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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 licensed securities dealer, 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 and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders**



HANI SECURITIES (H.K.) LIMITED

A letter from the Board is set out on pages 3 to 8 of this circular. A letter from Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the Refreshment of General Mandate is set out on pages 10 to 14 of this circular. The letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Refreshment of General Mandate is set out on page 9 of this circular.

A notice convening the SGM of Benefun International Holdings Limited to be held on Friday, 8 August 2008 at 3:30 p.m. at Room M6, 4th Floor, Opulent Building, 402-406 Hennessy Road, Wan Chai, Hong Kong is set out on pages 15 to 17 of this circular. A form of proxy for use at the meeting is enclosed. Whether or not you intend to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of Benefun International Holdings Limited in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so desire.

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DEFINITIONS

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

“Articles of Association”	The articles of association of the Company as amended, supplemented or modified from time to time
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Benefun International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company from time to time
“Existing General Mandate”	the general and unconditional mandate granted to the Directors to allot and issue Shares with an aggregate nominal value not exceeding 20% of the then aggregate nominal value of the issued share capital of the Company as at the date of the Last AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising Mr. Cheung Ngai Lam, Mr. Tsang Chun Pong and Mr. Li Chun Ming, Raymond, formed to advise the Independent Shareholders in relation to the Refreshment of General Mandate
“Independent Financial Adviser”	Hani Securities (H.K.) Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which is licensed by the Securities and Futures Commission of Hong Kong for carrying out Type 6 (advising on corporate finance) regulated activity under the SFO
“Independent Shareholders”	Shareholders other than the controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates, i.e. (i) Mr. Tan Sim Chew, currently holding approximately 11.89% of the issued share capital of the Company; (ii) Mr. Lo King Fat Lawrence, currently holding approximately 0.169% of the issued share capital of the Company; and (iii) Mr. Fu Zi Cong, currently holding approximately 0.198% of the issued share capital of the Company

DEFINITIONS

“Last AGM”	the annual general meeting of the Company held on 14 December 2007
“Latest Practicable Date”	18 July 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board operated by the Stock Exchange
“New General Mandate”	the general and unconditional mandate proposed to be granted to the Directors to allot and issue Shares with an aggregate nominal value not exceeding 20% of the then aggregate nominal value of the issued share capital of the Company as at the date of the SGM
“Refreshment of General Mandate”	the proposed refreshment of the Existing General Mandate into the New General Mandate
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held at Room M6, 4th Floor, Opulent Building, 402-406 Hennessy Road, Wan Chai, Hong Kong on Friday, 8 August 2008 at 3:30 p.m. to consider and, if thought fit, approve the resolution contained in the SGM Notice
“SGM Notice”	the notice convening the SGM set out on pages 15 to 17 of this circular
“Shareholder(s)”	the registered holder(s) of the Share(s)
“Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

LETTER FROM THE BOARD



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*)
Mr. Zhong Ma Ming (*Managing Director*)
Mr. Fu Zi Cong
Mr. Lo King Fat, Lawrence

Independent Non-executive Directors:

Mr. Cheung Ngai Lam
Mr. Tsang Chun Pong
Mr. Li Chun Ming, Raymond

Registered Office:

Ugland House
South Church Street, P.O. Box 309
George Town, Grand Cayman
Cayman Islands
British West Indies

Principal Place of Business:

1-18 Xinhe Industrial Park
Dianqian, Huli
Xiamen
China

Hong Kong Office:

23rd Floor
Sing Ho Finance Building
166-168 Gloucester Road
Wan Chai
Hong Kong

23 July 2008

To the Shareholders

Dear Sir or Madam,

**REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF SPECIAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with the SGM Notice and information in respect of the resolution to be proposed at the SGM for approval of the Refreshment of General Mandate.

This circular is to provide you with further information including: (i) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; (ii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iii) the SGM Notice; and (iv) other information as required under the Listing Rules.

