



**hendersoncyber**

**HENDERSON CYBER LIMITED**

**恒基數碼科技有限公司\***

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

**QUARTERLY RESULTS ANNOUNCEMENT  
For the three months ended 30th September, 2003**

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)**

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\* for identification purposes only

## SUMMARY OF RESULTS

- Turnover for the three months ended 30th September, 2003 amounted to approximately HK\$21,262,000.
- Net loss for the three months ended 30th September, 2003 amounted to approximately HK\$5,083,000.
- The Directors do not recommend the payment of a dividend for the three months ended 30th September, 2003.

## RESULTS

The unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 30th September, 2003 together with the comparative figures for the corresponding period in 2002 were as follows:

		Three months ended 30th September	
	Note	2003 HK\$'000	2002 HK\$'000
Turnover	2	21,262	17,767
Other revenue		3,165	5,981
Other net loss		(25)	—
		<u>24,402</u>	<u>23,748</u>
Direct costs and operating expenses		(24,106)	(22,656)
Selling and distribution costs		(4,016)	(4,369)
Administrative expenses		(2,570)	(2,441)
		<u>(6,290)</u>	<u>(5,718)</u>
Loss from operations		(6,290)	(5,718)
Finance costs		(1)	(8)
		<u>(6,291)</u>	<u>(5,726)</u>
Share of losses of jointly controlled entities		(4)	(3)
		<u>(6,295)</u>	<u>(5,729)</u>
Loss from ordinary activities before taxation		(6,295)	(5,729)
Taxation	3	—	—
		<u>(6,295)</u>	<u>(5,729)</u>
Loss from ordinary activities after taxation		(6,295)	(5,729)
Minority interests		1,212	136
		<u>(5,083)</u>	<u>(5,593)</u>
Loss attributable to shareholders		(5,083)	(5,593)
		<u>(5,083)</u>	<u>(5,593)</u>
Loss per share	4		
Basic		<u>HK0.1 cent</u>	<u>HK0.1 cent</u>

## Notes:

### 1 Basis of preparation

The principal accounting policies adopted in preparing the unaudited consolidated results of the Group conform with accounting principles generally accepted in Hong Kong and accounting standards issued by the Hong Kong Society of Accountants (“HKSA”).

### 2 Turnover

Turnover represents the sale of goods to customers, revenue from Internet and telecommunications services, income from data centre and network services, and project consultancy and application service provider (“ASP”) service income earned during the period, after elimination of all material intercompany transactions within the Group.

### 3 Taxation

No provision has been made for Hong Kong Profits Tax as the Group sustained losses for taxation purposes during the period.

In the current period, the Group adopted, for the first time, Statement of Standard Accounting Practice 12 (Revised) “Income Taxes” issued by the HKSA. During the current and prior periods, the Group recognised deferred tax assets to the extent of its deferred tax liabilities arising from any taxable temporary differences in the same period. Accordingly, there is no deferred taxation effect on the results of the Group.

### 4 Loss per share

The calculation of basic loss per share for the three months ended 30th September, 2003 is based on the loss attributable to shareholders of HK\$5,083,000 (2002: HK\$5,593,000) and on the weighted average number of 5,000,000,000 (2002: 5,000,000,000) shares in issue during the period.

Diluted loss per share is not presented for the three months ended 30th September, 2003 and 30th September, 2002 because there were no dilutive potential shares in existence during the periods.

