VENTURE INTERNATIONAL INVESTMENT HOLDINGS LIMITED

(Formerly known as Technology Venture Holdings Limited)

（宏昌國際投資控股有限公司）*

(incorporated in Bermuda with limited liability)

(Stock Code: 61)

Website: http://www.venture-i.com

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2006

RESULTS

The directors (the "Directors") of Venture International Investment Holdings Limited (the "Company") hereby announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2006 together with comparative figures for the corresponding period in 2005 as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

		Six months ended 30 June	
		2006	**2005**
		(unaudited)	**(unaudited)**
	Notes	*HK$'000*	*HK$'000*
TURNOVER	2	23,916	127,160
Cost of sales		(21,449)	(118,714)
Gross profit		2,467	8,446
Other income		283	913
Selling and distribution expenses		(1,623)	(4,022)
Administrative expenses		(11,750)	(17,913)
Other operating income		–	2,316
Other operating expenses		(6,333)	(439)
Impairment of goodwill		–	(20,602)
LOSS FROM OPERATIONS	3	(16,956)	(31,301)
Finance costs		(15)	(526)
LOSS BEFORE TAX		(16,971)	(31,827)
Tax	4	(70)	(773)
LOSS FOR THE PERIOD		(17,041)	(32,600)
ATTRIBUTABLE TO:			
Equity holders of the parent		(17,041)	(29,968)
Minority interests		–	(2,632)
		(17,041)	(32,600)
LOSS PER SHARE	5		
Basic (HK cents)		HK(3.06) ¢	HK(5.96) ¢
Diluted (HK cents)		N/A	N/A
DIVIDEND PER SHARE	6	NIL	NIL

* *For identification purpose only*

CONDENSED CONSOLIDATED BALANCE SHEET

	At 30 June 2006 (unaudited) *HK$'000*	At 31 December 2005 (audited) *HK$'000*
NON-CURRENT ASSETS		
Fixed assets	1,319	1,916
Intangible assets	12,772	12,772
Available-for-sale investments	108,416	91,700
	122,507	106,388
CURRENT ASSETS		
Inventories	3,830	3,444
Accounts and bills receivable	16,745	24,718
Prepayments, deposits and other receivables	39,684	16,006
Pledged time deposits	–	139
Non-pledged time deposit	14,904	32,212
Cash and cash equivalents	8,669	19,961
	83,832	96,480
TOTAL ASSETS	206,339	202,868
CURRENT LIABILITIES		
Accounts and bills payable	1,852	2,002
Tax payable	8,762	8,993
Accrued liabilities and other payables	34,389	35,525
Bank and other borrowings	200	626
Current portion of obligation under finance lease	152	203
	45,355	47,349
NET CURRENT ASSETS	38,477	49,131
TOTAL ASSETS LESS CURRENT LIABILITIES	160,984	155,519
NON-CURRENT LIABILITIES		
Obligation under finance lease	–	51
Deferred tax	–	159
	–	210
Net Assets	160,984	155,309
CAPITAL AND RESERVES		
Issued capital	55,735	55,735
Reserves	105,249	99,574
Total Equity	160,984	155,309

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

The unaudited condensed consolidated interim accounts ("Interim Accounts") have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting", issued by the Hong Kong Institute of Certified Public Accountants, and Appendix 16 of the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation used in the preparation of the Interim Accounts are consistent with those used in the annual accounts for the year ended 31 December 2005.

2. Segment Information

(a) Business segments

The following tables present revenue and operating loss for the Group's business segments.

	Banking and finance systems integration services 2006 *HK$'000*	Software solution for banks and public sector 2006 *HK$'000*	IT management and support 2006 *HK$'000*	Eliminations 2006 *HK$'000*	Consolidated 2006 *HK$'000*
Segment revenue:					
Sales to external customers	22,680	260	976	–	23,916
Intersegment sales	–	–	–	–	–
Interest income	135	–	1	–	136
Other income	147	–	–	–	147
Total	22,962	260	977	–	24,199
Segment results	(11,370)	12	129	–	(11,229)
Unallocated expenses					(5,727)
Loss from operations					(16,956)

	Banking and finance systems integration services 2005 *HK$'000*	Software solution for banks and public sector 2005 *HK$'000*	IT management and support 2005 *HK$'000*	Eliminations 2005 *HK$'000*	Consolidated 2005 *HK$'000*
Segment revenue:					
Sales to external customers	71,847	55,313	–	–	127,160
Intersegment sales	–	–	–	–	–
Interest income	376	31	–	–	407
Other income	387	–	–	–	387
Total	72,610	55,344	–	–	127,954
Segment results	(771)	(4,623)	–	–	(5,394)
Unallocated interest income					12
Unallocated gains					108
Unallocated expenses					(5,425)
Impairment of goodwill					(20,602)
Loss from operations					(31,301)

(b) *Geographical segments*

The following tables present revenue and operating loss for the Group's geographical segments.