* *For identification purpose only*

LETTER FROM THE BOARD

2. EXISTING GENERAL MANDATE

At the Last AGM, Shareholders approved, among other things, a resolution to grant to the Directors the Existing General Mandate to allot and issue not more than 327,005,800 Shares, being 20% of the entire issued share capital of the Company as at the date of passing of such resolution. The Company has not refreshed the Existing General Mandate since the Last AGM.

3. REASONS FOR THE REFRESHMENT OF GENERAL MANDATE

The Group is principally engaged in design, manufacture and sale of quality men's and ladies' wear and property development.

Since the granting of the Existing General Mandate to the Latest Practicable Date, the Existing General Mandate to issue and allot Shares has been utilized as to 320,000,000 Shares, representing approximately 97.86% of the aggregate number of Shares which may be allotted and issued under the Existing General Mandate. The following table summarizes the use of the Existing General Mandate since the Last AGM:

Date of announcement	Description	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
4 January 2008	Subscription of 320,000,000 new Shares at HK\$0.072 each (the "Share Subscription")	HK\$22.84 million	For general working capital and financing expansion of property development business	The proceeds have been used up to and as at the Latest Practicable Date for their intended purposes.

There has been no refreshment of the Existing General Mandate since the Last AGM. Therefore, after the Share Subscription, only 7,005,800 additional Shares can be issued under the Existing General Mandate. The Directors expect that additional funding may be required for further development of the Group's business. The Board considers equity financing to be an important avenue of resources to the Group since it does not create any interest paying obligations on the Group although it will also consider other financing methods such as debt financing or internal cash resources to fund its future business development in appropriate circumstances.

LETTER FROM THE BOARD

The Board considers that the Refreshment of General Mandate is fair and reasonable and in the interest of the Company and its Shareholders as a whole as it will (i) maximize the funds to be raised by the Company when investment proposals are available from potential investors; and (ii) maintain financial flexibility for the Group's future business development. In light of the above, the Board is now proposing to seek the approval of the Refreshment of General Mandate at the SGM such that should attractive terms for investment in the Shares become available from potential investors, the Board will be able to respond to the market promptly.

4. PROPOSED NEW GENERAL MANDATE

As at the Latest Practicable Date, the Company had an aggregate of 1,955,029,000 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the Refreshment of General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be allowed under the New General Mandate to allot and issue up to 391,005,800 Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

The New General Mandate will remain effective until 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 to be held in accordance with any applicable laws or the Articles of Association; and (iii) their revocation or variation by an ordinary resolution of the Shareholders in general meeting.

5. EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Apart from the Share Subscription, the Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

6. SGM

Pages 15 to 17 of this circular contain a notice convening the SGM which will be held at Room M6, 4th Floor, Opulent Building, 402-406 Hennessy Road, Wan Chai, Hong Kong on Friday, 8 August 2008 at 3:30 p.m. at which an ordinary resolution will be proposed to approve the Refreshment of General Mandate.

LETTER FROM THE BOARD

Pursuant to Rule 13.36(4)(a) of the Listing Rules, any controlling Shareholder(s) and their associates or, where there are no controlling Shareholder(s), Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the ordinary resolution in relation to the Refreshment of General Mandate at the SGM. The Refreshment of General Mandate will be voted by way of poll according to Rule 13.39(4)(b) of the Listing Rules. As at the Latest Practicable Date, the following Shareholders are required to abstain from voting in favour of the ordinary resolution in relation to the Refreshment of General Mandate at the SGM: (i) Mr. Tan Sim Chew, the Chairman of the Company, currently holding approximately 11.89% of the issued share capital of the Company; (ii) Mr. Lo King Fat Lawrence, a Director currently holding approximately 0.169% of the issued share capital of the Company; and (iii) Mr. Fu Zi Cong, a Director currently holding approximately 0.198% of the issued share capital of the Company. To the best knowledge, information and belief of the Directors, after making all reasonable enquiries, (i) Mr. Tan Sim Chew, Mr. Lo King Fat Lawrence and Mr. Fu Zi Cong (the “**Abstaining Shareholders**”) have no intention to vote against the ordinary resolution to approve the Refreshment of General Mandate at the SGM; (ii) the Abstaining Shareholders are the ultimate beneficial owners of their respective Shares and they fully control the voting rights in respect of their respective Shares; (iii) the Abstaining Shareholders have not temporarily or permanently passed any control over the exercise of the voting right in respect of their respective Shares to any third party, either generally or on a case-by-case basis, (1) by entering into or binding upon by any voting trust or other agreement or arrangement or understanding (other than an outright sale) or (2) by having obligation or entitlement as at the Latest Practicable Date; and (iv) there is no discrepancy between the Abstaining Shareholders’ respective beneficial shareholding interests in the Company as at the Latest Practicable Date and the number of Shares in respect of which each Abstaining Shareholder will control or will be entitled to exercise control over the voting right at the SGM.