### 5. RESERVES

	2003			2002	
	Capital reserve HK\$'000	Share premium HK\$'000	Profit and loss account HK\$'000	Total HK\$'000	Total HK\$'000
At 1st July	<b>86,725</b>	<b>443,707</b>	<b>(249,736)</b>	<b>280,696</b>	297,161
Capital surplus contributed by minority shareholders	<b>468</b>	—	—	<b>468</b>	—
Loss for the period	—	—	<b>(5,083)</b>	<b>(5,083)</b>	(5,593)
At 30th September	<b>87,193</b>	<b>443,707</b>	<b>(254,819)</b>	<b>276,081</b>	291,568

## **PROFIT AND TURNOVER**

The Group recorded turnover of HK\$21.3 million for the quarter ended 30th September, 2003, compared with HK\$17.8 million for the quarter ended 30th September, 2002. The Group's loss attributable to shareholders for the quarter ended 30th September, 2003 was HK\$5.1 million, compared with a loss of HK\$5.6 million of the corresponding period in the previous year.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the three months ended 30th September, 2003.

## **BUSINESS REVIEW**

The main focus of the Group during the quarter ended 30th September, 2003 was to further implement its strategies in the Internet services, data centre, high technology and network infrastructure business. In light of the challenging conditions faced by the businesses of the Group, the Group in refining its strategies sought to reduce expenses and preserve resources wherever possible.

### *iCare*

iCare's major achievements during the quarter ended 30th September, 2003 included:

- The number of Internet Service Provider ("ISP") users (broadband and narrowband) has been growing steadily during the period with the support of various promotion programs including:
  - Bundled offer giving out free Nintendo Gameboy Advance SP/Nintendo GBA with 15-month broadband service plans.
  - Online promotion targeting MSN and Hotmail users in Hong Kong.
  - Joint promotion with Hongkong.com, Wing Hang Bank and Dah Sing Bank offering monthly service fee waiver program for iCare broadband service.
  - Cross-selling effort promoting broadband service to iCare1608 IDD customers and up-selling effort targeting at 56K ISP customers.
  - Ongoing monthly service fee waiver promotion targeting at 1.5 million China Gas customers via China Gas bill insert and POP at Towngas Customer Centres.
  - Ongoing retention effort encouraging customers to renew expired broadband and 56K ISP service plans.
  - Bundled offer with special priced HP/Compaq PC via iCare shopping service.
  - Fax@ease, an attractive value added service, was recently enhanced with the addition of a new fax-out feature.

- The registered iCare1608 IDD telephone lines rose to over 240,000 as at the end of September 2003. In addition, despite very fierce competition, IDD usage continued to grow steadily during the period as a result of the following activities:
  - China tariff promotion supported by:
    - China Gas bill insert reaching 1.5 million households.
    - Direct mail to selected customers.
    - POP program at Towngas Customer Centres and iCare Hotspots.
    - Online ads on the iCare website.
  - 10% rebate offer to IDD customers with monthly spending of HK\$50 or above to encourage usage and loyalty.
  - Reactivation program targeting inactive residential customers via direct mail.
  - Substantial growth of China prepaid calling card usage via tariff promotion.
  - New prepaid calling card offering special rate to Guangdong/Fujian to tap into this niche market.
  - 10% repurchase discount offer for prepaid calling card to enhance loyalty.
  - On-going retention and usage stimulation program targeting at commercial IDD customers.
- An “I Care Hong Kong! Campaign” was launched in July 2003. The objectives of the campaign were:
  - To boost awareness among the Hong Kong community and encourage participation on how to care for Hong Kong’s well being, and
  - To promote iCare’s email address iCareHK.com and to pave way for a fee-based premium email service.

A competition on creative ideas to “Care for Hong Kong” was run online. 101 best ideas were selected & attached randomly as footer to all outgoing emails sent from xxx@iCareHK.com.

- The iCare Internet-on-TV Set-Top Box (the “STB”) subscribers, ISP users, Internet Content Provider (“ICP”) users and IDD subscribers grew to a total of about 342,000 by the end of September 2003.

