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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 all your shares in China Merchants China Direct Investments Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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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)

**PROPOSALS RELATING TO
GENERAL MANDATE TO REPURCHASE SHARES
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of China Merchants China Direct Investments Limited to be held at Taishan Room, Level 5, Island Shangri-La, Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on Thursday, 16 May 2013 at 10:00 a.m., at which the above proposals will be considered, is set out on pages 12 to 14 of this circular. Whether or not you are able to attend the meeting, please complete and return the accompanying form of proxy 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 shall not preclude you from attending and voting at the annual general meeting if you so wish.

This circular is required to be sent to Shareholders under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and also constitutes the memorandum required under section 49BA of the Companies Ordinance, Hong Kong.

16 April 2013

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held on Thursday, 16 May 2013 at 10:00 a.m. at Taishan Room, Level 5, Island Shangri-La, Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong
“Articles of Association”	the articles of association of the Company as amended, supplemented or modified from time to time
“Board”	board of Directors
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	China Merchants China Direct Investments Limited, a company duly incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Investment Manager”	China Merchants China Investment Management Limited, a fund management company incorporated in Hong Kong with limited liability and registered under the Securities & Futures Ordinance of Hong Kong
“Latest Practicable Date”	9 April 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Shareholders”	holders of Shares
“Shares”	share(s) of US\$0.10 each in the share 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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. LI Yinquan (*Chairman*)

Mr. HONG Xiaoyuan

Mr. CHU Lap Lik, Victor

Ms. ZHOU Linda Lei

Mr. TSE Yue Kit

Ms. KAN Ka Yee, Elizabeth

(Alternate to Mr. CHU Lap Lik, Victor)

Registered Office:

1803, China Merchants Tower

Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

Non-executive Director:

Mr. KE Shifeng

Independent Non-executive Directors:

Mr. LIU Baojie

Mr. XIE Tao

Mr. ZHU Li

Mr. TSANG Wah Kwong

16 April 2013

To the Shareholders

Dear Sir or Madam,

**PROPOSALS RELATING TO
GENERAL MANDATE TO REPURCHASE SHARES
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the annual general meeting of the Company held on 17 May 2012, a general mandate was given to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. Ordinary resolutions will therefore be proposed at the Annual General Meeting to renew the general mandate to repurchase Shares and to re-elect the retiring Directors.

LETTER FROM THE BOARD

GENERAL MANDATE TO REPURCHASE SHARES

The Directors propose that they be granted at the Annual General Meeting a general and unconditional mandate to exercise all the powers of the Company to repurchase Shares up to a maximum of 10 per cent of the issued share capital of the Company as at the date of the resolution subject to the criteria set out in this circular (the “**Repurchase Mandate**”).

The authority conferred on the Directors by the general mandate above will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in paragraph (c) of resolution 5 set out in the notice of the Annual General Meeting.

EXERCISE OF THE REPURCHASE MANDATE

Whilst the Directors do not presently intend to repurchase any Shares they believe that the flexibility afforded by the mandate granted to them, if the Ordinary Resolution set out as item 5 of the notice of the Annual General Meeting is passed, would be beneficial to the Company.

The Shares proposed to be repurchased by the Company must be fully paid up. It is proposed that up to 10 per cent of the Shares in issue at the date of the passing of the resolution may be repurchased. As at the Latest Practicable Date, 158,343,417 Shares were in issue. On the basis of such figures, the Directors would be authorised to repurchase up to 15,834,341 Shares during the period up to the next annual general meeting in 2014 or the expiration of the period within which the next annual general meeting of the Company is required by law to be held or the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting of the Company, whichever occurs first.

REASONS FOR REPURCHASES

Repurchases of Shares will only be made when the Directors believe that such a repurchase 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 asset value of the Company and its net assets and/or its earnings per Share.

FUNDING OF REPURCHASES

Repurchases pursuant to the Repurchase Mandate would be financed entirely from the Company’s available cash flow or working capital facilities. Any repurchases will be made out of funds of the Company legally permitted to be utilised in this connection in accordance with its memorandum and Articles of Association and the laws of Hong Kong, including profits otherwise available for distribution. Under the Companies Ordinance, a company’s profits available for distribution are its accumulated, realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated realised loss, so far as not previously written off in a reduction or reorganisation of capital duly made.

