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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Venture International Investment Holdings Limited (the “**Company**”), you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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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)

**DISCLOSEABLE TRANSACTION INVOLVING
FORMATION OF A JOINT VENTURE COMPANY**

A letter from the board of directors of Venture International Investment Holdings Limited is set out on pages 3 to 7 of this circular.

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions shall have the following meanings when used herein:

“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors from time to time
“Company”	Venture International Investment Holdings Limited (宏昌國際投資控股有限公司)*, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
“connected persons”	has the meaning ascribed to this term under the Listing Rules
“Directors”	directors (including the independent non-executive directors) of the Company from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture Company”	海南宏昌正科生物能源發展有限公司 (Hainan Venture Zhengke Bioenergy Development Company Limited)#, an equity joint venture to be established pursuant to the JV Agreement in Hainan, the PRC
“JV Agreement”	the joint venture agreement dated 5 October 2007 and entered into between the PRC Partner and the Subsidiary with respect to the formation of the Joint Venture Company
“Latest Practicable Date”	23 October 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

* for identification purpose only

DEFINITIONS

“PRC Partner”	北京東方正科科技有限公司 (Beijing Oriental Zhengke Technology Company Limited) [#] , a limited liability company established and subsisting in Beijing, the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	Global Bioenergy Group Limited 環球生物能源集團有限公司, a limited liability company incorporated and subsisting in Hong Kong and a wholly owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

[#] *The English transliteration of the Chinese names in this circular, where indicated, is included for identification purpose only, and should not be regarded as the official English names of such Chinese names.*

For the purpose of this circular, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of HK\$1.00 to RMB1.00. This 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 rate at all.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Tse Michael Nam (Chairman)

Mr. Chan Tze Ngon

Independent non-executive Directors:

Mr. Tai Benedict

Mr. Lim Yew Kong, John

Mr. Puongpun Sananikone

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and principal place of
business in Hong Kong:*

9th Floor

Wincome Centre

Nos. 39-41

Des Voeux Road Central

Hong Kong

25 October 2007

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION INVOLVING FORMATION OF A JOINT VENTURE COMPANY

INTRODUCTION

Reference is made to the announcement of the Company dated 5 October 2007 in which the Board announced that on 5 October 2007, the Subsidiary, a wholly-owned subsidiary of the Company, entered into the JV Agreement with the PRC Partner pursuant to which the Joint Venture Company with registered capital of RMB50,000,000 will be established in Hainan, the PRC.

The entering into of the JV Agreement constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with further details regarding the JV Agreement and the Group.

* for identification purpose only

LETTER FROM THE BOARD

THE JV AGREEMENT

Date : 5 October 2007

Parties : (i) the Subsidiary
(ii) the PRC Partner

The PRC Partner and its ultimate beneficial owners, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons and are not connected persons of the Company. The PRC Partner is principally engaged in the operation and investment of businesses related to research and technology.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the PRC Partner being the minority shareholder holding an aggregate 21% interests in 內蒙古天蘭科技治沙產業有限公司 (Inner Mongolia Tian Lan Technology Sand Control Estate Limited)* ("Tian Lan"), the PRC Partner and its ultimate beneficial owners have no past business relationship with the Group and have not engaged in any other prior transactions with the Group.

Reference is made to the circulars of the Company dated 7 March 2007 and 16 August 2007 respectively. Tian Lan and its ultimate beneficial owners, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons and are not connected persons of the Company. Tian Lan has entered into management contracts with the Group as disclosed in the circulars of the Company dated 7 March 2007 and 16 August 2007 respectively.

Formation of the Joint Venture Company

The parties to the JV Agreement agreed that the Joint Venture Company will be established in Hainan, the PRC and will be owned as to 90% and 10% by each of the Subsidiary and the PRC Partner respectively. The purpose of establishing the Joint Venture Company is to set up a 1,500 Chinese mu nursery in Hainan for the cultivation of approximately 90,000,000 *Jatropha curcas* saplings per year, cooperate with suitable Hainan institutions for the cultivation of approximately 2,000,000 Chinese mu *Jatropha curcas* trees within three years and the establishment of two bio-diesel processing plants, each with a production capacity of 50,000 tonnes per year.

