

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of Aurora Global Investment Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2005.

CHANGE OF NAME

At an extraordinary general meeting of shareholders of the Company held on 10 March 2006, a special resolution was passed to change the name of the Company from Orient Industries Holdings Limited to Aurora Global Investment Holdings Limited. The Company has adopted the Chinese name from “東方工業控股有限公司” to “環球投資控股有限公司” for identification purpose.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 17 to the financial statements. There were no significant changes in the nature of the Group’s principal activities during the year.

RESULTS AND DIVIDENDS

The Group’s loss for the year ended 31 December 2005 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 29 to 88.

The directors do not recommend the payment of any dividend in respect of the year.

SUMMARY FINANCIAL INFORMATION

The following is a summary of the published consolidated/combined results and of the assets, liabilities and minority interests of the Group for the years ended 31 December 2001, 2002, 2003, 2004 and 2005, prepared on the basis set out in the note below.

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RESULTS

	Year ended 31 December				
	2005 HK\$'000	2004 HK\$'000	2003 HK\$'000	2002 HK\$'000	2001 HK\$'000
TURNOVER	40,982	19,560	127,338	182,062	275,168
(LOSS)/PROFIT FROM OPERATING ACTIVITIES	(89,444)	(74,503)	(43,576)	11,630	61,041
Finance costs	(1,686)	(3,290)	(2,168)	(1,728)	(676)
(LOSS)/PROFIT BEFORE TAXATION	(91,130)	(77,793)	(45,744)	9,902	60,365
Taxation credit/(charge)	–	84	(3,500)	(1,053)	(18,070)
(LOSS)/PROFIT BEFORE MINORITY INTERESTS	(91,130)	(77,709)	(49,244)	8,849	42,295
Minority interests	(6)	223	17,391	(3,970)	2,053
NET (LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	(91,136)	(77,486)	(31,853)	4,879	44,348

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ASSETS, LIABILITIES AND MINORITY INTERESTS

	At 31 December				
	2005	2004	2003	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
NON-CURRENT ASSETS	83,403	118,406	161,226	120,885	98,520
CURRENT ASSETS	27,199	57,089	59,664	162,065	178,222
TOTAL ASSETS	110,602	175,495	220,890	282,950	276,742
CURRENT LIABILITIES	22,050	77,298	76,048	79,076	98,878
NON-CURRENT LIABILITIES	304	17,695	139	17,492	331
TOTAL LIABILITIES	22,354	94,993	76,187	96,568	99,209
MINORITY INTERESTS	2,356	200	317	14,223	10,253
NET ASSETS	85,892	80,302	144,386	172,159	167,280

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the year are set out in note 15 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the year together with the reasons therefor, are set out in notes 27 and 29 to the financial statements to the principal statements respectively.

No share options granted during the year to the directors, employees, suppliers and others, as detailed in note 29 to the financial statements, the directors do not consider it appropriate to disclose a theoretical value of the options granted, because it is not practical to do so.

On 7 March 2006, the Company offered a total of 32,000,000 option shares. Further details are set out in note 38(c) to the financial statements.

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PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 28 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

Under the Companies Law (Revised) of the Cayman Islands, the share premium account of the Company of approximately HK\$85,981,000 as at 31 December 2005, is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the sales to the Group's five largest customers accounted for approximately 33% of the Group's total sales for the year and sales to the largest customer included therein amounted to approximately 31%.

Purchases from the Group's five largest suppliers accounted for approximately 66% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 61%.

None of the directors of the Company, any of their associates or shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital), had any beneficial interests in the Group's five largest customers and/or suppliers.

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DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors

Mr. Pang Man Kin Nixon (<i>Chairman</i>)	(appointed on 16 August 2005)
Mr. Tsao Ke Wen Calvin (<i>Chief Executive Officer</i>)	(appointed on 16 August 2005)
Mr. Lam Shu Chung	
Mr. Law Fei Shing	
Mr. So Chi Keung	(appointed as Independent non-executive Director on 31 March 2005 and re-designed as Executive Director on 6 June 2005)

Non-executive directors

Dr. Ma Chung Wo Cameron	(appointed on 30 June 2005)
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Independent non-executive directors

Mr. Poon Chiu	(appointed on 30 June 2005)
Mr. Lum Pak Sum	(appointed on 16 September 2005)
Mr. Li Chak Hung	(appointed on 16 September 2005)
Mr. Ha Chun, Michael	(appointed on 9 August 2004 and resigned on 31 March 2005)
Mr. Ho Wing Yiu	(appointed on 6 June 2005 and resigned on 16 September 2005)
Mr. Lee Siu Leung	(appointed on 9 August 2004 and resigned on 6 June 2005)
Mr. Liu Ngai Wing	(resigned on 30 June 2005)
Mr. Yu Tak Shing, Eric	(appointed on 31 March 2005 and resigned on 16 September 2005)

In accordance with article 111 of the Company's Articles of Association, Mr. Pang Man Kin Nixon, Mr. Tsao Ke Wen Calvin, Dr. Ma Chung Wo Cameron, Mr. Poon Chiu, Mr. Lum Pak Sum and Mr. Li Chak Hung, who were appointed as directors of the Company on 16 August 2005, 16 August 2005, 30 June 2005, 30 June 2005, 16 September 2005 and 16 September 2005 respectively, shall hold office until the forthcoming annual general meeting of the Company following their appointments and, being eligible, offer themselves for re-election.