The Board recommends the Independent Shareholders to vote in favour of the ordinary resolution proposed in respect of the Refreshment of General Mandate as set out in the SGM Notice. The recommendation from the Independent Board Committee to the Independent Shareholders in relation to the voting on the ordinary resolution proposed in respect of the Refreshment of General Mandate is set out on page 9 of this circular.

The form of proxy for use by the Independent Shareholders or Shareholders at the SGM is enclosed with this circular. Whether or not you intend to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of a form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so desire.

LETTER FROM THE BOARD

7. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising Mr. Cheung Ngai Lam, Mr. Tsang Chun Pong and Mr. Li Chun Ming, Raymond, being the independent non-executive Directors, has been established to advise the Independent Shareholders on the Refreshment of General Mandate.

Hani Securities (H.K.) Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate.

The Independent Board Committee and the Directors, having taken into account the advice of Hani Securities (H.K.) Limited, consider the Refreshment of General Mandate to be fair and reasonable and in the interests of the Company and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favour of the ordinary resolution which will be proposed at the SGM for approving the Refreshment of General Mandate.

The text of the letter from the Independent Board Committee is set out on page 9 of this circular and the text of the letter from the Independent Financial Adviser containing its advice is set out on pages 10 to 14 of this circular.

8. POLL DEMAND

According to Article 80 of the Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless voting by way of poll is required by the rules of the designated stock exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded and a poll may be demanded by:

- (i) the chairman of such meeting; or
- (ii) at least five Shareholders present in person or by proxy and entitled to vote; or
- (iii) a Shareholder or Shareholders present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or
- (iv) a Shareholder or Shareholders present in person or by proxy and holding Shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. On a poll votes may be given either personally or by proxy. On a poll a Shareholder entitled to more than one vote is under no obligation to cast all his votes in the same way. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.

LETTER FROM THE BOARD

9. RESPONSIBILITY OF THE DIRECTORS

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirmed, having made all reasonable enquires, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

10. RECOMMENDATION

The Directors consider that the ordinary resolution proposed referred to above are fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Independent Shareholders to vote in favour of the ordinary resolution in respect of the approval of the Refreshment of General Mandate to be proposed in the SGM.

Yours faithfully,
For and on behalf of
Benefun International Holdings Limited
Tan Sim Chew
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)

23 July 2008

To the Independent Shareholders

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

We refer to the circular to the Shareholders dated 23 July 2008 issued by Benefun International Holdings Limited of which this letter forms part. Terms used in this letter shall have the same respective meanings as those defined in this circular, unless the context otherwise requires.

The Independent Board Committee has been established to give a recommendation to the Independent Shareholders in respect of the Refreshment of General Mandate. Hani Securities (H.K.) Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in connection with the Refreshment of General Mandate. Details of its advice, together with the principal factors and reasons taken into account in arriving at such advice, are set out in their letter on pages 10 to 14 of this circular.

Your attention is also drawn to the "Letter from the Board" on pages 3 to 8 of this circular.

Having taken into account the terms of the Refreshment of General Mandate and the advice of the Independent Financial Adviser, we consider that the terms of the Refreshment of General Mandate are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that all the Independent Shareholders to vote in favour for the ordinary resolution to be proposed at the SGM to approve the Refreshment of General Mandate.

Yours faithfully,

Independent Board Committee

Mr. Cheung Ngai Lam, Mr. Tsang Chun Pong and Mr. Li Chun Ming, Raymond

Independent non-executive Directors

* *For identification purpose only*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter from Hani Securities (H.K.) Limited to the Independent Board Committee and the Independent Shareholders, prepared for incorporation into this circular in connection with the Refreshment of General Mandate.



