

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 508 OF 2005

In the matter of **Henderson Cyber Limited**

And in the matter of the Companies Law (2004 Revision)

And Grand Court Rules 1995 Order 102 rule 21

PETITION

TO: The Grand Court of the Cayman Islands

THE PETITION of Henderson Cyber Limited shows as follows:

1. The object of this Petition is to seek an Order of the Court pursuant to section 15 of the Companies Law (2004 Revision) (the "Companies Law") confirming a reduction of the capital of your Petitioner, Henderson Cyber Limited (the "Company").
2. The Company was incorporated under the Companies Law on 10 January, 2000 under the name of "Gainfield Limited" and registered in the Cayman Islands as an exempted company with registration number CR-95735. By a special resolution of the then sole shareholder of the Company passed on 31 March, 2000, the Company changed its name to "**Henderson Cyber Limited**".
3. The registered office of the Company is situated at Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands.
4. As at the date of incorporation of the Company, its authorized share capital was US\$50,000 divided into 50,000 shares of a nominal or par value of US\$1.00 each. On 10 January, 2000, one share of US\$1.00 each in the capital of the Company was allotted and issued fully paid.
5. By resolutions of the then sole shareholder of the Company passed on 23 March, 2000,
(i) the authorized share capital of the Company was redenominated into Hong Kong

dollars at the exchange rate of US\$1.00 to HK\$7.80 such that the authorized share capital of the Company became HK\$390,000 divided into 50,000 shares of HK\$7.80 each and the issued share capital of the Company became HK\$7.80 divided into one share of HK\$7.80 in the capital of the Company, and (ii) every issued and unissued share of HK\$7.80 in the capital of the Company was subdivided into 78 shares of HK\$0.10 each (the "Share" or "Shares") such that, thereafter, the Company had an authorized share capital of HK\$390,000 divided into 3,900,000 Shares and an issued share capital of HK\$7.80 divided into 78 Shares.

6. By resolutions of the then shareholders of the Company passed on 28 June, 2000, the authorized share capital of the Company was increased from HK\$390,000 to HK\$1,000,000,000 by the creation of a further 9,996,100,000 Shares.
7. The Shares are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited. As at the date of this petition, the authorized share capital of the Company is HK\$1,000,000,000 divided into 10,000,000,000 Shares of one class only and its issued share capital is HK\$500,000,000 divided into 5,000,000,000 Shares which have been fully paid-up or credited as fully paid-up.
8. The objects for which the Company was established are unrestricted and the Company has and is capable of exercising any and all powers exercisable by a natural person or body corporate.
9. The Articles of Association of the Company provide, *inter alia*, as follows:

Article 4 *"The Company may from time to time by ordinary resolution in accordance with the [Companies] Law alter the conditions of its Memorandum of Association to:-*

- (a) *increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;*

- (b) *consolidate and divide all or any of its capital into shares of larger amount than its existing shares;*
- (c) *divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words "non-voting" shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words "restricted voting" or "limited voting";*
- (d) *sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association (subject, nevertheless, to the [Companies] Law), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;*
- (e) *cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled or, in the case of shares, without par value, diminish the number of shares into which its capital is divided."*

Article 6 *"The Company may from time to time by special resolution, subject to any confirmation or consent required by the [Companies] Law, reduce its share capital or any share premium account or any capital redemption reserve or other undistributable reserve in any manner permitted by law."*

10. By a special resolution of the Company duly passed in accordance with section 14(1) of the Companies Law at an extraordinary general meeting held on 31 October, 2005, (the "Extraordinary General Meeting"), it was resolved:

"THAT,

(A) for the purpose of giving effect to the Scheme of Arrangement dated 6 October, 2005 (the "Scheme") between the Company and the Scheme Shareholders (as defined in the Scheme), on the Effective Date (as defined in the Scheme):

(i) the issued share capital of the Company be reduced by cancelling and extinguishing the Scheme Shares; and

(ii) the Company shall apply the amount of credit arising in its books of account as a result of the reduction of its issued share capital referred to in paragraph (i) above to a distributable reserve of the Company;

(collectively, the Capital Reduction"); and

(B) the directors of the Company be and are hereby authorized to do all acts and things considered by them to be necessary or desirable in connection with the implementation of the Scheme and the Capital Reduction, including (without limitation) the giving of consent to any modification of, or addition to, the Scheme and the Capital Reduction, which the Grand Court of the Cayman Islands may see fit to impose."

Each of the capitalised terms referred to in the special resolution above are defined in the scheme document containing a proposed scheme of arrangement (the "Scheme of

Arrangement”) between the Company and the holders of the Scheme Shares (as defined in the Scheme of Arrangement) exhibited as exhibit “LKYC-5” to the affirmation of Lam Ko Yin, Colin.