LETTER FROM THE BOARD

There could be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2012) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

DISCLOSURE OF INTERESTS

None of the Directors, and to the best of their knowledge, having made all reasonable enquiries, none of their associates (as defined in the Listing Rules), have any present intention, if the Repurchase Mandate is granted, to sell any Shares to the Company.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, if the Repurchase Mandate is granted.

DIRECTOR'S UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

SHARES REPURCHASES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the six months (whether on the Stock Exchange or otherwise) prior to the date of this circular.

TAKEOVERS CODE CONSEQUENCES

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 purposes of the Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, China Merchants Group Limited ("CMG") and its subsidiaries held 42,604,015 Shares representing approximately 26.91% of the issued share capital of the Company. If the Directors exercise in full the Repurchase Mandate, the interest of CMG and its subsidiaries in the Company will increase to approximately 29.90% if their present shareholdings remain the same. The Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

LETTER FROM THE BOARD

MARKET PRICES

The highest and lowest prices at which Shares have been traded on the Stock Exchange during each of the previous twelve months before the printing of this circular were:

	Traded Market Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2012		
April	12.40	11.54
May	13.00	10.06
June	10.36	9.84
July	10.12	9.64
August	10.60	9.70
September	10.38	9.65
October	10.92	10.02
November	10.86	10.04
December	12.20	10.20
2013		
January	13.68	12.20
February	13.52	12.38
March	12.86	11.54
April (up to the Latest Practicable Date)	11.62	10.30

RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, 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 of the Company is Mr. KE Shifeng; and the Independent Non-executive Directors of the Company are Mr. LIU Baojie, Mr. XIE Tao, Mr. ZHU Li and Mr. TSANG Wah Kwong. Besides, Ms. KAN Ka Yee, Elizabeth is the Alternate Director to Mr. CHU Lap Lik, Victor.

Pursuant to Article 105 of the Articles of Association, Mr. LI Yinquan, Mr. HONG Xiaoyuan, Mr. TSE Yue Kit and Mr. XIE Tao shall retire from office by rotation at the Annual General Meeting and shall be eligible for re-election. Pursuant to Article 101 of the Articles of Association, Mr. TSANG Wah Kwong shall hold office until the Annual General Meeting and shall be eligible for re-election. Details of the Directors proposed to be re-elected at the Annual General Meeting are set out in the Appendix to this circular.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting is set out on pages 12 to 14 of this circular. Shareholders are advised to read the notice and to complete and return the accompanying form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the Annual General Meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors believe that the general mandate for Directors to repurchase Shares and the proposed re-election of retiring Directors are all in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions to be proposed at the Annual General Meeting.

By Order of the Board
LI Yinquan
Chairman

Mr. LI Yinquan (*Chairman and Executive Director*)

Mr. LI Yinquan, aged 58, has been the Chairman and an Executive Director of the Company since July 2008. He is also the Chairman of the Investment Committee and Nomination Committee of the Company. He is currently a Vice President of China Merchants Group Limited and the Chairman of China Merchants Finance Holdings Company Limited, both of the companies are substantial Shareholders. He is also the Vice Chairman of China Merchants Capital Investment Co., Ltd. and a Director of China Merchants Holdings (International) Company Limited (its shares are listed on the Stock Exchange) and China Merchants Bank Co., Ltd. (its shares are listed on both the Shanghai Stock Exchange and the Stock Exchange). He was a Director of China Merchants Energy Shipping Co., Ltd. (its shares are listed on the Shanghai Stock Exchange) from April 2007 to November 2010. Mr. LI is a Hong Kong Deputy to the 12th National People's Congress of the People's Republic of China. Mr. LI joined China Merchants Group Limited in January 2000 and has served respectively as the General Manager of Finance Department, Deputy Chief Financial Officer, Chief Financial Officer and Vice President and Chief Financial Officer. Mr. LI previously worked with the Agricultural Bank of China for 14 years, where he held senior posts in various divisions and was the Deputy General Manager of Hong Kong Branch just before leaving for China Merchants Group Limited. Mr. LI obtained his master degree in Economics from the Graduate School of the People's Bank of China and master degree in Banking & Finance from the Finafrica Institute in Milan, Italy. He is also a qualified senior economist in China. Mr. LI was once honoured as "China CFO of the Year for 2005" and "China Best CIO for the Year 2006". Save as disclosed above, Mr. LI did not hold any directorship in other listed public companies in the last three years, and he is not holding any position with the Company or other members of the Company's group.

