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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 **Benefun International Holdings Limited**, you should at once hand this circular, together with the enclosed form of proxy to the purchaser or transferee or to the bank, a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



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)

**(1) PROPOSED GRANT OF SHARE OPTIONS
TO DIRECTORS UNDER THE SHARE OPTION SCHEME
(2) PROPOSED CHANGE OF COMPANY NAME
(3) RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting of Benefun International Holdings Limited (the "Company") to be held at 4th Floor, Opulent Building, 402-406 Hennessy Road, Wanchai, Hong Kong on Monday, 5 October 2009 at 10:00 a.m. is set out on pages 13 to 14 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish.

** For identification purpose only*

Hong Kong, 3 September 2009

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Articles of Association”	the articles of association of the Company as amended, supplemented or modified from time to time
“Change of Company Name”	the proposed change of the English name of the Company from “Benefun International Holdings Limited” to “China Environmental Resources Group Limited” and adoption of a new Chinese name “中國環境資源集團有限公司” in place of the existing Chinese name “奮發國際控股有限公司” for identification
“Company”	Benefun International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Date of Grant”	7 August, 2009, being the date of the meeting of the Board at which the Options were proposed to be granted subject to the Shareholders’ approval.
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held on Monday, 5 October 2009 at 10:00 a.m. to consider and, if thought fit, approve, among other things, the proposed Grant of Options, the proposed Change of Company Name and the re-election of the retiring Directors
“Effective Date”	the effective date of the Change of Company Name
“Eligible Participant(s)”	any Director (whether executive or non-executive and whether independent or not), any employee (whether full-time or part-time), or any employee, partner or director of any business consultant, joint venture partner, financial adviser or legal adviser of or to the Company or the Group (whether on an employment or contractual or honorary basis and whether paid or unpaid), who, in the absolute opinion of the Board, have contributed to the Company or the Group, are eligible for Options under the Share Option Scheme
“Grant of Options”	the proposed grant of Options to the Grantees under the Share Option Scheme at the EGM

DEFINITIONS

“Grantees”	the Eligible Participants to which Options are proposed to be granted under the Share Option Scheme at the EGM
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	1 September 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Options”	the options granted under the Share Option Scheme to subscribe for Shares in accordance with the Share Option Scheme
“Scheme Mandate Limit”	the maximum number of Shares that may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company, which shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme
“Share Option Scheme”	the existing share option scheme adopted by the Company on 16 December 2005
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a grantee of the Share Option Scheme may subscribe for Shares on the exercise of an Option granted under the Share Option Scheme
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE CHAIRMAN



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)

Executive Directors:

Mr. Tan Sim Chew (*Chairman*)
Ms. Kam Yuen (*Chief Executive Officer*)
Mr. Leung Kwong Choi
Mr. Kwok Wai, Wilfred
Mr. Lo King Fat, Lawrence

Registered Office:

Ugland House
South Church Street
Post Office Box 309
George Town, Grand Cayman
Cayman Islands
British West Indies

Independent Non-Executive Directors:

Mr. Cheung Ngai Lam
Mr. Wong Kwai Sang
Mr. Christopher David Thomas

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

Room 3501, Bank of America Tower
12 Harcourt Road
Central
Hong Kong

Hong Kong, 3 September 2009

*To the Shareholders and,
for information only, the holders of the Options*

Dear Sir or Madam,

**PROPOSED GRANT OF OPTIONS;
PROPOSED CHANGE OF COMPANY NAME
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide with you the information relating to (i) the proposed Grant of Options; (ii) the proposed Change of Company Name; (iii) re-election of retiring directors and (iv) the notice of the EGM, at which resolutions will be proposed to the Shareholders to consider and, if thought fit, to approve the proposed Grant of Options and the proposed Change of Company Name.

** For identification purpose only*

LETTER FROM THE BOARD

GRANT OF OPTIONS

On 7 August 2009, the Company proposed to grant, pursuant to the Share Option Scheme, the following Options to the following Grantees:

Name of Grantee	Capacity	Number of Options	Approximate % to issued share capital of the Company as at the Latest Practicable Date
Ms. Kam Yuen	Executive Director and Chief Executive Officer	180,000,000	2.88
Mr. Cheung Ngai Lam	Independent Non-Executive Director	21,260,000	0.34

Pursuant to Rules 17.03(4) and 17.04(1) of the Listing Rules, any grant of the Options, the total numbers of Shares in issued and to be issued upon exercise of the Options (including exercised, cancelled and outstanding options) by each participant in any 12-month period which exceed 1% of the issued share capital of the Company, or to a substantial shareholder or independent non-executive directors or any of their respective associates exceeding 0.1% of the total number of Shares in issue and having an aggregate value in excess of HK\$5 million, requires shareholders' approval in general meeting. The Grant of Options is subject to the Shareholders' approval to be obtained by the Company and details of which are set out in the paragraph headed "Implications under the Listing Rules" below.

