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VENTURE INTERNATIONAL INVESTMENT HOLDINGS LIMITED

(宏昌國際投資控股有限公司)*

(incorporated in Bermuda with limited liability)

(Stock Code: 61)

MAJOR TRANSACTION AND RESUMPTION OF TRADING

The Acquisition

Reference is made to the announcements published by the Company on 12 January 2007, 16 January 2007, 19 January 2007, 29 January 2007 and 5 February 2007 in relation to the Acquisition and the entering into of the MOU and the Supplemental MOU.

After 4:00 p.m. on 12 February 2007, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor in relation to the Acquisition for a cash consideration of HK\$78 million.

The Sale Share represents the entire issued share capital of Huge Value which is principally engaged in the management and consultancy services for the cultivation of licorice roots at the Growing Area pursuant to the Management Contracts.

General

The applicable percentage ratios (as defined in the Listing Rules) for the Acquisition are more than 25%, but less than 75%. Pursuant to Rule 14.06(3) of the Listing Rules, the Acquisition constitutes a major transaction for the Company and is therefore subject to the notification and announcement requirements and the approval of the Shareholders. As far as the Directors are aware of, having made all reasonable enquiry, no Shareholders will be required to abstain from voting for the Agreement and all transactions contemplated thereunder at the SGM.

A circular containing, among other things, further details of the Agreement will be sent to the Shareholders as soon as practicable, together with a notice convening the SGM at which an ordinary resolution will be proposed for the approval of the Agreement and all transactions contemplated thereunder.

Suspension and resumption of trading

The trading of the Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 13 February 2007 pending the publication of this announcement. The Company has made an application to the Stock Exchange for the resumption of trading of the Shares on the Stock Exchange from 9:30 a.m. on 15 February 2007.

Reference is made to the announcements published by the Company on 12 January 2007, 16 January 2007, 19 January 2007, 29 January 2007 and 5 February 2007 in relation to the Acquisition and the entering into of the MOU and the Supplemental MOU.

After 4:00 p.m. on 12 February 2007, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor in relation to the Acquisition for a cash consideration of HK\$78 million.

THE AGREEMENT

Date : 12 February 2007

Parties involved:

Vendor : Mr. Lau Siu Hung, Ricky

Purchaser : Technology Venture Investments Limited

The Purchaser is a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands with limited liability on 30 May 1997 and is principally engaged in investment holdings.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor is a third party independent of the Company and connected persons of the Company (as defined in the Listing Rules) and the Vendor has no other business dealings and transactions with the Group within 12 months prior to the date of the Agreement.

Asset to be acquired

The Sale Share represents the entire issued share capital of Huge Value.

Huge Value is wholly-owned by the Vendor incorporated in the British Virgin Islands with limited liability on 5 July 2006 and is principally engaged in investment holdings. Huge Value has entered into a contract on 25 November 2006 with Tian Lan to provide management and consultancy services to grow licorice roots at the Growing Area and a supplemental contract on 29 January 2007 with Tian Lan to clarify the income sharing mechanism with Tian Lan. Tian Lan is a limited company incorporated in the PRC on 3 September 2003 and is principally engaged in sand control, planting and breeding. According to the management accounts of Tian Lan for the year ended 31 December 2005 and 2006 (which were prepared in accordance with the generally accepted accounting principles in the PRC), Tian Lan has generated approximately RMB9 million (equivalent to approximately HK\$9 million) and RMB11.5 million (equivalent to approximately HK\$11.5 million) from the sales of licorice roots produced in the Growing Area by Tian Lan for the year ended 31 December 2005 and 2006 respectively.

* for identification purpose only

The followings are the details of the Management Contracts:

Parties : Huge Value and Tian Lan

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, Tian Lan and its ultimate beneficiaries are third parties independent of the Vendor and the Company and connected persons (as defined in the Listing Rules) of the Company and Tian Lan has no other business dealings with the Group within 12 months prior to the date of the Agreement.

Term : The Management Contracts shall be effective for a period of forty-seven years from 25 November 2006 to 27 August 2053. Huge Value shall provide management and consultancy services to Tian Lan to cultivate licorice roots at the Growing Area.

