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AURORA GLOBAL INVESTMENT HOLDINGS LIMITED

旭日環球投資控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 353)

PROPOSED PLACING OF CONVERTIBLE NOTES
AND RESUMPTION OF TRADING

On 11th May, 2006, the Company and the Placing Agent entered into a Placing Memorandum, pursuant to which, the Placing Agent has agreed to place, on a best effort basis, to less than six independent professional, corporate or individual investors the Convertible Notes, which are proposed to be issued in an aggregate principal amount of HK\$40 million in maximum. The Convertible Notes will carry a right to convert into new Shares at the conversion price of HK\$0.40 per Share (subject to adjustment). The Conversion Price of HK\$0.40 represents (i) a discount of about 1.23% to the closing price of HK\$0.405 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of about 1.96% to the average closing price per Share of about HK\$0.408 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date; and (iii) a premium of about 5.82% to the average closing price per Share of HK\$0.378 as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Date. The aggregate net proceeds from the Placing will be about HK\$38.5 million after taking into consideration of the placing commission payable to the Placing Agent and other accrual expenses and will be used as general working capital for the Group.

No application will be made for the listing of the Convertible Notes. Application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Shares falling to be issued upon exercise of the conversion rights attached to the Convertible Notes. The Placing is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Conversion Shares.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:36 a.m. on 11th May, 2006 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 24th May, 2006.

PLACING OF CONVERTIBLE NOTES

Placing Memorandum

Date

11th May, 2006

Parties involved

The Placing Agent and the Company

Placing Agent

The Placing Agent has conditionally agreed with the Company to place, on a best effort basis, to less than six independent professional, corporate or individual investors the Convertible Notes, which are proposed to be issued in an aggregate principal amount of HK\$40 million in maximum. The Placing Agent will receive a placing commission of 2.5% on the gross proceeds of the placing of the Convertible Notes in accordance with the aggregate amount underwritten by it, which was arrived at after arm’s length negotiations between the Company and the Placing Agent.

The Placing Memorandum will lapse and become void immediately if the Placing Agent is not successful in arranging/procuring placee(s) to subscribe for the Convertible Notes in full by 26th May, 2006 and as such the Placing will not proceed.

The Placing Agent is not a connected person (as defined in the Listing Rules) of the Company and is independent of and not connected with the Company nor with the directors, chief executive or substantial shareholders of the Company, and any of their subsidiaries or any of their respective associates.

Placees

The Placing Agent will place the Convertible Notes to less than six placees and such placees and their ultimate beneficial owners will not be connected person(s) (as defined in the Listing Rules) of the Company and will be independent third parties and not connected with and not acting in concert with the directors, chief executive or substantial shareholders of the Company or any of their subsidiaries or any of their respective associates (as defined in the Listing Rules). The placees will be independent of each other and not acting in concert in respect of the Company. The Conversion Shares will be issued pursuant to the general mandate granted to the Directors by the Shareholders at the EGM held on 10th March, 2006.

As placees have yet to sign formal documentation for subscribing to the Convertible Notes, the identity of the placees cannot yet be determined. A further announcement will be made once the identity of the placees are known.

Conditions

The placing of the Convertible Note is conditional upon, among other things, the Listing Committee of the Stock Exchange having granted (either unconditionally or subject to conditions to which neither the Company nor the placees shall unreasonably object) listing of and permission to deal in the Conversion Shares to be issued upon the exercise of the conversion rights attached to the Convertible Notes.

Completion

Completion of the Placing is expected to take place within ten days from the date of the subscription agreement to be entered into between the Company and the placees pursuant to which the placees shall subscribe for the Convertible Notes.

The Convertible Notes

The terms of the Convertible Notes have been negotiated on arm’s length basis and the principal terms of which are summarised below:

Principal amounts

HK\$40,000,000

Interest

3.8% per half year payable on maturity. If the Convertible Notes are converted into Shares before maturity, no interest shall accrue on the principal amounts of the Convertible Notes so converted.