TERMS OF THE OPTIONS

Subject to the Shareholders' approval to be obtained by the Company at EGM in accordance with the Listing Rules, the Options will be granted in accordance with the terms of the Share Option Scheme and summary of the principal terms of the Options are set out below:

(a) *Duration and Exercise Period*

The Options granted to Ms. Kam Yuen and Mr. Cheung Ngai Lam have a life of three years from 7 August 2009, being the Date of the Grant of the Options, and exercisable upon obtaining Shareholders' approval in respect of the grant at the EGM to 6 August 2012.

There is no minimum period, no performance targets that must be achieved before the Options can be exercised, No voting, dividend, transfer and other rights attached to the Options.

As at the Latest Practicable Date, no Options has been granted to Ms. Kam Yuen or Mr. Cheung Ngai Lam within 12 months from the Date of Grant.

LETTER FROM THE BOARD

The Shares fall to be issued upon exercise of the Options shall rank pari passu with the Shares then existing in all respects, including the entitlement of receiving dividends and other distributions the record date for which is on or after the date of allotment and issue of those Shares.

(b) *Subscription Price*

In compliance with Rule 17.03(9) of the Listing Rule and the Share Option Scheme, the Options are exercisable at the Subscription Price of HK\$0.117 per Share, which is the highest of (i) HK\$0.01, being the nominal value of a Share; (ii) HK\$0.109, being the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of the grant of Options, and (iii) HK\$0.117, being the average closing price of Shares as stated in the daily quotations sheets on the Stock Exchange from 31 July 2009 to 6 August 2009, both dates inclusive (being the five trading days immediately preceding the Date of the Grant of the Options).

(c) *Reasons and consideration for the grant of the Options*

Each of the Grantees is a Director of the Company and the Options are proposed to be granted to each of them in recognition of their contributions to the growth of the Group in the past and as an incentive for their continuing commitments and contributions to the Group in the future. The consideration payable on acceptance of the Options is HK\$1.00 for the Options.

The Directors, including the independent non-executive Directors (excluding the independent non-executive Director who is a grantee of the Options) consider that the terms of the Options are fair and reasonable. No Directors of the Company are trustees of the Share Option Scheme or have a direct or indirect interest in the trustees. Copy of the rules of the Share Option Scheme shall be available for inspection at Room 3501, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong from the date of this circular until 5 October 2009, being the date of the EGM.

INFORMATION ON OPTIOINS GRANTED UNDER THE SHARE OPTION SCHEME

The Share Option Scheme was approved and adopted on 16 December 2005. The purpose of the Share Option Scheme is to provide the Company with a flexible means of giving incentive to rewarding, remunerating, compensating and/or providing benefits to the participants and to provide the particulars with all opportunity to enquire a personal stoke in the Group and to build common objectives of the Group and the participants for the betterment of business and profitability of the Group and Shareholders as a whole.

As at 16 December 2005, being the date of adoption of the Share Option Scheme, the Scheme Mandate Limit was 133,192,900 Shares. On 12 December 2008, being the date of the refreshment, the refreshed Scheme Mandate Limit was 547,868,900 Shares.

A total of 479,700,000 Options have been granted under the Share Option Scheme and 346,600,000 Options remain outstanding up to the Latest Practicable Date. No share option has been cancelled or lapsed. Assuming that the proposed Grant of Options is approved by the Shareholders at the EGM and that no Options granted under the Share Option Scheme are exercised from the Latest Practicable Date up to the date of the EGM, the Company will have 680,960,000 Options granted

LETTER FROM THE BOARD

immediately after the EGM, representing approximately 10.91% of the total issued share capital of the Company. Apart from the Share Option Scheme, the Company has no other share option scheme in issue as at the Latest Practicable Date. The issue of the share options by the Company complied with the Scheme Mandate Limit at all material times.