Scope of services to be provided by Huge Value to Tian Lan:

Huge Value shall assist Tian Lan to formulate integrated plan on production, harvest, processing and sales of licorice roots, advise on the daily operation of Growing Area and send representatives to train up Tian Lan's staff, if necessary.

Income sharing ratio : Huge Value shall receive 70% of the turnover generated from the sales of licorice roots produced in the Growing Area after deducting 15% on turnover (representing the direct production costs and taxation generated from the sales of licorice roots) from the turnover attributable to the sales of licorice roots by Tian Lan.

Pursuant to the Management Contracts, Tian Lan shall guarantee it possesses the legitimate land use right of the Growing Area until 2053 and the legitimate operation right of the Growing Area to produce, process and sales of the licorice roots. Tian Lan cannot pledge or transfer or deal with the grassland use right on the Growing Area to other parties without Huge Value's prior approval in writing.

Consideration

The Total Consideration will be settled in cash by the Purchaser in the following manner:

- (i) HK\$60 million is to be paid upon Completion (the "Basic Consideration"); and
- (ii) the remaining balance of HK\$18 million (the "Balance") shall be payable by the Purchaser to the Vendor upon the production of evidence to the reasonable satisfaction of the Purchaser that the audited profit after taxation and before any exceptional or extraordinary items of Huge Value, based on Hong Kong Financial Reporting Standards, for the Earn Out Period shall not be less than the Earn Out Amount. For the avoidance of doubt, if Huge Value fails to reach the Earn Out Amount within the Earn Out Period, the Purchaser's obligation to pay to the Vendor the Balance is deemed satisfied and fulfilled.

The Vendor and the Purchaser shall procure the audited financial statements of Huge Value for the Earn Out Period shall be prepared and reported by the auditors for the time being of the Company on or before the date falling four months after the expiry of the Earn Out Period and a separate audit will be performed.

Reference is made to the circulars of the Company dated 31 August 2006 and 13 November 2006. The Group has disposed of 7.48% equity interests in ChinaCast Communication Holdings Limited for a consideration of approximately S\$9.3 million (equivalent to approximately HK\$47.1 million) and disposed of the unlisted equity investment in 北京東師雙威教育技術開發有限公司 (Beijing Dongshi Shuangwei Education Technology Company Limited) for a consideration of approximately RMB12 million (equivalent to approximately HK\$12 million). The Group will finance the Total Consideration with its internal resources with the application of the proceeds from the abovementioned transactions.

Further details of the basis of determining the Total Consideration are set out in the section headed "Basis of the Total Consideration" below.

Conditions to Completion

Completion of the Acquisition is conditional upon the satisfaction of the following conditions:

- (a) the Purchaser being satisfied with the results of the due diligence review;
- (b) all representations, warranties and undertakings provided by the Vendor under the Agreement remaining true, accurate and complete in all material respects;
- (c) all necessary consents and approvals required to be obtained on the part of Huge Value or the Vendor in respect of the Agreement and the transactions contemplated thereunder;
- (d) the Shareholders passing at the SGM the necessary resolution(s) approving the Agreement and the transactions contemplated thereunder; and
- (e) the PRC legal opinion (in form and substance satisfactory to the Purchaser) to be issued by a firm of PRC legal advisers acceptable to the Purchaser covering matters which are relevant to the Agreement and the transactions contemplated thereunder being obtained.

The Purchaser has the sole discretion to waive all the conditions as set out above. The Purchaser does not have any current intention to waive any of the said conditions.

If the conditions set out above have not been satisfied (or as case maybe, waived by the Purchaser) on or before 4:00 p.m. on 12 June 2007, or such later date as the Vendor and the Purchaser may agree, the Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other thereof save for any antecedent breaches.

