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AURORA

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)

DISCLOSEABLE TRANSACTION INVOLVING

ACQUISITION OF 70% SHARES IN

WIN ALLIANCE DEVELOPMENT LIMITED

The Board is pleased to announce that on 8th December, 2006, the Purchaser, a subsidiary of the Company and the Vendor entered into the Agreement pursuant to which, among other things, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 70% of the entire issued share capital of Win Alliance, for an aggregate consideration of HK\$14,000,000. The consideration will be satisfied (a) as to HK\$9,000,000 by the Purchaser procuring the Company to allot and issue a total of 18,000,000 Consideration Shares at HK\$0.50 per Share credited as fully paid; and (b) as to HK\$5,000,000 by the Purchaser paying in cash, to the Vendor on Completion. A refundable deposit in the amount of HK\$1,750,000 shall be paid by the Purchaser to the Vendor within 7 days after the date of the Agreement. The value of the Consideration Shares based on the closing price of the Shares on the Business Day immediately prior to the date of signing of the Agreement (i.e. 7th December, 2006) is HK\$10,260,000.

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing details of the Agreement will be dispatched to the shareholders of the Company within 21 days after the publication of this announcement.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 12th December, 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 15th December, 2006.

The Board is pleased to announce that on 8th December, 2006, the Purchaser and the Vendor entered into the Agreement pursuant to which, among other things, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 70% of the entire issued share capital of Win Alliance, for an aggregate consideration of HK\$14,000,000.

THE AGREEMENT

Date: 8th December, 2006

Parties

Vendor: Sheng De Cruz Li

Purchaser: Wise Mount Management Limited (智峰管理有限公司), a wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor is a third party independent of and not connected with the Company and its subsidiaries, the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules. The Vendor carries on the business of manufacturing and trading of carpets and trading of other commodities such as seamless steel pipes and steel.

Assets to be acquired

700,000 shares in Win Alliance, representing 70% of the entire issued share capital of Win Alliance

Consideration

The aggregate consideration for the Acquisition is HK\$14,000,000. A sum of HK\$1,750,000 shall be paid by the Purchaser to the Vendor as a deposit for the Acquisition within seven days after the date of signing of the Agreement (i.e. on or before 15th December, 2006). In the event that the Acquisition cannot be completed for the reason that any of the conditions precedent as set out in the Agreement cannot be fulfilled, the deposit shall be refunded to the Purchaser within seven days without interest. If Completion takes place, the deposit shall be used to offset against part of the consideration for the Acquisition.

The consideration for the Acquisition shall be satisfied: (a) as to HK\$9,000,000 by the Purchaser procuring the Company to allot and issue the Consideration Shares (being 18,000,000 Shares at HK\$0.50 per Share credited as fully paid); and (b) as to HK\$5,000,000 by the Purchaser paying in cash, to the Vendor on Completion.

The value of the Consideration Shares based on the closing price of HK\$0.57 per Share on the Business Day immediately prior to the date of signing of the Agreement (i.e. 7th December, 2006) is HK\$10,260,000. The price per Consideration Share represents: (a) a discount of approximately 12.28% to the closing price of HK\$0.57 per Share as quoted on the Stock Exchange on 7th December, 2006, being the last trading day before the date of the Agreement; and (b) a discount of approximately 11.97% to the average closing price of HK\$0.568 per Share of the 10 consecutive days (including 7th December, 2006) before the date of the Agreement.

The Directors believe that the discount is fair and reasonable as it is an incentive for the Vendor to accept Shares as an alternative to cash thereby not utilizing the cash of the Group which may be otherwise used for general working capital. The Consideration Shares represent approximately 3.26% and 3.16% of the Existing Capital and Enlarged Capital, respectively. The Consideration Shares credited as fully paid will be allotted and issued under the general mandate granted to the Directors to allot and issue up to a maximum of 105,040,000 Shares at the annual general meeting of the Company held on 8 June 2006. The mandate has not been used. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares when allotted and issued shall rank pari passu with all other Shares in issue in the share capital of the Company.

The cash consideration of HK\$5,000,000 payable by the Purchaser to the Vendor will be financed by internal resources of the Group.

