



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)

QUARTERLY RESULTS ANNOUNCEMENT
For the three months ended 30th September, 2005

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

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This announcement, 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 announcement 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 announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

** for identification purposes only*

SUMMARY OF RESULTS

- Turnover for the three months ended 30th September, 2005 amounted to approximately HK\$18,454,000.
- Net loss for the three months ended 30th September, 2005 amounted to approximately HK\$91,000.
- The Directors do not recommend the payment of a dividend for the three months ended 30th September, 2005.

RESULTS

The unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 30th September, 2005 together with the comparative figures for the corresponding period in 2004 were as follows:

		Three months ended 30th September	
	Note	2005 HK\$'000	2004 HK\$'000
Turnover	2	18,454	21,898
Other revenue		6,520	3,414
		24,974	25,312
Direct costs and operating expenses		(18,230)	(21,631)
Selling and distribution costs		(4,830)	(4,662)
Administrative expenses		(2,000)	(2,080)
Loss from operations		(86)	(3,061)
Finance costs		(1)	(1)
		(87)	(3,062)
Share of losses of jointly controlled entities		(4)	(2)
Loss from ordinary activities before taxation		(91)	(3,064)
Income tax	3	—	—
Loss from ordinary activities after taxation		(91)	(3,064)
Minority interests		—	—
Loss attributable to shareholders		(91)	(3,064)
Loss per share	4		
Basic		<u>HK0.002 cent</u>	<u>HK0.061 cent</u>

Notes:

1. Basis of preparation

The principal accounting policies adopted in preparing the unaudited consolidated accounts of the Group conform with all applicable Hong Kong Financial Reporting Standards (which include all applicable Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (collectively, “new HKFRSs”) which are effective for accounting periods beginning on or after 1st January, 2005.

The Group has adopted these new HKFRSs in the accounts for the current period and the adoption of these new HKFRSs does not have a significant impact on its results and financial position.

2. Turnover

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

3. Income tax

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

4. Loss per share

The calculation of basic loss per share for the three months ended 30th September, 2005 is based on the loss attributable to shareholders of HK\$91,000 (2004: HK\$3,064,000) and on the weighted average number of 5,000,000,000 (2004: 5,000,000,000) shares in issue during the period.

Diluted loss per share is not presented for the three months ended 30th September, 2005 and 30th September, 2004 because there were no dilutive potential shares in existence during the periods.

5. Reserves

	2005			2004	
	Capital reserve HK\$'000	Share premium HK\$'000	Profit and loss account HK\$'000	Total HK\$'000	Total HK\$'000
At 1st July	83,866	443,707	(271,650)	255,923	260,019
Loss for the period	—	—	(91)	(91)	(3,064)
At 30th September	83,866	443,707	(271,741)	255,832	256,955

PROFIT & TURNOVER

The Group recorded turnover of HK\$18.5 million for the quarter ended 30th September, 2005, compared with HK\$21.9 million for the quarter ended 30th September, 2004. The Group's loss attributable to shareholders for the quarter ended 30th September, 2005 was HK\$91,000, compared with a loss of HK\$3.1 million for 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, 2005.

BUSINESS REVIEW

The main focus of the Group during the quarter ended 30th September, 2005 was to further implement its strategies regarding Internet services, data centre, high technology and network infrastructure businesses. In light of the challenging conditions faced by the businesses of the Group, the Group refined its strategies by seeking to reduce expenses and preserve resources wherever possible.

iCare

iCare's major achievements during the quarter ended 30th September, 2005 included:

Internet Access Services:

In response to the bundled offer by the triple-play service providers in the market, iCare launched acquisition and retention programs during the quarter, supported by the following marketing and promotional activities:-

- New broadband service underpinned by online advertising, China Gas bill inserts reaching 1.5 million households, POP program at Towngas Customer Centres and iCare Hotspots; introduction of attractive higher bandwidth (8M) service plan.
- Channel Partner Programs such as with Cathay Pacific Hong Kong and the Hong Kong Institution of Engineers to boost subscribers.
- Retention program encouraging customer contract renewal to minimize churn.
- On-going upselling program to encourage narrowband Internet Service Provider ("ISP") or Internet Content Provider ("ICP") customers to upgrade to broadband service.

International Direct Dialling Services:

Registered iCare1608 IDD telephone lines reached 361,000 as of 30th September 2005, with usage stimulated by the following marketing and promotion activities:-

- Special tariff promotions for Macau, Thailand, and Singapore targeting China Gas customers supported by China Gas bill inserts reaching 1.5 million households, online advertising, and POP program at Towngas Customer Centres and iCare Hotspots.

