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)

DISCLOSEABLE TRANSACTION:

DISPOSAL OF 20% OF THE REGISTERED AND PAID UP CAPITAL IN 北京東師雙威教育技術開發有限公司 (BEIJING DONGSHI SHUANGWEI EDUCATION TECHNOLOGY COMPANY LIMITED)#

On 19 October 2006, the Vendor, a wholly-owned subsidiary of the Company entered into the S&P Agreement with the Purchaser in relation to the disposal of the Sale Capital for a total cash consideration of RMB12,000,000 (equivalent to approximately HK$11,764,706) payable by four instalments.

The Purchaser is a company established in the PRC carrying on the business of investment in the education sector in the PRC and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, a third party independent of and not connected with the Company and its connected persons.

The Target Company is established in the PRC and is principally engaged in the development of integrated systems and the provision of related technical consultancy services for distant continuing education on the Internet, especially for teachers and head masters of primary and secondary schools in the PRC.

The Disposal constitutes a discloseable transaction on the part of the Company under Rule 14.06 of the Listing Rules.

A circular containing, among other matters, further details of the Disposal and information regarding the Group will be despatched to the shareholders of the Company as soon as practicable in compliance with the Listing Rules.

* *For identification purpose only*

\# *The English transliteration of the Chinese names in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.*

S&P AGREEMENT

Date: 19 October 2006

Parties: (1) Vendor : 冠亞科技（上海）有限公司 (Topasia Tech (Shanghai) Limited)#, a wholly-owned subsidiary of the Company

(2) Purchaser : 北京潤高文化發展有限公司 (Beijing Run Gao Cultural Development Limited)#

The Purchaser is a company established in the PRC carrying on the business of investment in the education sector in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is a third party independent of and not connected with the Company and its connected persons.

Asset to be disposed:

The Sale Capital

Consideration:

The total cash consideration for the Disposal is RMB12,000,000 (equivalent to approximately HK$11,764,706) which shall be payable by the Purchaser to the Vendor by four installments as follows:

1st instalment: in the sum of RMB2,000,000 (equivalent to approximately HK$1,960,784) within 14 days from the date of the S&P Agreement;

2nd instalment: in the sum of RMB5,000,000 (equivalent to approximately HK$4,901,961) within 45 days from the date of the S&P Agreement;

3rd instalment: in the sum of RMB3,000,000 (equivalent to approximately HK$2,941,176) within 90 days from the date of the S&P Agreement; and

4th instalment: in the sum of RMB2,000,000 (equivalent to approximately HK$1,960,784) within 180 days from the date of the S&P Agreement.

Pursuant to the S&P Agreement, in the event that the Purchaser is in default of the 3rd or 4th instalment (representing, in aggregate, approximately 41.65% of the total cash consideration), the Purchaser has agreed to transfer back to the Vendor 41.65% of the Sale Capital, representing 8.33% of the registered and paid up share capital of the Target Company. Such transfer may constitute a notifiable transaction. Further announcement will be made by the Company as and when appropriate with regard to such transfer in compliance with the Listing Rules. Save as disclosed, the S&P Agreement does not contain any other provisions for transfer back arrangement. In the event the Purchaser is in default of either the 1st or 2nd instalment, it will be regarded as a breach and thereby terminating the S&P Agreement as further elaborated under the heading "Termination" below. The Group may then claim for damages of such breach. The Group, however, does not anticipate there will be defaults by the Purchaser on the 1st and 2nd instalments.

The consideration for the Disposal was arrived at after arm's length negotiations between the parties to the S&P Agreement having taken into account the recent loss and decline in turnover of the Target Company (both as set out under the heading "Information on the Target Company), the issue on the recovery of the accounts receivables of the Company, the unachieved target of the Target Company after its acquisition and the business focus of the Group going forward which are further elaborated under the heading "Reasons for the Disposal" below.

Based on the reasons set out above and under the heading "Reasons for the Disposal" below, the Directors (including the independent non-executive Directors) consider the consideration for the Disposal to be fair and reasonable and are in the interests of the Group and the shareholders of the Company as a whole.

Conditions

The S&P Agreement is subject to the obtaining of (i) the approval of the S&P Agreement by the board of directors of the Purchaser; (ii) the approval of the transfer of the Sale Capital by the management of the Target Company; and (iii) the completion of all necessary registration procedures with the relevant government authorities in the PRC in respect of the transfer.

None of the above conditions are waivable by any of the parties to the S&P Agreement.

Completion

The S&P Agreement does not contain a long stop date and Completion will take place within two days following the completion and satisfaction of the above conditions to the S&P Agreement.

Upon Completion, the Group will cease to hold any equity interests in the Target Company and Mr. Chan Tze Ngon will resign from being a member to the board of directors of the Target Company whereas Mr. Tang Kin Hung will remain as a director of the Target Company for smooth transition for a period until full receipt of the 4th instalment by the Group.

