

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hopewell Highway Infrastructure Limited (the “Company”), you should at once hand this circular together with the form of proxy enclosed with this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this document.



Hopewell Highway Infrastructure Limited

合和公路基建有限公司*

(incorporated in the Cayman Islands with limited liability)

Stock Codes: 737 (HKD counter) and 80737 (RMB counter)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES,
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Company to be held at Auditorium, 3/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Monday, 21 October 2013 at 10:00 a.m. is set out on pages 28 to 32 of this circular. If you do not propose to attend the meeting, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or adjourned meeting should you so desire.

* For identification purpose only

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE CHAIRMAN	
Introduction	4
Re-election of Directors	5
Directors' fees	5
General mandate to repurchase Shares	5
General mandate to issue Shares	6
Adoption of New Share Option Scheme	6
Annual General Meeting	8
Voting by Poll	8
Responsibility Statement	8
Recommendation	8
APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION	9
APPENDIX II EXPLANATORY STATEMENT	15
APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME	18
NOTICE OF ANNUAL GENERAL MEETING	28

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Adoption Date”	21 October 2013, being the date on which the New Share Option Scheme to be approved and adopted by an ordinary resolution of the Shareholders at the AGM
“AGM”	the annual general meeting of the Company to be held at Auditorium, 3/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Monday, 21 October 2013 at 10:00 a.m.
“Articles of Association”	the articles of association of the Company as amended, supplemented or modified from time to time
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	a day (other than a Saturday or a Sunday) on which licensed banks are open for business in Hong Kong and the Stock Exchange is open for business of dealing in securities
“Cayman Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company”	Hopewell Highway Infrastructure Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company for the time being
“Group”	the Company and its subsidiaries; in respect of the New Share Option Scheme, the Company, its subsidiaries, its associated companies and its jointly controlled entities from time to time
“HHL”	Hopewell Holdings Limited, the ultimate holding company of the Company, the shares of which are listed on the main board of the Stock Exchange

DEFINITIONS

“HHL AGM”	the annual general meeting of HHL to be held at Auditorium, 3/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Monday, 21 October 2013 at 11:00 a.m.
“HHL Group”	in respect of the New Share Option Scheme, HHL, its subsidiaries, its associated companies and its jointly controlled entities from time to time but excluding the Group
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	4 September 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum and Articles of Association”	the memorandum and articles of association of the Company as amended, supplemented or modified from time to time
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the AGM, a summary of the principal terms of which is set out in Appendix III to this circular
“PRC”	the People’s Republic of China
“Previous Share Option Scheme”	the share option scheme of the Company adopted on 16 July 2003, which expired on 15 July 2013
“Securities and Futures Ordinance”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares during the period as set out in the Ordinary Resolution No. 5(B) of the notice of AGM up to a maximum of 20% of the issued share capital of the Company as at the date of passing of the resolution approving the Share Issue Mandate

DEFINITIONS

“Share Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase during the period as set out in the proposed Ordinary Resolution No. 5(A) of the notice of AGM, Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the resolution approving the Share Repurchase Mandate
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



Hopewell Highway Infrastructure Limited

合和公路基建有限公司*

(incorporated in the Cayman Islands with limited liability)

Stock Codes: 737 (HKD counter) and 80737 (RMB counter)

Directors:

Sir Gordon Ying Sheung WU GBS, KCMG, FICE
(Chairman)
Mr. Eddie Ping Chang HO (Vice Chairman)
Mr. Thomas Jefferson WU* (Managing Director)
Mr. Alan Chi Hung CHAN (Deputy Managing Director)
Mr. Cheng Hui JIA
Mr. Alan Ming Fai TAM
Professor Chung Kwong POON GBS, JP#
Mr. Yuk Keung IP#
Mr. Brian David Man Bun LI JP#

* Also acts as Alternate Director to Sir Gordon Ying Sheung WU

Independent Non-Executive Directors

Registered office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

*Head office and principal place
of business:*

Room 63-02
63rd Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

16 September 2013

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES,
ADOPTION THE NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to (i) re-election of Directors; (ii) the granting to the Directors of general mandates for the issue of Shares and the repurchase of Shares up to 20% and 10% respectively of the Company's issued share capital as at the date of the passing of the resolutions; and (iii) the adoption of the New Share Option Scheme by the Company.

* For identification purpose only

LETTER FROM THE CHAIRMAN

RE-ELECTION OF DIRECTORS

The Board currently consists of nine Directors namely, Sir Gordon Ying Sheung WU, Mr. Eddie Ping Chang HO, Mr. Thomas Jefferson WU, Mr. Alan Chi Hung CHAN, Mr. Cheng Hui JIA, Mr. Alan Ming Fai TAM, Professor Chung Kwong POON, Mr. Yuk Keung IP and Mr. Brian David Man Bun LI.

Pursuant to Article 112 of the Articles of Association, Sir Gordon Ying Sheung WU, Mr. Eddie Ping Chang HO, Mr. Thomas Jefferson WU and Mr. Alan Chi Hung CHAN shall retire from office at the AGM. The retiring Directors, being eligible, offered themselves for re-election.

Brief biographical details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix I to this circular. Separate resolution will be proposed at the AGM for re-election of each retiring Director.

DIRECTORS' FEES

The current Directors' fees of the Company, being HK\$300,000 per annum for the Chairman, HK\$250,000 per annum for the Vice Chairman, HK\$200,000 per annum for each of the other Executive Directors and HK\$300,000 per annum for each of the Independent Non-Executive Directors, were recommended by the Remuneration Committee and approved by the Shareholders at the annual general meeting of the Company held on 18 October 2012.

Having regard to the directors' fees of listed companies of similar businesses and/or market capitalisation and the duties and responsibilities of the Directors towards the Company, the Directors, based on the recommendation of the Remuneration Committee of the Company, propose that the Directors' fees for the year ending 30 June 2014 will be the same as those for the preceding financial year. A resolution will be proposed at the AGM under Resolution No. 3(b) of the notice of AGM regarding the fixing of the Directors' fees that the Directors' fees for the year ending 30 June 2014 payable to the Chairman, the Vice Chairman, each of the other Executive Directors and each of the Independent Non-Executive Directors for the year ending 30 June 2014 will be fixed at HK\$300,000 per annum, HK\$250,000 per annum, HK\$200,000 per annum and HK\$300,000 per annum respectively.

GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 18 October 2012, a general mandate was given by the Company to the Directors to exercise the powers of the Company to repurchase Shares up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution. Such general mandate will lapse at the conclusion of the AGM.

An ordinary resolution will be proposed at the AGM to grant to the Directors the Share Repurchase Mandate, details of which are set out in Ordinary Resolution No. 5(A) of the notice of AGM.

LETTER FROM THE CHAIRMAN

An explanatory statement as required under the Listing Rules, giving certain information regarding the Share Repurchase Mandate is set out in Appendix II to this circular.

GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 18 October 2012, a general mandate was given by the Company to the Directors to exercise the powers of the Company 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 the passing of the resolution and such general mandate was extended by adding to it the aggregate nominal amount of any Shares repurchased by the Company under the authority to repurchase Shares granted on that date. Such general mandate will also lapse at the conclusion of the AGM.

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,081,690,283 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of passing the resolution approving the Share Issue Mandate, the Company would be allowed to issue a maximum of 616,338,056 Shares pursuant to the Share Issue Mandate as at the date of passing of the Share Issue Mandate.

It will be proposed at the AGM the following two Ordinary Resolutions respectively: (i) granting to the Directors the Share Issue Mandate; and (ii) authorising an extension of the limit of the Share Issue Mandate so granted by adding to it the number of Shares repurchased by the Company under the Share Repurchase Mandate, if granted.

Details of the Share Issue Mandate and the extension of the Share Issue Mandate are set out in Ordinary Resolutions Nos. 5(B) and 5(C) of the notice of AGM respectively.

ADOPTION OF NEW SHARE OPTION SCHEME

On 16 July 2003, the Company adopted the Previous Share Option Scheme which had expired on 15 July 2013. In view of the expiry of the Previous Share Option Scheme and ensuring the continuity of a share option scheme to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to its eligible participants and for such other purposes as the Board may approve from time to time, the Board proposes to adopt the New Share Option Scheme. An ordinary resolution will be proposed at the AGM to approve the adoption of the New Share Option Scheme.

The New Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Listing Rules and the adoption of the New Share Option Scheme is subject to the approval of the Shareholders at the AGM. As the Company is a subsidiary of HHL, the adoption of the New Share Option Scheme is also subject to the approval of the shareholders of HHL in accordance with Rule 17.01(4) of the Listing Rules.

As at the Latest Practicable Date, the Company has granted options relating to 12,960,000 Shares under the Previous Share Option Scheme, representing approximately 0.42% of the issued share capital of the Company. Of these options, options relating to 4,840,000 Shares are valid and outstanding and will remain valid under the Previous Share Option Scheme.

LETTER FROM THE CHAIRMAN

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,081,690,283 Shares. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the Adoption Date, the total number of Shares issuable pursuant to the New Share Option Scheme and any other share option scheme (if any) on the Adoption Date will be 308,169,028 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date.

The Directors consider that it is not appropriate to state the value of all the options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date, given that the variables which are crucial for the calculation of the value of such options cannot be determined. The variables which are crucial for the determination of the value of such options include the exercise price for the Shares to be issued upon the exercise of the options, the timing of the grant of such options and whether or not such options, if granted, will be exercised by the grantees of the Company. Thus, the Directors are of the view that the value of the options that can be granted pursuant to the New Share Option Scheme depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of speculative assumptions. Accordingly, the Directors believe that any calculation of the value of the options will not be meaningful and may be misleading to the Shareholders in the circumstance.

To the extent that the Directors are aware and having made all reasonable enquiries, none of the Shareholders is required to abstain from voting on the resolution in relation to the adoption of the New Share Option Scheme. The Board will be responsible for administering the New Share Option Scheme. There is no trustee appointed for the purposes of the New Share Option Scheme.

The New Share Option Scheme will take effect upon satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders at the AGM approving the adoption of the New Share Option Scheme and authorising the Directors to grant options to subscribe for Shares thereunder and to allot and issue the Shares pursuant to the exercise of any options granted under the New Share Option Scheme;
- (b) the passing of an ordinary resolution by the shareholders of HHL at the HHL AGM approving the adoption of the New Share Option Scheme; and
- (c) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the options under the New Share Option Scheme.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the options to be granted under the New Share Option Scheme.

A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular.

LETTER FROM THE CHAIRMAN

ANNUAL GENERAL MEETING

At the AGM, resolutions will be proposed to the Shareholders in respect of ordinary businesses to be considered at the AGM, including the re-election of Directors and the special business of the Company to be considered at the AGM, being the proposed granting of the Share Repurchase Mandate, the Share Issue Mandate, the extension of the Share Issue Mandate and the adoption of the New Share Option Scheme. The notice of AGM is set out on pages 28 to 32 of this circular.

If you do not propose to attend the AGM, you are requested to complete the form of proxy enclosed with this circular and return it to the principal place of business of the Company in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting if you so desire.

VOTING BY POLL

Under Rule 13.39(4) of the Listing Rules, vote(s) of Shareholders at general meeting(s) must be taken by poll. As such, the Chairman of the AGM shall pursuant to Article 76 of the Articles of Association demand each of the resolutions to be proposed at the AGM be put to the vote by way of a poll.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the re-election of Directors, the granting of the Share Repurchase Mandate, the Share Issue Mandate, the extension of the Share Issue Mandate and the adoption of the New Share Option Scheme are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions to be proposed at the AGM to give effect to them.

Copy of the New Share Option Scheme will be available for inspection at the Company's principal place of business at Room 63-02, 63rd Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong during normal business hours on any Business Day from the date of this circular up to and including the date of the AGM.

Yours faithfully,
Sir Gordon Ying Sheung WU GBS, KCMG, FICE
Chairman

The biographical details of the four Directors proposed to be re-elected at the AGM are set out as follows:

Sir Gordon Ying Sheung WU GBS, KCMG, FICE

Aged 77, he is the Chairman of the Board of the Company since 2003 and is a director of various subsidiaries of the Company. He is also a director of Anber Investments Limited, Delta Roads Limited, Dover Hills Investments Limited and Supreme Choice Investments Limited and the Chairman of HHL, all of them are substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

In 1958, he graduated from Princeton University with a Bachelor of Science degree in engineering. His responsibilities have included the Company's infrastructure projects in the PRC and he has been involved in designing and constructing numerous buildings and development projects of HHL and its subsidiaries in Hong Kong, the PRC and overseas, including the Shajiao B power plant, which received the British Construction Industry Award, as well as set a world record for completion of 22 months.