- Riding on the popularity of the iCare merchandises to increase our sales and customer reach, the number of iCare Hotspots was further increased from 5 to 7, with one opened in Diamond Hill's Plaza Hollywood in July 2003, and another one opened in Kwai Fong's Metroplaza in September 2003. In addition to iCare's coupon redemption program via China Gas bill inserts, a product promotion leaflet was inserted to the Bank of East Asia Credit Card statements. Top sales products during the period included Compaq Presario Personal Computer, home steam sauna kit, cosmetic fridge, ice crusher, mosquito repeller, cooler fan, 3M polarized table lamp, etc.
- The membership base of iCare's frequent shopper club, iCare Club, grew to over 10,000 in the end of September 2003. During the period, a quarterly promotional activity was held for club members. Each member was entitled to a lucky draw when spending more than HK\$200 at an iCare Hotspot. The result of this program is highly satisfactory and it has boosted the spending level of iCare Club members to reach about 20% of the overall sales at iCare's retail shops.
- Total revenue for the quarter ended 30th September, 2003 was HK\$20.3 million. In comparison, the total revenue for the quarter ended 30th September, 2002 was HK\$16.6 million.

### ***Henderson Data Centre ("HDC")***

HDC's major achievements during the quarter ended 30th September, 2003 included:

- Collaborated with iCare to improve the utilization of the broadband internet access links.
- Conducted an evaluation of alternative internet bandwidth suppliers for better price performance.
- Conducted an evaluation of alternative facilities maintenance contractors for better cost effectiveness.
- Conducted a trial of virus and spam email filter services for existing customers.
- Commenced the network operation services with a service provider.
- Continued with the discussions with potential reseller agents to enhance the sales channels for HDC.
- Continued to focus on cost management and efficiency improvement.
- Total revenue for the quarter ended 30th September, 2003 was HK\$0.5 million, which is the same as the total revenue for the quarter ended 30th September, 2002.

### ***Eastar***

Eastar's major achievements during the quarter ended 30th September, 2003 included:

- Commenced the virtual ISP services with a service provider.
- Established an arrangement with a service provider on the wholesales of the building access networks.

- Continued with the implementation of blockwiring projects in some selective property sites of Henderson Group.
- Total revenue for the quarter ended 30th September, 2003 was HK\$0.4 million. In comparison, the total revenue for the quarter ended 30th September, 2002 was HK\$0.5 million.

### ***Future Home***

Future Home's major achievements during the quarter ended 30th September, 2003 included:

- Completed new design of the idHOME System which includes Property Management System, Customer Relationship Management System, Facilities Booking System and information broadcast through TV for one of the Henderson Group estates managed by Well Born Real Estate Management Limited.
- Installed Document Management System to a Henderson Group estate managed by Well Born Real Estate Management Limited.
- Commenced the design and development of Contract Management system and Asset Management System for Well Born Real Estate Management Limited.
- Commenced preliminary discussions with Well Born Real Estate Management Limited to apply the Remote Monitoring System.
- Total revenue for the quarter ended 30th September, 2003 was HK\$0.4 million. In comparison, the total revenue for the quarter ended 30th September, 2002 was HK\$0.8 million.

### ***IT Investments***

IT Investments reviewed a number of opportunities during the quarter ended 30th September, 2003 but did not proceed with any investments.

## PROSPECTS

In spite of cautious optimism on the outlook for the general economy, the Group will remain cautious in the implementation of its strategies during the financial year ending 30th June, 2004 due to a more uncertain outlook for the existing businesses of the Group.

The Internet, telecommunication and high technology industries are dynamic, fast changing, subject to intense competition and often require large capital investments. The Group must be flexible and versatile in order to respond to such changes but must also ensure that such businesses are sustainable and attractive.

The Group will seek to integrate its existing businesses where such integration contributes to a sustainable and attractive business. If the return is too uncertain or distant, integration of the existing businesses will not be an objective.

The Group has been and will continue to explore a range of partnerships and alliances with leading technology companies to accelerate access to technologies and further enhance the relationship with the large customer bases of Henderson Group and China Gas.

The Group, while focused on implementing its strategies in Hong Kong, is also looking to opportunities in other areas of Greater China. The Group will utilize the expertise and connections of China Gas and Henderson Group to accelerate entry to other markets.