Hani Securities (H.K.) Limited
402, 4th Floor, Wing On House
71 Des Voeux Road Central
Hong Kong

23 July 2008

*To the Independent Board Committee and the Independent Shareholders of
Benefun International Holdings Limited*

Dear Sirs,

PROPOSED REFRESHMENT OF THE GENERAL MANDATE TO ISSUE SHARES

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders with respect to the Refreshment of the General Mandate, details of which are set out in the “Letter from the Board” (the “Letter”) contained in the circular of the Company dated 23 July 2008 (the “Circular”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

As stated in the Letter, the Board proposes to refresh the general mandate for the Directors to allot, issue and deal with additional new Shares not exceeding 20% of the nominal amount of share capital of the Company in issue as at the date of the SGM. The New General Mandate will, if granted, remain effective until 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 to be held by Cayman Islands law or Bye-laws; and (iii) its revocation or variation by ordinary resolutions of the Shareholders in general meeting.

According to Rule 13.36(4) of the Listing Rules, voting on resolution relating to the proposed New General Mandate to issue new Shares and extension of that mandate will be conducted by poll and the controlling shareholders, directors (being Tan Sim Chew, Lo King Fat, Lawrence, Fu Zi Cong) (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting with respect to the resolution in connection with the proposed Refreshment of the General Mandate at the SGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Cheung Ngai Lam, Mr. Tsang Chun Pong and Mr. Li Chun Ming, Raymond, has been formed to advise the Independent Shareholders as to whether the Refreshment of the General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

In our capacity as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to provide the Independent Board Committee and the Independent Shareholders with an independent opinion and recommendation as to whether the Refreshment of the General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

BASIS OF OUR OPINION

In formulating our recommendation, we have relied on the information, financial information and facts supplied to us and representations expressed by the Directors and/or the management of the Company and have assumed that all such information, financial information and facts and any representations made to us, or referred to in the Circular, are true, accurate and complete as at the time they were made and as at the date of the Circular, have been properly extracted from the relevant underlying accounting records (in the case of financial information) and made after due and careful inquiry by the Company and/or the management of the Company. The Directors and/or the management of the Company have confirmed that, having made all reasonable enquiries and to the best of their knowledge and belief, all relevant information has been supplied to us and that no material facts have been omitted from the information supplied and representations expressed to us. We have also relied on certain information available to the public and have assumed such information to be accurate and reliable. We consider that we have reviewed all currently available information and documents which are available in the present circumstances and have performed all necessary steps as required under Rule 13.80 of the Listing Rules, including the notes thereto, to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinions. We have no reason to doubt the completeness, truth or accuracy of the information and facts provided and we are not aware of any facts or circumstances which would render such information provided and representations made to us untrue, inaccurate or misleading. We have not, however, conducted any independent verification of the information nor have we conducted any form of in-depth investigation into the businesses, affairs, financial position or prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee in relation to the Refreshment of the General Mandate, we have considered the following factors:

Background

At the Company's annual general meeting held on 14 December 2007 (the "AGM"), the Shareholders approved, amongst other things, an ordinary resolution to grant to the Directors a general mandate to issue securities not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution. At the date of the passing of that resolution, there were 1,635,029,000 Shares in issue and thus that general mandate granted at the AGM entitled the Directors to issue and allot a total of 327,005,800 Shares, representing 20% of the Shares then in issue.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Since the granting of the Existing General Mandate to the Latest Practicable Date, the Existing General Mandate to issue and allot 327,005,800 shares has been utilized as to 320,000,000 Shares, representing approximately 97.86% of the aggregate number of Shares which may be allotted and issued under the Existing General Mandate.

