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**Hopewell Highway Infrastructure Limited**

**合和公路基建有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 737)**

## **EMPLOYEES' SHARE AWARD SCHEME**

The Board has adopted the Scheme in which all employees (including without limitation employees who are also directors) of the Group will be eligible participants. Pursuant to the Scheme, Shares will be acquired by the Trustee at the cost of the Company and be held in trust for the Selected Employees until the end of the relevant vesting period. Vested Shares will be transferred to the Selected Employees at no cost.

### **THE SCHEME**

The Board adopted the Scheme on the Adoption Date. A summary of the principal terms of the Scheme is set out below:-

#### **Purpose**

The purpose of the Scheme is to recognise the contributions by certain employees (including without limitation employees who are also directors) of the Group and to give incentive thereto in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

#### **Duration and Administration**

Unless terminated earlier by the Board, the Scheme shall be valid and effective for a term of 15 years commencing on the Adoption Date, provided that no new award shall be granted on or after the 10th anniversary of the Adoption Date.

The Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Scheme or its interpretation or effect shall be final, conclusive and binding on all parties.

#### **Operation of the Scheme**

Pursuant to the terms of the Scheme, the Board may, from time to time, at its absolute discretion and subject to such terms and conditions as it may think fit (including the basis of eligibility of each Employee determined by the Board from time to time) select an Employee (excluding any Excluded Employee) for participation in the Scheme as a Selected Employee and determine the number of shares to be awarded. The number of Shares awarded will be proportionally adjusted for any subdivision, consolidation, reclassification or reconstruction of the share capital of the Company from time to time.

However, where any award of Shares is proposed to be made to any Selected Employee who is a director of the Company or where the Board proposes to waive any conditions, restrictions or limitations imposed on any award of Shares made to any Selected Employee who is a director of the Company, such award of Shares or waiver (as the case may be) must first be approved by the Remuneration Committee. As at the date of this announcement, the Remuneration Committee comprises Mr. Eddie Ping Chang HO, Mr. Lee Yick NAM and Dr. Gordon YEN. Where a Selected Employee or his associate is a member of the Remuneration Committee, such person will abstain from voting on any approval by the Remuneration Committee of an award of Shares to such Selected Employee.

The Board shall then cause to be paid to the Trustee the Reference Amount as soon as practicable. The Trustee shall, within 20 trading days of the Stock Exchange on which the trading of the Shares has not been suspended (or such other period as the Trustee and the Company may agree from time to time having regard to the circumstances of the purchase concerned) after receipt of the Reference Amount from the Company, apply the same towards the purchase of the awarded Shares in the market at the prevailing market price. Any excess Reference Amount provided shall be returned by the Trustee to the Company forthwith after completion of the purchase. Where the Reference Amount paid or caused to be paid by the Company to the Trustee is not sufficient to purchase all the awarded Shares, the Trustee shall acquire the maximum number of board lots of Shares and seek further funds from the Company until all the awarded Shares are purchased. The Shares so purchased shall form part of the trust fund of the Trust.

When the Selected Employee has satisfied all vesting conditions specified by the Board at the time of granting the award and become entitled to the Shares forming the subject of the award, the Trustee shall transfer the relevant vested awarded Shares to such Selected Employee at no cost.

### **Vesting and Lapse**

Vesting of the Shares will be subject to any conditions, restrictions or limitations as the Board may impose from time to time as it may at its absolute discretion think fit and conditional on the Selected Employee remaining an Employee at all times after the date of the grant of award and on the relevant vesting dates. Notwithstanding any other provision of the Scheme and the terms and conditions of any award of Shares, the Board (or where the relevant Selected Employee is a director of the Company, the Remuneration Committee) in its sole and absolute discretion may determine from time to time on a general or case by case basis that an award of Shares may be vested at such time determined by the Board (or the Remuneration Committee, as the case may be) subsequent to and notwithstanding a termination of employment of a Selected Employee (including but not limited to as a result of the Selected Employee's retirement, death) or following a change in Control of the Company.

