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CHINA MERCHANTS CHINA DIRECT INVESTMENTS LIMITED

招商局中國基金有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 133)

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE FINAL DIVIDEND AND SPECIAL DIVIDEND
FOR THE YEAR ENDED 31 DECEMBER 2011**

1. Dividend election form should be returned to the Company's Share Registrar **not later than 4:30 p.m. on Wednesday, 18 July 2012**. No dividend election form is required to return if shareholders choose to receive the Final Dividend and Special Dividend wholly in cash in US Dollars (or Hong Kong Dollars, if you have previously given instruction to receive cash dividend in Hong Kong Dollars).
2. Formula for calculation of scrip dividend entitlements is set out below.

On 29 March 2012, the board of directors (the "**Board**") of China Merchants China Direct Investments Limited (the "**Company**") announced their recommendation of a final dividend (the "**Final Dividend**") of US\$0.04 (or HK\$0.31) per ordinary share of US\$0.10 each (the "**Share(s)**") and a special dividend (the "**Special Dividend**") of US\$0.08 (or HK\$0.62) per Share for the year ended 31 December 2011 to shareholders of the Company (the "**Shareholder(s)**") whose names appear on the register of members of the Company on 23 May 2012 (the "**Record Date**"). The Final Dividend and Special Dividend, if approved, are to be payable in cash, with an option to receive new and fully paid Shares in lieu of cash (the "**Scrip Dividend Scheme**"). At the annual general meeting of the Company held on 17 May 2012, the Final Dividend and Special Dividend were approved by the Shareholders.

A circular setting the details of the Final Dividend and Special Dividend was sent to the Shareholders on 27 June 2012 (the “**Scrip Dividend Circular**”). This announcement should be read in conjunction with, and is qualified by, the Scrip Dividend Circular. It was mentioned, among others, that for the purpose of calculating the number of new Shares to be allotted, the market value of a new Share will be calculated as an amount equal to the average closing price of one Share on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the five trading days (on which such price is available) up to and including 4 July 2012 (the “**Average Closing Price**”). It is now determined that the Average Closing Price is HK\$9.956 (equivalent to approximately US\$1.285, based on the exchange rate of US\$1 = HK\$7.75). Accordingly, the number of new Shares which the Shareholders will receive, in respect of the existing Shares registered in their names as at the Record Date will be calculated as follows:

$$\begin{array}{rclcl}
 \text{Number of new} & & \text{Number of existing Shares held} & & \text{HK\$0.93} \\
 \text{Shares to be} & = & \text{on the Record Date for which} & \times & \hline
 \text{received} & & \text{election for new Shares is made} & & \text{HK\$9.956}
 \end{array}$$

The number of new Shares to be received will be rounded down to the nearest whole number of the new Shares. Fractional entitlements to new Shares will be aggregated and sold and the benefit thereof will accrue to the Company. The new Shares to be issued pursuant to the Scrip Dividend Scheme will rank pari passu in all respects with the existing Shares except that they shall not rank for the Final Dividend and Special Dividend.

Any Shareholder, who does not wish to receive the Final Dividend and Special Dividend wholly in the form of cash or wish to elect to receive the cash portion of the Final Dividend and Special Dividend and all future cash dividends in Hong Kong Dollars, must make an appropriate election on the dividend election form in accordance with the instructions printed thereon and return it to the Company’s Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Wednesday, 18 July 2012. If any Shareholder does not complete and return the dividend election form by not later than 4:30 p.m. on Wednesday, 18 July 2012, the Shareholder will receive the Final Dividend and Special Dividend in the form of cash in US Dollars (or Hong Kong Dollars, if you have previously given instruction to receive cash dividend in Hong Kong Dollars).

Application has been made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the new Shares to be issued pursuant to the Scrip Dividend Scheme. Subject to the said application being granted by the Stock Exchange, it is expected that share certificates for the new Shares and/or cheques for cash dividend will be posted by ordinary mail to those Shareholders entitled thereto at their own risk on or before Tuesday, 31 July 2012.

By Order of the Board
ZHOU Linda Lei
Director

Hong Kong, 4 July 2012

As at the date hereof, the Executive Directors of the Company are Mr. LI Yinquan, Mr. HONG Xiaoyuan, Mr. CHU Lap Lik, Victor, Ms. ZHOU Linda Lei and Mr. TSE Yue Kit; the Non-executive Director is Mr. KE Shifeng; and the Independent Non-executive Directors are Mr. LI Kai Cheong, Samson, Mr. LIU Baojie, Mr. XIE Tao and Mr. ZHU Li. In addition, Ms. KAN Ka Yee, Elizabeth is the Alternate Director to Mr. CHU Lap Lik, Victor.