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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)*

**(Stock Code: 8023)**

**PROPOSALS FOR:**

**GENERAL MANDATES TO REPURCHASE THE COMPANY'S  
OWN SHARES AND TO ISSUE SHARES  
AND  
RE-ELECTION OF THE RETIRING DIRECTORS**

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A notice convening the annual general meeting of the Company to be held at 75/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong on 16th December, 2005 at 3:00 p.m., is set out in the Annual Report for the year ended 30th June, 2005.

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 purpose only

27th September, 2005

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## CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE

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GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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# CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board of Directors</b>	
Proposed general mandates to repurchase the Company's own shares and to issue shares .....	4
Proposed re-election of the retiring Directors .....	4
Demand for poll at the Annual General Meeting .....	4
<b>Appendix I — Explanatory Statement</b> .....	6
<b>Appendix II — Biographical Details of the Retiring Directors to be Re-elected</b> .	9

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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the expressions as stated below will have the following meanings:*

“Articles of Association”	the Articles of Association of the Company;
“Annual General Meeting”	the annual general meeting of the Company to be held at 75/F., Two International Finance Centre, 8 Finance Street, Hong Kong on 16th December, 2005 at 3:00 p.m.;
“Board”	the board of Directors of the Company;
“Company”	Henderson Cyber Limited;
“Directors”	the directors of the Company;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Mandate”	the general and unconditional mandate to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution approving the Issue Mandate;
“Latest Practicable Date”	24th September, 2005, being the latest practicable date prior to the printing of this circular;
“Notice”	the notice convening the Annual General Meeting dated 27th September, 2005 contained in the Company’s annual report for the year ended 30th June, 2005;
“Proposed Privatisation”	the proposed privatisation of the Company by Henderson Investment Limited, a controlling shareholder of the Company, and The Hong Kong and China Gas Company Limited, a substantial shareholder of the Company, by way of a scheme of arrangement under Section 86 of the Companies Law, Cap. 22 (Laws 3 of 1961) of the Cayman Islands, the particulars of which were set out in the announcement dated 16th August, 2005 and jointly issued by Henderson Land Development Company Limited, Henderson Investment Limited, The Hong Kong and China Gas Company Limited and the Company;

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## DEFINITIONS

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“Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution approving the Repurchase Mandate;
“Shares”	the shares of nominal value of HK\$0.10 each in the share capital of the Company;
“Shareholders”	registered holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.



**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

*Non-Executive Director:*

Woo Ka Biu, Jackson

*Independent Non-Executive Directors:*

Dr. The Hon. Sir David Li Kwok Po  
Professor Ko Ping Keung  
Leung Yuk Kwong

*Registered Office:*

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

*Head Office and Principal  
Place of Business:*

72-76/F.,  
Two International Finance Centre,  
8 Finance Street, Central,  
Hong Kong

27th September, 2005

*To the Shareholders of the Company*

Dear Sir or Madam,

**PROPOSALS FOR:**

**GENERAL MANDATES TO REPURCHASE THE COMPANY'S  
OWN SHARES AND TO ISSUE SHARES  
AND  
RE-ELECTION OF THE RETIRING DIRECTORS**

The purpose of this circular is to provide you with information regarding the proposals for the Repurchase Mandate, the Issue Mandate and the re-election of the retiring Directors and to seek your approval at the Annual General Meeting in connection with, inter alia, such matters.

\* *for identification purpose only*

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## LETTER FROM THE BOARD OF DIRECTORS

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### **PROPOSED GENERAL MANDATES TO REPURCHASE THE COMPANY'S OWN SHARES AND TO ISSUE SHARES**

At the annual general meeting held on 2nd November, 2004, general mandates were given to the Directors: (i) 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 as at the date of the ordinary resolution and (ii) to allot, issue and deal with Shares not exceeding 20 per cent. of the issued share capital of the Company as at the date of the ordinary resolution. Such mandates will lapse at the conclusion of the Annual General Meeting.

An ordinary resolution set out in the Notice will be proposed at the Annual General Meeting to grant the Repurchase Mandate to the Directors.

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 to be held or until the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever is the earlier.

Separate ordinary resolutions will also be proposed at the Annual General Meeting to grant the Issue Mandate by way of a general mandate to the Directors and extending the Issue Mandate by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate.

The explanatory statement required by the GEM Listing Rules to be included in this circular is set out in the Appendix I hereto.

### **PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS**

In accordance with Article 86(3) of the Articles of Association, Mr. Leung Yuk Kwong shall retire at the Annual General Meeting and, being eligible, has offered himself for re-election.

Moreover, in accordance with Article 87(1) of the Articles of Association, Messrs. Lee Ka Kit, Yip Ying Chee, John and Woo Ka Bui, Jackson shall retire by rotation at the Annual General Meeting and, being eligible, have offered themselves for re-election. Their biographical details which are required to be disclosed by the GEM Listing Rules are set out in Appendix II to this circular.