Sir Gordon WU is very active in civic activities and community service. His civic and community positions include:

In the PRC

Council Member
Advisor

United Nations Association of China
China Development Bank

In Hong Kong

Vice President

The Real Estate Developers Association of Hong Kong

He was a Member of the National Committee of the Chinese People's Political Consultative Conference ("CPPCC") from 1983 to 2013 and a Vice Chairman of the Committee for Liaison with Hong Kong, Macao, Taiwan and Overseas Chinese (Special committee of CPPCC) from 2003 to 2013.

Sir Gordon WU is a Fellow of several professional bodies, including:

- Institution of Civil Engineers, United Kingdom (Honorary Fellow)
- The Hong Kong Institution of Engineers (Fellow)
- Hong Kong Academy of Engineering Sciences (Fellow)

He also received Honorary Doctorate Degrees from the following universities:

- The Hong Kong Polytechnic University, Hong Kong (Honorary Doctor of Engineering)
- University of Strathclyde, United Kingdom (Honorary Doctor of Business Administration)
- The University of Edinburgh, United Kingdom (Honorary Doctorem honoris causa)
- Lingnan University, Hong Kong (Honorary Doctor of Laws)
- City University of Hong Kong, Hong Kong (Honorary Doctor of Social Science)

- Macau University of Science & Technology (Honorary Doctor of Business Administration)
- University of Manitoba, Canada (Honorary Degree of Doctor of Laws)

Save as disclosed above, Sir Gordon WU has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date.

Sir Gordon WU is the father of Mr. Thomas Jefferson WU, the Managing Director of the Company. Save as disclosed above, Sir Gordon WU does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Sir Gordon WU together with his associates have beneficial interest in 46,347,723 Shares (equivalent to approximately 1.50% of the issued share capital of the Company). Sir Gordon WU together with his associates are substantial shareholders of HHL. As at the Latest Practicable Date, Sir Gordon WU together with his associates have beneficial interest in 242,433,240 shares of HHL (equivalent to approximately 27.82% of the issued share capital of HHL). Save as aforesaid, Sir Gordon WU does not have any other interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Sir Gordon WU has no specific term of service with the Company but he is subject to retirement from office and re-election at the annual general meetings of the Company and vacation of office in accordance with the provisions of the Articles of Association. His Director's fee is to be determined by the Shareholders at the annual general meetings of the Company and his other emoluments are to be determined by the Board based on the recommendation of the Remuneration Committee of the Company with reference to his duties and responsibilities within the Group and his contribution to the Group, the Company's remuneration policy and the prevailing market conditions and practice. For the year ended 30 June 2013, he received a Director's fee of HK\$300,000 and other emoluments of HK\$4,240,000 from the Company.

There are no other matters in relation to the re-election of Sir Gordon WU as a Director of the Company that need to be brought to the attention of the Shareholders and there is no information required to be disclosed under Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Eddie Ping Chang HO

Aged 80, he has been the Vice Chairman of the Company since July 2003 and is a director of various subsidiaries of the Company. He is also a director of Anber Investments Limited, Delta Roads Limited, Dover Hills Investments Limited and Supreme Choice Investments Limited and the Vice Chairman of HHL, all of them are substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He has extensive experience in implementation of property development and major infrastructure strategic development projects and has been involved in developing all the projects of HHL and the Company in the PRC, including highway, hotel and power station projects. He is an Honorary Citizen of the cities of Guangzhou, Foshan and Shenzhen, and the Shunde District in the PRC. Save as disclosed above, Mr. HO has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date.

Mr. HO does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. HO together with his associates have beneficial interest in 5,040,000 Shares (equivalent to approximately 0.16% of the issued share capital of the Company). Mr. HO together with his associates also have beneficial interest in 28,444,000 shares of HHL (equivalent to approximately 3.26% of the issued share capital of HHL). Save as aforesaid, Mr. HO does not have any other interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. HO has no specific term of service with the Company but he is subject to retirement from office and re-election at the annual general meetings of the Company and vacation of office in accordance with the provisions of the Articles of Association. His Director's fee is to be determined by the Shareholders at the annual general meetings of the Company and his other emoluments are to be determined by the Board based on the recommendation of the Remuneration Committee of the Company with reference to his duties and responsibilities within the Group and his contribution to the Group, the Company's remuneration policy and the prevailing market conditions and practice. For the year ended 30 June 2013, he received a Director's fee of HK\$250,000 and other emoluments of HK\$3,180,000 from the Company.

There are no other matters in relation to the re-election of Mr. HO as a Director of the Company that need to be brought to the attention of the Shareholders and there is no information required to be disclosed under Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Thomas Jefferson WU

Aged 41, he is the Managing Director of the Company since 2003 and is a director of various subsidiaries of the Company. Mr. WU is responsible for strategic planning, corporate policy and overall management of the Company and has upgraded its financial and management accounting systems. He is also a director of Anber Investments Limited, Delta Roads Limited, Dover Hills Investments Limited and Supreme Choice Investments Limited and the Managing Director of HHL, all of them are substantial shareholders of the Company within the meaning of Part XV of the Securities Future Ordinance.

He graduated with high honours from Princeton University in 1994 with a Bachelor of Science degree in Mechanical and Aerospace Engineering. He then worked in Japan as an engineer for Mitsubishi Electric Corporation for three years before returning to full-time studies at Stanford University, where he obtained a Master of Business Administration degree in 1999.

Mr. WU is active in public service in both Hong Kong and Mainland China. He serves in a number of advisory roles at different levels of government. In Mainland China, he is a member of the Heilongjiang Provincial Committee of the 10th Chinese People's Political Consultative Conference, a Standing Committee member and a member of the Huadu District Committee of The Chinese People's Political Consultative Conference, as well as a member of the Executive Committee of the All-China Federation of Industry and Commerce, among other public service capacities.

