



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)

ANNOUNCEMENT RELATING TO TERMINATION OF SHARE TRANSACTION, PURCHASE OF LOGISTIC AND FINANCIAL MANAGEMENT SYSTEM AND SIGNING OF STRATEGIC COOPERATION AGREEMENT

The Board announces that on 24th November, 2006, the Company entered into the Agreement with CMST, pursuant to which the Company and CMST agreed to terminate the Acquisition Agreement as a condition precedent thereto cannot be fulfilled. Pursuant to the Agreement, the Company has also agreed to purchase from CMST the Logistic and Financial Management System for a total consideration of HK\$3,000,000 which will be satisfied in cash from internal resources of the Group. The purchase of the Logistic and Financial Management System by the Company does not constitute a notifiable transaction under Rule 14 of the Listing Rules.

The Board also announces that on 24th November, 2006, the Company entered into the Strategic Cooperation Agreement with CMST, pursuant to which the parties thereto have agreed to cooperate in the development of the logistic finance/banking business in Mainland China.

Reference is made to the announcement of the Company dated 3rd January, 2006. Capitalised terms used herein and not defined shall have the same meaning as in the Company's announcement dated 3rd January, 2006 unless the context otherwise requires.

THE AGREEMENT

The Board announces that pursuant to the Acquisition Agreement entered into by the Company's wholly-owned subsidiary which constitutes a share transaction of the Company as disclosed in the announcement of the Company dated 3rd January, 2006, its completion is conditional upon, inter alia, China National Materials Storage Transportation Guangzhou Corp. ("CMST") and the Company (or its nominee) having formed JV Co with CMST (which is expected to take 3 months from the signing of the Acquisition Agreement) with a registered capital of RMB5,000,000 (approximately HK\$4,807,000) as to RMB3,500,000 (approximately HK\$3,365,000) and RMB1,500,000 (approximately HK\$1,442,000) from the Purchaser and CMST, respectively and all such approvals, consents, and registration having been obtained/completed and registered capital paid.

In view of the fact that the JV Co has not yet been formed after 10 months from the signing of the Acquisition Agreement and that it is still uncertain as to when the necessary approvals, consents, and registration for the formation of the JV Co can be obtained from the relevant PRC government authorities, the Board considers it prudent to terminate the Acquisition Agreement. Accordingly, on 24th November, 2006, the Company entered into an agreement with CMST (the "Agreement"), pursuant to which the Company and CMST irrevocably and unconditionally agreed to terminate the Acquisition Agreement. Following the execution of the Agreement, the Acquisition Agreement shall have no further effect and each of the parties thereto shall release and discharge the other party from all claims and liabilities arising out of or in respect of the Acquisition Agreement. In addition, the business proposals as mentioned in the announcement of the Company dated 3rd January, 2006 will not proceed further. The termination of the Acquisition Agreement is not expected to have a material impact on the business or financials of the Group. The Company has never issued any Consideration Shares to CMST in respect of the Acquisition Agreement.

As the Directors consider that the Logistic and Financial Management System can provide the Group with a useful technology and management tool to develop its logistic finance/banking business throughout Mainland China, the Company has agreed under the Agreement to purchase from CMST the Logistic and Financial Management System for a total consideration of HK\$3,000,000 (the "Consideration"), which will be satisfied in cash from internal resources of the Group. The Consideration will be paid as to HK\$2,000,000 being deposit (of which HK\$1,000,000 being satisfied from the refundable deposit paid by the Company under the Acquisition Agreement and the balance of HK\$1,000,000 having been paid by the Company before the date signing of the Agreement) and HK\$1,000,000 being paid by the Company to CMST within 15 days after the date of signing of the Agreement. The purchase of the Logistic and Financial Management System by the Company does not constitute a notifiable transaction under Rule 14 of the Listing Rules. Under the Agreement, CMST represents and warrants to the Company that, upon delivery of the Logistic and Financial Management System to the Company, CMST will not grant any license to a third party in respect of the use of the Logistic and Financial Management System and that the Company shall own all intellectual property rights associated with the upgrading, replacement and/or modifications made to the Logistic and Financial Management System or any part thereof by the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, CMST and its ultimate beneficial owners are third party independent of and not connected with the Company and its subsidiaries, the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules.