### *iCare*

iCare aims to become a well-established and widely accepted brand for the distribution of goods, Internet and telecommunication services:

- With respect to distribution of goods, iCare, via its website, direct marketing channels and iCare Hot Spots, will continue to seek growth while achieving satisfactory margins.
- With respect to Internet services, iCare will continue to develop market share in broadband services and retain ISP customers.
- With respect to telecommunication services, iCare will seek to continue with the encouraging growth of iCare1608.
- iCare will continue to expand the breadth of its infotainment and e-commerce offerings on its portal site. The rich content and desirable offerings will make it a popular site for both STB subscribers and PC users via broadband or the ISP.

We are cautiously optimistic that iCare is well positioned to succeed in establishing itself as a widely accepted brand for the distribution of goods, Internet and telecommunication services.

### *HDC*

In light of the challenging operating environment which HDC continues to face, it will continue to optimize the operational efficiency and to explore cost-effective sales channels with respect to the revenue-generation potential.



## ***Eastar***

Eastar has formed the view that it is not viable for Eastar to proceed with any further substantial investment in its Local Fixed Carrier business having regard to intense price and product competition, risks of fast changing technologies and costs and time to acquire sufficient market share to achieve the necessary critical mass for an economically viable operation. Eastar will therefore consider various options available to it.

## ***Future Home***

While Future Home will continue to provide IT infrastructure consolidation and upgrade for companies in the Henderson Group, it will focus on providing systems to customers outside the Henderson Group in the future.

Future Home will focus on the development, installation and promotion of the idHOME system, smart card system, car park management system, estate management system and attendance and access control system.

## ***IT Investments***

IT Investments will continue to look for sound investment opportunities in companies with attractive valuations, good growth potential, sound management and products or services where there is a synergy with the Group's activities.

# DISCLOSURE OF INTERESTS

## Directors' Interests in Shares

As at 30th September, 2003, the interests and short positions of each Director of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the GEM Listing Rules were as follows:

### Ordinary Shares (unless otherwise specified)

#### Long Position

Name of Company	Name of Director	Note	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	% Interest
Henderson Cyber Limited	Lee Chau Kee	1	173,898		4,244,996,094		4,245,169,992	84.90
	Lee Ka Kit	1				4,244,996,094	4,244,996,094	84.90
	Lee Ka Shing	1				4,244,996,094	4,244,996,094	84.90
	Lam Ko Yin, Colin		55				55	0.00
Henderson Land Development Company Limited	Lee Chau Kee	2			1,122,938,300		1,122,938,300	65.21
	Lee Ka Kit	2				1,122,938,300	1,122,938,300	65.21
	Lee Ka Shing	2				1,122,938,300	1,122,938,300	65.21
	Woo Ka Biu, Jackson	3		2,000			2,000	0.00
Henderson Investment Limited	Lee Chau Kee	4	34,779,936		2,075,859,007		2,110,638,943	74.92
	Lee Ka Kit	4				2,075,859,007	2,075,859,007	73.68
	Lee Ka Shing	4				2,075,859,007	2,075,859,007	73.68
Henderson China Holdings Limited	Lee Chau Kee	5			325,133,977		325,133,977	65.45
	Lee Ka Kit	5				325,133,977	325,133,977	65.45
	Lee Ka Shing	5				325,133,977	325,133,977	65.45
	Woo Ka Biu, Jackson		544,802				544,802	0.11

