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HENDERSON INVESTMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0097)

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL AND PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board proposes to increase the authorised share capital of the Company from HK\$600,000,000 to HK\$720,000,000 by the creation of 600,000,000 additional shares.

The Board also proposes to amend the Articles of Association so as to bring them in line with the Statutory Changes as a result of the Companies (Amendment) Ordinance 2003 of Hong Kong which came into operation on 13th February, 2004.

The Stock Exchange announced certain amendments made to the Listing Rules, which took effect on 31st March, 2004 subject to transitional arrangements. In order to be in compliance with the amended provisions of Appendix 3 to the Listing Rules, the Board proposes to make corresponding amendments to the Articles of Association.

The proposed increase in authorised share capital and proposed amendments to the Articles of Association are subject to the approval of the shareholders of the Company by way of ordinary and special resolutions respectively at the AGM. A circular containing, amongst other things, details of the proposed increase in authorised share capital and a summary of the proposed amendments to the Articles of Association has been despatched to the shareholders of the Company.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The board of directors (the “Board”) of Henderson Investment Limited (the “Company”) proposes to increase the authorised share capital of the Company from HK\$600,000,000 to HK\$720,000,000 by the creation of 600,000,000 additional new ordinary shares of HK\$0.20 each ranking in all respects *pari passu* with the existing shares by way of an ordinary resolution at the annual general meeting of the Company to be held on 6th December, 2004 (“AGM”).

As at the date of this announcement, the Company has an authorised share capital of HK\$600,000,000 divided into 3,000,000,000 shares of which 2,817,327,395 shares have been issued and are fully paid. In order to provide the Company with greater flexibility to accommodate future issues of shares, as and when necessary, the Board proposes to increase the authorised share capital of the Company.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Companies (Amendment) Ordinance 2003 of Hong Kong came into operation on 13th February, 2004. Major changes brought about by the amendments include the change of time limit for the issue of share certificates, removal of a director by ordinary resolution notwithstanding any provision in the company's articles of association (or equivalent document) and permission for a company to purchase and maintain for any of its officers and auditors insurance against certain types of liability to the company or a related company (collectively the "Statutory Changes"). The Board proposes to amend the Articles of Association of the Company (the "Articles of Association") so as to bring them in line with the Statutory Changes.

The Stock Exchange of Hong Kong Limited (the "Stock Exchange") announced certain amendments made to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), which took effect on 31st March, 2004 subject to transitional arrangements. In order to be in compliance with the amended provisions of Appendix 3 to the Listing Rules, the Board proposes to make corresponding amendments to the Articles of Association including, inter alia, the following provisions:

- (a) the alteration of the definition of "associate" which will have the meaning attributed to it under the Listing Rules;
- (b) the requirement of a minimum seven-day period for lodgment by shareholders of the notice to nominate a director which shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting;
- (c) the requirement that subject to certain exceptions as specified in the Articles of Association, a director shall abstain from voting at the board meeting on any matter in which he or any of his associates has a material interest and is not to be counted towards the quorum of the relevant board meeting; and
- (d) where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, the requirement that any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

In addition, amendments to the Articles of Association are also proposed: -

- (a) to specify that a director shall not vote (nor be counted in the quorum) on any resolution of the board meeting concerning his own appointment or the appointment of any of his associates as holder of any office or place of profit with the Company or any other company in which the Company is interested;
- (b) to add the requirement for a poll to be taken at general meetings in line with the amended Listing Rules; and

- (c) to revise those provisions for payment of such sum not exceeding the relevant maximum amount from time to time set out in the Listing Rules in relation to the issue of new share certificates.

The proposed amendments to the Articles of Association are subject to the approval of the shareholders of the Company by way of special resolution at the AGM. A circular containing, amongst other things, details of the proposed increase in authorised share capital and a summary of the proposed amendments to the Articles of Association has been despatched to the shareholders of the Company.

By Order of the Board
John YIP Ying Chee
Secretary

Hong Kong, 27th October, 2004

As at the date of this announcement, the Board comprises: (1) executive directors: Lee Shau Kee (Chairman), Lee Ka Kit, Colin Lam Ko Yin, Lee Tat Man, Lee King Yue, Eddie Lau Yum Chuen, Li Ning, Lee Ka Shing, Patrick Kwok Ping Ho, Ho Wing Fun, Lau Chi Keung, Donald Cheung Ping Keung, Augustine Wong Ho Ming, Suen Kwok Lam and Sit Pak Wing; (2) non-executive directors: Woo Po Shing, Philip Yuen Pak Yiu, Leung Hay Man and Jackson Woo Ka Biu (as alternate to Woo Po Shing); and (3) independent non-executive directors: Gordon Kwong Che Keung, Alex Wu Shu Chih and Ko Ping Keung.