In Hong Kong, Mr. WU's major public service appointments include being a member of the Hong Kong Government's Standing Committee on Disciplined Services Salaries and Conditions of Service and a member of its Steering Committee on the Promotion of Electric Vehicles, as well as a member of the Board of Directors of the Community Chest of Hong Kong, the Hong Kong Sports Institute and the Asian Youth Orchestra Limited. He is also a member of the Council of the Hong Kong Baptist University and a member of the Business School Advisory Council of The Hong Kong University of Science and Technology. In addition, he is an independent non-executive director of Melco Crown Entertainment Limited, a listed company in Hong Kong and USA (NASDAQ). Previously, he was a council member of The Hong Kong Polytechnic University and a member of the Court of The Hong Kong University of Science of Technology.

In addition to his professional and public service engagements, Mr. WU is mostly known for his passion for ice hockey, as well as the sport's development in Hong Kong and the region. He is the Vice President (Asia/Oceania) of International Ice Hockey Federation, the Co-founder and Chairman of the Hong Kong Amateur Hockey Club and the Hong Kong Academy of Ice Hockey. He is also the Honorary President of the Hong Kong Ice Hockey Association — the national sports association of ice hockey in Hong Kong, the Vice-President of the Chinese Ice Hockey Association, Honorary President of the Macau Ice Sports Federation and Honorary Chairman of the Ice Hockey Association of Taipei Municipal Athletics Federation.

In 2006, the World Economic Forum selected Mr. WU as a "Young Global Leader". He was also awarded the "Director of the Year Award" by the Hong Kong Institute of Directors in 2010, the "Asian Corporate Director Recognition Award" by Corporate Governance Asia in

2011, 2012 and 2013, and named the “Asia’s Best CEO (Investor Relations)” in 2012 and 2013. Save as disclosed above, Mr. WU has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date.

Mr. WU is a son of Sir Gordon WU, the Chairman of the Board. Save as disclosed above, he does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. WU has beneficial interest in 16,000,000 Shares (equivalent to approximately 0.52% of the issued share capital of the Company) and beneficial interest in 27,600,000 shares of HHL (equivalent to approximately 3.17% of the issued share capital of HHL). Save as aforesaid, Mr. WU does not have any other interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. WU has no specific term of service with the Company but he is subject to retirement from office and re-election at the annual general meetings of the Company and vacation of office in accordance with the provisions of the Articles of Association. His Director’s fee is to be determined by the Shareholders at the annual general meetings of the Company and his other emoluments are to be determined by the Board based on the recommendation of the Remuneration Committee of the Company with reference to his duties and responsibilities within the Group and his contribution to the Group, the Company’s remuneration policy and the prevailing market conditions and practice. For the year ended 30 June 2013, he received a Director’s fee of HK\$200,000 and other emoluments of HK\$3,707,304 from the Company.

There are no other matters in relation to the re-election of Mr. WU as a Director of the Company that need to be brought to the attention of the Shareholders and there is no information required to be disclosed under Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Alan Chi Hung CHAN

Aged 54, he has been an Executive Director of the Company since January 2003 and was appointed the Deputy Managing Director in July 2003. He has also been appointed as a member of the Remuneration Committee of the Company since 3 May 2011 and is a director of various subsidiaries of the Company. He is a member of the 7th Tian He District Committee of The Chinese People's Political Consultative Conference. He was awarded a Bachelor of Science degree from the Chinese University of Hong Kong in 1983 and a Postgraduate Diploma in Management Studies from the City University of Hong Kong in 1989. He is responsible for project coordination, project finance, management and administration of the expressway infrastructure and other projects of the Company in the PRC. He was an Executive Director of HHL during the period from 1 January 2002 to 25 July 2003. Save as disclosed above, Mr. CHAN has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date.

Mr. CHAN does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. CHAN has beneficial interest in 478,500 Shares (equivalent to approximately 0.02% of the issued share capital of the Company) and beneficial interest in 585,000 shares of HHL (equivalent to approximately 0.07% of the issued share capital of HHL). Save as aforesaid, Mr. CHAN does not have any other interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. CHAN has no specific term of service with the Company but he is subject to retirement from office and re-election at the annual general meetings of the Company and vacation of office in accordance with the provisions of the Articles of Association. His Director's fee is to be determined by the Shareholders at the annual general meetings of the Company and his other emoluments are to be determined by the Board based on the recommendation of the Remuneration Committee of the Company with reference to his duties and responsibilities within the Group and his contribution to the Group, the Company's remuneration policy and the prevailing market conditions and practice. For the year ended 30 June 2013, he received a Director's fee of HK\$200,000 and other emoluments of HK\$3,989,800 from the Company.

There are no other matters in relation to the re-election of Mr. CHAN as a Director of the Company that need to be brought to the attention of the Shareholders and there is no information required to be disclosed under Rule 13.51(2)(h) to (v) of the Listing Rules.

This appendix serves as an explanatory statement to provide Shareholders with requisite information to enable them to make an informed decision as to whether to vote in favour of the Share Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,081,690,283 Shares.

Subject to the passing of Ordinary Resolution No. 5(A) of the notice of AGM and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 308,169,028 Shares.

2. REASONS FOR REPURCHASE

The Directors believe that it is in the best interest of the Company and the Shareholders to have a general authority from Shareholders to enable the Directors to repurchase Shares in the market. Repurchases of Shares will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earnings per Share.

3. FUNDING OF REPURCHASE

It is proposed that repurchases of Shares under the Share Repurchase Mandate in these circumstances would be financed from available cash flow or working capital facilities of the Group.

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum and Articles of Association, the Listing Rules and the applicable laws and regulations of the Cayman Islands. Pursuant to the Share Repurchase Mandate, repurchases will be made out of funds of the Company legally permitted to be utilised in this connection, including profits of the Company or out of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Cayman Companies Law, out of capital and, in case of any premium payable on the repurchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorised by the Articles of Association and subject to the Cayman Companies Law, out of capital of the Company.

