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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)

SUBSCRIPTION OF NEW SHARES

Share Subscription

On 6 February 2007, the Company entered into the Share Subscription Agreement with the Share Subscriber. Pursuant to the Share Subscription Agreement, the Share Subscriber agreed to subscribe for and the Company agreed to allot and issue in aggregate 151,600,000 Subscription Shares for cash consideration at a subscription price of HK\$0.066 each.

The 151,600,000 Subscription Shares represent (i) about 10.84% of the existing issued share capital of the Company divided into 1,398,429,000 Shares; and ii) about 9.78% of the issued share capital of the Company divided into 1,550,029,000 Shares as enlarged by the Share Subscription.

The Subscription Price of HK\$0.066 per Subscription Share represents (i) a discount of about 17.50% to the closing price of HK\$0.08 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of about 16.88% to the average closing price per Share of about HK\$0.0794 as quoted on the Stock Exchange for the last five trading days immediately prior to the Subscription Agreement; and (iii) a discount of about 16.24% to the average closing price per Share of HK\$0.0788 as quoted on the Stock Exchange for the last ten trading days immediately prior to the Subscription Agreement.

The Share Subscription is conditional upon, among other things, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

The net proceeds in aggregate of HK\$9.9 million from the Share Subscription are intended to be used for general working capital and/or possible investment in the future.

SHARE SUBSCRIPTION AGREEMENT

Date: 6 February 2007

Issuer: the Company

Share Subscriber: Leader Symbol Holdings Limited

The Share Subscriber is ultimately beneficially owned by Ms. Ng Guek Keow who is an existing Shareholder being interested in approximately 2.71% of the existing issued share of the Company as at the date of this announcement. Ms. Ng is a merchant from Singapore and Malaysia and acquainted with the management of the Company during a fund raising activity conducted by the Company in 1998. To the best knowledge of the Directors, save for being interested in 2.71% of the existing issued share of the Company as at the date of this announcement, the Share Subscriber and its ultimate beneficial owner are independent of and not connected with the Company and its connected persons (as defined under the Listing Rules). To the best knowledge of the Directors and the confirmation provided by the Share Subscriber, the Share Subscriber and its ultimate beneficial owner are not acting in concert with any other public Shareholders and the single largest Shareholder, Mr. Tan Sim Chew, as at the date of this announcement.

Subscription Shares

The 151,600,000 Subscription Shares represent (i) about 10.84% of the existing issued share capital of the Company divided into 1,398,429,000 Shares; and ii) about 9.78% of the issued share capital of the Company divided into 1,550,029,000 Shares as enlarged by the Share Subscription.

The Subscription Shares when issued will rank *pari passu* with all other Shares then in issue.

Subscription Price

The Subscription Price of HK\$0.066 per Subscription Share represents (i) a discount of about 17.50% to the closing price of HK\$0.08 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of about 16.88% to the average closing price per Share of about HK\$0.0794 as quoted on the Stock Exchange for the last five trading days immediately prior to the Subscription Agreement; and (iii) a discount of about 16.24% to the average closing price per Share of HK\$0.0788 as quoted on the Stock Exchange for the last ten trading days immediately prior to the Subscription Agreement.

The Subscription Price was determined with reference to the prevailing market price and trading volume of the Share and was negotiated on an arm's length basis between the Company and the Share Subscriber. The Directors consider that the terms of the Share Subscription are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Conditions

Completion of the Share Subscription is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Top-Up Subscription Shares; and
- (b) no event having occurred or occurring which would terminate the Share Subscription Agreement.

The conditions set out above cannot be waived by the Company or the Share Subscriber.

In the event that the above conditions are not fulfilled on or before the date falling 60 days from the date of the Share Subscription Agreement (or such other later date as may be agreed between the Share Subscriber and the Company), the Share Subscription Agreement shall lapse and become null and void and the parties thereto shall be released from all obligations thereunder, save for any liability arising out of any antecedent breaches thereof.

Application will be made to the Stock Exchange to grant the listing of, and permission to deal in, the Subscription Shares.

Completion

The Share Subscription is to be completed on or before the 3 business day after satisfaction of the above-mentioned conditions (or such later date as may be agreed amongst the parties hereto).

EFFECTS ON SHAREHOLDING STRUCTURE

	Immediately before the Share Subscription		Immediately after the Share Subscription	
	<i>No. of Shares</i>	<i>% (approx.)</i>	<i>No. of Shares</i>	<i>% (approx.)</i>
Mr. Tan Sim Chew	275,265,226	19.68	275,265,226	17.76
Share Subscriber	37,842,477	2.71	189,442,477	12.22
Public Shareholders	1,085,321,297	77.61	1,085,321,297	70.02
Total	1,398,429,000	100.00	1,550,029,000	100.00

REASON FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in manufacturing, retailing and distribution of apparel and property development.

The Directors consider the Share Subscription represent an opportunity to raise capital for the Company while broadening the capital base of the Company. Accordingly, the Directors consider the Share Subscription Agreement is in the interest of the Company and the Shareholders as a whole.

The net proceeds in aggregate of about HK\$9.9 million from the Share Subscription are intended to be used for general working capital and/or possible investment in the future. The net proceeds raised per Subscription Share will be about HK\$0.065 per Share. The Company will bear an aggregate expenses and costs of about HK\$0.1 million incurred in relation to the Share Subscription.

GENERAL

The Company has not conducted any fund raising activities in the 12 months immediately preceding the date of this announcement.

The 151,600,000 Subscription Shares will be allotted and issued pursuant to the general mandate to allot, issue and deal with Shares granted to the Directors by a resolution passed at the annual general meeting of the Company held on 15 December 2006 (the “AGM”) subject to the limit up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing such resolution at the AGM (i.e. 279,685,800 Shares). As at the date of this announcement, no new Shares had been issued under such general mandate.

Shareholders and potential investors are strongly advised to take cautions when dealing in Shares.

TERMS AND DEFINITION

“Board”	the board of directors of the Company
“Company”	Benefun International Holdings Limited, a limited liability company incorporated in the Cayman Islands with its shares listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the board of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	6 February 2007, being the last full trading day for the Shares before this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 in the share capital of the Company
“Share Subscriber”	Leader Symbol Holdings Limited, which is wholly owned by Ms. Ng Guek Keow

“Share Subscription”	the subscription of 151,600,000 new Shares by the Share Subscriber pursuant to the terms of Share Subscription Agreement
“Share Subscription Agreement”	the subscription agreement between the Company and the Share Subscriber dated 6 February 2007 in relation to the Share Subscription
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Share(s)”	a total of 151,600,000 new Shares to be subscribed for by the Share Subscriber pursuant to the Share Subscription Agreement
“Subscription Price”	HK\$0.066 per Subscription Share
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 6 February 2007

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Tan Sim Chew, Mr. Zhong Ma Ming, Mr. Fu Zi Cong and Mr. Lo King Fat, Lawrence, and three independent non-executive directors, namely Mr. Wong Kwai Sang, Kays, Mr. Tsang Chun Pong and Mr. Li Chun Ming, Raymond.

* *For identification purpose only*

Please also refer to the published version of this announcement in International Herald Tribune.