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## THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION

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The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, 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 circular.

This circular, for which the directors of Henderson Cyber Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Henderson Cyber Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this circular is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

**If you are in doubt** as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold** all your shares in Henderson Cyber Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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**hendersoncyber**

**HENDERSON CYBER LIMITED**

**恒基數碼科技有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

### **GENERAL MANDATE FOR THE REPURCHASE BY THE COMPANY OF ITS OWN SHARES**

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This circular will remain on the GEM website on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the Company's website at [www.hendersoncyber.com](http://www.hendersoncyber.com).

\* for identification purposes only

30th September, 2002



hendersoncyber

**HENDERSON CYBER LIMITED**

**恒基數碼科技有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

*Executive Directors:*

Dr. Lee Shau Kee (*Chairman*)  
Chan Wing Kin, Alfred  
Lam Ko Yin, Colin  
Lee Ka Kit  
Lee Ka Shing  
Yip Ying Chee, John  
Douglas H. Moore

*Independent Non-Executive Directors:*

Dr. Li Kwok Po, David  
Professor Ko Ping Keung  
Woo Ka Biu, Jackson

*Registered Office:*

Scotia Centre, 4th Floor,  
P.O. Box 2804,  
George Town,  
Grand Cayman,  
Cayman Islands

*Head Office and Principal  
Place of Business:*

6th Floor, World-Wide House,  
19 Des Voeux Road Central,  
Hong Kong

30th September, 2002

*To the shareholders of the Company*

Dear Sir or Madam,

**GENERAL MANDATE FOR THE REPURCHASE  
BY THE COMPANY OF ITS OWN SHARES**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding the proposed general mandate for repurchase by the Company of its own shares (the "Repurchase Mandate") and to seek your approval at the annual general meeting of the Company (the "Annual General Meeting") to be held on 29th October, 2002 at 3:30 p.m. in connection with such matter.

At the annual general meeting held on 26th October, 2001, a general mandate was given to the Directors to exercise the powers of the Company to repurchase shares of HK\$0.10 each of the Company (the "Shares") up to a maximum of 10 per cent. of the issued share capital of the Company at the date of the ordinary resolution.

\* for identification purposes only

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## LETTER FROM THE BOARD OF DIRECTORS

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Such mandate will expire at the conclusion of the Annual General Meeting convened for the financial year ended 30th June, 2002 to be held at the Stork and Bamboo Rooms, Mandarin Oriental, 5 Connaught Road Central, Hong Kong on Tuesday, 29th October, 2002 at 3:30 p.m. At the Annual General Meeting, a resolution will be proposed to renew the Repurchase Mandate to enable the Directors to repurchase the Company's Shares on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Repurchase Mandate would continue in force until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held or until the Repurchase Mandate is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting, whichever is the earlier.

Under the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules"), the Company is required to give to its shareholders all information which is reasonably necessary to enable shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors of the Repurchase Mandate. This circular is prepared for such purpose. The explanatory statement required by the GEM Listing Rules to be included in this circular is set out in the Appendix.

### **THE REPURCHASE PROPOSAL**

On pages 78 to 81 of the annual report of the Company in respect of the financial year ended 30th June, 2002 is a notice of the Annual General Meeting of the Company convened to be held at the Stork and Bamboo Rooms, Mandarin Oriental, 5 Connaught Road Central, Hong Kong on Tuesday, 29th October, 2002 at 3:30 p.m. At the Annual General Meeting, and as part of the special business of that Meeting, an ordinary resolution (the "Repurchase Resolution") will be proposed to grant a general mandate to the Directors to exercise the powers of the Company to repurchase shares of the Company up to a maximum of 10 per cent. of the issued share capital of the Company as at the date of the resolution (the "Repurchase Proposal").

### **ACTION TO BE TAKEN**

Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting. The return of a form of proxy will not preclude you from attending and voting in person if you so wish.

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## LETTER FROM THE BOARD OF DIRECTORS

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### RECOMMENDATION

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its shareholders. The Repurchase Proposal may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per share and/or earnings per share of the Company and will only be made when the Directors believe that a repurchase of Shares will benefit the Company and its shareholders.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital or gearing position of the Company compared with that as at 30th June, 2002, being the date of its last audited accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing of the Company.

Accordingly, the Directors recommend that all shareholders should vote in favour of the Repurchase Proposal.