On 4 January 2008, the Company announced that it had entered into a subscription agreement, whereupon the Company agreed to issue 320,000,000 Shares to a number of independent third parties namely: Mr. Neo Hock Soon – 111,000,000 shares, Ms. Neo Fuek Peng – 17,000,000 shares and Mr. Fan Po Lo – 192,000,000 shares at HK\$0.072 per subscription Share. The net proceeds under the subscription were approximately HK\$22.84 million. Out of the total HK\$22.84 million, about HK\$13.7 million for expansion of property development business of the group and HK\$9.14 million will be retained as general working capital as at the Latest Practicable Date.

With reference to an announcement made by the Company on 4 July 2008, the Company on 24 June 2008 entered into a very substantial acquisition (the “Acquisition”) relating to the forestry business located in the People’s Republic of China. The Acquisition (with total consideration HK\$500,000,000 is to be satisfied by the issue of promissory notes and convertible notes by the Company) constitutes a very substantial acquisition by the Company under the Listing Rules. The Acquisition and the issue of Convertible Notes, which will be included in the resolutions in respect of the Acquisition, are subject to the Shareholders’ approval at an Extraordinary General Meeting to be held on a date to be notified. The Acquisition, which is subject to a number of conditions precedent, may or may not complete.

The Company is principally engaged in design, manufacture and sale of quality men’s and ladies’ wear and property development. As part of its business plan, the Group will continue to explore and evaluate new businesses and investment opportunities as well as financing expansion of the property development business.

The Directors consider that the issue of new Shares provides an additional and flexible means of raising funds for the use of the Group to achieve its business plans as and when appropriate. We concur with the Directors’ view and consider that the Refreshment of the General Mandate will provide an additional means of financing available to the Group to participate in future investment opportunities as well as for general working capital.

The total issued share capital of the Company as at the Latest Practicable Date was 1,955,029,000 Shares, 20% thereof represents 391,005,800 Shares.

According to Rule 13.36(4) of the Listing Rules, voting on resolution relating to the proposed New General Mandate to issue new Shares and extension of that mandate will be conducted by poll and the controlling shareholders, directors being Tan Sim Chew, Lo King Fat, Lawrence, Fu Zi Cong) (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting with respect to the resolution in connection with the proposed Refreshment of the General Mandate at the SGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The table below shows the potential dilutive effect arising from issue of shares under the New General Mandate:

Shareholder	No. of shares held as at the Latest Practicable Date	approx. %	No. of shares held assuming full utilization of the New General Mandate	approx. %
Non-public shareholders				
Mr. Tan Sim Chew ⁽¹⁾	232,505,226	11.89%	232,505,226	9.91%
Leader Symbol Holdings Ltd. ⁽²⁾	178,242,477	9.12%	178,242,477	7.60%
Other Directors ⁽³⁾	7,174,000	0.37%	7,174,000	0.30%
Public shareholders				
Other shareholders	1,537,107,297	78.62%	1,537,107,297	65.52%
Shares to be issued under the New General Mandate	—	—	391,005,800	16.67%
Total	<u>1,955,029,000</u>	<u>100.00%</u>	<u>2,346,034,800</u>	<u>100.00%</u>

Notes to the above table:

- ⁽¹⁾ Mr. Tan Sim Chew is an Executive Director of the Company.
- ⁽²⁾ Leader Symbol Holdings Limited is wholly-owned by Ms. Ng Guek Keow.
- ⁽³⁾ Fu Zi Cong (being an Executive Director of the Company) owns 3,874,000 Shares and Mr. Lo King Fat Lawrence (being an Executive Director of the Company) owns 3,300,000 Shares as at the Latest Practicable Date.

If assuming that (i) the proposed New General Mandate will be approved at the SGM; (ii) no Shares will be repurchased and no new Shares will be issued from the Latest Practicable Date up to the date of the SGM (both dates inclusive); and (iii) upon full utilization of the New General Mandate, up to 391,005,800 Shares may be issued under the New General Mandate, representing 20% and approximately 16.67% of the existing issued share capital as at the Latest Practicable Date and the enlarged issued share capital of the Company respectively. The aggregated shareholding of the existing public Shareholders will be decreased from approximately 78.62% to approximately 65.52% upon full utilization of the New General Mandate.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Financial flexibility and other possible alternatives

