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BENEFUN INTERNATIONAL HOLDINGS LIMITED

奮發國際控股有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1130)

ANNOUNCEMENT

LETTER OF INTENT IN RELATION TO A PROPOSED ACQUISITION

The Board is pleased to announce that on 30 July 2009, the Company entered into the Letter of Intent with the Vendor for the proposed acquisition of the Target Company.

The Letter of Intent, which is non-legally binding, may or may not lead to the entering into of a definitive and binding agreement and the transaction contemplated thereunder may or may not proceed. In the event that a definitive and binding agreement materializes, the transaction contemplated thereunder may constitute a notifiable transaction for the Company under the Listing Rules. Further announcements will be made in respect thereof as and when required by the Listing Rules.

As the proposed Acquisition may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

THE LETTER OF INTENT

The Board is pleased to announce that on 30 July 2009, the Company and the Vendor entered into the Letter of Intent in relation to a possible Acquisition. The Letter of Intent included the following major terms and conditions:

1. Subject to the entering into of a definitive and binding agreement, the Company will acquire and the Vendor will sell the entire issued share capital of the Target Company. The Target Company will undergo a corporate reorganization upon signing of the Letter of Intent. Upon completion of the said reorganization, the Target Company will indirectly hold 100% of the equity interest of a wholly foreign-owned enterprise, which in turn will hold the Patents. The reorganization is expected to be completed on or before 30 October 2009.
2. The consideration for the Acquisition will not exceed HK\$114 million which will be satisfied by the Company's issuing new shares to the Vendor or its nominee(s) at a preliminary agreed issue price of HK\$0.08 per share. The consideration will be adjusted based on the findings from the due diligence exercise conducted by the Company.
3. The Vendor has granted an exclusive right to the Company for a period commencing on the date of the Letter of Intent and ending on 31 October 2009, during which the Vendor will not negotiate with third parties relating to the sale of the Target Company.
4. It is expected that a definitive and binding agreement in relation to the Acquisition will be entered into on or before 30 October 2009.

To the best knowledge of the Directors, the Vendor is an Independent Third Party.

The Letter of Intent, which is non-legally binding, may or may not lead to the entering into of a definitive and binding agreement and the transaction contemplated thereunder may or may not proceed. In the event that a definitive and binding agreement materializes, the transaction contemplated thereunder may constitute a notifiable transaction for the Company under the Listing Rules. Further announcements will be made in respect thereof as and when required by the Listing Rules.

INFORMATION OF THE TARGET COMPANY

The Target Company will be the beneficial owner of the Patents which cover the technologies and processes in relation to the production of fertilizers. Upon completion of the Acquisition, the Company will acquire the unique technologies in relation to the production of fertilizers to cater for the market demand for plantation materials.

As the proposed Acquisition may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

RECENT DEVELOPMENT OF THE GREEN BUSINESS OF THE COMPANY

In 2008, the Company diversified into green business of plantation, research and development of plantation related technologies, manufacture, sale and distribution of plantation products and materials. The Company successfully developed the waste-to-value “O-Live Organic Waste Treatment System” (“O-Live System”) which is an automatic machine utilizing high temperature micro-organisms technology for environmental treatment of animal manures of livestock farms. Within 24 hours, O-Live System kills animal influenza and common disease bacteria and converts animal manures into raw materials for producing microbial organic fertilizer.

On 30 July, 2009, the Company’s indirect wholly-owned subsidiary Xinjiang Gold Vantage Forestry Limited (新疆凱金林業有限公司) entered into a co-operation agreement with The Agricultural No. 8 Division No. 142 Regiment of the Xinjiang Production and Construction Corps. to promote the sale of O-Live System for livestock farms in the region of Shihezi City, Xinjiang Region, the PRC.

DEFINITIONS

“Acquisition”	the acquisition of the entire issued share capital of the Target Company
“Board”	the board of Directors
“Company”	Benefun International Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Independent Third Party”	a third party who is not a connected person (as defined under the Listing Rules) of the Company and who together with its ultimate beneficial owner(s) are independent of the Company and its connected persons (as defined under the Listing Rules)

“Letter of Intent”	a non-legally binding letter of intent entered into on 30 July 2009 between the Company and the Vendor in relation to the Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Patents”	technologies and PRC patents in relation to fertilizer manufacturing
“PRC”	the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Triple Harvest Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability on 20 April 2009
“Vendor”	Cathay Investment Fund Limited, a company incorporated under the laws of the British Virgin Islands with limited liability.

By Order of the Board
Benefun International Holdings Limited
Kam Yuen
*Chief Executive Officer and
Executive Director*

Hong Kong, 30 July 2009

As at the date hereof, the Board comprises four executive directors, namely Mr. TAN Sim Chew (Chairman), Ms. KAM Yuen (Chief Executive Officer), Mr. LEUNG Kwong Choi and Mr. KWOK Wai, Wilfred, Mr. LO King Fat, Lawrence; and three independent non-executive directors, namely Mr. CHEUNG Ngai Lam, Mr. Christopher David THOMAS and Mr. WONG Kwai Sang.

** For identification only*