Maturity

12 months from the date of the issue of the relevant Convertible Notes. The yield to maturity is approximately 7.6%.

Conversion Price

HK\$0.40 per Share which is subject to adjustment and any dilutive events (if any)

The Conversion Price of HK\$0.40 represents (i) a discount of about 1.23% to the closing price of HK\$0.405 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of about 1.96% to the average closing price per Share of about HK\$0.408 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date; and (iii) a premium of about 5.82% to the average closing price per Share of HK\$0.378 as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Date.

* For identification purposes only

Conversion

Each holder may convert the whole or part of the principal amount of the relevant Convertible Note into new Shares as determined by dividing the principal amount of the relevant Convertible Note outstanding at the time of conversion by the Conversion Price.

Assuming there is an immediate exercise in full of the conversion rights attaching to the Convertible Notes at the Conversion Price by all holders of the Convertible Notes, the Company will issue an aggregate of 100,000,000 Conversion Shares, representing approximately 19.04% of the existing issued share capital of the Company, and approximately 16.00% of the enlarged issued share capital of the Company by the Conversion Shares. The Conversion Shares will be allotted and issued pursuant to the general mandate granted to Directors by the Shareholders at the EGM held on 10th March, 2006, such general mandate being sufficient for the allotment of Shares required upon conversion of the Convertible Notes.

The market value of the total Conversion Shares will be in aggregate of HK\$40.5 million based on the closing price of HK\$0.405 per Share on 10th May, 2006 being the Last Trading Day.

Conversion period

Unless the prior written consent of the Company is obtained for early conversion, each of the holders of the Convertible Notes shall have the right at any time 6 months after the date of issue of the relevant Convertible Note to convert all or part of the principal amount of the relevant Convertible Note outstanding at any time into new Shares at the Conversion Price.

Ranking

The Conversion Shares will rank pari passu in all respects among themselves and with all other Shares in issue on the date of such allotment and issue.

Redemption by the Company

The Company shall be entitled at any time before maturity to redeem the whole or any part of the outstanding principal amount of the relevant Convertible Notes.

Status of the Convertible Notes

The Convertible Notes constitute general and unsecured obligations of the Company and shall rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.

No application will be made for listing of the Convertible Notes. Application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Shares falling to be issued upon exercise of the conversion rights attached to the Convertible Notes.

Transferability

The Convertible Notes are freely transferable subject to compliance with the conditions of the Convertible Notes and the Listing Rules, provided that the holders of the Convertible Notes must inform the Company of each transfer or assignment made by them. The Company will notify the Stock Exchange if it becomes aware of any connected persons of the Company dealing in the Convertible Notes.

Voting

The holder of the Convertible Notes shall not be entitled to attend or vote at any meeting of the Company by reason only it being the holder of the Convertible Note.

Effects on Shareholding Structure

The shareholding structure of the Company as at the Last Trading Date together with assuming the conversion rights attached to the Convertible Notes are exercised are as follows:

	Existing issued share capital		Assuming the Convertible Notes are converted into Shares	
	No. of Shares	%	No. of Shares	%
L & L Holdings Limited (Note 1)	279,852,000	53.28	279,852,000	44.76
Prime Orient International Limited (Note 2)	44,638,750	8.50	44,638,750	7.14
Dr. Ma Chung Wo Cameron (Note 3)	11,752,000	2.24	11,752,000	1.88
Mr. So Chi Keung (Note 3)	700,000	0.13	700,000	0.11
Holder of the Convertible Note	—	—	100,000,000	16.00
Other public Shareholders	188,257,250	35.85	188,257,250	30.11
Total:	<u>525,200,000</u>	<u>100</u>	<u>625,200,000</u>	<u>100</u>

Notes:

- L & L Holdings Limited is an investment holding company incorporated in the Republic of the Marshall Islands, the entire issued share capital of which is wholly and beneficially owned by Mr. Tsao Ke Wen, Calvin, a chief executive officer and an executive Director of the Company, being the controlling Shareholder interested in approximately 53.28% of the Company’s issued share capital. 250,000,000 out of 279,852,000 Shares had been pledged to Kingston Finance Limited on 30 August 2005.
- Prime Orient International Limited is an investment holding company incorporated in the British Virgin Islands, the entire share capital of which is wholly and beneficially owned by Mr. Lam Shu Chung, an executive Director.
- Dr. Ma Chung Wo Cameron is a non-executive Director and Mr. So Chi Keung is an executive Director.

