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## THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION

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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 MANDATES FOR THE REPURCHASE  
BY THE COMPANY OF ITS OWN SHARES  
AND TO ISSUE SHARES  
AND  
AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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This circular will remain on the "Latest Company Announcements" page of the GEM website 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

27th September, 2003



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**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:*

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*Head Office and Principal  
Place of Business:*

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

27th September, 2003

*To the shareholders of the Company*

Dear Sir or Madam,

**GENERAL MANDATES FOR THE REPURCHASE  
BY THE COMPANY OF ITS OWN SHARES  
AND TO ISSUE SHARES  
AND  
AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The purpose of this circular is to provide you with information regarding the proposed general mandates for repurchase by the Company of its own shares and to issue shares, the proposed amendments to the Articles of Association of the Company ("Articles of Association") and to seek your approval at the annual general meeting of the Company to be held in the Ballroom, B3 Level, The Ritz-Carlton Hong Kong, 3 Connaught Road Central, Hong Kong on 29th October, 2003 at 3:00 p.m. ("Annual General Meeting") in connection with, inter alia, such matters.

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## LETTER FROM THE BOARD OF DIRECTORS

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At the annual general meeting held on 29th October, 2002, a general mandate was given to the directors of the Company ("Directors") to exercise the powers of the Company to repurchase shares of HK\$0.10 each of the Company ("Shares") up to a maximum of 10 per cent, of the issued share capital of the Company at the date of the ordinary resolution. Such mandate will lapse at the conclusion of the Annual General Meeting.

An ordinary resolution set out in the notice convening the Annual General Meeting dated 16th September, 2003 contained in the Company's annual report for the year ended 30th June, 2003 ("Notice") will be proposed at the Annual General Meeting to grant a fresh general mandate to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10 per cent. of the issued share capital of the Company ("Repurchase Mandate").

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.

Separate ordinary resolutions will also be proposed at the Annual General Meeting to grant a general mandate to the Directors to allot, issue and deal with Shares not exceeding 20 per cent. of the issued share capital of the Company ("Issue Mandate") and extending the Issue Mandate by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate.

In addition, your attention is drawn to the special resolution to be proposed at the Annual General Meeting to approve certain amendments to the existing Articles of Association to effect, amongst other things, the following changes:

- (a) to delete the reference to the repealed Securities and Futures (Clearing Houses) Ordinance of Hong Kong and to substitute therefor the reference to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) which came into effect from 1st April, 2003; and to provide additional definitions for certain terms for the purpose of clarification;
- (b) to allow the Directors or a committee of Directors to make any decisions or actions by the consent of all the directors of the Company in writing or by telex, telegram, cable, facsimile, electronic mail or other written electronic communication; and
- (c) to permit the Company to serve notice on shareholders of the Company by electronic means.

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## LETTER FROM THE BOARD OF DIRECTORS

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Under the Rules Governing the Listing of Securities on GEM (“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.

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, Rooms 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.

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 Mandate.

### **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, 2003, 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.

Subject to the passing of the ordinary resolution No. 4B set out in the Notice 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.

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

The Directors believe that the Repurchase Mandate 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 Shares, 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, repurchases would be financed by the Company's internal resources and/or available banking facilities.

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, 2003, 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.

## 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\$
2002	September	—	—
	October	0.330	0.330
	November	0.300	0.250
	December	0.290	0.235
2003	January	0.260	0.224
	February	0.230	0.212
	March	—	—
	April	0.210	0.190
	May	0.285	0.185
	June	0.250	0.193
	July	0.285	0.161
	August	0.360	0.200

## 6. UNDERTAKING AND DISCLOSURE OF INTERESTS

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

No other connected persons (as defined under the GEM Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders.

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 Mandate in accordance with the GEM Listing Rules and any applicable laws.

**7. HONG KONG CODE ON TAKEOVERS AND MERGERS AND SHARE REPURCHASES**

If a shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares 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 ("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. If the present shareholdings and capital structure of the Company remain the same, the Directors are not aware of any consequences which may arise under the Code as a result of any repurchases made under the Repurchase Mandate.

**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.