For illustration purpose only, the following table illustrates the changes in the shareholdings of the Grantees and their respective associates and the connected persons to the Company in the issued share capital of the Company upon the exercise in full of all the Options:

Name of Grantee	No. of Options outstanding as at the Latest Practicable Date	No. of Shares held as at the Latest Practicable Date	No. of Options to be granted	Total no. of Shares held upon exercise in full all the Options together with the Shares held	Approximate% to issued share capital of the Company as at the Latest Practicable Date
Ms. Kam Yuen	—	*1,208,020,000	180,000,000	1,388,020,000	22.24
Mr. Cheung Ngai Lam	—	—	21,260,000	21,260,000	0.34

* Ms. Kam Yuen is deemed to be interested in 1,208,020,000 Shares of the Company. These Shares are held by Capital Master International Limited which is beneficially owned by her spouse.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 17.03(3) of the Listing Rules, the Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme or other schemes at any time will not exceed 30% of the Shares in issue from time to time. As mentioned in the paragraph headed “Information on Options granted under the Share Option Scheme” above, as at the Latest Practicable Date, a total of 479,700,000 existing Options have been granted under the Share Option Scheme. Assuming the proposed grant of Options is approved by the Shareholders at the EGM and that no Options granted under the Share Option Scheme are exercised from the Latest Practicable Date up to the date of the EGM, the Company will have 680,960,000 Options granted immediately after the EGM, representing approximately 10.91% of the total issued share capital of the Company. As such, the proposed grant of Options to the Grantees will not result in the 30% limit being exceeded.

According to Rule 17.04(1) of the Listing Rules, as Ms. Kam Yuen is an executive Director, also being a substantial Shareholder, the grant of the Options must be approved by the independent non-executive Directors. In pursuance of the meeting of the Board held on 7 August 2009, the proposed Grant of Options has been approved by all the independent non-executive Directors (provided that the independent non-executive Director and his associates who is the grantee of the Options has abstained from voting of the relevant resolution approving granting of Options to him).

LETTER FROM THE BOARD

Grant of Options to Ms. Kam Yuen

Pursuant to Rule 17.04(1) of the Listing Rules, as Ms. Kam Yuen, an executive Director, is a deemed substantial Shareholder and the grant of Options to her would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted to her in the 12-month period up to and including the date of such grant in aggregate exceed 0.1% of the issued share capital of the Company and having an aggregate value in excess of HK\$5 million, such grant of Options to her must also be approved by the Shareholders in the EGM by way of poll with Ms. Kam Yuen and her associates who are entitled to exercise control over the voting rights in respect of the Shares, holding 1,208,020,000 Shares in total, or approximately 19.36% of the total issued Shares as at the Latest Practicable Date, abstaining from voting of the resolution and all connected persons of the Company, holding 1,457,725,226 Shares in total, or approximately 23.36% of the total issued Shares as at the Latest Practicable Date, abstaining from voting in favour of the relevant resolution at the EGM. As at the Latest Practicable Date, no connected persons of the Company has indicated to the Company that they will vote against the such resolution.

Grant of Options to Mr. Cheung Ngai Lam

Pursuant to Rule 17.04(1) of the Listing Rules, as the total number of Shares issued and to be issued upon exercise of the Options to be granted to Mr. Cheung Ngai Lam, an independent non-executive Director of the Company, (including both exercised and outstanding Share Options) in 12-month period exceed 0.1% of the Shares in issue and having an aggregate value in excess of HK\$5 million, such grant must be separately approved by Shareholders in the EGM by way of poll with Mr. Cheung and his associates abstaining from voting and all the connected persons of the Company abstaining from voting in favour of the relevant resolution at the EGM. As at the Latest Practicable Date, no connected persons of the Company has indicated to the Company that they will vote against the such resolution.

In pursuance of the meeting of the Board held on 7 August 2009, the proposed Grant of Options to Mr. Cheung Ngai Lam has been approved by all the independent non-executive Directors (provided that the independent non-executive Director and his associates who is the grantee of the Options has abstained from voting of the relevant resolution approving granting of Options to him).

To the best of the knowledge, information and belief having made all reasonable enquiries, there was no voting trust nor other agreement nor arrangement nor understanding (other than an outright sale) entered into by or binding upon any Shareholder; and any obligation or entitlement of any Shareholder as at the date by reference to which disclosure of the shareholding of any such Shareholder is made in this circular, whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares in the Company to the third party, either generally or on a case-by-case basis.

PROPOSED CHANGE OF COMPANY NAME

As disclosed in the announcement of the Company dated 7 August 2009, the Board proposed to change the English name of the Company from “Benefun International Holdings Limited” to “China Environmental Resources Group Limited” and to adopt a new Chinese name “中國環境資源集團有限公司” in place of the existing Chinese name “奮發國際控股有限公司” for identification.