Registered capital

The registered capital of the Joint Venture Company will be RMB50,000,000 (equivalent to approximately HK\$50,000,000) and will be contributed as to RMB45,000,000 (equivalent to approximately HK\$45,000,000) and RMB5,000,000 (equivalent to approximately HK\$5,000,000) respectively by each of the Subsidiary and the PRC Partner in cash. Upon establishment, the Joint Venture Company will become a 90% owned subsidiary of the Company and its accounts will be consolidated into that of the Company.

LETTER FROM THE BOARD

Each of the Subsidiary and the PRC Partner has to contribute 20% of its respective capital contribution to the Joint Venture Company within three months after the registration of the Joint Venture Company and the balance of 80% of its respective capital contributions to the Joint Venture Company within three years after the registration of the Joint Venture Company.

The registered capital of the Joint Venture Company is determined after arm's length negotiations between the Subsidiary and the PRC Partner with reference to the capital requirement of the Joint Venture Company in carrying out its purposes as set out in the section headed "Formation of Joint Venture Company" above.

Apart from the capital contribution by the Subsidiary to the Joint Venture Company as disclosed above, the Subsidiary does not have any other capital commitment to the Joint Venture Company pursuant to the JV Agreement.

The capital contribution to the registered capital of the Joint Venture Company by the Subsidiary will be financed from the internal resources of the Group in cash.

The total investment of the Joint Venture Company will be RMB50,000,000 (equivalent to approximately HK\$50,000,000).

Principal obligations of the parties to the JV Agreement

The PRC Partner shall be responsible for, among other matters, the following:

1. assist the Joint Venture Company to obtain necessary approval and registration from relevant government departments;
2. arrange to lease an area of 1,500 Chinese mu in Hainan, the PRC for building the nursery for the Joint Venture Company to cultivate approximately 90,000,000 *Jatropha curcas* saplings per year;
3. source suitable PRC companies for the offtake of all the *Jatropha curcas* saplings from the Joint Venture Company's nursery;
4. arrange and cooperate with PRC authorities and institutions to cultivate *Jatropha curcas* trees in an area of approximately 2,000,000 Chinese mu in Hainan, the PRC within three years;
5. assist in the construction of two bio-diesel plants with an annual production capacity of approximately 50,000 tonnes per year for each plant;
6. assist the non-PRC management staff of the Joint Venture Company to obtain the relevant visas; and
7. assist the Joint Venture Company to purchase in the PRC the necessary equipment and raw materials.

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The Subsidiary shall be responsible for, among other matters, the following:

1. through the co-operation with Sichuan University, provide superior quality seeds for the cultivation of *Jatropha curcas* saplings and all necessary technology and knowledge in relation to the cultivation of *Jatropha curcas*;
2. assist in the financing of all necessary capital requirement of the Joint Venture Company in proportion to their contribution and pursuant to the terms of the JV Agreement; and
3. supervise the management and production of the Joint Venture Company.

The Group has entered into a licence agreement with Sichuan University under which Sichuan University will provide superior quality seeds of *Jatropha curcas* to the Subsidiary and all necessary technology and knowledge for the cultivation of *Jatropha curcas* saplings.

Board of directors of the Joint Venture Company

The board of directors of the Joint Venture Company will comprise three directors, of which one will be appointed by the PRC Partner and two will be appointed by the Subsidiary. The chairman of the Joint Venture Company will be nominated by the Subsidiary and the vice chairman will be appointed by the PRC Partner.

Term of the Joint Venture Company

50 years from the registration of the Joint Venture Company.

Information on *Jatropha curcas*

Jatropha curcas is a type of hardy, drought resistant plant which is able to grow on marginal land and produces fruits which are poisonous and not suitable for human consumption or to be used as animal feeds. The fruits of *Jatropha curcas* have high oil content and are accordingly suitable for the production of environmentally friendly bio-diesel.

REASONS FOR ENTERING INTO THE JV AGREEMENT

The Group is principally engaged in the distribution of information technology products, provision of computer technology services, carrying on of property agency business and provision of management and consultancy services for agricultural cultivation in the PRC.