Given that equity financing is interest and security free by nature, and a bigger and wider spread of the capital base may also enhance the liquidity of the Shares in the securities market in Hong Kong, the Directors consider that the Refreshment of the General Mandate (which offers a flexible financing option to the Company) is in the interests of the Company and the Shareholders as a whole. Apart from equity financing, the Directors have also confirmed that they would consider other alternatives, such as (but not limited to) debt financing and bank borrowings. However, such alternatives depend on the financial position, the cost of funding of the Group and the market conditions. In addition, these alternatives may have to be subject to a lengthy due diligence and negotiation process. The Directors have also confirmed that they would exercise due and careful consideration when choosing the best method of financing for the Group.

Given that the Refreshment of the General Mandate may (i) enhance the flexibility of the Company to raise additional funds and/or to allot and issue new Shares as consideration for funding any future investment opportunities, acquisitions and/or corporate transaction exercises as and when such opportunities arise; and (ii) enlarge the capital base of the Group, we believe that the Refreshment of the General Mandate offers the Company a flexible financing option for the benefit of the Group and is in the interests of the Company and the Shareholders as a whole. Furthermore, it is our opinion that the advantages gained from the above mentioned flexibility to raise additional funds and the enlargement of the capital base, will out weigh any disadvantage caused to the existing shareholders from the dilution effect of the Shares issued under the New General Mandate.

We consider that it is prudent and reasonable for the Group to maintain a strong capital base whilst additional funding may be needed for further business development and for other opportunities which may arise in the future as well as general working capital of the Group.

RECOMMENDATION

Having considered the above, we are of the view that the Refreshment of the General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Refreshment of the General Mandate.

Yours faithfully,
For and on behalf of
Hani Securities (H.K.) Limited
Mr. CHEUNG Kai Kwong
Director & Responsible Officer

NOTICE OF SPECIAL 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 IS HEREBY GIVEN that the special general meeting (the “**Special General Meeting**”) of the shareholders (the “**Shareholders**”) of Benefun International Holdings Limited (the “**Company**”) will be held at Room M6, 4th Floor, Opulent Building, 402-406 Hennessy Road, Wan Chai, Hong Kong on Friday, 8 August 2008 at 3:30 p.m. for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution of the Company: -

ORDINARY RESOLUTION

“THAT

- (a) the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with shares of the Company as approved by the shareholders of the Company at the annual general meeting of the Company held on 14 December 2007 be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the passing of this Resolution);
- (b) subject to paragraph (d) below, and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined in this Resolution) of all the powers of the Company to allot, issue and deal with unissued shares in the share capital of the Company and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (c) the approval in paragraph (b) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined in this Resolution) to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined in this Resolution);
- (d) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (b) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares upon the exercise of the subscription rights attaching to any warrants

* *For identification purpose only*

NOTICE OF SPECIAL GENERAL MEETING

which may be issued by the Company from time to time; or (iii) an issue of shares of the Company upon the exercise of options which may be granted under the share option scheme or similar arrangement for the time being adopted for the grant or issue to eligible persons of shares of the Company or rights to acquire shares of the Company; or (iv) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company, 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 of this Resolution, and the said approval shall be limited accordingly; and

(e) 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 bye-laws of the Company or any applicable laws to be held; and
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the directors of the Company by this Resolution.

“**Rights Issue**” means an offer of shares of the Company or issue of options, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities), (subject in all cases 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 applicable to the Company).”

By order of the Board
Lo King Fat, Lawrence
Company Secretary

Hong Kong 23 July 2008

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. A proxy form for use at the meeting is enclosed.
2. Any shareholder of the Company (“**Shareholder**”) entitled to attend and vote at the meeting of the Company shall be entitled to appoint one or more proxies to attend and vote instead of him.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.
4. To be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be deposited at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude a member from attending the meeting and voting in person. In such event, his form of proxy will be deemed to have been revoked.
5. A proxy need not be a Shareholder. A Shareholder may appoint a proxy in respect of part of his holding of shares in the Company.
6. In the case of joint holders of a share in the Company if more than one of such joint holders be present at any meeting 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 in respect of the joint holding.