

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)

### **SUBSCRIPTION OF NEW SHARES AND RESUMPTION OF TRADING**

#### **SHARE SUBSCRIPTION**

On 11 June 2007, the Company entered into the Share Subscription Agreement with the Share Subscribers. Pursuant to the Share Subscription Agreement, the Share Subscribers agreed to subscribe for and the Company agreed to allot and issue in aggregate of 85,000,000 Subscription Shares for cash consideration at a subscription price of HK\$0.157 per Subscription Share.

The 85,000,000 Subscription Shares represent (i) about 5.48% of the existing issued share capital as at the date of this announcement and ii) about 5.20% of the issued share capital as enlarged by the Share Subscription.

The Subscription Price of HK\$0.157 per Subscription Share represents (i) a discount of about 19.49% to the closing price of HK\$0.195 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of about 18.57% to the average closing price per Share of about HK\$0.1928 as quoted on the Stock Exchange for the last five trading days prior to the Subscription Agreement; and (iii) a discount of about 15.50% to the average closing price per Share of HK\$0.1858 as quoted on the Stock Exchange for the last ten trading days prior to the Subscription Agreement.

The Share Subscription is conditional upon, among other things, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Subscription Shares.

The net proceeds in aggregate of HK\$13.1 million from the Share Subscription are intended to be used for general working capital.

#### **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 11 June 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 12 June 2007.

#### **SHARE SUBSCRIPTION AGREEMENT**

**Date:** 11 June 2007

**Issuer:** the Company

**Share Subscriber:** (1) Mr. Neo Hock Soon; and  
(2) Ms. Neo Guek Peng

Each of Mr. Neo and Ms. Neo has no shareholding interest in the Company as at the date of this announcement. To the best knowledge of the Directors, Mr. Neo and Ms. Neo are independent of and not connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined under the Listing Rules).

### **Subscription Shares**

The 85,000,000 Subscription Shares represent (i) about 5.48% of the existing issued share capital as at the date of this announcement and ii) about 5.20% of the issued share capital as enlarged by the Share Subscription.

The Subscription Shares when issued will rank pari passu with all other Shares then in issue.

### **Subscription Price**

The Subscription Price of HK\$0.157 per Subscription Share represents (i) a discount of about 19.49% to the closing price of HK\$0.195 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of about 18.57% to the average closing price per Share of about HK\$0.1928 as quoted on the Stock Exchange for the last five trading days prior to the Subscription Agreement; and (iii) a discount of about 15.50% to the average closing price per Share of HK\$0.1858 as quoted on the Stock Exchange for the last ten trading days prior to the Subscription Agreement

The Subscription Price was determined with reference to the prevailing market price and trading volume of the Share and was negotiated on an arm's length basis between the Company and the Share Subscribers. The Directors consider that the terms of the Share Subscription are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

### **Conditions**

Completion of the Share Subscription is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and
- (b) no event having occurred or occurring which would terminate the Share Subscription Agreement.

The conditions set out above cannot be waived by the Company or the Share Subscribers.

In the event that the above conditions are not fulfilled on or before the date falling 60 days from the date of the Share Subscription Agreement (or such other later date as may be agreed between the Share Subscriber and the Company), the Share Subscription Agreement shall lapse and become null and void and the parties thereto shall be released from all obligations thereunder, save for any liability arising out of any antecedent breaches thereof.

Application will be made to the Stock Exchange to grant the listing of, and permission to deal in the Subscription Shares.

### **Completion**

The Share Subscription is to be completed on or before the 4 business day after satisfaction of the above-mentioned conditions (or such later date as may be agreed amongst the parties hereto).