4. IMPACT OF REPURCHASE

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements for the year ended 30 June 2013 contained in the Annual Report 2012/13 of the Company) in the event that the Share Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise

the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

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

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2012		
September	4.11	3.85
October	4.75	4.03
November	4.35	4.07
December	4.28	4.23
2013		
January	4.60	4.30
February	4.60	4.17
March	4.35	3.84
April	3.87	3.68
May	3.97	3.77
June	3.80	3.55
July	3.75	3.61
August	3.82	3.65
September (up to the Latest Practicable Date)	3.72	3.67

6. UNDERTAKINGS AND DIRECTORS' DEALINGS AND CONNECTED PERSONS

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 of Shares of the Company pursuant to Ordinary Resolution No. 5(A) of the notice of AGM and in accordance with the Listing Rules, the Memorandum and Articles of Association and the applicable laws and regulations of the Cayman Islands.

None of the Directors nor, to the best of their knowledge and belief, having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), has any present intention to sell any Shares to the Company or its subsidiaries if the Share Repurchase Mandate is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so, in the event that the Share Repurchase Mandate is approved by the Shareholders.

7. HONG KONG CODE ON TAKEOVERS AND MERGERS

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the interest of the Shareholder(s) but subject to the latitude provided by the 2% creeper provision under Rule 26 of the Takeovers Code, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, HHL is beneficially interested in 2,098,850,098 Shares (representing approximately 68.11% of the total issued share capital of the Company as at the Latest Practicable Date).

In the event that the Directors exercise in full the power to repurchase Shares under the Share Repurchase Mandate, then, assuming the present equity shareholdings remain the same, the equity interests of HHL in the Company would be increased from 68.11% to approximately 75.67% of the total issued share capital of the Company. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Share Repurchase Mandate. However, in such circumstances, such share repurchase under the Share Repurchase Mandate would result in the number of Shares held by the public being reduced to less than 25%. The Directors will not repurchase Shares to such an extent that will result in the number of Shares held by the public being reduced to less than 25% of the total issued share capital of the Company.

8. SHARE REPURCHASES MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The following is a summary of the principal terms of the New Share Option Scheme to be approved and adopted by ordinary resolution of the Shareholders at the AGM. It does not form part of the New Share Option Scheme and does not affect the interpretation of it.

(A) The purpose of the New Share Option Scheme

The purpose of the New Share Option Scheme is to provide the Company with an alternative means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants (as defined below) and for such other purposes as the Board may approve from time to time. The New Share Option Scheme will provide the Participants with an opportunity to have a personal stake in the Company with a view to achieving the following objectives, namely, (a) to motivate the Participants to optimise their performance efficiency for the benefit of the Group; and (b) to track and retain or otherwise maintain relationships with the Participants whose contributions are or will be beneficial to the long-term growth of the Group.

(B) Participants of the New Share Option Scheme and basis for determining the eligibility

The Board may, at its absolute discretion, grant options pursuant to the New Share Option Scheme to (a) any director, chief executive or employee (whether full-time or part-time) of any member of the Group; (b) any discretionary object of a discretionary trust established by any director, chief executive or employee (whether full-time or part-time) of any member of the Group; (c) a company beneficially owned by any director, chief executive or employee (whether full-time or part time) of any member of the Group; (d) any consultant, professional and other adviser to any member of the Group or any consultant, professional and other adviser proposed to be appointed to any member of the Group (including any of their employees, partners, directors or executives); (e) any associates of any director, chief executive, or substantial shareholder of any member of the Group; and (f) any director, chief executive or employee (whether full-time or part-time) of the HHL Group (excluding the Group) (collectively, the “Participants” and each a “Participant”).

(C) Status of the New Share Option Scheme

(a) Conditions of the New Share Option Scheme

The New Share Option Scheme shall take effect upon the fulfillment of the following conditions:

- (i) the passing of ordinary resolutions by the Shareholders at the AGM approving the adoption of the New Share Option Scheme and authorising the Directors to grant options to subscribe for Shares thereunder and to allot and issue the Shares pursuant to the exercise of any options granted under the New Share Option Scheme;
- (ii) the approval of the New Share Option Scheme by the shareholders of HHL at the HHL AGM; and

- (iii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of options under the New Share Option Scheme

(collectively, the “Conditions”).

(b) Term of the New Share Option Scheme

Subject to the fulfillment of the Conditions, the New Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date (the “Term”), after which period no further options will be granted, but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect. Options which are granted during the life of the New Share Option Scheme may continue to be exercisable in accordance with their terms of issue after the end of the Term.

(D) Grant of options

(a) The making of an offer

An offer for the grant of an option under the New Share Option Scheme shall be made to a Participant in such form as the Board may from time to time determine, specifying the terms upon which the option is to be granted (the “Offer Letter”). The period during which the offer would remain open for acceptance by the Participant will also be provided in the Offer Letter.

Unless otherwise determined by the Board and specified in the Offer Letter, there are neither any performance targets that need to be achieved by a Participant before an option can be exercised nor any minimum period for which an option must be held before the option can be exercised.

(b) Restriction on grant of an offer

A grant of options under the New Share Option Scheme shall not be made after inside information has come to the knowledge of the Company until the information has been announced. In particular, no option may be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the meeting of the Board (as such date is first notified by the Company to the Stock Exchange in accordance with the Listing Rules) for approving the Company’s results for any year, half year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement.

(c) The acceptance of an offer

An offer for the grant of an option under the New Share Option Scheme shall be deemed to be accepted by the Participant (the “Grantee”) when the Company receives from the Grantee a duplicate Offer Letter comprising acceptance of the offer duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the granting thereof is received by the Company. Such remittance shall in no circumstances be refundable or be considered as part of the Exercise Price (as defined below at sub-paragraph (D)(d)).

The offer shall remain open for acceptance for such time to be determined by the Board, provided that no offer shall be open for acceptance after the expiry of the Term and/or the period stipulated in the Offer Letter or after the Participant to whom the offer is made has ceased to be a Participant, (subject to the Board’s absolute discretion to grant an extension in respect of the same whichever is earlier). To the extent that the offer is not accepted within the time period and in the manner specified in the Offer Letter, the offer will be deemed to have been irrevocably declined.

(d) The Exercise Price in respect of each Share issued pursuant to the exercise of options

Subject to any adjustments pursuant to paragraph (O) below, the subscription price in respect of each Share issued pursuant to the exercise of options under the New Share Option Scheme shall be at a price solely determined by the Board and notified to a Participant (the “Exercise Price”), being at least the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date on which an offer is made to the Participant (the “Offer Date”), which must be a Business Day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the 5 Business Days immediately preceding the Offer Date; and
- (iii) the nominal value of a Share.