The service contract between the Company and Mr. LI has a fixed term of three years. However, he will be subject to rotational retirement and re-election requirements at annual general meetings pursuant to Article 105 of the Articles of Association. There is no agreement on the amount of the remuneration payable to Mr. LI. At the annual general meeting of the Company held on 17 May 2012, it was approved that the Directors' fee for the year ended 31 December 2012 be determined by the Board. The Board has resolved that no Directors' fee be payable to each Executive Director for the year ended 31 December 2012. Mr. LI did not receive other emoluments from the Company for the year ended 31 December 2012. Save as disclosed above, Mr. LI is not connected with any Directors, senior management of the Company or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. LI did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. LI has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules.

Mr. HONG Xiaoyuan (*Executive Director*)

Mr. HONG Xiaoyuan, aged 50, has been an Executive Director of the Company since June 2007. He is also a Member of the Investment Committee of the Company. He is currently an Assistant President of China Merchants Group Limited and the Managing Director of China Merchants Finance Holdings Company Limited, both of the companies are substantial Shareholders. He is the Chairman of the Investment Manager. He is also a Director of China Merchants Capital Investment Co., Ltd., China Merchants Bank Co., Ltd. (its shares are listed on both the Shanghai Stock Exchange and the Stock Exchange), China Merchants Securities Co., Ltd. (its shares are listed on the Shanghai Stock Exchange), Great Wall Securities Co., Ltd. and Morgan Stanley Huaxin Fund Management Co., Ltd.; and the Chairman of China Merchants Holdings (UK) Limited, China Merchants Industry Development (Shenzhen) Limited, China Merchants Insurance Company Limited, Houlder Insurance Brokers Far East Limited and China Merchants Kunlun Equity Investment Management Co., Ltd. He was a Director of China Merchants Energy Shipping Co., Ltd. (its shares are listed on the Shanghai Stock Exchange) from December 2004 to November 2010. Mr. HONG obtained his master degree in Economics from Peking University and master of science degree from The Australian National University. Save as disclosed above, Mr. HONG did not hold any directorship in other listed public companies in the last three years, and he is not holding any position with the Company or other members of the Company's group.

The service contract between the Company and Mr. HONG has a fixed term of three years. However, he will be subject to rotational retirement and re-election requirements at annual general meetings pursuant to Article 105 of the Articles of Association. There is no agreement on the amount of the remuneration payable to Mr. HONG. At the annual general meeting of the Company held on 17 May 2012, it was approved that the Directors' fee for the year ended 31 December 2012 be determined by the Board. The Board has resolved that no Directors' fee be payable to each Executive Director for the year ended 31 December 2012. Mr. HONG did not receive other emoluments from the Company for the year ended 31 December 2012. Save as disclosed above, Mr. HONG is not connected with any Directors, senior management of the Company or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. HONG did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. HONG has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules.

Mr. TSE Yue Kit (*Executive Director*)

Mr. TSE Yue Kit, aged 51, has been an Executive Director of the Company since November 2000. He is also a Director of the Investment Manager. Mr. TSE is the General Manager in Direct Investment Division of China Merchants Finance Holdings Company Limited, which is a substantial Shareholder. Mr. TSE has a number of years extensive experience in accounting, auditing, corporate finance as well as investment. Mr. TSE is licensed with the Securities and Futures Commission in Hong Kong as responsible officer. Mr. TSE obtained his bachelor degree with honours in Accountancy from the University of Exeter, UK. Save as disclosed above, Mr. TSE did not hold any directorship in other listed public companies in the last three years, and he is not holding any position with the Company or other members of the Company's group.

