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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: 01130)

ANNOUNCEMENT

ON CONVERSION OF THE CONVERTIBLE NOTES

The Company makes this announcement pursuant to the paragraph under the heading "Dilution effect on Shareholders as a result of conversion of any part of the Convertible Notes" of the Circular.

Reference is made to the circular of the Company dated 30 September 2008 (the "**Circular**"). The Company makes this announcement pursuant to the paragraph under the heading "Dilution effect on Shareholders as a result of conversion of any part of the Convertible Notes" of the Circular. Unless otherwise defined herein, capitalized terms used herein shall have the same meanings as those defined in the Circular.

On 26 November 2008, the Company has issued 781,250,000 Conversion Shares upon conversion of Convertible Notes in the principal amount of HK\$50,000,000. The Company makes this announcement because the cumulative amount of Conversion Shares (781,250,000 Conversion Shares) issued upon conversion of the Convertible Notes during the period from 30 September 2008 (the date of the Circular) to the date of this announcement (the "**Period**") have reached 5% of the issued share capital of the Company as disclosed in the Circular.

The details of the above conversion are as follows: -

Date of conversion	Number of Conversion Shares issued	Conversion Price	Outstanding Principal Amount of the Convertible Notes after the conversion
24 November 2008	781,250,000	HK\$0.064	HK\$350,000,000

During the Period, there is no issue of Shares pursuant to any other transactions.

Changes in the issued share capital of the Company during the Period are as follows: -

	Issued Share Capital	Number of Issued Shares at HK\$0.01 each
	HK\$	
As at 30 September 2008	19,550,290	1,955,029,000
Cumulative amount of Conversion Shares issued during the Period	<u>7,812,500</u>	<u>781,250,000</u>
As at the date of this announcement, 26 November 2008	<u>27,362,790</u>	<u>2,736,279,000</u>

The cumulative amount of Conversion Shares (781,250,000 Conversion Shares) represents about 39.96% of the total number of issued Shares as disclosed in the Circular (1,955,029,000 Shares). As at the date of this announcement, the cumulative amount of the Conversion Shares represents about 28.55% of the total number of issued Shares (as enlarged by the issue of the 781,250,000 Conversion Shares).

By Order of the Board
Benefun International Holdings Limited
Tan Sim Chew
Chairman

26 November 2008, Hong Kong

As at the date of this announcement, the Board comprises of five executive directors, namely Mr. TAN Sim Chew, Mr. ZHONG Ma Ming, Mr. FU Zi Cong, Mr. LO King Fat, Lawrence and Mr. LEUNG Kwong Choi and three independent non-executive directors, namely Mr. CHEUNG Ngai Lam, Mr. TSANG Chung Yu and Mr. LI Chun Ming, Raymond.

** For identification purposes only*