	Hong Kong 2006 *HK$'000*	Elsewhere in the PRC 2006 *HK$'000*	Eliminations 2006 *HK$'000*	Consolidated 2006 *HK$'000*
Segment revenue:				
Sales to external customers	261	23,655	–	23,916
Intersegment sales	–	–	–	–
	261	23,655	–	23,916
Segment results**	(5,721)	(11,235)	–	(16,956)

	Hong Kong 2005 *HK$'000*	Elsewhere in the PRC 2005 *HK$'000*	Eliminations 2005 *HK$'000*	Consolidated 2005 *HK$'000*
Segment revenue:				
Sales to external customers	77	127,083	–	127,160
Intersegment sales	–	–	–	–
	77	127,083	–	127,160
Segment results**	(7,484)	(23,817)	–	(31,301)

** *Disclosed pursuant to the requirements of the Listing Rules*

3. Loss from operations

The Group's loss from operations is arrived at after charging/(crediting):

	Six months ended 30 June 2006 *HK$'000*	2005 *HK$'000*
Cost of goods sold	21,449	118,714
Depreciation	711	1,185
Amortization of deferred development costs	–	439
Impairment of goodwill	–	20,602
Impairment of available-for-sale-investment	6,000	–
(Write-back)/provision for bad debts	333	(2,316)

4. Tax

	Six months ended 30 June 2006 *HK$'000*	2005 *HK$'000*
Income tax for the period		
Mainland China	(229)	(158)
Underprovision in prior periods		
Mainland China	–	(615)
	(229)	(773)
Deferred taxation	159	–
Tax charge for the period	(70)	(773)

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (2005: NIL). Taxes on profits elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

5. Loss per share

The calculation of the basic loss per share is based on the unaudited net loss attributable to equity holders of the parent for the period of HK$17,041,000 (2005: Loss HK$29,968,000) and on the weighted average of 557,351,493 (2005: 502,729,644) ordinary shares in issue during the period.

Diluted loss per share amount for periods ended 30 June 2006 and 2005 have not been disclosed as the share option outstanding during these periods have an anti-dilutive effect on the basic loss per share.

6. Interim dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2006 (2005: NIL).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial performance

The Group reported a turnover of HK$23,916,000 from its ordinary business in the first half of 2006, representing a decrease of 81% compared with HK$127,160,000 in the first six months of 2005 due to the disposal of a subsidiary in the second half of 2005. It also contributed to a reduction in the loss from its operating business to HK$16,956,000, from a loss from operations of HK$31,301,000 in the previous corresponding period.

Diminished turnover suppressed the gross profit by 71% to HK$2,467,000 in the period under review from HK$8,446,000 of the previous period, with gross profit margin improving by 3% points to 10%.

Loss per share for the period were HK3.06 cents, compared with HK5.96 cents per share of the same period last year.

Interim dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2006 (2005: Nil).

Review of core businesses

The Group's name has been changed to "Venture International Investment Holdings Limited" since 21 July 2006, following a series of business realignment measures taken in 2005, including the acquisition of Acacia Asia Partners Limited ("Acacia"), the disposal of its interest in Advanced Digital Technology ("ADT"), and the sale of half the 14.96% equity shareholding it held in ChinaCast Communication Holdings Ltd ("ChinaCast") to the Group's Chairman and the remaining half to be exchanged for shares in Great Wall Acquisition Corporation ("Great Wall"). The acquisition of PRC real estate services provider Grand Panorama was completed in August 2006.

The name change reflects the Group's new corporate positioning as an investment company to focus on the property agency market in China. While the existing ATM maintenance service through TopAsia remains a core business stream, Acacia which provides computer technology services primarily to property agency business in Shanghai is the latest core focus for business development.

ATM maintenance service and IT solutions: TopAsia

TopAsia remains a core operation of the Group, targeting at the provision of repair and maintenance services to self-service facilities to the banking and finance sector of China. Turnover of this division has decreased by 70%, but it was able to achieve an improved gross profit margin of 10% as compared to 6% in the corresponding period.

The division experienced a number of challenges in the provision of automatic teller machines (ATM) and after sales repair and maintenance services. In addition to the easing of the demand for software development, there was also a softening in the unit pricing of servicing the ATMs. Despite TopAsia's extensive service network, the division was adversely affected by the unfavourable market conditions. It will continue to leverage its quality pledge and excellent customer relationship to secure business orders.

There has been encouraging progress in expanding business opportunities with Bank of China (BOC), primarily the Yunnan Branch; and also Bank of Communication with branches in Jiaxing, Wenzhou, Lanzhou, Zibo and Xuzhou, and also Hunan Postal Bureau etc. as the new customers. TopAsia has also further broadened its service network with new posts at Lanzhou, Taiyuan, Xuzhou, Wenzhou and Jiaxing to provide the added convenience to its customers.