## Ordinary Shares (unless otherwise specified) (Cont'd)

### Long Position

Name of Company	Name of Director	Note	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	% Interest
Henderson Development Limited	Lee Shau Kee	6			8,190 (Ordinary A Shares)		8,190 (Ordinary A Shares)	100.00
	Lee Shau Kee	7			3,510 (Non-voting B Shares)		3,510 (Non-voting B Shares)	100.00
	Lee Shau Kee	8	35,000,000 (Non-voting Deferred Shares)		15,000,000 (Non-voting Deferred Shares)		50,000,000 (Non-voting Deferred Shares)	100.00
	Lee Ka Kit	6				8,190 (Ordinary A Shares)	8,190 (Ordinary A Shares)	100.00
	Lee Ka Kit	7				3,510 (Non-voting B Shares)	3,510 (Non-voting B Shares)	100.00
	Lee Ka Kit	8				15,000,000 (Non-voting Deferred Shares)	15,000,000 (Non-voting Deferred Shares)	30.00
	Lee Ka Shing	6				8,190 (Ordinary A Shares)	8,190 (Ordinary A Shares)	100.00
	Lee Ka Shing	7				3,510 (Non-voting B Shares)	3,510 (Non-voting B Shares)	100.00
	Lee Ka Shing	8				15,000,000 (Non-voting Deferred Shares)	15,000,000 (Non-voting Deferred Shares)	30.00
Angelfield Investment Limited	Lam Ko Yin, Colin	9			1		1	50.00
China Investment Group Limited	Woo Ka Biu, Jackson	10			16,000		16,000	5.33
Henfield Properties Limited	Lee Ka Kit	11			4,000	6,000	10,000	100.00

## Ordinary Shares (unless otherwise specified) (Cont'd)

### Long Position

Name of Company	Name of Director	Note	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	% Interest
Heyield Estate Limited	Lee Shau Kee	12			100		100	100.00
	Lee Ka Kit	12				100	100	100.00
	Lee Ka Shing	12				100	100	100.00
Pettystar Investment Limited	Lee Shau Kee	13			3,240		3,240	80.00
	Lee Ka Kit	13				3,240	3,240	80.00
	Lee Ka Shing	13				3,240	3,240	80.00
Shellson International Limited	Lee Ka Kit	14			25	75	100	100.00

Save as disclosed above, none of the Directors or Chief Executive of the Company or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations as defined in the SFO.

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

### (i) Options to subscribe for shares in the Company

As at 30th September, 2003, the following Directors of the Company had interests in options to subscribe for shares in the Company which were granted on 28th June, 2000 at the consideration of HK\$1.00 for each grant of options under the Pre-IPO Share Option Plan of the Company (the "Option Plan"):

Name of Director	Number of share options at 1st July, 2003	Number of share options granted during the period	Number of share options lapsed during the period	Number of share options outstanding at 30th September, 2003
Dr. Lee Shau Kee	2,400,000	—	—	2,400,000
Chan Wing Kin, Alfred	1,200,000	—	—	1,200,000
Lam Ko Yin, Colin	1,200,000	—	—	1,200,000
Lee Ka Kit	1,200,000	—	—	1,200,000
Lee Ka Shing	1,200,000	—	—	1,200,000
Yip Ying Chee, John	1,200,000	—	—	1,200,000
Dr. Li Kwok Po, David	1,200,000	—	—	1,200,000
Professor Ko Ping Keung	1,200,000	—	—	1,200,000
Douglas H. Moore	1,200,000	—	—	1,200,000

Particulars of outstanding share options of employees of the Company at the consideration of HK\$1.00 for each grant of options under the Option Plan are as follows:

Date of Grant	Aggregate number of share options at 1st July, 2003	Number of share options granted during the period	Number of share options lapsed during the period	Aggregate number of share options outstanding at 30th September, 2003
28/06/2000	1,850,000	—	—	1,850,000

Particulars of outstanding share options of all other participants under the Option Plan are as follows:

Date of Grant	Aggregate number of share options at 1st July, 2003	Number of share options granted during the period	Number of share options lapsed during the period	Aggregate number of share options outstanding at 30th September, 2003
28/06/2000	13,800,000	—	150,000	13,650,000

Subject to the terms and conditions of the Option Plan, each of the above Directors, employees and other participants will be entitled to exercise at the price of HK\$1.25 per share (i) 30 per cent. of the share options so granted at any time after the expiry of 12 months from 14th July, 2000, (ii) a further 30 per cent. of the share options so granted at any time after the expiry of 24 months from 14th July, 2000 and (iii) the remaining share options at any time after the expiry of 36 months from 14th July, 2000 and, in each case, not later than four years from 14th July, 2000.