Yours faithfully  
**Lee Shau Kee**  
*Chairman*

This Appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide requisite information to you for your consideration of the Repurchase Proposal.

### **1. GEM LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The GEM Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on GEM subject to certain restrictions. The Company is empowered by its memorandum and articles of association to repurchase its own shares.

### **2. SHARE CAPITAL**

As at 24th September, 2002, being the latest practicable date prior to the printing of this circular (the "Latest Practicable Date"), the issued share capital of the Company comprised 5,000,000,000 Shares of HK\$0.10 each.

Subject to the passing of the Repurchase Resolution and on the basis that no Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 500,000,000 Shares of HK\$0.10 each.

### **3. REASONS FOR THE REPURCHASE**

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its shareholders. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per share and/or earnings per share of the Company and will only be made when the Directors believe that a repurchase of Shares will benefit the Company and Shareholders.

### **4. FUNDING OF REPURCHASES**

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association, the GEM Listing Rules and any applicable laws.

Pursuant to the Repurchase Mandate, repurchase would be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available under any applicable laws for the purpose.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital or gearing position of the Company. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing of the Company.

The exercise in full of the Repurchase Mandate, on the basis of 5,000,000,000 Shares in issue could accordingly result in up to 500,000,000 Shares being repurchased by the Company during the period in which the Repurchase Mandate remains in force.

## 5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on GEM during each of the previous twelve months were as follows:

		Highest HK\$	Lowest HK\$
2001	September	0.430	0.350
	October	0.410	0.400
	November	0.420	0.400
	December	0.550	0.400
2002	January	0.740	0.560
	February	0.650	0.650
	March	0.650	0.500
	April	0.500	0.460
	May	0.500	0.460
	June	0.500	0.400
	July	0.500	0.360
	August	0.405	0.395

## 6. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of substantial shareholders of the Company were as follows:

Name of Substantial Shareholder	No. of Shares in which interested
Dr. Lee Shau Kee	4,245,169,992
Felix Technology Limited	3,333,213,616
Technology Capitalization Limited	902,700,000
Best Selection Investments Limited	3,333,213,616
Henderson Investment Limited	3,333,213,616
Henderson Land Development Company Limited	3,342,268,019
Towngas Investment Company Limited	902,700,000
The Hong Kong and China Gas Company Limited	902,700,000
Henderson Development Limited	3,342,268,019
Rimmer (Cayman) Limited	3,342,296,094
Hopkins (Cayman) Limited	3,342,296,094

In addition, Dr. Lee Shau Kee held an option to subscribe for 2,400,000 Shares of the Company.

Save as disclosed above, no person has notified the Company that it has an interest amounting to 10 per cent. or more of the issued share capital of the Company at the date of this circular pursuant to Section 16(1) of the Securities (Disclosure of Interests) Ordinance.

## 7. DISCLOSURE OF INTERESTS AND THE CODE

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates or connected persons of the Company currently intends to sell any Shares to the Company or its subsidiaries.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Proposal in accordance with the GEM Listing Rules and any applicable laws.

Assuming that the substantial shareholders do not dispose of its Shares, if the Repurchase Mandate were exercised in full, the percentage shareholdings of the substantial shareholders before and after such repurchase would be as follows:

<b>Substantial Shareholders</b>	<b>Before repurchase</b>	<b>After repurchase</b>
Dr. Lee Shau Kee	84.9%	94.3%
Felix Technology Limited	66.7%	74.1%
Technology Capitalization Limited	18.1%	20.1%
Best Selection Investments Limited	66.7%	74.1%
Henderson Investment Limited	66.7%	74.1%
Henderson Land Development Company Limited	66.8%	74.3%
Towngas Investment Company Limited	18.1%	20.1%
The Hong Kong and China Gas Company Limited	18.1%	20.1%
Henderson Development Limited	66.8%	74.3%
Rimmer (Cayman) Limited	66.8%	74.3%
Hopkins (Cayman) Limited	66.8%	74.3%

If a shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purpose of Rule 32 of the Hong Kong Code on Takeover and Mergers (the "Code"). As a result, a shareholder or group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Code.

On the basis of the shareholdings held by the substantial shareholders named above, an exercise of the Repurchase Mandate in full will not have any implications under the Code.

## 8. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of its Shares (whether on GEM or otherwise) in the previous six months preceding the date of this circular.