The service contract between the Company and Mr. TSE has a fixed term of three years. However, he will be subject to rotational retirement and re-election requirements at annual general meetings pursuant to Article 105 of the Articles of Association. There is no agreement on the amount of the remuneration payable to Mr. TSE. At the annual general meeting of the Company held on 17 May 2012, it was approved that the Directors' fee for the year ended 31 December 2012 be determined by the Board. The Board has resolved that no Directors' fee be payable to each Executive Director for the year ended 31 December 2012. Mr. TSE did not receive other emoluments from the Company for the year ended 31 December 2012. Save as disclosed above, Mr. TSE is not connected with any Directors, senior management of the Company or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. TSE did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. TSE has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules.

Mr. XIE Tao (*Independent Non-executive Director*)

Mr. XIE Tao, aged 49, has been an Independent Non-executive Director and a Member of the Audit Committee of the Company since October 2011 and a Member of the Nomination Committee of the Company since March 2012. Previously, Mr. XIE engaged in the advisory practice at PricewaterhouseCoopers for 22 years where he led the China market corporate finance practice of PricewaterhouseCoopers and served on the firm's management board. Mr. XIE has extensive experience in China related cross-border investments, merger and acquisition and corporate restructuring. Mr. XIE was a Director of PGG Wrightson Limited, a company listed on the New Zealand Stock Exchange; an Independent Non-executive Director of China Mengniu Dairy Company Limited, a company listed on the Stock Exchange and Tongyu Heavy Industry Ltd., a company listed on the Shenzhen Stock Exchange. Mr. XIE received his bachelor degree in Physics from Peking University and is a Member of The Association of Chartered Certified Accountants, UK. Save as disclosed above, Mr. XIE did not hold any directorship in other listed public companies in the last three years, and he is not holding any position with the Company or other members of the Company's group.

The service contract between the Company and Mr. XIE has a fixed term of three years. However, he will be subject to rotational retirement and re-election requirements at annual general meetings pursuant to Article 105 of the Articles of Association. There is no agreement on the amount of the remuneration payable to Mr. XIE. At the annual general meeting of the Company held on 17 May 2012, it was approved that the Directors' fee for the year ended 31 December 2012 be determined by the Board. The Board has resolved that the Directors' fee payable to Mr. XIE for the year ended 31 December 2012 be fixed at HK\$200,000 with reference to his duties and responsibility with the Company. Mr. XIE did not receive other emoluments from the Company for the year ended 31 December 2012. Mr. XIE is not connected with any Directors, senior management of the Company or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. XIE did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. XIE has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules.

Mr. TSANG Wah Kwong (*Independent Non-executive Director*)

Mr. TSANG Wah Kwong, aged 60, was appointed as an Independent Non-executive Director and the Chairman of the Audit Committee of the Company on 14 September 2012. He is a former partner of Hong Kong and China firm of PricewaterhouseCoopers. He has over 30 years of experience in auditing and providing support for initial public offerings and acquisition transactions. Currently, Mr. TSANG is an Independent Non-executive Director, Chairman of the Audit Committee and a Member of the Compensation Committee of Agria Corporation, a company listed on the New York Stock Exchange. He is also an Independent Non-executive Director, Chairman of the Audit Committee and a Member of the Nomination Committee and Remuneration Committee of PanAsialum Holdings Company Limited, a company listed on the Stock Exchange, and an Alternate Director of PGG Wrightson Limited, a company listed on the New Zealand Stock Exchange. He was a Director of PGG Wrightson Limited from November 2011 to December 2012. Mr. TSANG is a Fellow Member of the Hong Kong Institute of Certified Public Accountants, a Member of the Chinese Institute of Certified Public Accountants, and a Fellow Member of The Association of Chartered Certified Accountants. Mr. TSANG received a bachelor degree of Business Administration from the Chinese University of Hong Kong. Save as disclosed above, Mr. TSANG did not hold any directorship in other listed public companies in the last three years and he is not holding any position with the Company or other members of the Company's group.