LETTER FROM THE BOARD

REASONS FOR THE CHANGE OF COMPANY NAME

As announced by the Company on 7 August 2009, the Board believes that the proposed change of Company name will better reflect the ecological, environmental plantation, manufacture and sale of plantation materials and products and “Waste-To-Value” business of the Group in future and provide the Company with a fresh new corporate identity which is in the interests of the Company and the Shareholders as a whole.

CONDITIONS OF THE CHANGE OF COMPANY NAME

The Change of the Company name is subject to:

1. the passing of a special resolution by the Shareholders to approve the Change of Company Name at the EGM; and
2. the approval by the Registrar of Companies in the Cayman Islands.

The Effective date will be the date on which the new name of the Company is entered by the Registrar of Companies in the Cayman Islands on the register of companies in place of the existing name. The Company will then carry out all necessary filing procedures with the Registrar of Companies in Hong Kong.

EFFECTS OF CHANGE OF COMPANY NAME

The Change of the Company Name will not affect any rights of the Shareholders. All existing share certificates in issue bearing the existing name of the Company will, after the Change of Company Name becoming effective, continue to be evidence of title to the Shares and will be valid for trading, settlement, registration purposes. Accordingly, there will not be any arrangement for free exchange of the existing share certificates for new share certificates bearing the new name of the Company. Once the Change of Company Name becomes effective, any issue of share certificates will be under the new name of the Company.

Further announcement will be made in relation to the Effective Date and the trading arrangements of the securities of the Company in its new name (including the date on which trading under the new name on the Stock Exchange will take effect) when the Change of Name has become effective.

RE-ELECTION OF RETIRING DIRECTORS

The Board of Directors currently consists of eight Directors, namely Mr. Tan Sim Chew, Ms. Kam Yuen, Mr. Leung Kwong Choi, Mr. Kwok Wai, Wilfred, Mr. Lo King Fat, Lawrence, Mr. Cheung Ngai Lam, Mr. Wong Kwai Sang and Mr. Christopher David Thomas. Pursuant to the existing Articles of Association, Ms. Kam Yuen, Mr. Kwok Wai, Wilfred, Mr. Wong Kwai Sang and Mr. Christopher David Thomas shall retire from office at the EGM and shall be eligible for re-election. Details of the Directors proposed to be re-elected as the EGM are set out in Appendix to this circular.

LETTER FROM THE BOARD

EGM

The notice convening the EGM is set out on pages 13 to 14 of this circular. At the EGM, ordinary resolutions will be proposed to approve, among other matters, the proposed Grant of Options and the proposed Change of Company Name and the re-election of the retiring Directors by way of poll. An announcement will be made by the Company after the EGM on the results of the EGM. A form of proxy for use at the EGM is enclosed with this circular. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting. Completion and delivery of the form of proxy will not preclude your from attending and voting at the EGM or the adjourned meeting if you so wish.

RECOMMENDATION

Having considered the terms of the proposed Grant of Options, all the independent non-executive Directors (excluding independent non-executive Director who is a grantee of the Options) considered they are fair and reasonable so far as the Shareholders are concerned. Accordingly, the Directors, including all the independent non-executive Directors (excluding the independent non-executive Directors who is the grantee of the Options), recommend the Shareholders to vote in favour of the ordinary resolutions and special resolution approving the Grant of Options, and the proposed re-election of the retiring Directors and Change of Company Name respectively as set out in the notice of the EGM.

RESPONSIBILITY STATEMENT

This circular 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 circular 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.

Yours faithfully,
For and on behalf of the Board of
Benefun International Holdings Limited
TAN Sim Chew
Chairman

APPENDIX DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

1. **Ms. KAM Yuen**, aged 40, was appointed as Executive Director and Chief Executive Officer on 4 June, 2009.

Ms. Kam was graduated in 1991 from the University of Hong Kong with a Bachelor Degree in Social Sciences (Economics) and subsequently received her MBA from the Hong Kong University of Science & Technology. She is also a holder of Bachelor of Laws (LLB) with the Manchester Metropolitan University and Chartered Financial Analysts.

Ms. Kam has over 17 years working experience in selling and relationships management in various financial institutions such as Credit Suisse, Rabobank and Standard Chartered Bank. Having served the managerial positions in China market, Ms. Kam develops sophisticated management experiences and acquires extensive connections in China.

Save as Ms. Kam's spouse is also a director of certain subsidiaries of the Company, Ms. Kam did not hold directorships in any listed public companies in Hong Kong in the last three years she is also a director of certain subsidiaries of the Company.

