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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)

ANNOUNCEMENT

ON THE SIGNIFICANT CHANGE OF THE LITIGATION

On 24 September 2009, the Company and the Concerned Directors received an **amended writ of summons** from Hero Rich, amongst other things, claiming against the Company and the Concerned Directors for registering the transfer of Shares and the sum of **HK\$1,891,386.19** and all costs, interests and damages depending on the realizable value of the Shares at the time Hero Rich can sell the Shares instead of its original claimed sum of HK\$31,227,869.94.

I. The Background of the Litigation

1. On 2 June 2009, Benefun International Holdings Limited (the "Company") was informed by Computershare Hong Kong Investors Services Limited that Hero Rich International Holdings Limited (Hero Rich) lodged a request to transfer 234,375,000 shares ("Shares Transfer") of the Company to HKSCC Nominees Limited ("HKSCC"). Pursuant to Article 40 of the Company's Memorandum and Articles of Association ("M&A"), the Company has two months to consider the matter. The Company engaged a solicitor to represent the Company and to send the formal reply to HKSCC to hold any action in relation to the Shares Transfer.

2. On 22 June 2009, the Company and its current directors (the “Concerned Directors”) received a writ of summons (“Writ”) from Hero Rich, among other things, in respect of the failure to register the transfer of 234,375,000 shares (“Shares”) of the Company and claiming against the Company and the Concerned Directors for the sum of HK\$31,227,896.94 and all costs, interests and damages (“Litigation”).
3. The Company had received complaints, inter alia, over the legal titles of the Shares. The Company was informed of Blackpool Stadium Limited’s (“Blackpool”) legal proceedings against Hero Rich in the High Court of the Hong Kong Special Administrative Region. To protect the interest of shareholders, at all times, the Company and the Concerned Directors are acting in accordance with the M&A of the Company and will act in accordance with the outcome of legal proceedings between Blackpool and Hero Rich.

II. Significant Change in the Litigation

1. During the legal proceedings, the Company and the Concerned Directors made various affirmations regarding the Litigation.
2. On 24 September 2009, the Company and the Concerned Directors received an amended writ of summons from Hero Rich. Hero Rich deleted, inter alia, (a) its allegation that Hero Rich has fully paid up the value of the Shares; (b) its claim for HK\$ 31,227,896.94 being loss and damages; and (c) its claim for specific performance against the Concerned Directors.

Amongst other things, Hero Rich amended its claim against the Company and the Concerned Directors by decreasing the original claimed sum of HK\$31,227,896.94 to the sum of HK\$1,891,386.19 and including its claim for the realizable value of the Shares at the time Hero Rich can sell the Shares. Hero Rich also claimed for an order that the Company and the Concerned Directors do forthwith register the Shares Transfer and they do indemnify Hero Rich from all loss and damage caused or occasioned by the failure to register the Shares Transfer

III. Impact on the Company’s Financial and Operating Situation

1. As at the date of this announcement, the board of directors is in the opinion that the significant change in the Litigation mentioned above has no significant adverse impact on the business or operations of the Company.

2. The Company and the Concerned Directors will take steps, as appropriate and necessary and further announcement will be made as and when appropriate.

IV. Listing Rules 13.51B(2) and 13.51(2)(u)

For the purpose of compliance with the Listing Rules 13.51B(2) and 13.51(2)(u), the Concerned Directors, namely, Messrs. Tan Sim Chew, Leung Kwong Choi, Kwok Wai, Wilfred, Lo King Fat, Lawrence, Cheung Ngai Lam, Wong Kwai Sang, Christopher David Thomas and Ms. Kam Yuen, each being a director of the Company, confirm that they are the defendants of the above mentioned Litigation.

By Order of the Board
Benefun International Holdings Limited
Kam Yuen
*Chief Executive Officer and
Executive Director*

Hong Kong, 25 September 2009

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Tan Sim Chew (Chairman), Ms. Kam Yuen (Chief Executive Director), Mr. Leung Kwong Choi, Mr. Kwok Wai, Wilfred and Mr. Lo King Fat, Lawrence,; and three independent non-executive directors, namely Mr. Cheung Ngai Lam, Mr. Wong Kwai Sang and Mr. Christopher David Thomas.

** For identification only*