- On-going retention and reactivation programs by offering attractive tariff for Asian countries and promotion of China, US, Canada, UK, and Australia to selected customers through direct marketing.

e-Commerce and Merchandising Services:

iCare continued to reap results from its e-Commerce and merchandising business through coupon redemption of carefully selected products. Accomplishments included:-

- Sale of variety of products such as Hitachi and Midea air conditioners, Sony Digital cameras, Compaq Presario personal computers, 3M polarizing task lights, BenQ 1.3M mobile phones, LG 0.3M mobile phones, Toplux mp3 mobile phones, VK 1.3M mobile phones, Samsung and JVC digital camcorders, Award Massager mats, ASK OLED mp3 players, LEO Bluetooth mp3 players, Comfortec vertical steamers, Acer digital cameras, Samsung refrigerators, Turbo air coolers, Daily Youth treadmills, Grandaz foot massagers.
- Growth in membership of iCare's frequent shopper iCare Club to over 58,000 by end of September 2005; more than 4,000 purchases at iCare's Hotspots encouraged by lucky draw for members buying over HK\$200 worth of Hotspot products.

Subscribers and Revenue:

- Growth in iCare Internet-on-TV Set-Top Box ("STB") subscribers, ISP users, ICP users, IDD registered accounts and iCare Club members to over 462,000 by end of September 2005.
- Total revenue for the quarter ended 30th September, 2005 was HK\$17.5 million. In comparison, the total revenue for the quarter ended 30th September 2004 was HK\$21.0 million.

Henderson Data Centre ("HDC")

HDC's major achievements during the quarter ended 30th September, 2005 included:

- Continued the Internet Transit Service.
- Customer acquisition for data centre services.
- Continued the System Integration Service.
- Continued feasibility study on Intelligent Home Service.
- Continued to focus on cost management and efficiency improvement.
- Total revenue for the quarter ended 30th September, 2005 was HK\$1.0 million. In comparison, the total revenue for the quarter ended 30th September, 2004 was HK\$0.8 million.

Future Home

Future Home's major achievements during the quarter ended 30th September, 2005 included:

- Continued development 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.
- Continued development of Contract Management System and Asset Management System for Well Born Real Estate Management Limited.
- Continued network design and server enhancement for one of the Henderson Group estates managed by Well Born Real Estate Management Limited.
- On-going evaluation on hardware component of Home Automation System, Access Control System and Car Park Management System.
- Total revenue for the quarter ended 30th September, 2005 was HK\$0.3 million. In comparison, the total revenue for the quarter ended 30th September, 2004 was HK\$0.4 million.

IT Investments

IT Investments reviewed a number of opportunities during the quarter ended 30th September, 2005 but did not proceed with any investments.

PROSPECTS

The Group will remain cautious in the implementation of its strategies during the financial year ending 30th June, 2006 due to an 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 may 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 exploring 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 Henderson Group and China Gas 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 as follows:

- By continuing to seek growth while achieving satisfactory margins via its website, direct marketing channels and Hotspots, with respect to distribution of goods.
- By continuing to develop market share in broadband services while achieving satisfactory margins and retain ISP customers, with respect to Internet services.
- By seeking to continue the growth of iCare1608, with respect to telecommunication services.
- By selectively expanding the breadth of infotainment and e-commerce offerings on its portal site so as to ensure the rich content and desirable offerings continue in popularity 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, to develop new services and to explore cost-effective sales channels with respect to the revenue-generation potential.

Future Home

Future Home will continue to provide IT infrastructure consolidation and upgrade for companies in the Henderson Group.

Future Home will focus on the development, installation and promotion of the idHOME system, smart card system, car park management systems, estate management system, attendance and access control system and home automation system for Henderson Group developments and is exploring opportunities to provide these systems to other customers.

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, 2005, 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 pursuant to the GEM Listing Rules were as follows:

Ordinary Shares (unless otherwise specified)

Long Positions

Name of Company	Name of Director	Note	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	% Interest
Henderson Cyber Limited	Lee Shau 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
Henderson Land Development Company Limited	Lee Shau Kee	2			1,122,938,300		1,122,938,300	61.88
	Lee Ka Kit	2				1,122,938,300	1,122,938,300	61.88
	Lee Ka Shing	2				1,122,938,300	1,122,938,300	61.88
	Woo Ka Biu, Jackson	3		2,000			2,000	0.00
	Chan Wing Kin, Alfred	4	32,000				32,000	0.00
Henderson Investment Limited	Lee Shau Kee	5	34,779,936		2,075,859,007		2,110,638,943	74.92
	Lee Ka Kit	5				2,075,859,007	2,075,859,007	73.68
	Lee Ka Shing	5				2,075,859,007	2,075,859,007	73.68
	Leung Yuk Kwong	6	310				310	0.00