Completion

Completion is expected to take place on the Completion Date or such later date as the Vendor and the Purchaser may agree upon compliance with or fulfillment (or waiver) of all the abovementioned conditions. Following the Completion, Huge Value will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated with the Group. The Purchaser will nominate three executive directors, Mr. Tse, Mr. Chan Tze Ngon and Mr. Tang Kin Hung to the board of directors of Huge Value and the Company has appointed Mr. Tse as the Chairman of the Company and executive Director with effect from 12 February 2007, who has substantial experience in agricultural and fisheries industry to monitor the business of Huge Value. Reference is made to the announcement published by the Company on 12 February 2007 for the biographical details of Mr. Tse. To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, Mr. Tse is a third party independent of the Vendor and there is no previous business relationship between Mr. Tse and the Vendor prior to the Acquisition. As at the date of this announcement, Mr. Tse holds 30 million Shares or 3.79% of the Company.

ADJUSTMENT TO THE TOTAL CONSIDERATION

The Vendor warrants and guarantees to the Purchaser that the audited net profits, based on the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, after taxation and before any extraordinary or exceptional items of Huge Value for the Earn Out Period ("Actual Profit") shall not be less than HK\$5 million (the "Guaranteed Profit"), failing which the Vendor shall pay the shortfall to the Purchaser in cash within 21 days after the delivery of the audited accounts of Huge Value for the Earn Out Period in accordance with the following formula:

$$\text{Refund amount (A)} = (\text{Guaranteed Profit} - \text{Actual Profit}) \times 12$$

where A is the amount payable to the Purchaser subject to a maximum of HK\$40 million. For the avoidance of doubt, if A exceeds HK\$40 million, the Vendor will be obligated to pay only HK\$40 million to the Purchaser.

The price earnings ratio of 12 included in the formula above is calculated as dividing the Basic Consideration by the Guaranteed Profit. The Directors understand that the Guaranteed Profit was based on the Vendor's assessment with reference to production plan of Tian Lan, the recent market price of licorice roots in the PRC and the current market status of the licorice roots market in the PRC. Based on the above assessment, the Directors are of the view that the aforesaid price earnings multiple is fair and reasonable.

BASIS OF THE TOTAL CONSIDERATION

The Total Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to the Earn Out Amount.

According to the unaudited accounts of Huge Value for the period from 5 July 2006 (the date of incorporation) to 31 December 2006 (which were prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants), Huge Value's unaudited net loss before taxation and after taxation for the period were HK\$15,000 and its unaudited net liabilities as at 31 December 2006 were HK\$14,992. The audited accounts of Huge Value for the period from 5 July 2006 (the date of incorporation) to 31 December 2006 (which will be prepared in compliance with the requirements under Rule 4.06(1) of the Listing Rules) will be included in the circular which will be dispatched to the Shareholders as soon as practicable.

Since Huge Value is only a company incorporated for a few months, the Board considers it not appropriate to base on the net assets value of Huge Value to determine the Total Consideration. As the future prospects of Huge Value lies in its ability in generating earnings pursuant to the Management Contracts, the Board considers the price earnings multiple based on the Earn Out Amount, is an appropriate yardstick in determining the Total Consideration.

The Earn Out Amount was arrived after arm's length negotiation between the Purchaser and the Vendor with reference to, among the others things, the prospect of the business of Huge Value, the proportionate share of the turnover generated from the sales of licorice roots with Tian Lan, the production plan of Tian Lan and the track records of Tian Lan to determine. The Earn Out Amount reflects the future earnings potential of Huge Value in consideration of abovementioned factors and the Board (including the independent non-executive Directors) considers that it is a fair and reasonable basis for determining the Total Consideration by reference to the Earn Out Amount and the Earn Out Amount is fair and reasonable.

Based on the Total Consideration, the price earnings multiple for the Acquisition is about 11.14 times after taking into account the Earn Out Amount. Since the provision of management and consultancy services by Huge Value to Tian Lan to grow licorice roots at the Growing Area is a unique service and no data on direct comparable companies could be found by the Board, the Board compared the price earnings multiple for the Acquisition with the price earnings multiple of a Hong Kong listed company which is principally engaged in the forestry industry in the PRC and noted that the price earnings multiple of about 11.14 times for the Acquisition was comparable to the price earnings multiple of that company in the similar industry.