(E) The exercise of an option under the New Share Option Scheme

(a) General

An option under the New Share Option Scheme may be exercised in whole or in part in the manner as set out in the Offer Letter by giving notice in writing to the Company stating that the option is thereby exercised and the number of Shares in respect of which it is exercised. Each notice must be accompanied by a remittance for the full amount of the total Exercise Price for the Shares in respect of which the notice is given.

Subject to the Shareholders in a general meeting approving any necessary increase in the authorised share capital of the Company, within 28 days after receipt of the notice and the remittance, and where appropriate, receipt of the certificate from the independent financial adviser or the auditor of the Company (as the case may be) in the event of any alteration in the capital structure of the Company as described below, the Company shall allot the relevant Shares to the Grantee credited as fully paid and issue to the Grantee a share certificate in respect of the Shares so allotted.

(b) Rights in event of a takeover

If a general offer by way of take-over (other than by way of scheme of arrangement pursuant to sub-paragraph (E)(c) below) is made to all holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror (the “Dissenting Shareholders”)), and if such offer becomes or is declared unconditional and the offeror is entitled to, and does give notice pursuant to the Cayman Companies Law to acquire the Shares held by the Dissenting Shareholders prior to the expiry of the relevant period in respect of a granted option to acquire the Shares from the Dissenting Shareholders, the Grantee may by notice in writing to the Company within 21 days of the notice of the offeror, exercise the option to its full extent or to the extent specified in such notice. Subject to the foregoing, the option will lapse automatically on the date which such offer or revised offer (as the case may be) closes.

(c) Rights on a scheme of arrangement

If a general offer by way of scheme of arrangement is made to all the holders of Shares and has been approved by the necessary majority of holders of Shares at the requisite meetings, notwithstanding any other terms on which the option was granted, the Grantee may thereafter by notice in writing to the Company, exercise the option (to the extent not already exercised) to its full extent or to the extent specified in relevant notification provided by the Company. Subject to the foregoing, the option will lapse automatically on the record date for determining entitlements under such scheme of arrangement.

(d) Rights on a compromise or arrangement

If, pursuant to the laws of the Cayman Islands, a compromise or arrangement (other than by way of a general offer or a scheme of arrangement pursuant to sub-paragraphs (E)(b) and (E)(c) above) between the Company and the Shareholders and/or the creditors of the Company proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the Grantee on the same date as it despatches the notice which is sent to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee may forthwith and, until the expiry of the period commencing with such date and ending with the earlier of 2 months thereafter and the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his/her

options (to the extent that it has not already been exercised) whether in full or in part, but the exercise of an option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective.

Upon such compromise or arrangement becoming effective, all options shall lapse except insofar as previously exercised under the New Share Option Scheme. The Company may require the Grantee to transfer or otherwise deal with the Shares issued as a result of the exercise of options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

(e) Rights in event of winding-up

In the event of a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as or soon after it despatches such notice to convene the general meeting, give notice thereof to all Grantees and thereupon, the Grantees may, subject to the provisions of all applicable laws, by notice in writing to the Company (such notice to be received by the Company not later than 2 Business Days prior to the proposed general meeting of the Company) exercise the option (to the extent that it has not already been exercised) either to its full extent or to the extent specified in such notice, such notice to be accompanied by a payment for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

(f) In event of death of a Grantee

In the event the Grantee passes away before exercising the option in full and none of the events which would be a ground of termination of the Grantee's status as a Participant arises, the personal representative(s) of the Grantee shall be entitled within a period of 6 months or such longer period as the Board may determine from the date of death, to exercise the option up to the entitlement of such Grantee as at the date of death (to the extent that it has become exercisable and has not already be exercised).

(F) The maximum number of Shares available for subscription

The total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date unless the Company obtains a fresh approval from the Shareholders in general meeting in the following circumstances:

- (a) to refresh the 10% limit as provided above such that the total number of Shares that may be issued upon exercise of all options granted under the New Share Option Scheme as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval of the limit, and options previously granted under the New Share Option Scheme shall not be counted for the purpose of calculating such limit; and/or
- (b) to seek separate approval by the Shareholders in general meeting for granting options beyond the 10% limit provided that such options are granted only to previously specifically identified Participants.

In both the above circumstances, the Company shall send a circular to the Shareholders containing the necessary information and disclaimer as required under the Listing Rules.

Notwithstanding the above provisions under this sub-paragraph (F), and subject to the provisions described in sub-paragraph (O) below, the limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company will not exceed 30% of the Shares in issue from time to time (or such higher percentage as may be allowed under the Listing Rules). No options may be granted under the New Share Option Scheme and any other share option schemes of the Company (or any of its subsidiaries) if this will result in such limit being exceeded.

(G) The maximum entitlement of Shares by a Participant

Subject to the paragraph below, the maximum number of Shares issued and to be issued upon exercise of the options granted to each Participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.

Where any further grant of options to a Participant would, together with any exercised, cancelled and outstanding options in the 12-month period up to and including the date of such further grant to represent, in aggregate, over 1% of the total number of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Participant and his/her associates abstaining from voting. In such event, the Company must fix the number and terms (including the exercise price) of options to be granted to such Participant and then, send a circular to the Shareholders containing, amongst other terms, the identity of such Participant, such number and terms of the options to be granted to him/her, and such other information is required under the Listing Rules.

(H) The grant of options to connected persons

Any grant of options to any director, chief executive or substantial shareholder of the Company or their respective associates shall be subject to the prior approval of the Independent Non-Executive Directors (excluding any Independent Non-Executive Director who is the Grantee).

(I) The grant of options to substantial Shareholders and Independent Non-Executive Directors

Where the Board proposes to grant any option under the New Share Option Scheme to a Participant who is a substantial Shareholder or an Independent Non-Executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted under the New Share Option Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) to him/her in the 12-month period up to and including the proposed date of such grant:

- (a) representing in aggregate more than 0.1% of the total number of Shares in issue on the proposed date of such grant; and
- (b) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the proposed date of such grant, in excess of HK\$5,000,000,

such proposed grant of options must be approved by the Shareholders in general meeting by way of poll and all connected persons must abstain from voting in favour of the resolution at general meeting, except that any connected person may vote against the resolution at general meeting unless his/her intention to do so has been stated in a circular to be sent by the Company to the Shareholders containing all those information as required under the Listing Rules.