### **DEMAND FOR POLL AT THE ANNUAL GENERAL MEETING**

In accordance with Article 66 of the Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded or otherwise required under the GEM Listing Rules. A poll may be demanded:

- (a) by the chairman of such meeting; or

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## LETTER FROM THE BOARD OF DIRECTORS

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- (b) by at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member.

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, 46th 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 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 number 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 the 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, the laws of Cayman Islands 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, 2005, 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 position 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\$
2004	September	0.260	0.235
	October	0.280	0.238
	November	0.230	0.228
	December	0.210	0.210
2005	January	0.235	0.230
	February	0.230	0.210
	March	0.218	0.210
	April	0.200	0.200
	May	0.215	0.200
	June	0.211	0.192
	July	0.205	0.183
	August	0.490	0.188

## 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 and in accordance with the GEM Listing Rules, the laws of Cayman Islands and any applicable laws.

## 7. TAKEOVERS CODE 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 Takeovers Code. Accordingly, 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 Takeovers Code. The controlling shareholder of the Company, Henderson Investment Limited ("HIL") owns 66.67% and together with its associated corporations, The Hong Kong and China Gas Company Limited ("HKCG") and Henderson Land Development Company Limited in aggregate own 84.90% of the existing issued share capital of the Company. 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 Takeovers Code as a result of any repurchases made under the Repurchase Mandate. If the Proposed Privatisation becomes effective, the existing issued shares of the Company, other than those indirectly held by HIL and HKCG, will be cancelled and extinguished and accordingly the Company will be indirectly owned by HIL as to approximately 78.69% and by HKCG as to approximately 21.31%.

#### **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.

The following are the biographical details of Mr. Leung Yuk Kwong who shall retire at the Annual General Meeting in accordance with Article 86(3) of the Articles of Association and, being eligible, has offered himself for re-election:

**LEUNG Yuk Kwong**, aged 51, has been appointed an Independent Non-executive Director of the Company since 29th November, 2004. He graduated from the School of Business of Hong Kong Baptist University and has 25 years' experience in property development, finance and investment. Mr. Leung is also an independent non-executive director and a member of the Audit Committee of Henderson China Holdings Limited (being a listed company until its privatisation on 15th August, 2005), a fellow subsidiary of the Company. Save as disclosed herein, Mr. Leung has not held any directorships in listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Leung has no relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company and does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He is taken to be interested in 310 shares (less than 0.01%) in Henderson Investment Limited, which is an associated corporation of the Company.

As at the Latest Practicable Date, the term of office of Mr. Leung has been fixed for a specific term until 31st December, 2005 and he is subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. He has not entered into nor proposed to enter into any service contracts which fall within the meanings of Rule 17.90 of the GEM Listing Rules requiring the prior approval of shareholders of the Company at general meetings. The director's fee payable to him shall be subject to Shareholders' approval at general meetings. His other remuneration, if any, shall from time to time be determined by the Board with reference to his duties and responsibilities. For the year ended 30th June, 2005, he is entitled to receive director's fee of HK\$20,000 from the Company.

Save as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

The following are the biographical details of Messrs. Lee Ka Kit, Yip Ying Chee, John and Woo Ka Biu, Jackson, all of whom shall retire by rotation at the Annual General Meeting in accordance with Article 87(1) of the Articles of Association and, being eligible, have offered themselves for re-election:

**LEE Ka Kit**, aged 42, National Committee Member of the Political Consultative Conference, PRC., son of Dr. Lee Shau Kee and brother of Mr. Lee Ka Shing. Mr. Lee has been an executive director of Henderson Land Development Company Limited ("Henderson Land") since 1985 and vice chairman since 1993. He has also been an executive director and vice chairman of Henderson Investment Limited ("Henderson Investment") since 1993. He was appointed a Director of the Company in April 2000. Educated in the United Kingdom, Mr. Lee is also the chairman and president of Henderson China Holdings Limited (being a listed company until its privatisation on 15th August, 2005) as well as a director of The Hong Kong and China Gas Company Limited ("China Gas"). He is also a director of various members of the Group. Save as disclosed herein, Mr. Lee has not held any other directorships in listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Lee is taken to be interested in 4,244,996,094 shares in the Company (representing 84.90% of the issued share capital of the Company) within the meaning of Part XV of the Securities and Futures Ordinance. He was taken to be interested in 1,122,938,300 shares (61.88%) in Henderson Land, 2,075,859,007 shares (73.68%) in Henderson Investment, 8,190 (100.00%) ordinary A shares, 3,510 (100.00%) non-voting B shares and 15,000,000 (30.00%) non-voting deferred shares in Henderson Development Limited, 10,000 shares (100.00%) in Henfield Properties Limited, 100 shares (100.00%) in Heyield Estate Limited, 3,240 shares (80.00%) in Pettystar Investment Limited and 100 shares (100.00%) in Shellson International Limited, all of which are associated corporations of the Company, as disclosed in the Report of Directors of the Company for the financial year ended 30th June, 2005. Mr. Lee is a director of China Gas (a substantial shareholder of the Company), Henderson Investment, Henderson Land and Henderson Development Limited (controlling shareholders of the Company) which have aggregate interests in 4,244,968,019 shares in the Company, representing 84.90% of the issued share capital of the Company.