## EFFECTS ON SHAREHOLDING STRUCTURE

	Immediately before the Share Subscription		Immediately after the Share Subscription	
	No. of Shares	% (approx.)	No. of Shares	% (approx.)
Mr. Tan Sim Chew ( <i>Note 1</i> )	275,265,226	17.76%	275,265,226	16.84%
Leader Symbol Holdings Limited ( <i>Note 2</i> )	169,442,477	10.93%	169,442,477	10.36%
Other Directors ( <i>Note 3</i> )	7,174,000	0.46%	7,174,000	0.44%
Public:				
Mr. Neo ( <i>Note 4</i> )	–	–	70,000,000	4.28%
Ms. Neo ( <i>Note 4</i> )	–	–	15,000,000	0.92%
Other public Shareholders	1,098,147,297	70.85%	1,098,147,297	67.16%
Sub-total:	<u>1,098,147,297</u>	<u>70.85%</u>	<u>1,183,147,297</u>	<u>72.36%</u>
Total	<u><u>1,550,029,000</u></u>	<u><u>100.00%</u></u>	<u><u>1,635,029,000</u></u>	<u><u>100.00%</u></u>

*Note:*

- 1) Mr. Tan Sim Chew is the executive Director of the Company.
- 2) Leader Symbol Holdings Limited is wholly-owned by Ms. Ng Guek Keow.
- 3) The shareholding interests are owned as to 3,874,000 by Fu Zi Cong (being the executive director of the Company); and 3,300,000 by Lo King Fat Lawrence (being the executive director of the Company).
- 4) Mr. Neo and Ms. Neo have no shareholding interest in the Company as at the date of this announcement. To the best knowledge of the Directors, Mr. Neo and Ms. Neo are independent of and not connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined under the Listing Rules).

## REASON FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in manufacturing, retailing and distribution of apparel and property development.

The Directors consider the Share Subscription represent an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors consider the Share Subscription Agreement is in the interest of the Company and the Shareholders as a whole.

The net proceeds in aggregate of about HK\$13.1 million from the Share Subscription are intended to be used for general working capital. The net proceeds raised per Subscription Share will be about HK\$0.1541 per Share. The Company will bear an aggregate expenses and costs of about HK\$0.25 million incurred in relation to the Share Subscription.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any fund raising activities in the past twelve months before the date of this announcement:

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
6 February 2007	Subscription of 151,600,000 new Shares	HK\$9.9 million	As to be applied for general working capital and/or possible investment in future.	HK\$9.9 million was fully utilized

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 11 June 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 12 June 2007.

## **GENERAL**

The 85,000,000 Subscription Shares will be allotted and issued pursuant to the general mandate to allot, issue and deal with Shares granted to the Directors by a resolution passed at the annual general meeting of the Company held on 15 December 2006 (the “AGM”) subject to the limit up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing such resolution at the AGM (i.e. 279,685,800 Shares). As at the date of this announcement, 151,600,000 new Shares had been allotted and issued under such general mandate and accordingly 128,085,800 new Shares can be allotted and issued under such general mandate.

**Shareholders and potential investors are strongly advised to take cautions when dealing in Shares.**

## **TERMS AND DEFINITION**

“Board”	The board of directors of the Company
“Company”	Benefun International Holdings Limited, a limited liability company incorporated in the Cayman Islands with its shares listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the board of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	8 June 2007, being the last full trading day for the Shares before this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Neo”	Mr. Neo Hock Soon
“Ms. Neo”	Ms. Neo Guek Peng
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 in the share capital of the Company
“Share Subscribers”	Mr. Neo and Ms. Neo
“Share Subscription”	the subscription of 85,000,000 new Shares as to 70,000,000 new Shares by Mr. Neo and 15,000,000 new Shares by Ms. Neo pursuant to the terms of Share Subscription Agreement
“Share Subscription Agreement”	the subscription agreement between the Company and the Share Subscribers dated 11 June 2007 in relation to the Share Subscription
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Share(s)”	a total of 85,000,000 new Shares to be subscribed for by the Share Subscribers pursuant to the Share Subscription Agreement

“Subscription Price” HK\$0.157 per Subscription Share  
“HK\$” Hong Kong dollars, the lawful currency of Hong Kong  
“%” per cent.

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

Hong Kong, 11 June 2007

*As at the date of this announcement, the Board comprises four executive directors, namely Mr. Tan Sim Chew, Mr. Zhong Ma Ming, Mr. Fu Zi Cong and Mr. Lo King Fat, Lawrence, and three independent non-executive directors, namely Mr. Wong Kwai Sang, Kays, Mr. Tsang Chun Pong and Mr. Li Chun Ming, Raymond.*

\* *for identification only*

Please also refer to the published version of this announcement in International Herald Tribune.