(J) The rights attached to the options

The options do not carry any right to vote at general meetings of the Company, or any dividend, transfer or other rights (including those arising on the winding up of the Company). No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an option pursuant to the New Share Option Scheme, unless and until the Shares underlying the option of the Company are actually issued to the Grantee pursuant to the exercise of such option.

(K) The rights attached to the Shares

The Shares to be allotted upon the exercise of an option will rank *pari passu* in all respects with the fully paid Shares in issue on the date of their allotment and issue, and accordingly will entitle their holders to participate in all dividends or other distributions paid or made on or after the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment and issue.

(L) The assignment of options

An option shall be personal to the Grantee and shall not be assignable or transferable. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests (whether legal or beneficial) in favour of any third party over or in relation to any option.

(M) The lapse of options

An option shall lapse automatically and not be exercisable (to the extent that it has not already been exercised) on the earliest of:

- (a) the expiry of the period as stipulated in the Offer Letter for the exercise of the option (subject to the provisions of the New Share Option Scheme);
- (b) the date on which the Grantee ceases to be a Participant by reason of the termination of his/her employment, office, directorship, appointment or engagement as director, chief executive or employee of, or as consultant, professional or other adviser to, the relevant company on one or more of the following grounds, namely, that he/she has (i) committed an act of theft, embezzlement, fraud, dishonesty, ethical breach or other similar acts or committed a criminal offence or has otherwise been guilty of misconduct, or (ii) has been in breach of a material term of the relevant employment contract or service contract with the Company and/or any of its subsidiaries, including any non-competition, confidentiality or other agreement, or (iii) misrepresented or omitted any material fact in connection with his/her employment or services, (iv) materially failed to perform the customary duties as an employee, director, chief executive of the Company and/or any of its subsidiaries, to obey reasonable directions of a supervisor or failed to abide by the policies or codes of conduct of the Group, or (v) conducted in a way that is materially adverse to the name, reputation or interests of the Group, or (vi) has stopped payment to creditors generally or been unable to pay his/her debts within the meaning of any applicable legislation relating to bankruptcy or insolvency, or has become bankrupt or insolvent, or has been served with a petition for bankruptcy, or has made any arrangements or composition with his/her creditors generally, or (if so determined by the Board or the board of the relevant company, as the case may be) on any other ground on which any employer or any engaging party would be entitled to terminate his employment, office, directorship, appointment or engagement at common law; and pursuant to any applicable laws or under the Grantee's employment contract or service contract with the Company or the relevant company (as the case may be), in the event which a resolution of the Board or the board of directors or governing body of the relevant company (as the case may be) to the effect that the employment, office, directorship, appointment or engagement of a Grantee has or has not been terminated on one or more of the grounds specified in this sub-paragraph shall be conclusive and binding on the Grantee;
- (c) the close of 2 Business Days prior to the general meeting of the Company held for the purpose of approving the voluntary winding-up of the Company or the date of the commencement of the winding-up of the Company;
- (d) the date on which the Board exercises the Company's right to cancel the option at any time after the Grantee commits a breach of sub-paragraph (L) above;
- (e) the date on which the option is cancelled by the Board at its absolute discretion;

- (f) the expiry of the period for exercising the option in event of a takeover, as referred to in sub-paragraph (E)(b) above;
- (g) the date on which the compromise or arrangement referred to in sub-paragraph (E)(d) above becomes effective;
- (h) the date of the commencement of the winding-up of the Company; and
- (i) the expiry of the period for exercising the option in event of death of the Grantee, as referred to in sub-paragraph (E)(f) above.

The Company shall owe no liability to any Grantee for the lapse of any option under this paragraph (M).

(N) Cancellation of options granted

The Board may at any time at its absolute discretion cancel any option granted but not exercised. Where the Company cancels options and makes an offer of the grant of new options to the same option holder, the offer of the grant of such new options may only be made under the New Share Option Scheme with available options (to the extent not yet granted and excluding the cancelled options) within the limit approved by the Shareholders as mentioned in paragraph (F) above.

(O) Alteration of capital structure

In the event of any alteration in the capital structure of the Company whilst any option remains exercisable, whether by way of capitalisation issue, rights issue, sub-division, consolidation, or reduction of the share capital of the Company (excluding any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in respect of a transaction to which the Company or any of its subsidiaries is a party or in connection with any share option or other equity incentive schemes of the Company) at any time after the date on which dealings in the Shares first commence on the Stock Exchange, such corresponding alterations (if any) shall be made to:

- (a) the number or nominal amount of Shares subject to the option so far as unexercised; and/or
- (b) the Exercise Price in respect of the Shares granted under the New Share Option Scheme.

But no such adjustments shall be made to the extent that a Share would be issued through the exercise of an option at less than its nominal value. In respect of such adjustments, an independent financial adviser appointed by the Company or the auditor of the Company shall at the request of the Board certify in writing to the Directors that the adjustments are, in their opinion fair and reasonable, will give the Grantee the same proportion of issued share capital of the Company as that to which the Grantee was previously entitled provided that no alteration shall be made to the extent that a Share would be issued at less than its nominal value, and be in full compliance with Rule 17.03 of the Listing Rules. Such certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees.

(P) Alteration of the New Share Option Scheme

Save as provided in the New Share Option Scheme, the Board may, at its absolute discretion, alter any of the terms of the New Share Option Scheme at any time. The specific provisions of the New Share Option Scheme that relate to Rule 17.03 of the Listing Rules cannot be altered to the advantage of the Participants except with the prior approval of the Shareholders in general meeting. Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of the options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme. The New Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.

(Q) Termination of the New Share Option Scheme

The Company may by resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event, no further options will be offered or granted but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted during the life of the New Share Option Scheme and which are not exercised immediately prior to the termination of operation of the New Share Option Scheme.

