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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: 01130)

### **ANNOUNCEMENT**

#### **ON CONVERSION OF THE CONVERTIBLE NOTES**

The Company makes this announcement pursuant to the paragraph under the heading "Dilution effect on Shareholders as a result of conversion of any part of the Convertible Notes" of the Circular.

Reference is made to the circular of the Company dated 30 September 2008 (the "Circular") and the announcements of the Company dated 26 November 2008 and 2 December 2008 (the "Second Cumulative Announcement"). The Company makes this announcement pursuant to the paragraph under the heading "Dilution effect on Shareholders as a result of conversion of any part of the Convertible Notes" of the Circular. Unless otherwise defined herein, capitalized terms used herein shall have the same meanings as those defined in the Circular.

On 1 December 2008, the Company has issued an aggregate of 1,542,395,000 Conversion Shares upon conversion of Convertible Notes in the aggregate principal amount of HK\$98,713,280. The Company makes this announcement because the cumulative aggregate amount of the Conversion Shares (1,542,395,000 Conversion Shares) issued upon conversion of the Convertible Note during the period from the Second Cumulative Announcement to the date of this announcement (the "Period") have reached 5% of the issued share capital of the Company as disclosed in the Circular.

The details of the above conversion are as follows: -

<b>Date of Conversion</b>	<b>Aggregate Number of Conversion Shares Issued</b>	<b>Conversion Price</b>	<b>Outstanding Principal Amount of the Convertible Notes after the conversion</b>
<b>1 December 2008</b>	<b>1,542,395,000</b>	<b>HK\$0.064</b>	<b>HK\$174,485,760</b>

During the Period, there is no issue of Shares pursuant to any other transactions.

Changes in the issued share capital of the Company during the Period are as follows: -

	<b>Issued Share Capital HK\$</b>	<b>Number of Issued Shares at HK\$0.01 each</b>
As at 2 December 2008	39,362,940	3,936,294,000
Cumulative aggregate amount of Conversion Shares issued during the Period	<u>15,423,950</u>	<u>1,542,395,000</u>
As at the date of this announcement, 3 December 2008	<u>54,786,890</u>	<u>5,478,689,000</u>

The cumulative aggregate amount of Conversion Shares (1,542,395,000 Conversion Shares) represents about 39.18% of the total number of issued Shares as disclosed in the Second Cumulative Announcement (3,936,294,000 Shares). As at the date of this announcement, the cumulative aggregate amount of the Conversion Shares represents about 28.15% of the total number of issued Shares (as enlarged by the issue of the aggregate 1,542,395,000 Conversion Shares).

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

3 December 2008, Hong Kong

As at the date of this announcement, the Board comprises of five executive directors, namely Mr. TAN Sim Chew, Mr. ZHONG Ma Ming, Mr. FU Zi Cong, Mr. LO King Fat, Lawrence and Mr. LEUNG Kwong Choi and three independent non-executive directors, namely Mr. CHEUNG Ngai Lam, Mr. TSANG Chung Yu and Mr. LI Chun Ming, Raymond.

*\* For identification purposes only*