Due to the change in the overall sales strategy of NCR, a major ATMs supplier, TopAsia has been placed in a disadvantaged position in the face of competition. Nevertheless, with dedicated efforts from the team, the division was able to sustain the market share of NCR products and a higher profit margin than the same period last year despite the more rigid pricing strategy adopted by NCR.

China Merchants Bank ("CMB") is another major customer of TopAsia. The division continues to cooperate with supplier Diebold to provide ATMs and automatic deposit machines (ADMs) to the CMB branches in Xian, Chongqing, Shenyang, Shanghai, Ningbo, Xiamen and Shenzhen, etc.

On the software business front, TopAsia's relationship with IBM on the development of data management software continues to thrive. One of the most prominent projects is the provision of data management and data warehousing protection services to customers. Results of the application trials and pre-development preparation of IBM Datastage software in select banks during the first half of 2006 were highly encouraging and it is anticipated that new orders for this service will be forthcoming in the second half.

TopAsia's cooperation with IT solutions and services provider in China, UTStarcom, has been substantially affected by UTStarcom's own business performance and the delay in the issue of IPTV licences by the Chinese authorities which effectively has stalled the marketing of UT products. The prospect of future cooperation will hinge upon the possibility of a relaxation in relevant Mainland policies. TopAsia is actively identifying new business opportunities to offset this potential business setback.

IT investment and management: Acacia

The Group acquired Acacia – a provider of IT management, online and support services as well as Internet portal and data management services to property agencies in Mainland China – in late 2005. Its prime business is to provide web-based platforms to small to medium-sized property agencies in accessing key information in respect of the property market and potential investors in China, initially in Shanghai.

The Group's business plan and projection for Acacia will need to be adjusted in view of the Central Government's announcement of new regulations to cool down the property market in Shanghai. The move has deterred some already committed property agents from using Acacia's web-based platforms, and they would rather wait until the industry scene becomes more predictable.

In view of the difficult time ahead, a cost saving program has been initiated to sustain cash flow. On the more positive side, the division will continue to further enhance the web-based listing system to appeal to property agents who would like to bolster their competitiveness with an efficient computerized interface to manage customer data and property information.

Acacia is hopeful that the pent-up demand will help stabilize the market in the near future.

ChinaCast

In September 2005, the Group announced the undertaking to exchange its 14.96% shareholding in the Singapore-listed ChinaCast, a provider of technology services by using satellite, with 3,103,543 shares in Great Wall which is being traded over-the-counter on NASDAQ in the US. Subsequently on 28 July 2006, the Group announced that Great Wall had extended the long stop date of the proposed share swap program to 31 December 2006.

Instead of waiting for the completion of the offer, the Group considered it more favorable to dispose of half the 14.96% equity shareholding it held in ChinaCast to the Group's Chairman and the remaining half to be exchanged for shares in Great Wall at a later date. The disposal of half the interest presents a more certain and efficient way to realise part of the Group's investment in ChinaCast, in particular taking into account of the extension of the long stop date of the offer to the end of 2006.

It is expected that the Group will record a net gain of approximately HK$5.5 million upon completion. The gross proceeds from the disposal will amount to approximately HK$45,279,000, which are intended to be applied as general working capital and for future investments.

With regard to the exchange of shares in ChinaCast for that of Great Wall, in view of the Group's relative low percentage of shareholding in Great Wall upon completion of share swap, the Group will not derive any material attributable profits from such shareholding. Accordingly, the Group has proposed to dispose of the Great Wall shares upon their receipt.

The whole process of share swap is scheduled to be completed in the first quarter of 2007.

Outlook

The Group is now evolving into an investment company to focus on the property agency market in China, and also to grow its existing self servicing banking products and solutions business. Following a series of business realignment, the imminent task is to ensure an efficient integration of Acacia into the core revenue generating steams of the Group and to bring more favorable yields to shareholders.

TopAsia will continue to build on its solid fundamentals to secure more customers and orders and to control costs to improve profitability. Proven cooperation with essential suppliers NCR and Diebold will continue to thrive to provide automatic banking equipment to banking and finance institutions and postal bureaus. The most immediate focus now is to ensure a successful bid in CMB's annual tender for ATMs and ADMs.

TopAsia sees tremendous development potential in the data management and warehousing area and will continue to build up more successful customer portfolios to capitalize on the growing need for efficient information management.

The completion of the acquisition of Grand Panorama in August 2006 gave the Group a headstart in the PRC market for professional real estate services. The real estate services market in the PRC is still at a developing stage.