The Directors have been proactive in seeking opportunities for expanding and enhancing the Group's agricultural business in the PRC. The Directors consider that entering into the JV Agreement offers the Group a good opportunity to capitalize on its agri-business knowledge and skills in the PRC and to be one of the first movers to capture the promising bio-diesel market.

LETTER FROM THE BOARD

As disclosed in the section headed “Information on *Jatropha curcas*”, the fruits of *Jatropha curcas* are highly suitable for the production of bio-diesel. In light of the rapid growth of the PRC economy and the current shortage of energy in the PRC, the Directors consider that there will be a huge demand for alternative energy sources in the near future. Bio-diesel will be one of the most economical and practical solutions to the energy shortage situation.

The Directors, including the independent non-executive Directors, consider that the terms of the JV Agreement are entered into upon normal commercial terms following arm’s length negotiations among the parties and that the terms of the JV Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT

Since the Joint Venture Company, which will become a non-wholly owned subsidiary of the Company after its establishment, has not yet been established and commenced operation as at the Latest Practicable Date, it is not expected to have any immediate financial or operational impact on the Group. Prior to its establishment, the cash payment for the investment in the Joint Venture Company will be accounted for as a “deposit for an investment” in the consolidated financial statements of the Company. The formation of the Joint Venture Company will not have any material effect on the earnings and assets and liabilities of the Group.

LISTING RULES IMPLICATION

The entering into of the JV Agreement constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully
On behalf of the Board
**Venture International Investment
Holdings Limited**
Tse Michael Nam
Chairman

1. RESPONSIBILITY STATEMENT

This document includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(A) Director's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the following Directors had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules:

(i) Long position in the Shares

Name of Director	Nature of interest	No. of Shares held	Position	Approximate percentage of issued share capital
Chan Tze Ngon	Beneficial owner	125,542,000	Long	12.60%
Tse Michael Nam	Beneficial owner	30,000,000	Long	3.01%

(ii) Long position in the underlying Shares

Name of Director	Nature of interest	No. of underlying Shares	Position	Approximate percentage of issued share capital
Tse Michael Nam	Beneficial owner	996,000 (Note 1)	Long	0.10%
Lim Yew Kong, John	Beneficial owner	600,000 (Note 2)	Long	0.06%
Puongpun Sanaikone	Beneficial owner	600,000 (Note 1)	Long	0.06%

Notes:

1. As at the Latest Practicable Date, Mr. Tse Michael Nam, an executive Director and Mr. Puongpun Sananikone, an independent non-executive Director, held share options of the Company entitling each of them to subscribe for 996,000 Shares and 600,000 Shares respectively at a subscription price of HK\$0.66 per Share. The share options of the Company were granted to Mr. Tse Michael Nam and Mr. Puongpun Sananikone on 9 July 2007 and are exercisable from 9 July 2007 to 29 May 2012.
2. As at the Latest Practicable Date, Mr. Lim Yew Kong, John, an independent non-executive Director, held share options of the Company entitling him to subscribe for 600,000 Shares at a subscription price of HK\$0.36 per Share. The share options of the Company were granted to Mr. Lim Yew Kong, John on 16 April 2007 and are exercisable from 16 April 2007 to 29 May 2012.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

(B) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders

So far as is known to the Directors, as at the Latest Practicable Date, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

(i) *Interests in the Shares and underlying shares*

Name of substantial Shareholder	Nature of interest	No. of Shares and/or underlying shares held	Position	Approximate percentage of issued share capital
Galaxy China Opportunities Fund	Beneficial owner	78,750,000	Long	7.90%
Credit Suisse Group (<i>Note 1</i>)	Interest of a corporation	92,166,000	Long	9.25%
Credit Suisse (<i>Note 1</i>)	Interest of a corporation	92,166,000	Long	9.25%
Credit Suisse (International) Holding AG (<i>Note 1</i>)	Interest of a corporation	92,166,000	Long	9.25%
Credit Suisse First Boston International (Guernsey) Limited (<i>Note 1</i>)	Interest of a corporation	92,166,000	Long	9.25%
Credit Suisse (Hong Kong) Limited (<i>Note 1</i>)	Interest of a corporation	92,166,000	Long	9.25%
Tse Hoi Chau (<i>Note 2</i>)	Beneficial owner	104,761,904	Long	10.51%
Lee Cheong Fu (<i>Note 2</i>)	Beneficial owner	85,714,286	Long	8.60%