Unless otherwise determined by the Board (or where applicable, the Remuneration Committee), an award shall automatically lapse when (i) a Selected Employee ceases to be an Employee, or (ii) the company by which a Selected Employee is employed ceases to be a member of the Group, or (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of an amalgamation, reconstruction or scheme of arrangement).

In the event a Selected Employee is found to be an Excluded Employee, the relevant part of an award made to the relevant Selected Employee shall automatically lapse forthwith and the relevant awarded Shares shall not vest on the relevant vesting date but shall become Returned Shares for the purposes of the Scheme.

The Trustee shall hold the Returned Shares exclusively for the benefit of all or one or more of the Employees as it determines in its absolute discretion and subject to such terms and conditions as it may think fit, after having taken into consideration recommendations of the Remuneration Committee.

The cash income and the sale proceeds of the non-cash or non-scrip distribution declared in respect of a Share held upon the Trust shall form part of the trust fund of the Trust and the Trustee may (a) apply such cash for the purchase of Shares which shall become Returned Shares for the purpose of the Scheme, (b) apply such cash to defray such fees, costs and expenses incurred by the Trustee, or (c) return such cash to the Company, as the Trustee in its absolute discretion shall at any time determine, after having taken into consideration recommendations of the Remuneration Committee.

### **Scheme Limit**

The Board shall not grant any award of Shares which would result in the total number of Shares which are the subject of awards granted by the Board under the Scheme (but not counting any which have lapsed or have been forfeited) representing in aggregate over 10 per cent. of the issued share capital of the Company as at the date of such grant.

No award of Shares shall be granted to any Selected Employee which would result in the maximum number of awarded Shares which are the subject of the awards of Shares granted to such Selected Employee (including any which have lapsed or have been forfeited) under the Scheme in the 12-month period up to and including the date of such grant representing in aggregate over one per cent. of the issued share capital of the Company as at the date of such grant.

### **Restrictions**

No award of Shares shall be made to any Selected Employees:-

- (a) after a price sensitive event in relation to the securities of the Company has occurred or a price sensitive matter in relation to the securities of the Company has been the subject of a decision, until such price sensitive information has been published in accordance with the Listing Rules;

- (b) within the period commencing one month immediately preceding the earlier of (i) the date of a meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to publish an announcement of its results for any such period and ending on the date of such announcement; or
- (c) in any other circumstances which are prohibited under the Listing Rules.

No new instructions to acquire Shares shall be given to the Trustee under the Scheme where any director of the Company is in possession of unpublished price sensitive information in relation to the Company or where dealings by directors of the Company are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

It should be noted that the Board shall observe the applicable provisions of the Model Code for Securities Transactions by Directors of Listed Issuers under the Listing Rules in respect of acquisition of Shares pursuant to the Scheme.

### **Voting Rights**

The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust.

### **Alteration of the Scheme**

The Scheme may be altered in any respect by a resolution of the Board provided that no such alteration shall operate to affect adversely in any material respect any subsisting rights of any Selected Employee under the Scheme except with the prior written consent of the relevant Selected Employee. Written notice of any amendment to the Scheme shall be given to all Selected Employees with subsisting Awards.

### **Termination**

The Scheme shall terminate on the earliest of (i) the end of 24th January, 2022, being the day before the 15th anniversary of the Adoption Date; (ii) the date when an order for the winding up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of an amalgamation, reconstruction or scheme of arrangement); and (iii) such date of early termination as determined by the Board.

Upon termination, (i) no further award of Shares shall be made; (ii) all the awarded Shares not yet vested shall become vested on the Selected Employee so referable on such date of termination; (iii) Returned Shares and such non-cash income remaining in the trust fund of the Trust shall be sold by the Trustee; and (iv) residual cash, net proceeds of sale and such other funds remaining in the Trust (after making appropriate deductions) shall be remitted to the Company forthwith after the sale.

