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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)

DISCLOSEABLE TRANSACTION

The Directors announce that FECL, a wholly owned subsidiary of the Company, entered into the Agreement dated 11 March 2004 for the acquisition of all the issued shares of the PRC Company in the 1st Consideration and the PRC Company has committed to acquire the Land in the 2nd Consideration at a public auction and the PRC Company has not paid the 2nd Consideration. The Acquisition constitutes a discloseable transaction under the Listing Rules which requires disclosure by way of a press notice and a circular will be sent to the Shareholders.

AGREEMENT DATED 11 MARCH 2004

Parties

Purchaser: FECL

Vendors: Chen & Zhong

Chen & Zhong are independent third parties who are not connected with the directors, chief executive and substantial shareholders of the Company and any of their subsidiaries or any of their respective associates (as defined in the Listing Rules).

The Agreement

The Agreement was signed on between Chen and Zhong as one party, and FECL as another party. The latter is a wholly owned subsidiary of the Company. Pursuant to the Agreement, Chen & Zhong transferred the Sale Shares to FECL in the 1st Consideration. The PRC Company has committed to acquire the Land of 26,427.83 m² located at Zhangzhou City, Fujian Province, the PRC (宗地編號為 2003挂 – 01號) (Lot No.: 2003 Gua – 01)* in the 2nd Consideration and the PRC Company has not paid the 2nd Consideration. Apart from the 1st Consideration, FECL has to inject a sum of RMB34,091,901.00 into the PRC Company in order to complete the acquisition of the Land.

Consideration

A sum of RMB3,280,000.00 payable by FECL for the acquisition of the Sale Shares was arrived at after arm's length negotiation between FECL, Chen & Zhong and with reference to the valuation of the share capital paid by Chen & Zhong in the PRC Company. The terms of the Agreement were determined on normal commercial terms. Taking into account of the commitment given by the PRC Company in respect of the acquisition of the Land in a sum of RMB34,091,901.00, the total amount of investment relating to the Agreement is RMB37,371,901.00 which includes the value of the net tangible assets

acquired (RMB3,280,000.00) and the value of the Land acquisition commitment determined by public auction (RMB34,091,901.00). 1st Consideration will be funded by internal resources of the Group and 2nd Consideration will be funded by bank loans and internal resources of the Group.

Payment Terms

Pursuant to the Agreement, FECL shall pay the 1st Consideration to Chen & Zhong by way of four instalments, FECL shall pay the 1st instalment in a sum of RMB1,000,000.00 to Chen & Zhong upon execution of the Agreement and FECL shall pay the remaining three instalments, each instalment is in a sum of RMB760,000.00, to Chen & Zhong on 15 April 2004, 15 May 2004 and 16 June 2004 respectively. Completion of the acquisition of Sale Shares will take place on 15 April 2004.

Other Terms

According to the Agreement, FECL is not required to give any guarantee for the acquisition of the Sale Shares and there is no pre-condition for the completion of acquisition of the Sale Shares except payment of the 1st Consideration pursuant to the Agreement. Any party who breaches the Agreement has to compensate all the damages incurred by the other party.

Reasons for Acquisition

The business of the Company through its subsidiary consists of garment manufacturing and retailing. The Company is actively looking for further opportunities to diversify its operation and income source. Since the Land can be used for property development for residential and commercial purposes, the Directors believe that the Agreement represents an opportunity to acquire land development right, explore other business and is in the interest of the Company and the Shareholders as a whole. The Company intends to develop the Land for both residential and commercial purposes but the Company has not decided the development schedule of the Land at this stage. As indicated in the interim report of the Company in March 2003, the Group has initiated a small-scale property development project in Zhangzhou of Fujian Province, the Directors believe that the Company can allocate appropriate management expertise for the business development of the Land.

GENERAL

The Company is an investment holding company and FECL, being a wholly owned subsidiary of the Company, is a wholly foreign-owned enterprise with a registered capital of S\$15,300,000.00 and the principal activity of FECL is fashion trading, production and retailing, development of property for sale and lease. The PRC Company was a limited liability company duly incorporated in compliance with the laws in the PRC on 28 July 1999 and has the right to operate the business of property development, operation and management. Chen owns 49% of the total issued shares capital of the PRC Company and Zhong owns 51% of the total issued shares capital of the PRC Company. The PRC Company did not have any actual business operation since its incorporation and does not prepare any audited financial statement. The principal business of the PRC Company is property development, operation and management. According to the unaudited balance sheet of the PRC Company as at 30 September 2003, the registered share capital of the PRC Company is RMB3,280,000.00 which was fully paid up by Chen & Zhong, the assets of the PRC Company comprise the Land and its registered share capital only and the PRC Company does not have any liability except its commitment to acquire the Land and a debt in a sum of RMB62,133.38.

The Agreement constitutes a discloseable transaction under Rule 14.12 of the Listing Rules and should be disclosed by way of press notice and sending a circular to the Shareholders. The Company shall send circulars to Shareholders in accordance with the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

“Agreement”	the acquisition of shares agreement dated 11 March 2004 entered into between FECL on the one part as purchaser and Chen & Zhong on the other part as vendors relating to the acquisition of all the issued shares of the PRC Company
“Acquisition”	the acquisition of the Sale Shares by FECL
“Board”	the board of Directors of the Company
“Company”	Benefun International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange
“Chen”	陳立彬 (Chen Libin*)
“Zhong”	鍾媽明 (Zhong Maming*)
“Directors”	directors of the Company
“FECL”	Fun (Xiamen) Enterprise Corporation Limited
“Group”	The Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	a piece of land with an area of 26,427.83 m ² located at Zhangzhou City, Fujian Province, the PRC (宗地編號為2003挂－01號) (Lot No.: 2003 Gua – 01)*
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“PRC Company”	漳州市高暉房地產開發有限公司 (Zhangzhou City Gao Hui Property Development Company Limited*)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Sale Shares”	all the issued shares of the PRC Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“1st Consideration”	a sum of RMB3,280,000.00 being the consideration for the acquisition of all the issued shares of the PRC Company
“2nd Consideration”	a sum of RMB34,091,901.00 being the auction price for the acquisition of the Land

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

Hong Kong, 11 March 2004

* *for identification only*

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