Particulars of outstanding share options of the employee of the Company under the Share Option Scheme of the Company (the “Share Option Scheme”) are as follows:

Date of Grant	Aggregate number of share options at 1st July, 2003	Number of share options granted during the period	Number of share options lapsed during the period	Aggregate number of share options outstanding at 30th September, 2003
04/10/2000	100,000	—	—	100,000

Subject to the terms and conditions of the Share Option Scheme, the employee of the Company will be entitled to exercise at the price of HK\$0.89 per share (i) 30 per cent. of the share options so granted at any time after the expiry of 12 months from 16th October, 2000 (the date of acceptance of the share options), (ii) a further 30 per cent. of the share options so granted at any time after the expiry of 24 months from 16th October, 2000 and (iii) the remaining share options at any time after the expiry of 36 months from 16th October, 2000 and, in each case, not later than four years from 16th October, 2000.

As at 30th September, 2003, share options for a total of 27,500,000 shares in the Company under the Option Plan and 100,000 shares in the Company under the Share Option Scheme remained outstanding, representing in aggregate approximately 0.6 per cent. of the existing issued share capital of the Company. These share options were granted to the following categories of grantees:

Categories of Grantees	Number of Grantees	Number of share options
<u>Option Plan</u>		
Directors	9	12,000,000
Employees	4	1,850,000
Other participants	39	13,650,000
	52	27,500,000
<u>Share Option Scheme</u>		
Employee	1	100,000

Save as disclosed above, no share options under the Option Plan and the Share Option Scheme had been granted, exercised, cancelled or lapsed during the three months ended 30th September, 2003.

**(ii) Options to subscribe for shares in associated corporation**

As at 30th September, 2003, the following Directors of the Company had interests in options to subscribe for shares in Henderson China Holdings Limited, an associated corporation of the Company:

Name of Director	Number of share options	Exercisable Period
Lam Ko Yin, Colin	1,500,000	21/08/2001 – 20/08/2004
Lee Ka Kit	1,500,000	02/11/2001 – 01/11/2004

The above Directors will be entitled to exercise the share options in whole or in part at the price of HK\$4.00 per share at any time during the respective exercisable periods.

Except for the above, at no time during the period was the Company or any of its holding companies, subsidiary companies or fellow subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30th September, 2003, the interests and short positions of every person, other than Directors of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

### Long Positions

Name of Company	Number of Shares in which interested	% Interest
Technology Capitalization Limited	902,700,000	18.05
Towngas Investment Company Limited (Note 1)	902,700,000	18.05
The Hong Kong and China Gas Company Limited (Note 1)	902,700,000	18.05
Felix Technology Limited	3,333,213,616	66.67
Best Selection Investments Limited (Note 1)	3,333,213,616	66.67
Henderson Investment Limited (Note 1)	4,235,913,616	84.72
Henderson Land Development Company Limited (Note 1)	4,244,968,019	84.90
Henderson Development Limited (Note 1)	4,244,968,019	84.90
Rimmer (Cayman) Limited (Note 1)	4,244,996,094	84.90
Riddick (Cayman) Limited (Note 1)	4,244,996,094	84.90
Hopkins (Cayman) Limited (Note 1)	4,244,996,094	84.90

