



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at Room M5, 4th Floor, Opulent Building, 402-406 Hennessy Road, Wanchai, Hong Kong on Friday, 17 December 2004 at 3:30 p.m. for the following purposes:–

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 30 June 2004.
2. To re-elect directors and to fix the remuneration of directors.
3. To re-appoint auditors and to authorise the directors to fix their remuneration.
4. As special business to consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) subject to paragraph (c) hereof, the exercise by the directors of the Company during the Relevant Period (as defined below) of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which will or may require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval mentioned in paragraph (a) hereof shall authorise the directors of the Company during the Relevant Period (as defined below) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which will or may require the exercise of such power after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval mentioned in paragraph (a) hereof, otherwise than pursuant to shares of the Company issued as a result of a Rights Issue (as defined below) or any scrip dividend or similar arrangement providing for allotment of shares of the Company in lieu of the whole or part of the dividend on shares in accordance with the Company's Articles of Association, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and

(d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares of the Company open for a period fixed by the directors of the Company to holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

5. As special business to consider and, if thought fit, to pass the following resolution as a special resolution of the Company:

SPECIAL RESOLUTION

(a) Article 2

- (i) by adding the following new definition and its marginal note immediately after the existing definition “these Articles”:-

“associates”

“associate” shall have the meaning prescribed in the Listing Rules from time to time;

- (ii) by deleting the existing definition of “recognised clearing house” in its entirety and substituting therefor the following new definition and its marginal note:

“recognised clearing house”	“recognised clearing house” shall mean a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction;
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- (iii) by deleting the existing definition of “subsidiary and holding company” in its entirety and substituting therefor the following new definition and its marginal note:

“subsidiary” and “holding company”	“subsidiary” and “holding company” shall have the meaning ascribed to such terms in the Companies Ordinance, but interpreting the term “subsidiary” in accordance with the definition of “subsidiary” under the Listing Rules;
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(b) Article 80

- (i) By adding the words “unless a poll is taken as may from time to time be required under the Listing Rules or any other applicable laws, rules or regulations or” immediately before the word “unless” in the first sentence of Article 80.
- (ii) By adding the words “in accordance with the provisions set out below in this Article 80” after the words “duly demanded” in the first sentence of Article 80.
- (iii) By adding the words “a poll is taken as may from time to time be required under the Listing Rules or any other applicable laws, rules or regulations or unless” immediately after the word “Unless” at the beginning of the second paragraph of Article 80.
- (iv) By adding the words “in accordance with the provisions set out above in this Article 80” after the words “is so demanded” on the first line of the second paragraph of Article 80.

(c) Article 89(a)

By renumbering the existing paragraph (a) of Article 89 as paragraph (a)(i) of Article 89 and adding the following new paragraph (ii) and its marginal note:

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| Voting in contravention to Listing Rules | (ii) Where any member is, under any applicable laws or the Listing Rules from time to time, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted. |
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(d) Article 96(b)

By deleting the existing paragraph (b) of Article 96 in its entirety and substituting therefor the following new paragraph (b):

- (b) If a recognised clearing house (or its nominee) is a member of the Company it may, by resolution of its directors or other governing body or by power of attorney, appoint or authorise such person or persons as it thinks fit to act as its proxy(ies) or representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so appointed or authorised, the proxy forms or authorisations shall specify the number and class of shares in respect of which each such person is so appointed or authorised. A person so appointed or authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee) which he represents as that recognised clearing house (or its nominee) could exercise as if such person were an individual member of the Company holding the number and class of shares specified in such proxy form or authorisation, including the right to vote individually on a show of hands.

(e) Article 107(c), (e) and (f)

- (i) By deleting the existing paragraph (c) of Article 107 in its entirety and substituting therefor the following new paragraph (c) and its marginal note:

Director may not vote where he has a material interest

- (c) A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his associates has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

- Director may vote in respect of certain matters
- (i) the giving of any security or indemnity either:–
 - (aa) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (bb) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
 - (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
 - (iii) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in the shares of that company, provided that, the Director and any of his associates are not in aggregate beneficially interested in five per cent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;
 - (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:–
 - (aa) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or his associate(s) may benefit; or

- (bb) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
 - (v) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.
- (ii) By deleting the existing paragraph (e) of Article 107 in its entirety and substituting therefor the following new paragraph (e) and its marginal note:
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| <p>Who to decide whether a Director may vote</p> | <p>(e) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director or his associate(s) or the significance of a contract, arrangement or transaction or proposed contract, arrangement or transaction or as to the entitlement of any Director to vote or form part of a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman of the meeting (or, where question relates to the interest of the Chairman, to the other Directors at the meeting) and his ruling (or, as appropriate, the ruling of the other Directors) in relation to any other Director (or, as appropriate, the Chairman) shall be final and conclusive except in a case where the nature or extent of the interests of the Director and/or his associate(s) concerned (or, as appropriate, the Chairman) as known to such Director (or, as appropriate, the Chairman) has not been fairly disclosed to the Board.</p> |
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- (iii) By deleting the existing paragraph (f) of Article 107 in its entirety.

(f) Article 116

By deleting the words “(other than the Managing Director or Joint Managing Director)”.

(g) Article 120

By deleting the existing Article 120 in its entirety and substituting therefor the following new Article and its marginal note:

Notice to be given when person proposed for election	120. No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company provided that the minimum length of the period, during which such notices are given, shall be at least 7 days and that the period for lodgment of such notices shall commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting.
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By Order of the Board
LO King Fat, Lawrence
Secretary

Hong Kong, 25 October 2004

Notes:

1. Any member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
2. To be valid, the proxy form together with any power of attorney or other authority (if any) under which it is signed or notarially certified copy of such power or authority must be deposited at the head office and principal place of business of the Company at 23rd Floor, Sing Ho Finance Building, 166-168 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

* *For identification purpose only*

Please also refer to the published version of this announcement in The Standard.