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

Long Positions

Name of Company	Name of Director	Note	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	% Interest
Henderson Development Limited	Lee Shau Kee	7			8,190 (Ordinary A Shares)		8,190 (Ordinary A Shares)	100.00
	Lee Shau Kee	8			3,510 (Non-voting B Shares)		3,510 (Non-voting B Shares)	100.00
	Lee Shau Kee	9	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	7				8,190 (Ordinary A Shares)	8,190 (Ordinary A Shares)	100.00
	Lee Ka Kit	8				3,510 (Non-voting B Shares)	3,510 (Non-voting B Shares)	100.00
	Lee Ka Kit	9				15,000,000 (Non-voting Deferred Shares)	15,000,000 (Non-voting Deferred Shares)	30.00
	Lee Ka Shing	7				8,190 (Ordinary A Shares)	8,190 (Ordinary A Shares)	100.00
	Lee Ka Shing	8				3,510 (Non-voting B Shares)	3,510 (Non-voting B Shares)	100.00
	Lee Ka Shing	9				15,000,000 (Non-voting Deferred Shares)	15,000,000 (Non-voting Deferred Shares)	30.00
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
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

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

Long Positions

Name of Company	Name of Director	Note	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	% Interest
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 any of its associated corporations as defined in the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the three months ended 30th September, 2005 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, 2005, 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 (Note 1)	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 (Note 1)	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 shares, Dr. Lee Shau Kee was the beneficial owner of 173,898 shares, and for the remaining 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 37.19% 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, Covite Investment Limited, Markshing 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 61.87% 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) 7,962,100 shares owned by Sandra Investment Limited which was a wholly-owned subsidiary of HD; (iii) 145,090,000 shares were owned by Cameron Enterprise Inc.; 222,045,300 shares were owned by Believegood Limited which was wholly-owned by South Base Limited; 61,302,000 shares were owned by Prosglass Investment Limited which was wholly-owned by Jayasia Investments Limited; 55,000,000 shares were owned by Fancy Eye Limited which was wholly-owned by Mei Yu Ltd.; 55,000,000 shares were owned by Spreadral Limited which was wholly-owned by World Crest Ltd.; and Cameron Enterprise Inc., South Base Limited, Jayasia Investments Limited, Mei Yu Ltd. and World Crest Ltd. were wholly-owned subsidiaries of Yamina Investment Limited 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 37.19% held by HI. HI was 73.48% held by HL which in turn was 61.87% 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 Mr. Chan Wing Kin, Alfred was the beneficial owner of these shares.

5 Of these shares, Dr. Lee Shau Kee was the beneficial owner of 34,779,936 shares, and for the remaining 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.

6 Mr. Leung Yuk Kwong was the beneficial owner of these shares.

- 7 These shares were held by Hopkins as trustee of the Unit Trust.
- 8 These shares were held by Hopkins as trustee of the Unit Trust.
- 9 Of these shares, Dr. Lee Shau Kee was the beneficial owner of 35,000,000 shares, and the remaining 15,000,000 shares were owned by Fu Sang.
- 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 Andco Limited which was wholly-owned by Henderson China Holdings Limited (“HC”) which in turn was 100% held by HL.
- 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 which in turn was 100% held by HL.

Save as disclosed above, there were no other persons with interests recorded in the register required to be kept under Section 336 of the SFO as at 30th September, 2005.

COMPETING INTERESTS

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.

THE PROGRESS OF THE PRIVATISATION OF THE COMPANY

Henderson Land Development Company Limited, Henderson Investment Limited (“Henderson Investment”), The Hong Kong and China Gas Company Limited (“China Gas”) and the Company issued a joint announcement on 16th August, 2005 regarding a proposed privatisation of the Company by Henderson Investment and China Gas involving the cancellation and extinguishment of shares (other than those indirectly held by Henderson Investment and China Gas) in the Company at the cancellation price of HK\$0.42 in cash per share (the “Scheme”). At present, Henderson Investment has a 66.67% equity interest and China Gas has an 18.05% equity interest in the Company.

The Scheme and the associated reduction of the issued share capital were approved at the court meeting and the extraordinary general meeting of the Company, both held on 31st October, 2005. Subject to the fulfillment of certain outstanding conditions, it is expected that the Scheme will become effective on 8th December, 2005. The Company will be indirectly owned by Henderson Investment as to approximately 78.69% and China Gas as to approximately 21.31% upon the Scheme becoming effective.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the three months ended 30th September, 2005, 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. The Hon. Li Kwok Po, David (Chairman), Independent Non-executive Director, Professor Ko Ping Keung, Independent Non-executive Director and Mr. Woo Ka Biu, Jackson, Non-executive Director. 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 Quarterly Report for the three months ended 30th September, 2005.

By Order of the Board
Lee Shau Kee
Chairman

Hong Kong, 11th November, 2005

As at the date of this announcement, the Board comprises: (1) executive directors: Lee Shau Kee (Chairman), Alfred Chan Wing Kin, Colin Lam Ko Yin, Lee Ka Kit, Lee Ka Shing, John Yip Ying Chee and Douglas H. Moore; and (2) non-executive director: Jackson Woo Ka Biu; and (3) independent non-executive directors: David Li Kwok Po, Ko Ping Keung and Leung Yuk Kwong.

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.