### Notes:

- 1 Of these 4,244,996,094 shares, (i) 902,700,000 shares were owned by Technology Capitalization Limited, a wholly-owned subsidiary of Towngas Investment Company Limited which was 100% held by The Hong Kong and China Gas Company Limited (“China Gas”) which in turn was 36.72% held by Henderson Investment Limited (“HI”); (ii) 3,333,213,616 shares were owned by Felix Technology Limited, a wholly-owned subsidiary of Best Selection Investments Limited which was 100% held by HI which in turn was 73.48% held by Henderson Land Development Company Limited (“HL”); (iii) 4,014,271 shares, 1,816,644 shares, 1,714,027 shares, 1,086,250 shares and 423,211 shares were respectively owned by Banshing Investment Limited, Markshing Investment Limited, Covite Investment Limited, Gainwise Investment Limited and Darnman Investment Limited, all of which were wholly-owned subsidiaries of Kingslee S.A. which was 100% held by HL which in turn was 65.19% held by Henderson Development Limited (“HD”); and (iv) 28,075 shares were owned by Fu Sang Company Limited (“Fu Sang”).

Hopkins (Cayman) Limited (“Hopkins”) as trustee of a unit trust (the “Unit Trust”) owned all the issued ordinary shares of HD and Fu Sang. Rimmer (Cayman) Limited (“Rimmer”) and Riddick (Cayman) Limited (“Riddick”), as trustees of respective discretionary trusts, held units in the Unit Trust. The entire issued share capital of Hopkins, Rimmer and Riddick were owned by Dr. Lee Shau Kee. Dr. Lee Shau Kee was taken to be interested in these shares by virtue of the SFO. As directors of the Company and discretionary beneficiaries of two discretionary trusts holding units in the Unit Trust, Mr. Lee Ka Kit and Mr. Lee Ka Shing were taken to be interested in these shares by virtue of the SFO.

- 2 Of these shares, (i) 570,743,800 shares were owned by HD; (ii) 7,092,000 shares and 870,100 shares were respectively owned by Sandra Investment Limited and Mightygarden Limited, both of which were wholly-owned subsidiaries of HD; (iii) 222,045,300 shares, 145,090,000 shares, 61,302,000 shares, 55,000,000 shares and 55,000,000 shares were respectively owned by Believegood Limited, Cameron Enterprise Inc., Prosglass Investment Limited, Fancy Eye Limited and Spreadral Limited, all of which were wholly-owned subsidiaries of Glorious Asia S.A. which in turn was 100% held by HD; (iv) 5,602,600 shares were owned by Superfun Enterprises Limited, a wholly-owned subsidiary of China Gas which was 36.72% held by HI. HI was 73.48% held by HL which in turn was 65.19% held by HD; and (v) 192,500 shares were owned by Fu Sang. Dr. Lee Shau Kee was taken to be interested in China Gas, HD and Fu Sang as set out in Note 1 and HL by virtue of the SFO. As directors of the Company and discretionary beneficiaries of two discretionary trusts holding units in the Unit Trust, Mr. Lee Ka Kit and Mr. Lee Ka Shing were taken to be interested in these shares by virtue of the SFO.
- 3 These shares were owned by the wife of Mr. Woo Ka Biu, Jackson.
- 4 Of these 2,075,859,007 shares, (i) 802,854,200 shares, 602,168,418 shares, 363,328,900 shares, 217,250,000 shares and 84,642,341 shares were respectively owned by Banshing Investment Limited, Markshing Investment Limited, Covite Investment Limited, Gainwise Investment Limited and Darnman Investment Limited, all of which were wholly-owned subsidiaries of Kingslee S.A. which in turn was 100% held by HL; and (ii) 5,615,148 shares were owned by Fu Sang. Dr. Lee Shau Kee was taken to be interested in HL and Fu Sang as set out in Notes 1 and 2 and HI by virtue of the SFO. As directors of the Company and discretionary beneficiaries of two discretionary trusts holding units in the Unit Trust, Mr. Lee Ka Kit and Mr. Lee Ka Shing were taken to be interested in these shares by virtue of the SFO.
- 5 Of these shares, 175,000,000 shares, 75,233,977 shares and 74,900,000 shares were respectively owned by Primeford Investment Limited, Timsland Limited and Quantum Overseas Limited, all of which were wholly-owned subsidiaries of Brightland Enterprises Limited which in turn was 100% held by HL. Dr. Lee Shau Kee was taken to be interested in HL as set out in Note 2 and Henderson China Holdings Limited (“HC”) by virtue of the SFO. As directors of the Company and discretionary beneficiaries of two discretionary trusts holding units in the Unit Trust, Mr. Lee Ka Kit and Mr. Lee Ka Shing were taken to be interested in these shares by virtue of the SFO.
- 6 These shares were held by Hopkins as trustee of the Unit Trust.
- 7 These shares were held by Hopkins as trustee of the Unit Trust.
- 8 These 15,000,000 shares were owned by Fu Sang.
- 9 The 1 share was held by Flourish Land Company Limited which was 99% owned by Mr. Lam Ko Yin, Colin.
- 10 These shares were held by Pearl Assets Limited which was 60% owned by Mr. Woo Ka Biu, Jackson.
- 11 Of these shares, (i) 4,000 shares were owned by Applecross Limited which was wholly-owned by Mr. Lee Ka Kit, and (ii) 6,000 shares were owned by Henderson (China) Investment Company Limited, a wholly-owned subsidiary of Andcoe Limited which was wholly-owned by HC.
- 12 Of these shares, (i) 80 shares were owned by Tactwin Development Limited, a wholly-owned subsidiary of HL; (ii) 10 shares were owned by Henderson Finance Company Limited, a wholly-owned subsidiary of HD; and (iii) 5 shares each were owned by Perfect Bright Properties Inc. and Furnline Limited, both of which were wholly-owned subsidiaries of Jetwin International Limited. Triton (Cayman) Limited as trustee of a unit trust owned all the issued share capital of Jetwin International Limited. Triumph (Cayman) Limited and Victory (Cayman) Limited, as trustees of respective discretionary trusts, held units in the unit trust. The entire issued share capital of Triton (Cayman) Limited, Triumph (Cayman) Limited and Victory (Cayman) Limited were owned by Dr. Lee Shau Kee who was taken to be interested in such shares by virtue of the SFO. As discretionary beneficiaries of the discretionary trusts holding units in such unit trust, Mr. Lee Ka Kit and Mr. Lee Ka Shing were taken to be interested in such shares by virtue of the SFO.



