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恒基中國集團有限公司
HENDERSON CHINA HOLDINGS LIMITED

Incorporated in Bermuda with limited liability

Executive Directors:

Lee Ka Kit (*Chairman and President*)

Lee Shau Kee

Colin Lam Ko Yin

Lee King Yue

Leung Sing

Lee Ka Shing

Patrick Kwok Ping Ho

Ho Wing Fun

Cheung Fong Ming

Kan Fook Yee

Li Sek Yin

Independent Non-executive Directors:

Philip Yuen Pak Yiu

Liang Shangli

Non-Executive Director:

Wong Ying Wai

Hong Kong Head Office:

6th Floor

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19 Des Voeux Road Central

Hong Kong

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

To the Shareholders of the Company

Dear Sir/Madam,

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

INTRODUCTION

The purpose of this document is to provide you with information regarding the proposed general mandates for repurchase by the Company of its own shares and to issue shares, and to seek your approval at the annual general meeting of the Company ("Annual General Meeting") to be held on 18th December, 2002 at 11:30 a.m. in connection with, inter alia, such matters.

GENERAL MANDATE FOR REPURCHASE BY THE COMPANY OF ITS OWN SHARES

At the annual general meeting held on 10th December, 2001, a general mandate was given to the Directors to exercise the powers of the Company to repurchase shares of HK\$1.00 each of the Company ("Shares") up to a maximum of ten 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 forthcoming Annual General Meeting to be held on 18th December, 2002 at 11:30 a.m.. Your attention is drawn to Ordinary Resolution (A) set out in the notice convening the Annual General Meeting dated 3rd October, 2002 contained in the 2002 Annual Report of the Company which has been sent to the shareholders of the Company. Such Ordinary Resolution proposes to give a general mandate to the Directors to exercise the powers of the Company to repurchase at any time until the conclusion of the next annual general meeting of the Company following the passing of the relevant resolution or such earlier period as stated therein, Shares up to a maximum of ten per cent. of the issued share capital of the Company at the date of passing that Ordinary Resolution ("Repurchase Mandate").

An explanatory statement, as required under the relevant rules set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules") regulating the repurchase by companies with primary listings on the Stock Exchange of their own shares on the Stock Exchange ("Shares Repurchase Rules"), to provide the requisite information for your consideration of the Repurchase Mandate is set out in the Appendix hereto.

GENERAL MANDATE TO ISSUE SHARES

It will be proposed at the Annual General Meeting to be held on 18th December, 2002 the Ordinary Resolutions (B) and (C) respectively as set out in the notice convening the Annual General Meeting dated 3rd October, 2002 for granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding twenty per cent. of the issued share capital of the Company at the date of passing that Ordinary Resolution (B) ("Issue Mandate") and extending the Issue Mandate by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate.

Yours faithfully,

Lee Ka Kit

Chairman

APPENDIX EXPLANATORY STATEMENT

This explanatory statement contains all the information required under the Shares Repurchase Rules for you to consider the Repurchase Mandate.

1. Share Capital

As at 21st October, 2002 (the latest practicable date prior to the printing of this document), the issued share capital of the Company comprised 496,776,205 Shares. Subject to the passing of the Ordinary Resolution (A) set out in the notice convening the Annual General Meeting and on the basis that no further Shares are issued or repurchased prior to the date of the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 49,677,620 Shares.

2. Reasons for Repurchase

The Directors believe that the Repurchase Mandate affords the Company the flexibility and ability in pursuing the best interests for the Company and its shareholders. Such purchases may, depending on market conditions and funding arrangements at the time, be beneficial to the shareholders by enhancing the net asset and/or earnings per Share and will only be made when the Directors believe that such a purchase will benefit the Company and its shareholders.

3. Funding of Repurchase

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-laws and any applicable laws.

The Directors propose that repurchases of Shares would be appropriately financed by the Company's internal resources and/or available banking facilities. No material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the 2002 Annual Report) even in the event that the Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period.

4. Share Prices

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

		Highest	Lowest
		<i>HK\$</i>	<i>HK\$</i>
2001	October	3.325	2.825
	November	3.800	3.300
	December	3.750	3.375
2002	January	3.900	3.500
	February	3.675	3.475
	March	3.800	3.375
	April	3.700	3.500
	May	3.750	3.500
	June	3.600	3.225
	July	3.475	2.975
	August	3.200	2.900
	September	3.050	2.750

5. Undertaking and Disclosure of Interests

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 repurchase pursuant to the Repurchase Mandate and in accordance with the Listing Rules and any applicable laws.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the shareholders.

No other connected persons (as defined in the 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.

6. Hong Kong Codes on Takeovers and Mergers and Share Repurchases

If a shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors exercising the powers of the Company to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Hong Kong Code on Takeovers and Mergers ("Takeover 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 Rule 26 of the Takeover 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 Takeover Code as a result of any repurchase made under the Repurchase Mandate.

7. Share Purchase made by the Company

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this document.