The Directors also consider the Acquisition represents a good opportunity for the Group to enter into a new market with potential after taking into account of the market conditions of the new business. Also, under the directorship of Mr. Tse, who has extensive experience in the agricultural and fisheries industries and extensive business network in developing the new business, the Directors have confidence that the new business can generate new source of income for the Group in future so as to broaden its income base and it is beneficial to the Group's long term development. As such, the Board considers the price earning multiples of about 11.14 times is fair and justifiable.

On this basis, the Board (including the independent non-executive Directors) considers that the terms and conditions of the Agreement and the Total Consideration are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP

The Group is principally engaged in the distribution of information technology products, the provision of computer technology services and the carrying on of property agency business. There is no change in control of the Company within 24 months immediately preceding the Acquisition. Save for the proposed change of the composition of the Board announced by the Company on 12 February 2007, there will be no other change in the composition of the Board as a result of the Acquisition.

REASONS FOR THE ACQUISITION

Licorice root is an important Chinese medicine and it can be also used as raw materials for producing food, fire prevention products, cosmetics, feeding stuff and health related products and construction. In the PRC, licorice roots are mainly grown in Inner Mongolia Autonomous Region, Xinjiang Province, Gansu Province, Qinghai Province, Shanxi Province, Ningxia Province, Shaanxi Province, Hebei Province, Jilin Province and Heilongjiang Province of the PRC. The Growing Area is located at the main growing center of licorice roots in the PRC.

The supply of licorice roots in the PRC is gradually reducing in recent years whereas the demand for licorice roots is increasing which leads to market shortage and an upward trend in price of licorice roots is expected in the coming few years. The Board considers that there is a huge market potential in the sales of licorice roots in the PRC.

Whilst the Group has no previous experience in this business sector, the Group nevertheless has appointed Mr. Tse as the executive Director who has substantial experience in agricultural and fisheries industry to monitor the business of Huge Value so as to provide management and consultancy services to grow licorice roots at the Growing Area to Tian Lan. With the new management's expertise and experience, the Board considers that the Group will be able to engage in the business without serious difficulties.

The Directors have always been proactive in seeking opportunities for diversifying the scope of business of the Group and the Board considers that the Acquisition represents an opportunity to assist the Group to diversify the Group's existing business into a high growing industry in the PRC. Based on the above, the Board (including the independent non-executive Directors) considers the Acquisition is in the best interest of the Company and the Shareholders as a whole.

The Board has no intention to cause any material changes to the existing principal activities of the Group upon Completion and save for the Acquisition, as at the date of this announcement, the Board has not identified any specific investment opportunities.

REQUIREMENTS UNDER THE LISTING RULES

The applicable percentage ratios (as defined in the Listing Rules) for the Acquisition are more than 25%, but less than 75%. Pursuant to Rule 14.06(3) of the Listing Rules, the Acquisition constitutes a major transaction for the Company and is therefore subject to the notification and announcement requirements and the approval of the Shareholders. As far as the Directors are aware of, having made all reasonable enquiry, no Shareholders will be required to abstain from voting for the Agreement and all transactions contemplated thereunder at the SGM.

A circular containing, among other things, further details of the Agreement will be sent to the Shareholders as soon as practicable, together with a notice convening the SGM at which an ordinary resolution will be proposed for the approval of the Agreement and all transactions contemplated thereunder.

SUSPENSION AND RESUMPTION OF TRADING

Trading in the Shares on the main board of the Stock Exchange was suspended with effect from 9:30 a.m. on 13 February 2007 at the request of the Company pending the publication of this announcement. Application has been made to the Stock Exchange for the resumption of trading of Shares with effect from 9:30 a.m. on 15 February 2007.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, unless the context otherwise requires, terms used herein shall have the following meaning:

“Acquisition”	the acquisition of the entire issued share capital of Huge Value from the Vendor by the Purchaser
“Agreement”	the sale and purchase agreement dated 12 February 2007 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the entire issued share capital of Huge Value and details of which is set out in the section headed “The Agreement” of this announcement
“Board”	the board of directors of the Company
“Business Day”	a day (other than a Saturday) , on which licensed banks are open for business in Hong Kong throughout their normal business hours
“Company”	Venture International Investment Holdings Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on main board of the Stock Exchange
“Completion”	the completion of the Acquisition in accordance with the terms and conditions of the Agreement
“Completion Date”	the day falling two Business Day after fulfillment (or waiver) of the conditions contemplated under the Agreement
“Directors”	the directors of the Company
“Earn Out Amount”	HK\$7 million as stipulated in the Agreement
“Earn Out Period”	the twelve months immediately after the Completion Date
“Group”	the Company and its subsidiaries
“Growing Area”	a piece of 100 Chinese mu grassland at Yi Ke Zhao Meng Hang Jin Qi Hao Rao Chai Da Mu Su Mu (伊克昭盟杭錦旗浩繞柴達木蘇木) in Inner Mongolia Autonomous Region of the PRC for the purposes of licorice roots cultivation
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huge Value”	Huge Value Development Ltd., a company incorporated in the British Virgin Islands on 5 July 2006 with limited liability and is wholly and beneficially owned by the Vendor
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Management Contracts”	the management contract dated 25 November 2006 signed between Huge Value and Tian Lan in relation to the provision of management and consultancy services by Huge Value to Tian Lan to cultivate licorice roots at the Growing Area and a supplemental management contract signed between Huge Value and Tian Lan on 29 January 2007 in relation to the clarification of the profit sharing mechanism between Huge Value and Tian Lan, together known as the Management Contracts
“MOU”	the memorandum of understanding for the sale and purchase of share in Huge Value dated 19 January 2007 and signed between the Vendor and the Purchaser
“Mr. Tse”	Mr. Tse Michael Nam, the newly appointed Chairman of the Company and an executive Director
“PRC”	The People's Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Technology Venture Investments Limited, a wholly-owned subsidiary of the Company
“Sale Share”	one share of US\$1 each of Huge Value, representing the entire existing issued share capital of Huge Value to be sold by the Vendor to the Purchaser pursuant to the terms and conditions under the Agreement
“SGM”	the special general meeting of the Company to be held and convened for the Shareholders to consider and, if thought fit, approve the Agreement and all transactions contemplated thereunder
“Shareholder(s)”	shareholder(s) of the Company
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental MOU”	the supplemental memorandum of understanding for the sale and purchase of shares in Huge Value dated 29 January 2007 and signed between the Vendor and the Purchaser
“Tian Lan”	內蒙古天蘭科技治沙產業有限公司 (Inner Mongolia Tian Lan Technology Sand Control Estate Limited), a limited company incorporated in the PRC on 3 September 2003
“Total Consideration”	the total consideration of HK\$78 million under the Agreement
“Vendor”	Mr. Lau Siu Hung, Ricky, the sole beneficial owner of Huge Value
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“RMB”	Renminbi, the lawful currency for the time being of the PRC
“S\$”	Singapore dollars, the lawful currency for the time being of Singapore
“US\$”	United States dollars, the lawful currency for the time being of the United States of America
“%”	per cent.

For the purpose of this announcement, unless otherwise specified, conversions of United States dollars to Hong Kong dollars, Singapore dollars to Hong Kong dollars and Renminbi to Hong Kong dollars are based on the approximate exchange rate of US\$1.00 to HK\$7.80, S\$1.00 to HK\$5.06 and RMB1.00 to HK\$1.00 respectively.

By order of the Board
Venture International Investment Holdings Limited
Tse Michael Nam
Chairman

Hong Kong, 14 February 2007

As at the date of this announcement, Mr. Tse Michael Nam, Mr. Chan Tze Ngon and Mr. Tang Kin Hung are the executive Directors and Mr. Benedict Tai, Mr. Fu Yan Yan, Ms. Wang Xi Ling and Mr. Lim Yew Kong, John are the independent non-executive Directors.

“Please also refer to the published version of this announcement in International Herald Tribune.”