

## CHAIRMAN'S STATEMENT

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On behalf of the board of directors (the Board) of Aurora Global Investment Holdings Limited (the Company) and its subsidiaries (collectively referred to as the Group), I am pleased to present herewith the annual report of the Company and the Group for the year ended 31 December 2005.

### FINANCIAL SUMMARY

The Group's turnover for the year ended 31 December 2005 was approximately HK\$41.0 million, which represented an increase of 110% compared to the previous year. The administrative expenses for the year ended 31 December 2005 were approximately HK\$24.5 million, which represented an increase of 15.6% compared to the expenses incurred last year.

The consolidated loss attributable to equity holders of the Company for the year ended 31 December 2005 was increased to approximately HK\$91.1 million, as compared to HK\$77.4 million in the previous corresponding year.

### BUSINESS REVIEW

During the year, carpet manufacturing and trading were the core business. The Group benefited from the revival of the construction and property development markets in Hong Kong and Macau, and the continued growth in the same sector in the PRC. The Company is also witnessing early encouraging results in its efforts to develop distribution channels in the international markets. These resulted in a 110% increase in turnover over the previous corresponding year.

However, profit margins continued to be depressed in the intensely competitive environment which the Group operates under. The prices of raw material increased in tandem with the increase in crude oil prices globally. Unfortunately, these additional costs could not be fully passed on to end customers due to the very keen pricing competition in the markets the Group operates in. This is further exacerbated by a one time write off on a substantial overseas receivable of HK\$47.9 million and impairment loss of goodwill of approximately HK\$35.7 million. Excluding these non recurring events the Group would have registered a very much dramatic decrease in its consolidated losses attributable to the equity holders of the Company from HK\$77.4 million for the previous corresponding year to HK\$7.5 million for the financial year under review.

The Company intends to continue its efforts to improve the turnover and profitability of its core business. In addition, the management team shall seek to identify opportunities that will help the Group diversify its reliance on the contributions from its carpet business which is expected to remain robust but fiercely competitive.

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### NEW CONTROLLING SHAREHOLDER

On 9 August 2005, the Company received a conversion notice in respect of a HK\$33,000,000 convertible note that L & L Holdings Limited has exercised the conversion rights in full at the conversion price of HK\$0.12 per share, resulting in the issue of 275,000,000 new shares by the Company to L & L Holdings Limited.

Upon such conversion, L & L Holdings Limited was interested in 56.88% of the issue share capital of 483,500,000 shares of the Company as at 10 August 2005. L & L Holdings is wholly owned by Mr. Tsao Ke Wen, Calvin. Mr. Calvin Tsao has extensive business, financial and PRC investment experience, and is now an executive director and the new Chief Executive Officer of the Company,

Following the change in the controlling shareholder, the Company is now under the management of a dynamic team with the necessary know-how and expertise in both the financial and industrial sectors. It is the objective of this team to steer the Group towards a sustainable and profitable future.

### LOGISTIC AND FINANCIAL MANAGEMENT SYSTEM ACQUISITION

On 3 December 2005 the Company, through its indirectly wholly-owned subsidiary, Aurora Logistic Software Development Limited, entered into a conditional acquisition agreement (the "Acquisition Agreement") to acquire the Logistic and Financial Management System from China National Materials Storage and Transportation Guangzhou Corp. for a total consideration of RMB6,000,000. The consideration for the sale and purchase of the Logistic and Financial Management System shall be satisfied by paying cash of RMB2,500,000 (approximately HK\$2,404,000) and issuing 10,615,827 shares of the Company for the remaining RMB3,500,000 (approximately HK\$3,365,000). The specific mandate to issue and allot the consideration shares were granted at the extraordinary general meeting held on 10 March 2006, and the acquisition is expected to be completed by the third quarter of 2006.

Upon completion, the Company believes the acquisition will help reduce the lead time and costs involved in the sale and trading of carpets in the areas of storage, transport, distribution, import and export. The Company is cautiously optimistic of the potential of the logistics software market in the PRC, and that this acquisition, whilst complementary, will also help the Group diversify its sources of revenue.

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### FUTURE PLAN AND PROSPECTS

The growth of the construction and property development market in the PRC is expected to contribute to as well as benefit from the continued national GDP growth. Economists estimate that the "2008 Olympic Games" in Beijing alone would benefit PRC's GDP by an additional one per cent. With this as the backdrop, the Company intends to capitalise on the spill over effect to the carpet industry, whilst trying at the same time to strike an equilibrium against the decreasing profit margin trend.

Having undergone three major capital raising exercises in 2005 which raised net proceeds of approximately HK\$78.4 million, the Group is now in a much improved financial position. It is the management's intention to leverage on this financial strength to explore new potential investment opportunities in view of the very competitive market environment which its carpet business operate within.

With the view of enhancing the group's growth and offering higher returns to shareholders, the Group will continue to be prudent in its approach, and will strive to maintain a balanced exposure to both the core carpet business and any new investment opportunities

### SUBSEQUENT EVENT

Pursuant to the approval of shareholders at an extraordinary general meeting held on 10 March 2006, the name of the Company has changed from "Orient Industries Holdings Limited" to "Aurora Global Investment Holdings Limited" and the Company has adopted the Chinese name from "東方工業控股有限公司" to "旭日環球投資控股有限公司" for identification purposes on the same day.

### APPRECIATION

On behalf of the Board, I would take this opportunity to express my sincere thanks to all shareholders for continuing support, and all the directors and staff of the Group for their loyalty, commitment and diligence in the past year.

By order of the Board

**PANG MAN KIN, NIXON**

*Chairman*

Hong Kong, 27 April 2006