The Company has received from each independent non-executive director an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Company considers all the independent non-executive directors are independent.

In accordance with Articles 108(A) and 108(B) of the Company's articles of association, no Director will retire and being eligible offer themselves for re-election at the forthcoming annual general meeting.

Dr. Ma Chung Wo Cameron, a non-executive director, Messrs Poon Chiu, Lum Pak Sum and Li Chak Hung the independent non-executive directors are currently appointed with no specific length or proposed length of service with the Company in respect of the appointment and no specific terms of service have been agreed.

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BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 9 to 11 of the annual report.

DIRECTORS' SERVICE CONTRACTS

Messrs Pang Man Kin, Nixon, Tsao Ke Wen, Calvin, Lam Shu Chung, Law Fei Shing and So Chi Keung have entered into service contracts with the Company commencing from 16 August 2005, 16 August 2005, 1 September 2004, 1 September 2004 and 1 September 2005 which continue thereafter until terminated by either party giving not less than three months' notice in writing to the other party.

Save as disclosed above, no director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed elsewhere in the annual report, no director had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or were in existence during the year.

PENSION SCHEME ARRANGEMENT

Particulars of the pension scheme arrangements are set out in note 3(q)(b) to the financial statements.

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DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2005, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") were as follows:

Long Positions in Ordinary Shares of the Company

Name of Director	Nature of interests	Number of shares held	Approximate percentage of shareholding
Mr. Tsao Ke Wen, Calvin (Note 1)	Corporate	281,352,000	53.57%
Mr. Lam Shu Chung (Note 2)	Corporate	44,638,750	8.50%
Dr. Ma Chung Wo, Cameron	Personal	11,752,000	2.24%
Mr. So Chi Keung	Personal	1,000,000	0.19%

Notes:

1. L & L Holdings Limited ("L & L") owned ordinary shares of the Company. This company is incorporated in the Republic of the Marshall Islands. The entire issued share capital of L & L is wholly and beneficially owned by Mr. Tsao Ke Wen, Calvin.
2. Prime Orient International Limited ("Prime Orient") owned ordinary shares of the Company. This company is incorporated in the British Virgin Islands. The entire issued share capital of Prime Orient is wholly and beneficially owned by Mr. Lam Shu Chung.

Save as disclosed above, as at 31 December 2005, none of the directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code; and none of the directors or the spouses, or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

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SHARE OPTION SCHEME

Concerning the share options granted during the year to the directors, employees, suppliers and others, as detailed in note 29, the directors do not consider it appropriate to disclose a theoretical value of the options granted, because it is not practical to do so.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

The register maintained by the Company pursuant to section 336 of the SFO recorded that, as at 31 December 2005, the following corporations had interests (as defined in the SFO) in the Company set opposite its respective name:

Name	Number of shares held	Approximate percentage of shareholding
L & L (Note 1)	281,352,000	53.57%
Mr. Tsao Ke Wen, Calvin (Note 1)	281,352,000	53.57%
Prime Orient (Note 1)	44,638,750	8.50%
Mr. Lam Shu Chung (Note 1)	44,638,750	8.50%
Ms. Choi Hing Lin, Lori (Note 2)	44,638,750	8.50%

Notes:

1. The shareholding are duplicated in the disclosure in the "Directors' Interests and short positions in the securities of the company and its associated corporations" section above.
2. Ms. Choi Hing Lin, Lori is the wife of Mr. Lam Shu Chung is deemed to be interested in shares which Mr. Lam Shu Chung is interested under the provisions of Divisions 2 and 3 of Part XV of the SFO.

All the interests stated above represent long positions in the ordinary shares of the Company. As at 31 December 2005, no short positions were recorded in the register maintained by the Company under section 336 of the SFO.

CONNECTED TRANSACTIONS

Details of the connected transactions that are required to be disclosed for the year are set out in note 35 to the financial statements. Save as disclosed therein, there were no transactions required to be disclosed as connected transactions in accordance with the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The independent non-executive directors of the Company are of the opinion that the terms of the above transactions are fair and reasonable so far as the shareholders of the Company are concerned; and that the transactions have been entered into by the Group in its ordinary and usual course of business and were carried out in accordance with the terms of the agreements governing such transactions.

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DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the year and up to date of this report, no directors of the Company are considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, as defined by the Listing Rules, other than those businesses of which the directors of the Company have been appointed as directors to represent the interests of the Company and/or the Group.

POST BALANCE SHEET EVENT

Details of the significant post balance sheet event of the Group are set out in note 38 to the financial statements.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with management the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters including a review of the audited financial statements of the Company for the year ended 31 December 2005. The Audit Committee comprises the three independent non-executive directors of the Company. During the year, two regular meetings of the audit committee have been held.

AUDITORS

Grant Thornton, Certified Public Accountants, was appointed as the auditors of the Company on 16 September 2005 to fill the vacancy left by the resignation of RSM Nelson Wheeler. The Company's auditors, Grant Thornton retire and a resolution for their reappointment as auditors of the Company will be proposed at the forth coming annual general meeting.