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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 announcement of the Company dated 6 March 2009 (the "**February 2009 Monthly 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 12 March 2009, the Company has issued 695,090,000 Conversion Shares upon conversion of Convertible Notes in the principal amount of HK\$44,485,760.00. The Company makes this announcement because the cumulative amount of Conversion Shares (695,090,000 Conversion Shares) issued upon conversion of the Convertible Notes during the period from 6 March 2009 (the date of the February 2009 Monthly Announcement) to the date of this announcement (the "**Period**") has reached 5% of the issued share capital of the Company as disclosed in the February 2009 Monthly Announcement.

The details of the above conversion are as follows: -

| Date of conversion | Number of Conversion Shares issued | Conversion Price | Outstanding Principal Amount of the Convertible Notes after the conversion |
|---------------------------|---|-------------------------|---|
| 10 March 2009 | 695,090,000 | HK\$0.064 | HK\$130,000,000 |

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: -

| | Issued Share Capital HK\$ | Number of Issued Shares at HK\$0.01 each |
|---|--|---|
| As at 6 March 2009 | 54,786,890 | 5,478,689,000 |
| Cumulative amount of Conversion Shares issued during the Period | 6,950,900 | 695,090,000 |
| As at the date of this announcement, 12 March 2009 | <u>61,737,790</u> | <u>6,173,779,000</u> |

The cumulative amount of Conversion Shares (695,090,000 Conversion Shares) represents about 12.69% of the total number of issued Shares as disclosed in the February 2009 Monthly Announcement (5,478,689,000 Shares). As at the date of this announcement, the cumulative amount of the Conversion Shares represents about 11.26% of the total number of issued Shares (as enlarged by the issue of the 695,090,000 Conversion Shares).

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

12 March 2009, Hong Kong

As at the date of this announcement, the Board comprises of three executive directors, namely Mr. TAN Sim Chew, Mr. LO King Fat, Lawrence and Mr. LEUNG Kwong Choi, James and four independent non-executive directors, namely Mr. CHEUNG Ngai Lam, Mr. TSANG Chung Yu, Mr. LI Chun Ming, Raymond and Mr. WONG Kwai Sang.

** For identification purposes only*