Ms. Kam has not been appointed for a specific term but shall be subject to the relevant provisions of retirement and re-election at the general meeting of the Company in accordance with the Articles of Association of the Company. Pursuant to a letter of appointment entered between the Company and Ms. Kam, Ms. Kam is entitled to a director's fee of HK\$2,160,000 per annum which is determined with reference to her duties and responsibilities with the Company, the Company's performance and the prevailing market situation and subject to the approval of the Shareholders at the annual general meeting.

As at the Latest Practicable Date, Ms. Kam is deemed to be interested in 1,208,020,000 Shares of the Company. These Shares are held by Capital Master International Limited which is beneficially owned by her spouse. On 7 August 2009, the Board proposed to grant 180,000,000 Options to Ms. Kam subject to Shareholders' approval at the EGM. Accordingly, Ms. Kam also had a derivate interest in 180,000,000 Shares in the Company within the meaning of Part XV of the SFO, which represents Ms. Kam's entitlement to subscribe for 180,000,000 Shares upon exercise of the Options granted to her under the Share Option Scheme subject to Shareholders approval at the EGM.

Save as disclosed above, the Board is not aware of any other information to be disclosed pursuant to the requirement of the Rules 13.51(2)(h) and 13.51h(2)(v) of the Listing Rules and there is no other matters that needs to be brought to the attention of the Shareholders of the Company.

2. **Mr. Kwok Wai**, aged 36, was appointed as Executive Director on 7 April 2009. Mr. Kwok possesses over 10-year frontier experiences in business and marketing in China. He specializes in project merge and acquisition and negotiation with central government, local governments and commercial corporations. Mr. Kwok served the publicly listed Vertex group and introduced international media projects into China market in 2002. In 2003, Mr. Kwok partnered the publicly listed King Fook group to form exclusive Hong Kong company serving privileged airport ground services in major Chinese airports.

APPENDIX DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Save as disclosed above, Mr. Kwok did not hold any directorship in any listed public companies in the last three years and he does not hold any other position in the Company or any subsidiary of the Company.

Pursuant to a letter of appointment entered into between the Company and Mr. Kwok, the Company appointed Mr. KWOK for a term of three years until 6 April 2012 and he will subject to the retirement and re-election at annual general meeting of the Company in accordance with the bye-laws of the Company. Mr. Kwok is entitled to a director's fee of HK\$180,000 per annum which is determined with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation and subject to the approval of the Shareholders at the annual general meeting.

Mr. Kwok is and was not connected with any Directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. Kwok had a derivate interest in 62,400,000 Shares in the Company within the meaning of Part XV of the SFO, which represents Mr. Kwok's entitlement to subscribe for 62,400,000 Shares upon exercise of the Options granted to Mr. Kwok under the Share Option Scheme.

Save as disclosed above, the Board is not aware of any other information to be disclosed pursuant to the requirement of the Rules 13.51(2)(h) and 13.51h(2)(v) of the Listing Rules and there is no other matters that needs to be brought to the attention of the Shareholders of the Company.

3. **Mr. Wong Kwai Sang**, aged 57, appointed as an independent non-executive Director on 2 March 2009, is a property consultant. He is also a member of the audit committee and the remuneration committee of the Company.

Mr. Wong had been an independent non-executive director, member of audit committee and member of remuneration committee of the Company since 3 July 2002. He resigned on 4 July 2008 as he himself had a long term personal assignment stationed in Shanghai. Mr. Wong has now completed his assignment in Shanghai and returned to Hong Kong. He holds a Bachelor of Social Sciences degree from the University of Hong Kong. He is a fellow member of the Hong Kong Institute of Royal Estate Administration and the Australian Institute of Building respectively.

Save as disclosed above, Mr. Wong Kwai Sang did not hold any directorship in any listed public companies in the last three years and he does not hold any position in the Company or any subsidiary of the Company.

Pursuant to a letter of appointment entered into between the Company and Mr. Wong, the Company appointed Mr. Wong for a term of three years until 1 March 2012 and he will subject to the retirement and re-election at annual general meeting of the Company in accordance with the bye-laws of the Company. Mr. Wong is entitled to a director's fee of HK\$60,000 per annum which is determined with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation and subject to the approval of the Shareholders at the annual general meeting.

APPENDIX DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Wong is and was not connected with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Wong does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, the Board is not aware of any other information to be disclosed pursuant to the requirement of the Rules 13.51(2)(h) and 13.51h(2)(v) of the Listing Rules and there is no other matters that needs to be brought to the attention of the Shareholders of the Company.