STRATEGIC COOPERATION AGREEMENT

The Board also announces that on 24th November, 2006, the Company entered into a legally binding strategic cooperation agreement with CMST (the "Strategic Cooperation Agreement"). Under the Strategic Cooperation Agreement, CMST will mainly be responsible for the custody and storage of pledged assets and providing control and management services in respect of the pledged assets in Mainland China. The Group will, through its subsidiary ("Guarantee Company"), be responsible for providing guarantee services to customers, liaising and/or introducing mortgagees or financial institutions to potential customers in Mainland China. CMST will also assist the Group to develop a logistic finance/banking business by utilizing its existing excellent business networks with major banks and/or financial institutions in Mainland China. For each of the transactions conducted through the cooperation between the Company and CMST, the relevant parties (i.e. the Guarantee Company, CMST, the bank or financial institution and the customer) will sign an agreement whereby CMST will charge the Guarantee Company a custodian and management service fee based on the guarantee amount and the Guarantee Company will charge the customer (i.e. the borrowing enterprise), a guarantee fee.

Pursuant to the Strategic Cooperation Agreement, the Guarantee Company will provide guarantees to the banks and/or financial institutions for the borrowing enterprises in consideration of which the banks and/or financial institutions will provide credit facilities to the borrowing enterprises. The borrowing enterprises will in return pledge their current assets to the Guarantee Company as a collateral security. In this regard, CMST as a logistics company will be responsible for the custody of pledged assets and conducting appraisal and evaluation on those assets.

So far as the Directors are aware, in Mainland China, it is difficult for private enterprises to obtain credit facilities from banks or financial institutions due to their small scale of operations. They will normally pledge their fixed assets in favour of the banks and/or financial institutions as a security for the loans. However, this will create financial difficulties to such enterprises when no further fixed asset is available for pledging to the bank or the financial institution as a security. In this regard, the logistics finance/banking allows the borrowing enterprises, which are normally private enterprises, import & export companies or manufacturing enterprises and possess substantial quantities of current assets due to the nature of their business, to use their current assets including raw materials, finished and semi-finished products, as a security for obtaining loans from the banks and/or the financial institutions. This will assist the borrowing enterprises to improve the liquidity of their current assets and increase their working capital as the logistics finance/banking business is largely based on the liquidity of the pledged assets in the market, their minimal price fluctuations, and the normal trading cycle of the pledged assets, as well as whether the pledged assets can fulfill the security requirements as required by the banks and/or financial institutions for extending credit and banking facilities to the borrowing enterprises. The Board considers that the logistics finance/banking business will have great development potential in Mainland China.

The Group is proposing to develop an asset-based financing for small and medium sized enterprises in Mainland China. The Directors understand that CMST is the largest storage logistics enterprise in Mainland China and is principally engaged in storage and transportation business in different provinces and coastal cities in Mainland China. So far as the Directors are aware, CMST has signed a cooperation framework agreement with major financial institutions in Mainland China, including, inter alia, China Construction Bank, in relation to the development of a custodian business for storage of pledged assets. In addition, CMST has developed a logistics finance/banking business with more than 10 major banks in Mainland China. Therefore, following the entering into of the Strategic Cooperation Agreement, the Group and CMST may share the relevant information on pledged current assets, such as machinery & equipment, motor vehicles, paper, wood products, metals, minerals, petroleum and chemicals, as well as the information on potential customers with each other. As disclosed in the above, the Company has, pursuant to the Agreement, purchased the Logistic and Financial Management System developed by CMST, which is used for logistics finance business. The purchase of the Logistic and Financial Management System will provide the Group with an important technology and management tool to fully utilize the advantages available to the Group under the Strategic Cooperation Agreement so as to developing the logistics finance/banking business throughout Mainland China.

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

Hong Kong, 27th November, 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.

* for identification purpose only