As at the Latest Practicable Date, Mr. Lee was not appointed for a specific term but is subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. He has not entered into nor proposed to enter into any service contracts which fall within the meanings of Rule 17.90 of the GEM Listing Rules requiring the prior approval of shareholders of the Company at general meetings. The director's fee payable to him shall be subject to Shareholders' approval at general meetings. His other remuneration, if any, shall from time to time be determined by the Board with reference to his duties and responsibilities. For the year ended 30th June, 2005, he is entitled to receive director's fee of HK\$20,000 from the Company.

Save as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

**YIP Ying Chee, John**, LL.B., F.C.I.S., aged 56, has been an executive director of Henderson Land Development Company Limited (“Henderson Land”) since 1997. He was appointed a Director of the Company in April 2000 and has been involved in the business of the Group since early 1998. Save as disclosed herein, Mr. Yip has not held any other directorships in listed public companies in the last three years. He graduated from the University of Hong Kong and the London School of Economics and is a solicitor and a certified public accountant. He has over 25 years’ experience in corporate finance, and corporate and investment management.

As at the Latest Practicable Date, Mr. Yip has no relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company and does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He is a director of Henderson Land (a controlling shareholder of the Company) which has interests in 4,244,968,019 shares in the Company, representing 84.90% of the issued share capital of the Company.

As at the Latest Practicable Date, Mr. Yip has entered into a service contract with the Company and is subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. The service contract is of an initial term of three years commencing on 1st April, 2000 and shall continue thereafter until and unless terminated by not less than two months’ notice in writing served by either party on the other. Mr. Yip is entitled to such management bonus which the Board may determine and approve without limitation but shall abstain from voting and not be counted in the quorum in respect of any resolution of the Board regarding the amount of management bonus payable to himself. An annual director’s fee of HK\$20,000 stated in the service contract was determined by the Board and is subject to Shareholders’ approval at general meetings. He has not entered into nor proposed to enter into any service contracts which fall within the meanings of Rule 17.90 of the GEM Listing Rules requiring the prior approval of shareholders of the Company at general meetings. His other remuneration, if any, shall from time to time be determined by the Board with reference to his duties and responsibilities. For the year ended 30th June, 2005, he is entitled to receive director’s fee of HK\$20,000 from the Company.

Save as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

**WOO Ka Biu, Jackson**, M.A. (Oxon), aged 44, was appointed an Independent Non-executive Director of the Company in September 2002 and was re-designated as Non-executive Director of the Company on 29th November, 2004. Mr. Woo is also an alternate director of Henderson Land Development Company Limited ("Henderson Land"), Henderson Investment Limited ("Henderson Investment") and Sun Hung Kai Properties Limited, which are companies listed on The Stock Exchange of Hong Kong Limited. Save as disclosed herein, Mr. Woo has not held any other directorships in listed public companies in the last three years. He is a director of China Investment Group Limited, a fellow subsidiary of the Company. He is also a director of Kailey Group of Companies. He holds a MA degree in Jurisprudence from the Oxford University and is a qualified solicitor in England and Wales, Hong Kong Special Administrative Region and Australia. He was a director of N. M. Rothschild & Sons (Hong Kong) Limited ("Rothschild"). Prior to joining Rothschild, Mr. Woo was a partner in the corporate finance department of Woo, Kwan, Lee & Lo.

As at the Latest Practicable Date, Mr. Woo has no relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. He does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He is taken to be interested in 2,000 shares (less than 0.01%) in Henderson Land and 16,000 shares (5.33%) in China Investment Group Limited, all of which are associated corporations of the Company. He is an alternate director of Henderson Land and Henderson Investment (controlling shareholders of the Company) which have aggregate interests in 4,244,968,019 shares in the Company, representing 84.90% of the issued share capital of the Company.

As at the Latest Practicable Date, the term of office of Mr. Woo has been fixed for a specific term until 31st December, 2005 and he is subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. He has not entered into nor proposed to enter into any service contracts which fall within the meanings of Rule 17.90 of the GEM Listing Rules requiring the prior approval of shareholders of the Company at general meetings. The director's fee payable to him shall be subject to Shareholders' approval at general meetings. His other remuneration, if any, shall from time to time be determined by the Board with reference to his duties and responsibilities. For the year ended 30th June, 2005, he is entitled to receive director's fee of HK\$20,000 from the Company and other emoluments of HK\$80,000 for acting as a member of the Audit Committee of the Company.

Save as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.