(R) Administration of the New Share Option Scheme

The New Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the New Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final, conclusive and binding on all parties. The Company shall bear the costs of establishing and administering the New Share Option Scheme. The amended terms of the New Share Option Scheme or the terms of the options granted thereunder must still comply with the relevant requirements under Chapter 17 of the Listing Rules. Any change to the authority of the Directors in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

(S) General

Insofar and for so long as (i) the Listing Rules so require; (ii) the Company remains as a subsidiary of HHL; and (iii) the Shares are listed on the Stock Exchange, any provision of the New Share Option Scheme requiring the approval of the Shareholders or Independent Non-Executive Directors (as the case may be) shall be construed as also requiring the approval of the shareholders or independent non-executive directors of HHL (as the case may be). Where such provisions require the Company to issue a circular to the Shareholders prior to seeking their approval, HHL shall also issue a circular to its shareholders prior to seeking their approval.

The New Share Option Scheme and all options granted thereunder are governed by and construed in accordance with the Listing Rules and the laws of Hong Kong in force from time to time.

NOTICE OF ANNUAL GENERAL MEETING



Hopewell Highway Infrastructure Limited

合和公路基建有限公司*

(incorporated in the Cayman Islands with limited liability)

Stock Codes: 737 (HKD counter) and 80737 (RMB counter)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of Hopewell Highway Infrastructure Limited (the “Company”) will be held at Auditorium, 3/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Monday, 21 October 2013 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated Financial Statements and the Report of the Directors and Independent Auditor’s Report for the year ended 30 June 2013.
2. To declare a final dividend and a special final dividend.
3. (a) To re-elect the following retiring Directors:
 - (i) Sir Gordon Ying Sheung WU;
 - (ii) Mr. Eddie Ping Chang HO;
 - (iii) Mr. Thomas Jefferson WU; and
 - (iv) Mr. Alan Chi Hung CHAN.
- (b) To fix the Directors’ fees (*see Note 6*).
4. To re-appoint Auditor and authorise the Directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

(A) “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

(b) the aggregate nominal value of shares of the Company repurchased by the Company pursuant to the approval granted in paragraph (a) above shall not exceed 10% of the aggregate nominal value of the issued share capital of the Company as at the date of the passing of this Resolution; and the authority granted pursuant to paragraph (a) above shall be limited accordingly; and

(c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company (the “Articles of Association”) or any applicable laws to be held; and

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors by this Resolution.”

(B) **“THAT:**

(a) subject to paragraph (c) below and pursuant to the Listing Rules, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;

(c) the aggregate nominal value of the share capital allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company, or (iii) an issue of shares under any scrip dividend scheme or similar arrangement providing

NOTICE OF ANNUAL GENERAL MEETING

for the allotment and issue of shares in lieu of the whole or part of a dividend in accordance with the Articles of Association from time to time; or (iv) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed 20% of the aggregate nominal value of the issued share capital of the Company as at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and

(d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors by this Resolution;

“Rights Issue” means an offer of shares of the Company or issue of options, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the Directors to holders of shares of the Company on the register of members of the Company (or, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares (or, where appropriate, such other securities), subject in all cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company.”

- (C) “**THAT** subject to the passing of the Resolution Nos. 5(A) and 5(B) of the notice convening this meeting, the general mandate granted to the Directors and for the time being in force to exercise the powers of the Company to allot, issue and deal with unissued shares pursuant to Resolution No. 5(B) of the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 5(A) of the notice convening this meeting, provided that such extended amount shall not exceed 10% of the aggregate nominal value of the issued share capital of the Company as at the date of the passing of this Resolution.”

NOTICE OF ANNUAL GENERAL MEETING

6. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the shares of the Company (not exceeding 10% of the Company’s issued share capital on the date of this Resolution) which may fall to be allotted and issued upon the exercise of the options to be granted under the new share option scheme of the Company (the “New Share Option Scheme”), the rules of which are contained in the document marked “A” produced to the meeting and signed by the chairman of the meeting for identification purposes, the New Share Option Scheme be and is hereby approved and adopted and the Directors of the Company be and are hereby authorised to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including without limitation:

- (a) to administer the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for shares in the Company;
- (b) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;
- (c) to allot and issue from time to time such number of shares in the Company as may be required to be allotted and issued pursuant to the exercise of the options under the New Share Option Scheme and subject to the Listing Rules;
- (d) to make application at the appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued shares of the Company may for the time being be listed, for the listing of, and permission to deal in, any shares in the Company which may hereafter from time to time be allotted and issued pursuant to the exercise of the options granted under the New Share Option Scheme, and where any such application has been made prior to the date of passing this Resolution, the same be approved, confirmed and ratified; and
- (e) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”

By Order of the Board
Hopewell Highway Infrastructure Limited
Richard Cho Wa LAW
Company Secretary

Hong Kong, 16 September 2013

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the above meeting is entitled to appoint not more than two proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the head office and principal place of business of the Company at Room 63-02, 63rd Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (as the case may be).
3. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding.
4. To ascertain shareholders' eligibility to attend and vote at the annual general meeting, the Register of Members of the Company will be closed from Tuesday, 15 October 2013 to Monday, 21 October 2013, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify to attend and vote at the annual general meeting, all transfers of share ownership, accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrars, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Friday, 11 October 2013.
5. To ascertain shareholders' entitlement to the proposed final dividend and special final dividend upon the passing of resolution no. 2 set out in this notice, the Register of Members of the Company will be closed for one day on Friday, 25 October 2013. No transfer of shares of the Company will then be effected on the aforementioned book-close date. To qualify for the proposed final dividend and special final dividend, all transfers of share ownership, accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrars, Computershare Hong Kong Investor Services Limited at the above address not later than 4:30 p.m. on Thursday, 24 October 2013.
6. With regard to the resolution referred to in item 3 of this notice, the Directors, based on the recommendation of the Remuneration Committee of the Company, propose that the Directors' fees for the year ending 30 June 2014 to be fixed at the following amounts:

HK\$

Chairman	300,000
Vice Chairman	250,000
Each of the other Executive Directors	200,000
Each of the Independent Non-Executive Directors	300,000

7. With regard to the resolutions referred to in item 5 of this notice, the Directors propose to seek shareholders' approval of the general mandates to repurchase shares and to issue shares. A circular in connection with the proposals for re-election of Directors, general mandates to repurchase shares and to issue shares and adoption of the New Share Option Scheme has been despatched to the shareholders of which this notice forms part.
8. Each of the resolutions set out in this notice will be voted by way of a poll.
9. In the case of any inconsistency between the Chinese translation and the English text hereof, the English text shall prevail.