The consideration has been agreed by the parties after arm's length negotiations between the Purchaser and the Vendor by reference to (i) the potential business growth of Win Alliance; and (ii) the results of the valuation to be conducted by an independent qualified valuer showing that the business value of Will Alliance being not less than HK\$20,000,000 as at the Completion Date.

Based on the audited financial statement of Win Alliance for the year from 1st April, 2005 to 31st March, 2006, the net assets value of Win Alliance as at 31st March 2006 was approximately HK\$18,810,590. The profit before tax of Win Alliance for the year ended 31st March, 2006 was approximately HK\$1,527,468. The net profit after tax attributable to Will Alliance's shareholders for the year ended 31st March, 2005 was approximately HK\$1,264,739.

Based on the management account of Win Alliance for the period from 1st April, 2006 to 30th September, 2006, the net asset value of Win Alliance as at 30th September, 2006 was approximately HK\$19,353,521 and the unaudited net profit of Win Alliance was approximately HK\$542,931.

Immediately following Completion, Win Alliance will become a subsidiary of the Company. The investment in Win Alliance by the Company will be account for in the books of the Company as a subsidiary by using the equity method.

Conditions and Completion

Completion is conditional upon the following conditions precedents:—

- (a) the Stock Exchange having granted listing approval of the Consideration Shares;
- (b) the Purchaser being satisfied with the findings, reports and advice of its own legal advisers with respect to any due diligence review on Win Alliance, its business and assets;

- (c) the Vendor having obtained all necessary consents and approvals in respect of the sale of the Sale Shares;
- (d) the Purchaser being satisfied with the report of a qualified independent valuer on the business value of Win Alliance and a certificate from such qualified independent valuer certifying that the total business value of Win Alliance should not be less than HK\$20,000,000 as at the Completion Date (i.e. 70% of the total business value of Win Alliance should not be less than HK\$14,000,000);
- (e) the purchase of the Sale Shares having been approved by a resolution passed in an extraordinary general meeting of the shareholders of the Company, if necessary;
- (f) the board of directors of Win Alliance having approved the Agreement and the sale of the Sale Shares;
- (g) the Purchaser and the Vendor having caused or arranged to have all necessary reports and/or application filed and completed as required by the relevant supervisory authorities/ bodies; and
- (h) the board of directors of Win Alliance having undertaken that all employees, in particular, the management, will remain in employment with Win Alliance for not less than 2 years after the Completion under the same terms and conditions of employment as are currently in force.

Completion

Completion shall take place after the date of the fulfillment of all the conditions precedent required to be fulfilled before Completion, which shall not be more than three months from the date of the Agreement subject to the fulfillment of the conditions precedent and approval by the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Immediately following Completion, the board of directors of Win Alliance shall consist of five directors, three of them shall be nominated by the Purchaser and the remaining two directors shall be nominated by Mr. Cheung Hung Yuen, a shareholder holding the remaining 30% shares in Win Alliance.

INFORMATION ON WIN ALLIANCE

Win Alliance was incorporated on 12th November 1991 in Hong Kong. Prior to the signing of the Agreement, Win Alliance is owned as to 70% by the Vendor and 30% by Mr. Cheung Hung Yuen. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Mr. Cheung Hung Yuen is a third party independent of and not connected with the Company and its subsidiaries, the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules.

Win Alliance is principally engaged in manufacture of hand tufted carpets in China and trading of such carpets in overseas and domestic market in the People's Republic of China ("PRC"). Win Alliance's major products include various kinds of hand tufted carpets and rugs made with wool, synthetic fiber, polyester fiber, polypropylene fiber. They are mainly for home, office, hotel and public area uses. So far as known to the Directors, on the production side, Win Alliance is the only one amongst various carpet manufacturers in PRC that are capable of producing a variety of machine made hand tufted products. The products are mainly for export to the United States, Europe, Japan, Australia and Middle East countries. The lower or below export grade products would be marked to chained stores and retailers locally in the PRC domestic market. Win Alliance is also engaged in trading of other commodities such as seamless steel pipes, steel and iron in overseas market such as Germany.