- 13 Of these shares, (i) 3,038 shares were owned by HL; and (ii) 202 shares were owned by Allied Best Investment Limited which was 50% held by each of Perfect Bright Properties Inc. and Furnline Limited, both of which were wholly-owned subsidiaries of Jetwin International Limited.
- 14 Of these shares, (i) 25 shares were owned by Shine King International Limited which was wholly-owned by Mr. Lee Ka Kit; and (ii) 75 shares were owned by Henderson (China) Investment Company Limited, a wholly-owned subsidiary of Andco Limited which was wholly-owned by HC.

## **COMPETING INTERESTS**

Newspeed Technology Limited, a wholly-owned subsidiary of Henderson Investment Limited, the Company's holding company, has a 8.9 per cent. interest in iLink Holdings Limited, the businesses of which include the operation of data centres in Hong Kong.

Save as disclosed above, none of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) had an interest in a business which competes or may compete with the business of the Group.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the three months ended 30th September, 2003, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## **AUDIT COMMITTEE**

The Audit Committee was established on 25th May, 2000 and reports to the Board of Directors. The members of the Audit Committee are Dr. Li Kwok Po, David, Professor Ko Ping Keung and Mr. Woo Ka Biu, Jackson, all of whom are Independent Non-executive Directors. The written terms of reference include the authority and duties of the Audit Committee and amongst its principal duties are the review and supervision of the Company's financial reporting process and internal control procedures. The Audit Committee members have reviewed the First Quarterly Report of the Company for the three months ended 30th September, 2003.

By Order of the Board  
**Lee Shau Kee**  
Chairman

Hong Kong, 13th November, 2003

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