The Sale Capital was, when acquired, accounted for as an investment of and considered as an available for sale investment of the Group according to rule HKAS39 of the Hong Kong Financial Reporting Standard.

Termination

Any breach of the representations, warranties and undertakings made in or any non performance of any provisions of the S&P Agreement will constitute a breach and the non-defaulting party shall be entitled to damages which includes any expenses (including legal fees) directly or indirectly incurred as a result of the breach from the defaulting party on an indemnity basis.

INFORMATION ON THE TARGET COMPANY

The Target Company is incorporated in the PRC and is principally engaged in the development of integrated systems and the provision of related technical consultancy services for distant continuing education on the Internet, especially for teachers and head masters of primary and secondary schools in the PRC in return for consultancy fee.

As at the date of this announcement, the Target Company is beneficially owned as to 20% by the Vendor and as to the remaining 80% by four parties who are to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, third parties independent of and not connected with the Company and its connected persons.

According to the unaudited accounts of the Target Company (which were prepared in accordance with the Generally Accepted Accounting Principles in Hong Kong) for the year ended 31 December 2004, 31 December 2005 and for the nine months ended 30 September 2006, the turnover and the net profit/loss before and after taxation and extraordinary items of the Target Company are as follows:

	For the year ended 31 December 2004 *RMB (approximate HK$ equivalent)*	**For the year ended 31 December 2005** *RMB (approximate HK$ equivalent)*	**For the nine months ended 30 September 2006** *RMB (approximate HK$ equivalent)*
Turnover	8,459,000 (8,293,137)	17,467,000 (17,124,510)	6,852,000 (6,717,647)
Net profit/loss before taxation and extraordinary items	1,967,000 (1,928,431)	5,048,000 (4,949,020)	-3,383,000 (-3,316,667)
Net profit/loss after taxation and extraordinary items	1,967,000 (1,928,431)	4,783,000 (4,689,216)	-3,383,000 (-3,316,667)

According to the unaudited account of the Target Company, as at 31 December 2004, 31 December 2005 and 30 September 2006, the principal assets, the principal liabilities and the net assets of the Target Company are as follows:

	As at 31 December 2004 *RMB (approximate HK$ equivalent)*	**As at 31 December 2005** *RMB (approximate HK$ equivalent)*	**As at 30 September 2006** *RMB (approximate HK$ equivalent)*
Principal assets:			
Cash	344,000 (337,255)	1,210,000 (1,186,275)	2,443,000 (2,395,098)
Account Receivables	7,874,000 (7,719,608)	15,229,000 (14,930,392)	16,129,000 (15,812,745)
Principal liabilities of trade payables	1,560,000 (1,529,412)	4,090,000 (4,009,804)	8,303,000 (8,140,196)
Net assets	16,259,000 (15,940,196)	21,041,000 (20,628,431)	17,658,000 (17,311,765)

REASONS FOR THE DISPOSAL

The Group is engaged in the distribution of information technology products, the provision of computer technology services and the carrying on of property agency business.

The Company completed the acquisition of 20% of the equity interests in the Target Company in March 2005. The Company originally intended to make a presence in the education market in the PRC through investment in the Target Company with an average anticipated annual return of 10% to the initial sum of RMB15,000,000 (equivalent to approximately HK$14,705,882) paid for the acquisition of the Sale Capital. However, as disclosed under the heading "Information on the Target Company" above, although the net profit of the Target Company before and after taxation and extraordinary items for the year ended 31 December 2005 were RMB5,048,000 (equivalent to approximately HK$4,949,020) and RMB4,783,000 (equivalent to approximately HK$4,689,216) respectively, the Target Company is making a loss of RMB3,383,000 (equivalent to approximately HK$3,316,667) for the nine months ended 30 September 2006. The Group's 20% attributable interests in the loss for the nine months ended 30 September 2006 amounted to RMB676,000 (equivalent to approximately HK$663,333) and in profits before and after taxation and extraordinary items for the year ended 31 December 2005 amounted to RMB1,009,600 as (equivalent to approximately HK$989,804) and RMB956,600 (equivalent to approximately HK$937,843) respectively which were all less than the said anticipated return in the approximate sum of RMB1,500,000 (equivalent to approximately HK$1,470,588).

In addition to the recent loss of the Target Company, the Directors notice that there is also a decline in turnover and that there is an issue on the recovery of the accounts receivables of the Target Company. As set out under the heading "Information of the Target Company", the Target Company recorded a turnover of RMB17,467,000 (equivalent to approximately HK$17,124,510) for the year ended 31 December 2005 while turnover for the nine months ended 30 September 2006 was RMB6,852,000 (equivalent to approximately HK$6,717,647). The Directors believed that the decline in revenue were mostly due to the customers of the Target Company becoming more cost conscious and began to bargain with the Target Company on consultancy fees since the second half of 2005.

