

**BENEFUN INTERNATIONAL HOLDINGS LTD:
SHAREHOLDERS RESOLVE TO ENGAGE IN CORPORATE COMBAT**

A fight has broken out between 2 major shareholders of publicly listed Benefun International Holdings Ltd () (Code: 1130, Main Board, The Stock Exchange of Hongkong Ltd).

The shareholders are Blackpool Stadium Ltd and China Magic Enterprises Ltd.

Blackpool Stadium Ltd is beneficially owned by Mr Choy Ping Fai () while China Magic Enterprises Ltd () is beneficially owned by Mr Sik Siu Kwan ().

Blackpool Stadium Ltd is deemed to be beneficially interested in about 49.76 percent of the Issued and Fully Paid-Up Share Capital of Benefun International Holdings Ltd and, therefore, it is the Controlling Shareholder of the company.

China Magic Enterprises Ltd is said to be beneficially interested in about 8.56 percent of the Issued and Fully Paid-Up Share Capital of Benefun International Holdings Ltd.

It is the contention of Blackpool Stadium Ltd that the interest in Benefun International Holdings Ltd by China Magic Enterprises Ltd was obtained by misrepresentation to Blackpool Stadium Ltd.

As such, Blackpool Stadium Ltd is seeking to declare the interests of China Magic Enterprises Ltd in the publicly listed company to be null and void.

Mr Choy Ping Fai, in addition to being the beneficial owner of Blackpool Stadium Ltd, is, also, the beneficial owner of all of the shares in Capital Master International Ltd.

Capital Master International Ltd, as at December 31, 2008, owned about 25.70 percent of the Issued and Fully Paid-Up Share Capital of Benefun International Holdings Ltd.

Mr Choy Ping Fai, therefore, controls about 75.46 percent of the entire Issued and Fully Paid-Up Share Capital of Benefun International Holdings Ltd.

Mr Choy Ping Fai has been able to take control of Benefun International Holdings Ltd by way of a series of corporate moves, culminating in an acquisition agreement, dated June 24, 2008.

This acquisition agreement is spelled out at Page 78 of the Annual Report of Benefun International Holdings Ltd in respect of the Financial Year, ended June 30, 2008.

Note 35 to the Accounts of Benefun International Holdings Ltd reads as follows:

'35. EVENTS AFTER BALANCE SHEET DATE

On 24 June 2008, the Company entered into an acquisition agreement with Blackpool Stadium Limited for the acquisition of 100% equity interest and the loan in the Target Company – Ample Rich Enterprises Limited at a total consideration of \$500 million. The consideration shall be satisfied by: 1) issue of the \$100 million Promissory Note which will

be repayable on demand at any time commencing from 24 December 2009. The Promissory Noter shall be returned to the Company for cancellation if the Acquisition cannot be completed; 2) issue of \$400 million of Convertible Notes with a conversion price at \$0.064 per Conversion Share to Blackpool Stadium Limited upon completion. The completion of the acquisition is subject to fulfilment of certain conditions, inter alia, the approval of the shareholders at the extraordinary general meeting. The extraordinary general meeting was held on 20 October 2008 and the shareholders had approved the aforesaid acquisition.'

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