11. The number of shareholders of the Company present and voting in person or by proxy at the Extraordinary General Meeting was as set out in the table below:-

Present & Voting		For		Against	
Number of Shares voted	Percentage %	Number of Shares voted	Percentage %	Number of Shares voted	Percentage %
4,594,733,652	100%	4,594,589,007	99.9969%	144,645	0.0031%

A total of 4,594,733,652 Shares were voted either in person or by proxy at the Extraordinary General Meeting, of which 4,594,589,007 Shares (amounting to approximately 99.9969% of the Shares voted at the Extraordinary General Meeting) were voted in favour of the special resolution and 144,645 Shares (amounting to approximately 0.0031% of the Shares voted at the Extraordinary General Meeting) were voted against the special resolution. The special resolution to approve and give effect to the reduction of the issued share capital of HCL as a result of the Scheme was duly passed by a majority of at least three-fourths of votes cast by the shareholders present and voting, in person or by proxy at the Extraordinary General Meeting, satisfying the majority for a special resolution required to approve the Capital Reduction under the Articles of Association of the Company.

12. The proposed Capital Reduction arises as a result of the cancellation and extinguishment (the “Cancellation and Extinguishment”) on the effective date of the Scheme of Arrangement, of all of the issued Shares except for the Shares legally held by Felix Technology Limited (“Felix Technology”), an indirect wholly-owned subsidiary of Henderson Investment Limited (“HIL”), and Technology Capitalization Limited (“Technology Capitalization”), an indirect wholly-owned subsidiary of The Hong Kong and China Gas Company Limited (HKCG”), both of Felix Technology and Technology

Capitalization of which are companies incorporated in the British Virgin Islands with limited liability, in consideration of which the holders of such cancelled and extinguished Shares shall receive HK\$0.42 (the "Cancellation Price") in cash for each such cancelled and extinguished Share such that the Company shall, thereafter, be indirectly owned by HIL through Felix Technology as to approximately 78.69% and by HKCG through Technology Capitalization as to approximately 21.31%. The Cancellation and Extinguishment will result in the issued share capital of the Company being reduced from HK\$500,000,000 divided into 5,000,000,000 Shares to HK\$[423,591,361.60] divided into 4,235,913,616 Shares.

13. The proposed Capital Reduction does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital. Furthermore, the Capital Reduction will not alter the underlying assets, business operations, management or financial position of the Company .
14. The form of Minute proposed to be registered is as follows:

"The issued ordinary share capital of Henderson Cyber Limited was by virtue of a Special Resolution passed on 31 October, 2005 and with the sanction of an Order of the Grand Court of the Cayman Islands dated [•], 2005, reduced from HK\$500,000,000 divided into 5,000,000,000 shares of HK\$0.10 each to HK\$423,591,361.60 divided into 4,235,913,616 shares of HK\$0.10 each (the "Capital Reduction"). At the date of the registration of this Minute, all such shares have been issued and are fully paid up or deemed to be fully paid up. Forthwith upon such Capital Reduction becoming effective, the authorized share capital of the Company shall remain as HK\$1,000,000,000 divided into 10,000,000,000 shares of HK\$0.10 each.

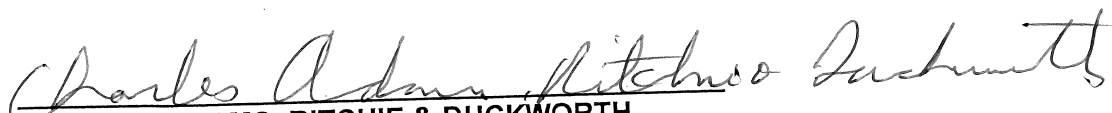
The authorized share capital of the Company, on the registration of this Minute, is HK\$1,000,000,000.00."

Your Petitioner, the Company, therefore prays as follows:

- (1) That the Capital Reduction of the Company proposed to be effected by the special resolution set forth in paragraph 10 of this Petition may be confirmed and that the above-mentioned Minute may be approved by the Court.
- (2) That to this end, all necessary inquiries and directions may be made and given.
- (3) Such further and other order as this Honourable Court shall think fit.

NOTE: It is intended to serve this Petition on Henderson Cyber Limited, at its registered office located at Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands.

DATED THIS 3rd DAY OF November 2005.


CHARLES ADAMS, RITCHIE & DUCKWORTH
Attorneys-at-Law for the Petitioner herein

This Petition was filed by Charles Adams, Ritchie & Duckworth, Attorneys-at-Law for and on behalf of the Applicant herein whose address for service is that of its Attorneys, P.O. Box 709GT, Zephyr House, Mary Street, George Town, Grand Cayman, Cayman Islands.

Notice of Hearing

This Petition having been presented to the Court on the _____ day of _____ 2005 will be heard at the Law Courts, George Town, Grand Cayman on the 8th day of December 2005 at _____ a.m./p.m. or as soon thereafter as the Petition can be heard.

THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. OF 2005

In the matter of **Henderson Cyber Limited**

And in the matter of the Companies Law (2004
Revision)

And Grand Court Rules 1995 Order 102

PETITION