With regard to the accounts receivables of the Target Company, which were mostly made up consultancy fees, although it has been recorded as RMB15,229,000 (equivalent to approximately HK$14,930,392) and RMB16,129,000 (equivalent to approximately HK$15,812,745) for the year ended 31 December 2005 and nine months ended 30 September 2006 respectively, according to the accounting records of the Target Company, more than half of the accounts receivables for the nine-months ended 30 September 2006 had become overdue for more than a year which suggested for a decline in revenue for the Target Company in effect.

In addition, in or about August 2006, the Group had completed the acquisition of Grand Panorama Limited which together with its subsidiaries is principally engaged in the provision of property consulting agency services in the PRC and the provision of property-related services to its customers and after-sale services such as registration of relevant documents with PRC government authorities. Details of such acquisition have been set out in the announcement and circular of the Company dated 17 February 2006 and 30 May 2006 respectively.

Having considered (i) the unachieved targets, (ii) the recent loss and (iii) the decline in turnover, (iv) the issue on the recovery of the accounts receivables and trading prospect of the Target Company, the Directors (including the independent non-executive Directors) consider the terms of the S&P Agreement, including the total cash consideration of RMB12,000,000 (equivalent to approximately HK$11,764,706) are entered into by the parties thereto after arm's length negotiations, and are on normal commercial terms and are fair and reasonable so far as the Company and its shareholders are concerned. Moreover, given the acquisition of Grand Panorama Limited, the Board considered that the Disposal allows the Group to re-allocate its resources and focus on the development of its property-related services business.

The Directors intend to allocate the net proceeds receivable by the Group under the Disposal of approximately RMB11,800,000 (equivalent to approximately HK$11,568,627) for its general working capital to fund its operations in the principal activities as stated above, which will serve to strengthen the financial position of the Group.

FINANCIAL EFFECT OF THE DISPOSAL

The Group acquired the Sale Capital at a consideration of RMB15,000,000 (equivalent to approximately HK$14,705,882) in March 2005. It is estimated that, upon Completion, the Group will record a loss of approximately RMB3,000,000 (equivalent to approximately HK$2,941,176) in respect of the Disposal which represents the difference between the initial acquisition costs for the Sale Capital of RMB15,000,000 (equivalent to approximately HK$14,705,882) and the total consideration for the Disposal of RMB12,000,000 (equivalent to approximately HK$11,764,706) which will be reflected in the consolidated financial statements of the Group for the year ending 31 December 2006.

LISTING RULES IMPLICATION

The Disposal constitutes a discloseable transaction on the part of the Company under Rule 14.06 of the Listing Rules.

A circular containing, among other matters, further details of the Disposal and information regarding the Group will be despatched to the shareholders of the Company as soon as practicable and in accordance with the Listing Rules.

DEFINITIONS

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

"Company"	Venture International Investment Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
"Completion"	completion of the sale and purchase of the Sale Capital in accordance with the S&P Agreement
"connected persons"	has the meaning ascribed thereto in the Listing Rules
"Directors"	directors of the Company
"Disposal"	the disposal by the Company of the Sale Capital subject to and upon the terms and conditions of the S&P Agreement
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"PRC"	the People's Republic of China, for the purpose of this announcement excludes Hong Kong, the Macau Special Administration Region of the PRC and Taiwan
"Purchaser"	北京潤高文化發展有限公司 (Beijing Run Gao Cultural Development Limited)# and the purchaser to the S&P Agreement
"S&P Agreement"	the sale and purchase agreement dated 19 October 2006 entered into between the Vendor and the Purchaser in relation to the Disposal
"Sale Capital"	20% of the registered and paid up share capital of the Target Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	北京東師雙威教育技術開發有限公司 (Beijing Dongshi Shuangwei Education Technology Company Limited)#, a company established in the PRC on 30 September 2001
"Vendor"	冠亞科技（上海）有限公司 (Topasia Tech (Shanghai) Limited)# and the vendor of the Sale Capital
"RMB"	Renminbi, the lawful currency for the time being of the PRC
"%"	per cent.

By order of the Board
Venture International Investment Holdings Limited
Chan Tze Ngon
Chairman

Hong Kong, 23 October 2006

For the purpose of this announcement, unless otherwise specified, conversion of RMB into HK$ is based on the approximate exchange rate of HK$1.00 to RMB1.02. The exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been or may be exchanged at this or any other rates at all.

Executive Directors as at the date of this announcement are Mr. Chan Tze Ngon and Mr. Tang Kin Hung. The independent non-executive Directors as at the date of this announcement are Mr. Benedict Tai, Mr. Fu Yan Yan and Ms. Wang Xi Ling.

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