The service contract between the Company and Mr. TSANG has a fixed term of three years. However, he will be subject to retirement and re-election at the Annual General Meeting pursuant to Article 101 of the Articles of Association. Thereafter, he will be subject to rotational retirement and re-election requirements at annual general meetings pursuant to Article 105 of the Articles of Association. Mr. TSANG is entitled to receive the Directors' fee commencing from 14 September 2012. At the annual general meeting of the Company held on 17 May 2012, it was approved that the Directors' fee for the year ended 31 December 2012 be determined by the Board. The Board has resolved that the Directors' fee payable to Mr. TSANG for the year ended 31 December 2012 be fixed at HK\$72,000 with reference to his time of service, duties and responsibility with the Company during the year. Mr. TSANG did not receive other emoluments from the Company for the year ended 31 December 2012. Mr. TSANG is not connected with any Directors, senior management of the Company or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. TSANG did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. TSANG has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Taishan Room, Level 5, Island Shangri-La, Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong, on Thursday, 16 May 2013 at 10:00 a.m. for the following purposes:

1. To receive and consider the Audited Consolidated Financial Statements, the Report of the Directors and the Independent Auditor's Report for the year ended 31 December 2012.
2. To declare a final dividend (with scrip option).
3. (a) Each as a separate resolution, to re-elect the following retiring Directors:
 - (1) To re-elect Mr. LI Yinquan as Director;
 - (2) To re-elect Mr. HONG Xiaoyuan as Director;
 - (3) To re-elect Mr. TSE Yue Kit as Director;
 - (4) To re-elect Mr. XIE Tao as Director;
 - (5) To re-elect Mr. TSANG Wah Kwong as Director; and

(b) To authorise the Board of Directors to fix the Directors' fee.
4. To re-appoint Auditor and authorise the Directors to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

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

“THAT:

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this Resolution and the said approval 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 law to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the Shareholders of the Company in General Meeting.”

By Order of the Board
LI Yinquan
Chairman

Hong Kong, 16 April 2013

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint more than one proxy to attend and vote instead of him. A proxy needs not be a member of the Company.
- (2) In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a copy of such authority notarially certified, must be deposited at the Company's registered office at Room 1803 China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the annual general meeting if you so wish.
- (3) The Register of Members of the Company will be closed from 14 May 2013 to 16 May 2013, both days inclusive, during which period no transfer of shares will be effected. In order to determine the identity of members who are entitled to attend and vote at the meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 13 May 2013. Subject to the approval of shareholders at the meeting, the proposed final dividend will be payable to shareholders whose names appear on the Register of Members of the Company after the close of business at 4:30 p.m. on 23 May 2013. In order to qualify for the proposed final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's registrars, Computershare Hong Kong Investor Services Limited at the above address not later than 4:30 p.m. on 23 May 2013.
- (4) At the annual general meeting of the Company held on 17 May 2012, Ordinary Resolution was passed giving a general mandate to the Directors to repurchase shares of the Company on the Stock Exchange. Under the terms of the Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange, this general mandate lapses at the conclusion of the annual general meeting for 2013, unless renewed at that meeting. The Ordinary Resolution sought in item 5 of this notice renews the mandate in respect of the repurchase of shares of the Company.
- (5) With regard to item 3 of this notice, details of retiring Directors proposed for re-election namely, Mr. LI Yinquan, Mr. HONG Xiaoyuan, Mr. TSE Yue Kit, Mr. XIE Tao and Mr. TSANG Wah Kwong, are set out in the appendix to the Circular to the shareholders of the Company dated 16 April 2013.
- (6) With reference to the Ordinary Resolution sought in item 5 of this notice, the Directors wish to state that they have no immediate plans to repurchase any existing shares of the Company. Approval is being sought from members as a general mandate pursuant to the Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange.
- (7) The Circular required by the Rules Governing the Listing of Securities on the Stock Exchange in connection with the proposed repurchase mandate and re-election of retiring Directors will be dispatched to the shareholders of the Company.
- (8) As at the date of this notice, 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 of the Company is Mr. KE Shifeng; and the Independent Non-executive Directors of the Company are Mr. LIU Baojie, Mr. XIE Tao, Mr. ZHU Li and Mr. TSANG Wah Kwong. Besides, Ms. KAN Ka Yee, Elizabeth is the Alternate Director to Mr. CHU Lap Lik, Victor.