## GRANT OF AWARD OF SHARES

On 25th January, 2007, a total of 1,940,000 Shares have been awarded to 5 Employees subject to certain terms and conditions and the terms of the Scheme in accordance with the recommendation of the Board (or the Remuneration Committee in the case of directors of the Company). Particulars of these awards of Shares granted to Selected Employees are set out below:-

<b>Name of Selected Employee</b>	<b>Number of awarded Shares</b>	<b>Vesting date</b>
Directors		
Thomas Jefferson WU	800,000	25th January, 2007
Alan Chi Hung CHAN	140,000	25th January, 2007
	140,000	25th January, 2008
	140,000	25th January, 2009
Leo Kwok Kee LEUNG	100,000	25th January, 2007
	100,000	25th January, 2008
	100,000	25th January, 2009
Cheng Hui JIA	100,000	25th January, 2007
	100,000	25th January, 2008
	100,000	25th January, 2009
Employee of the Group	40,000	25th January, 2007
	40,000	25th January, 2008
	40,000	25th January, 2009

Those awarded Shares are subject to the above vesting timetable by which those awarded Shares will be vested on the Selected Employees subject to the condition that such Selected Employee shall not dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of the relevant awarded Shares in the 12-month period commencing on the vesting date thereof.

## DEFINITIONS

“Adoption Date”	25th January, 2007, being the date on which the Scheme was adopted by the board of directors of the Company
“Board”	the board of directors of the Company or such committee or sub-committee or person(s) delegated with the power and authority by the board of directors of the Company to administer the Scheme
“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

“Control”	has the meaning given to such term in The Codes on Takeovers and Mergers and Share Repurchases from time to time and in case a waiver is granted pursuant to the said Codes for the making of a general offer, it shall be deemed that no event of change in Control has occurred
“Employee”	any employee (including without limitation an employee who is also a director) of the Group
“Excluded Employee”	any Employee who is resident in a place where (a) the award of the awarded Shares, the award of the Returned Shares or the vesting and transfer of Shares pursuant to the terms of the Scheme is not permitted under the laws and regulations of such place or (b) in the view of the Board, the need to comply with applicable laws and regulations in such place makes it necessary or expedient to exclude such Employee, in each case as determined by the Board in its absolute discretion
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Reference Amount”	the sum of (i) the number of awarded Shares multiplied by the closing price of the Shares as at the Reference Date and (ii) the related purchase expenses
“Reference Date”	the date of final approval by the Board of the total number of Shares to be awarded to the Selected Employees in a single occasion pursuant to the Scheme
“Remuneration Committee”	the remuneration committee of the Company
“Returned Shares”	such awarded Shares which are not vested in accordance with the terms of the Scheme (whether as a result of a lapse or a partial lapse of an award of Shares or otherwise), or was forfeited in accordance with the terms of the Scheme, or such Shares being deemed under the Scheme to be Returned Shares
“Scheme”	the HHI Employees’ Share Award Scheme constituted by the rules of such scheme
“Selected Employee(s)”	Employee(s) selected by the Board and Employee(s) selected by the Trustee in respect of the Returned Shares in its absolute discretion, after having taken into consideration recommendations of the Remuneration Committee, for participation in the Scheme

“Shares”	shares of HK\$0.10 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
“subsidiary(ies)”	has the meaning given to such term in the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Trust”	the trust constituted by the Trust Deed and known as the HHI Employees’ Share Award Scheme Trust or such other name as the Board may determine from time to time
“Trust Deed”	the trust deed in relation to the Scheme made between the Company and the Trustee as trustee
“Trustee”	BOCI-Prudential Trustee Limited

By Order of the Board  
**Hopewell Highway Infrastructure Limited**  
**Peter Yip Wah LEE**  
*Company Secretary*

Hong Kong, 25th January, 2007

*As at the date of this announcement, the board of directors of the Company are Sir Gordon Ying Sheung WU, Mr. Eddie Ping Chang HO, Mr. Thomas Jefferson WU, Mr. Alan Chi Hung CHAN, Ir. Leo Kwok Kee LEUNG, Mr. Lijia HUANG, Mr. Cheng Hui JIA, Mr. Philip Tsung Cheng FEI(#), Mr. Lee Yick NAM(#), Mr. Kojiro NAKAHARA(#), Dr. Gordon YEN(#) and Mr. Barry Chung Tat MOK.*

*(#) Independent Non-Executive Director*

*\* For identification only*

Please also refer to the published version of this announcement in South China Morning Post.