In 2002, Win Alliance established a joint partnership with one of its subcontractor in Boa Ding, Hebei Province, PRC (the "Boa Ding Factory"). Win Alliance currently undertakes carpet production at the Boa Ding Factory with a capacity of 100,000 square meters per year marketed entirely by Win Alliance. The construction of a wholly-owned factory located in Luannan, Tangshang, Hebei Province, PRC (the "Tangshang Factory") by Win Alliance is expected to be completed in early 2007. The estimated carpet production capacity of the Tangshang Factory is approximately 400,000 square meters per year. The major asset of Win Alliance is the land use rights in the Tangshang Factory.

INFORMATION ON THE GROUP

The Group is principally engaged in the design, manufacture and sale of a wide range of carpets under its own brand name and the trading of carpets of various brand names. The shareholding structure of the Company before and after the issue of the Consideration Shares is as follows:

Shareholder	Shareholding as at the date of this announcement		Shareholding immediately after Completion	
	No. of Shares	Approximate percentage	No. of Shares	Approximate percentage
L & L Holdings Limited (Note 1)	279,852,000	50.71	279,852,000	49.11
Prime Orient International Limited (Note 2)	44,638,750	8.09	44,638,750	7.83
Vendor	—	—	18,000,000	3.16
Other public Shareholders	227,409,250	41.20	227,409,250	39.90
Total	551,900,000	100	569,900,000	100

Notes:

1. 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, the chief executive officer and executive director of the Company.
2. Prime Orient International Limited is an investment holding company incorporated in the British Virgin Islands, the entire issued share capital of which is wholly and beneficially owned by Mr. Lam Shu Chung, an executive director of the Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Directors consider that the Acquisition, if completed, will enable the Company to expand its existing core business of manufacturing and trading of carpets as: (a) the Tangshang Factory will increase the Company's production capacity and enable the Company to manufacture carpets at lower cost; (b) there is a potential growth in carpet manufacturing and trading as well as trading of seamless steel pipes and steel businesses in the northern cities in PRC; (c) the business nature of Will Alliance is similar to that currently conducted by the Company which will enable the Company to manufacture wide range of carpet products and enhance the Company's existing customer base. The Acquisition may also provide the Company with valuable customer base, which is principally engaged in trading of seamless steel pipes and steel, for developing its proposed logistics finance business in PRC. The Directors (including the independent non-executive Directors) are of the view that the Acquisition is in the interest of the Group and the terms and conditions of the Acquisition are in normal commercial terms, which are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

GENERAL

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing details of the Agreement will be dispatched to the shareholders of the Company within 21 days after the publication of this announcement.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 12th December, 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 15th December, 2006.

DEFINITIONS

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

"Acquisition"	the proposed acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Agreement
"Agreement"	the sale and purchase agreement dated 8th December, 2006 entered into between the Purchaser and the Vendor in relation to Acquisition
"Board"	the board of Directors
"Business day"	a day (not being a Saturday or days on which a typhoon signal no. 8 or black rainstorm warning is hosted in Hong Kong at 10:00 a.m.) on which banks are generally open for general banking business in Hong Kong
"Company"	Aurora Global Investment Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
"Completion"	completion of the sale and purchase of the Sale Shares in accordance with the terms of the Agreement
"Consideration Share"	18,000,000 Shares in the authorized share capital of the Company valued at HK\$0.50 per Share, being a discount of approximately 12.28% to the closing price of the Shares on the Stock Exchange on the Business Day immediately prior to the date of the Agreement, i.e. 7th December 2006
"Directors"	directors of the Company
"Enlarged Capital"	569,900,000 Shares in issue upon Completion
"Existing Capital"	551,900,000 Shares in issue as at the date of this announcement
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Purchaser"	Wise Mount Management Limited, a company incorporated in Hong Kong with limited liability
"Sale Shares"	700,000 shares in Win Alliance, representing 70% of the entire issued share capital of Win Alliance
"Shareholders"	holders of the Shares
"Shares"	the shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor"	Sheng De Cruz Li
"Win Alliance"	Win Alliance Development Limited, a company incorporated in Hong Kong

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

Hong Kong, 14th December, 2006

As at the date of this statement, 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 purposes only