2010, the Group had a total of 6 employees. The total staff costs, including directors' emoluments, amounted to approximately HK\$2.5 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 2009 annual report.

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

As at 30 June 2010, 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)	70,352,581 ordinary shares (long position)	17.56%
Mr. Lee Jong Dae	Corporate Interest (Note 2)	18,000,000 ordinary shares (long position)	4.49%

Notes:

1. The 70,352,581 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)	0.22%
Mr. Kim Beom Soo	Beneficial owner	share options to subscribe for shares (900,000 ordinary shares) (Note)	0.22%
Mr. David Marc Boulanger	Beneficial owner	share options to subscribe for shares (900,000 ordinary shares) (Note)	0.22%
Mr. Christopher John Parker	Beneficial owner	share options to subscribe for shares (900,000 ordinary shares) (Note)	0.22%
Mr. Chan Sze Hon	Beneficial owner	share options to subscribe for shares (300,000 ordinary shares) (Note)	0.07%

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 2010, 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 30 June 2010
			Outstanding as at 1 January 2010	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 2009 annual report.

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

As at 30 June 2010, 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	70,352,581 ordinary shares (long position) <i>(Note)</i>	17.56%

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 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 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 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 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 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.

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, 2 August 2010

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.