Notes:

- Credit Suisse (Hong Kong) Limited was held as to 94.75% by Credit Suisse (International) Holding AG ("CS International") and as to 5.25% by Credit Suisse First Boston International (Guernsey) Limited which, in turn, was a wholly-owned subsidiary of CS International. CS International was a wholly-owned subsidiary of Credit Suisse which, in turn, was wholly owned by the Credit Suisse Group. As such, the 92,166,000 Shares referred to herein refer to the same batch of Shares.
- Mr. Tse Hoi Chau and Mr. Lee Cheong Fu are interested in 104,761,904 and 85,714,286 underlying shares which may be allotted and issued upon exercise of conversion rights attaching to the convertible bonds issued by the Company. For further details of the convertible bonds, please refer to the announcement and the circular of the Company dated 25 July and 16 August 2007 respectively.

(ii) *Interests in shares of associated corporations of the Company*

Name of subsidiary	Name of entity	Class and no. of securities	Percentage shareholdings
TVH Cyber Technology Ltd.	Yi Jun Yong	200 ordinary shares of HK\$1 each (L)	20%
BMC Software (China) Ltd.	BMC Software (HK) Ltd.	1 ordinary share of HK\$1 (L)	10%

L: represents the long position in the securities

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company), including companies of which the Director/proposed directors is an employee, who had, or was deemed to have, interests or short positions in the Shares or underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

3. DIRECTORS' SERVICE CONTRACTS

Mr. Tse Michael Nam ("Mr. Tse"), an executive Director, has entered into a service agreement with the Company on 12 February 2007 (as amended by a supplemental service agreement dated 16 July 2007) for a term of three years commencing from 12 February 2007, being the date of appointment, renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of appointment unless terminated by not less than three months' notice in writing served by either party expiring at the end of the initial term or at any time thereafter. Pursuant to the supplemental service agreement with effect from 1 August 2007, Mr. Tse is entitled to a monthly salary of HK\$100,000, reimbursement for rental of accommodation in Hong Kong of HK\$110,000 per month and a gratuity payment in each financial year of the Company equal to the amount of the then monthly salary of Mr. Tse, subject to such increase as the Board may determine from time to time in its absolute discretion in accordance with his service agreement. Mr. Tse will also be entitled to a management bonus in respect of each financial year of the Company in an amount to be determined by the Board in its absolute discretion, subject also to the terms of his service agreement. The emoluments of Mr. Tse were determined with reference to the prevailing market conditions, director's duties and responsibilities, and performance and results of the Group.

Mr. Chan Tze Ngon (“Mr. Chan”), an executive Director, has entered into a service contract with the Company on 12 February 2007 for a term of three years, commencing from 12 February 2007, being the date of appointment, renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of appointment unless terminated by not less than three months’ notice in writing served by either party expiring at the end of the initial term or at any time thereafter. Mr. Chan is entitled to a monthly salary of HK\$60,000 and a gratuity payment in each financial year of the Company equal to the amount of the then monthly salary of Mr. Chan, subject to such increase as the Board may determine from time to time in its absolute discretion in accordance with his service agreement. Mr. Chan will also be entitled to a management bonus in respect of each financial year of the Company in an amount to be determined by the Board in its absolute discretion, subject also to the terms of his service agreement. The emoluments of Mr. Chan were determined with reference to the prevailing market conditions, director’s duties and responsibilities, and performance and results of the Group.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

4. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors nor their respective associates had any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. MISCELLANEOUS

- (a) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is located at 9th Floor, Wincome Centre, Nos. 39–41 Des Voeux Road Central, Hong Kong.
- (c) Tricor Tengis Limited, the transfer office of the Company in Hong Kong is located at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong.
- (d) The secretary and qualified accountant of the Company is Ms. Ng Jenna Bee Ching, a member of Hong Kong Institute of Certified Public Accountant and CPA Australia.
- (e) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.