4. **Mr. Christopher David Thomas**, aged 31, was appointed as appointed as an independent non-executive Director on 4 May 2009. He is also a member of the audit committee and the remuneration committee of the Company.

Mr. Thomas graduated from Johns Hopkins University School of Advanced International Studies with a Master Degree in International Relations — Concentration in International Finance and Asian Studies. Mr. Thomas joined Deutsche Bank in 2001 to serve as the Analyst in Telecommunication Investment Banking. From 2002 to 2004, Mr. Thomas worked as an Analyst in Media and Technology Mergers and Acquisitions for Signal Hill Capital Group LLC, the boutique investment bank founded by former Global Head of Telecommunications at Deutsche Banc Alex. Brown, Inc.

Mr. Thomas is currently the Regional Vice President (North America Division) of Snowland Tibetan Medicine Company which is a leading Tibetan medicine company in the herbal medicine market. Mr. Thomas has over 6 years experience in clientele development, sales and marketing to nationwide distributors and individual customers.

Mr. Thomas did not hold any directorship in any listed public companies in the last three years and he does not hold any position in the Company or any subsidiary of the Company.

Pursuant to a letter of appointment entered into between the Company and Mr. Thomas, the Company appointed Mr. Thomas for a term of three years until 3 May 2012 and he will subject to the retirement and re-election at annual general meeting of the Company in accordance with the bye-laws of the Company. Mr. Thomas is entitled to a director's fee of HK\$60,000 per annum which is determined with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation and subject to the approval of the Shareholders at the annual general meeting.

Mr. Thomas is and was not connected with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Thomas does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, the Board is not aware of any other information to be disclosed pursuant to the requirement of the Rules 13.51(2)(h) and 13.51h(2)(v) of the Listing Rules and there is no other matters that needs to be brought to the attention of the Shareholders of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Benefun International Holdings Limited (the “Company”) will be held at 4th Floor, Opulent Building, 402-406 Hennessy Road, Wanchai, Hong Kong on Monday, 5 October 2009 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions:

ORDINARY RESOLUTIONS

1. (a) To re-elect the following directors:-
 - (i) Ms. Kam Yuen
 - (ii) Mr. Kwok Wai, Wilfred
 - (iii) Mr. Wong Kwai Sang
 - (iv) Mr. Christopher David Thomas
- (b) To authorise the board of Directors to fix the remuneration of the Directors
2. **“THAT**
 - (a) the Directors of the Company be and are hereby authorised to grant to Ms. Kam Yuen share options (the “**Options**”) to subscribe 180,000,000 ordinary shares (each a “**Share**”) of HK\$0.01 each in the capital of the Company at the subscription price of HK\$0.117 per Share subject to such conditions (if any) on the exercise of the Options as stipulated in the offer letter issued pursuant to the share option scheme (the “**Share Option Scheme**”) adopted by the Company on 16 December 2005;
 - (b) the Directors of the Company be and are hereby authorised to grant to Mr. Cheung Ngai Lam Options to subscribe 21,260,000,000 Shares at the subscription price of HK\$0.117 per Share subject to such conditions (if any) on the exercise of the Options as stipulated in the offer letter issued pursuant to the Share Option Scheme; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) the Directors or a duly authorized committee thereof be and are hereby authorized to do any act or things to sign, seal, execute and/or deliver any documents for and on behalf of the Company as may be necessary, desirable or expedient in connection with the grant of the Options.”

SPECIAL RESOLUTION

3. “**THAT** the name of the Company be changed from “Benefun International Holdings Limited” to “China Environmental Resources Group Limited” and the Chinese name of the Company, for the purpose of identification only, be adopted as “中國環境資源集團有限公司” to replace “奮發國際控股有限公司” and that the Directors be and are hereby authorized to do all such acts and things and execute all documents that they consider necessary or expedient to effect the change of name and the adoption of the new Chinese name for the purpose of registration in Hong Kong for and on behalf of the Company.”

By Order of the Board
LO King Fat, Lawrence
Company Secretary

Hong Kong, 3 September 2009

Registered Office:

Ugland House
South Church Street
Post Office Box 309
George Town, Grand Cayman
Cayman Islands
British West Indies

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

Room 3501, Bank of America Tower
12 Harcourt Road
Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxy to attend and, subject to the Articles of Association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the EGM is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he so wish.
3. In the case of joint holders of shares, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders are present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.