Use of proceeds

The aggregate net proceeds from the Placing will be about HK\$38.5 million after taking into consideration of the placing commission payable to the Placing Agent and other accrual expenses (eg. professional fee & printing fee, etc.) and will be used as general working capital for the Group.

The Board considers that the Placing is in the interest of the Company and the Shareholders as a whole.

The following table shows the capital raising activities of the Company during 12 months period immediately preceding the date of this announcement:

Description	Announcement date	Net proceeds	Intended use of proceeds as announced	Actual use of proceeds
Issue of convertible note	15 April 2005	HK\$33 million	General working capital for the Group	<p>i) debt repayment of approximately HK\$22.87 million</p> <p>ii) general working capital for the Group of approximately HK\$10.13 million</p> <p>The proceeds from issue of convertible note have been fully utilized</p>
Subscription of new shares	20 October 2005	Approximately HK\$32.4 million	<p>i) debt repayment of HK\$10 million</p> <p>ii) payment of the cash consideration of HK\$3 million for the acquisition as announced on 20 October 2005 (terminated on 1 December 2005, please refer to the Company's announcement on 1 December 2005)</p> <p>iii) payment of the cash consideration of HK\$2.5 million for the acquisition as announced on 3 January 2006</p> <p>iv) general working capital for the Group of HK\$19.9 million</p>	<p>i) debt repayment of HK\$10 million</p> <p>ii) payment of the cash consideration of HK\$2.5 million (Note: HK\$1.5 million will be paid after the completion of the acquisition.)</p> <p>iii) general working capital for the Group of approximately HK\$15.5 million</p> <p>iv) remaining balance of approximately HK\$4.4 million in the form of trade deposit as at the date of this announcement</p>

Shareholders should note that completion of the Placing are conditional. Shareholders and potential investors should exercise caution when dealing in the Shares.

Save as disclosed herein, no other convertible securities of the Company are in issue at the date of this announcement.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:36 a.m. on 11th May, 2006 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 24th May, 2006.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	Aurora Global Investment Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“Conversion Price”	HK\$0.40 per Share subject to adjustment
“Conversion Share(s)”	the new Shares to be issued by the Company upon the exercise of the conversion rights attaching to the Convertible Notes by the holders thereof
“Convertible Note(s)”	the convertible notes to be issued by the Company in the maximum aggregate principal amount of HK\$40 million
“Directors”	directors of the Company
“EGM”	extraordinary general meeting of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Date”	10th May, 2006 being the last full trading day for the Shares before this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the conditional placing of the Convertible Notes pursuant to the Placing Memorandum
“Placing Agent”	TIS Securities (HK) Limited, a deemed licensed corporation to carry on types 1, 2, 4 and 6 regulated activities (dealing in securities, dealing in futures contracts, advising on securities and corporate finance respectively) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Memorandum”	the legally binding memorandum dated 11th May, 2006 and entered into between the Company and the Placing Agent in relation to the Placing
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“%”	per cent.

By Order of the Board
Aurora Global Investment Holdings Limited
Pang Man Kin Nixon
Director

Hong Kong, 23rd May, 2006

As at the date of this announcement, the executive Directors are Mr Pang Man Kin Nixon, Mr Tsao Ke Wen Calvin, Mr Lam Shu Chung, Mr Law Fei Shing and Mr So Chi Keung; the non-executive Director is Dr Ma Chung Wo Cameron and the independent non-executive Directors are Mr Poon Chiu, Mr Lum Pak Sum and Mr Li Chak Hung.