Through the acquisition, the Group is able to secure a team of professional and experienced key staff with first-hand knowledge in the real estate brokerage business of the PRC. With the retaining of key management, the Group is confident of a smooth transition in the operation of Grand Panorama and looks forward to achieving synergies from the unit's future collaborations with the Group's other business divisions and will be a key player of the Group together with Topasia.

LIQUIDITY AND FINANCIAL RESOURCES

Net assets

At 30 June 2006, the Group recorded total assets of approximately HK$206,339,000 which were financed by liabilities of approximately HK$45,355,000 and total net asset to equity holders of the parent amounted to approximately HK$160,984,000. The Group's total net asset to equity holders of the parent as at 30 June 2006 increased by 3.7% to approximately HK$160,984,000 as compared to approximately HK$155,309,000 as at 31 December 2005.

Liquidity

The Group had total cash and bank balances of approximately HK$23,573,000 as at 30 June 2006 (At 31 December 2005: approximately HK$52,312,000). After deducting bank loans and overdrafts of approximately HK$200,000 (2005: approximately HK$626,000), the Group recorded a net cash balance of approximately HK$23,373,000 as compared to that of approximately HK$51,686,200 as at 31 December 2005. As at 30 June 2006, the current ratio was 1.85 (At 31 December 2005: 2.04) and the gearing ratio was Nil (At 31 December 2005: 0.01) which was defined as the Group's interest-bearing and unsecured bank loans and finance lease payables over its equity attributable to equity holders of the parent.

Charges on assets

At 30 June 2006, no fixed deposits (At 31 December 2005: HK$139,000) were pledged to banks to secure banking facilities granted.

Treasury policies

The Group generally finances its operations with internally generated resources and credit facilities provided by banks in Hong Kong. Subsidiaries in PRC use internally generated resources to finance working capital. Borrowing methods used by the Group mainly include trust receipt loans, overdrafts and term loans. The interest rates of most of these are fixed by reference to the Hong Kong Dollar Prime Rate. Both bank deposits and borrowings are mainly in Hong Kong dollars and Ren Min Bi.

Capital commitments

On 10 February 2006, the Group had entered into an agreement for acquisition of Grand Panorama Limited, a company incorporated in the British Virgin Islands with limited liability which together with its subsidiary engaged principally in investment holdings and provision of property consulting agency services in the PRC. The amount contracted for but not provided in the financial statements amounted to HK$30,000,000.

The Group had no capital commitments as at 31 December 2005.

Contingent liabilities

At 30 June 2006, the Company had contingent liabilities in relation to guarantees given to banks in connection with facilities granted to certain subsidiaries amounting to approximately HK$20,000,000.

At 30 June 2006, the banking facilities granted to the subsidiaries were not utilized.

The Group had no material contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance although some of current employees have achieved the required number of years of service to the Group, to the balance sheet date in order to be eligible for long service payments under the Hong Kong Employment Ordinance if their employment is terminated under certain circumstances.

Foreign exchange exposure

The Group mainly earns revenue and incurs costs in US dollars and Hong Kong dollars. Foreign exchange exposure of the Group is minimal as long as the policy of the Government of HKSAR to link the Hong Kong dollars to the US dollars remains in effect.

Post balance sheet event

On 17 July 2006, a sales and purchase agreement was entered into between the Group and Mr. Chan Tze Ngon, Chairman of the Group for disposal of half of the investment of the Group in ChinaCast Communication Holdings Limited for a consideration of S$9,250,000.

Employee and remuneration policies

As at 30 June 2006, the Group employed approximately 140 full time staff in the Mainland China and Hong Kong. The Group remunerates its employees based on their performance, working experience and the prevailing market price. Performance related bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, insurance and medical coverage, training programs and share option scheme.

PURCHASE, SALE OR REDEMPTION OF SHARES

There was no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries during the six months ended 30 June 2006.

REVIEW BY AUDIT COMMITTEE

The interim results have been reviewed by the Audit Committee.

CODE ON CORPORATE GOVERNANCE PRACTICES

None of the Directors is aware of information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by this report, in compliance with Appendix 14 of the Listing Rules of the Stock Exchange of Hong Kong Limited.

PUBLICATION OF INTERIM RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

Information that is required by paragraphs 46(1) to 46(9) of Appendix 16 of the Listing Rules will be published on the web-site of the Stock Exchange of Hong Kong Limited in due course.

APPRECIATION

On behalf of the Directors, I would like to take this opportunity to thank our shareholders for their support and our staff for their hard work and achievements during the year. Their dedication empowers TVH to accomplish greater success in the coming year and beyond.

By order of the Board
Chan Tze Ngon
Chairman

Hong Kong, 22 September 2006

As at the date of this announcement, Mr. Chan Tze Ngon and Mr. Wu Emmy are the Executive Directors of the Company, Mr. Benedict Tai, Mr. Fu Yan Yan and Ms. Wang Xi Ling are the Independent Non-executive Directors of the Company.

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