

**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 MANDATES TO ISSUE NEW SHARES AND  
TO REPURCHASE SHARES AND  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of China Merchants China Direct Investments Limited to be held at Lavender Room, 27th Floor, The Park Lane Hong Kong, 310 Gloucester Road, Hong Kong on Monday, 26 May 2008 at 3:00 p.m., at which the above proposals will be considered, is set out on pages 13 to 16 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 constitute the memorandum required under section 49BA of the Companies Ordinance, Hong Kong.

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## DEFINITIONS

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*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 Monday, 26 May 2008 at 3:00 p.m. at Lavender Room, 27th Floor, The Park Lane Hong Kong, 310 Gloucester Road, Hong Kong
“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”	25 April 2008, 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Dr. FU Yuning (*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 Directors:*

Dr. The Hon. David LI Kwok-po\*

Mr. KUT Ying Hay\*

Mr. WANG Jincheng\*

Mr. LI Kai Cheong, Samson

*(Alternate to Dr. The Hon. David LI Kwok-po\*)*

\* *independent non-executive director*

30 April 2008

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS RELATING TO  
GENERAL MANDATES TO ISSUE NEW SHARES AND  
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 25 May 2007 general mandates were given to the Directors to exercise the powers of the Company to issue new Shares and to repurchase Shares. Such mandates 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 mandates to issue new Shares and to repurchase Shares, and to re-elect the retiring Directors.

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## LETTER FROM THE BOARD

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### GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE SHARES

The Directors propose that they be granted at the Annual General Meeting:

- (i) a general and unconditional mandate to exercise the power of the Company to allot, issue and otherwise deal with additional Shares up to a maximum of 20 per cent. of the issued share capital of the Company as at the date of the resolution (i.e. not exceeding 29,829,120 Shares based on the issued share capital of the Company of 149,145,600 Shares as at the Latest Practicable Date and assuming that such issued share capital remains the same at the date of passing the resolution);
- (ii) 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”); and
- (iii) an extension of the general and unconditional mandate to be granted to the Directors under paragraph (i) above by the aggregate nominal amount of Shares repurchased by the Company pursuant to the Repurchase Mandate.

The authority conferred on the Directors by the general mandates 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 (d) of resolution 4.A. and paragraph (c) of resolution 4.B. 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 4.B. 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, 149,145,600 Shares were in issue. On the basis of such figures the Directors would be authorised to repurchase up to 14,914,560 Shares during the period up to the next annual general meeting in 2008 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 its 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.

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## LETTER FROM THE BOARD

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### **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.

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 2007) 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 or its subsidiaries.

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.

### **SECURITIES 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.

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## LETTER FROM THE BOARD

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### TAKEOVERS CODE CONSEQUENCES

If as a result of a repurchase of Shares a Shareholders 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 Shareholders 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 34,359,760 Shares representing approximately 23.04% 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 25.60%. 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.

### 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 document were:

	Traded Market Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2007</b>		
April	23.20	20.20
May	26.25	20.00
June	25.80	22.35
July	33.70	25.30
August	35.50	24.00
September	40.10	34.10
October	43.95	37.20
November	45.00	34.10
December	41.00	34.00
<b>2008</b>		
January	37.00	26.25
February	33.00	28.20
March	31.80	22.00
April (up to the Latest Practicable Date)	34.50	28.00

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## LETTER FROM THE BOARD

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### RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Executive Directors of the Company are Dr. FU Yuning, Mr. HONG Xiaoyuan, Mr. CHU Lap Lik, Victor, Ms. ZHOU Linda Lei and Mr. TSE Yue Kit; and the Independent Non-executive Directors of the Company are Dr. The Hon. David LI Kwok-po, Mr. KUT Ying Hay and Mr. WANG Jincheng. Besides, Ms. KAN Ka Yee, Elizabeth is the Alternate Director to Mr. CHU Lap Lik, Victor and Mr. LI Kai Cheong, Samson is the Alternate Director to Dr. The Hon. David LI Kwok-po.

Pursuant to Article 105 of the Articles of Association of the Company, Dr. FU Yuning, Mr. CHU Lap Lik, Victor and Mr. TSE Yue Kit 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 of the Company, Mr. HONG Xiaoyuan and Ms. ZHOU Linda Lei 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.

### ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting is set out on pages 13 to 16 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.

### RIGHT TO DEMAND A POLL

Pursuant to Article 80 of the Articles of Association of the Company, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is taken as may from time to time be required under the Listing Rules or any other applicable laws, rules or regulations or unless before, or on the declaration of the result of, the show of hands a poll is duly demanded:–

- (a) by the chairman; or
- (b) by not less than three members present in person or by proxy or authorised representative for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person or by proxy or authorised representative and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by a member or members present in person or by proxy or authorised representative and holding shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors believe that the general mandates for Directors to issue new Shares and to repurchase Shares and the proposed re-election of retiring Directors are all in the best interests of the Company and its 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  
**Dr. Fu Yuning**  
*Chairman*



1. **Dr. FU Yuning**, Chairman, aged 51, is the Chairman of the Company and has been an Executive Director of the Company since January 1999. He concurrently acts as a Director and the President of China Merchants Group Limited, and the Chairman of China Merchants Finance Holdings Company Limited. He is also the Chairman and Managing Director of China Merchants Holdings (International) Company Limited and an Independent Non-executive Director of Integrated Distribution Services Group Limited and Sino Land Company Limited, all of which are publicly listed on the Hong Kong Stock Exchange. China Merchants Group Limited is a substantial shareholder of the Company. Dr. FU is also a Director of China Merchants Bank Company, Limited which is publicly listed on the Shanghai and Hong Kong Stock Exchanges, and the Chairman of Shenzhen Chiwan Petroleum Supply Base Company, Limited which is publicly listed on the Shenzhen Stock Exchange. Besides, Dr. FU serves as a Director of Hong Kong General Chamber of Commerce and Hong Kong Port Development Council. Dr. FU graduated from Dalian Institute of Technology in China with a bachelor degree in Port and Waterway Engineering. He obtained a doctorate degree in Offshore Engineering from the Brunel University of the United Kingdom where he also worked as a post-doctorate research fellow. Save as disclosed above, Dr. FU did not hold any directorship in either listed public companies in the last three years or any position with the Company or others members of the Company's group.

There is no service contract between the Company and Dr. FU. He has no fixed term of service with the Company but will be subject to rotational retirement and re-election requirements at annual general meetings pursuant to Article 105 of the Articles of Association of the Company. There is no agreement on the amount of the remuneration payable to Dr. FU. At the annual general meeting of the Company held on 25 May 2007, it was approved that the Director's fee for the year ended 31 December 2007 be determined by the Board of Directors. The Board of Directors resolved that the Director's fee payable to Dr. FU for the year ended 31 December 2007 be fixed at HK\$80,000 with reference to his duties and responsibility with the Company. Dr. FU did not receive other emoluments for the year ended 31 December 2007. Save as disclosed above, Dr. FU is and was not connected with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Dr. FU did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Dr. FU 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 rule 13.51(2) of the Listing Rules.

2. **Mr. HONG Xiaoyuan**, Executive Director, aged 45, was appointed as an Executive Director of the Company on 22 June 2007. He has been the Managing Director of China Merchants Finance Holdings Company Limited, which is a substantial shareholder of the Company, since May 2007. He is the Chairman of the Investment Manager. He is also a Director of China Merchants Energy Shipping Company, Limited (its shares are listed on the Shanghai Stock Exchange), China Merchants Bank Company, Limited (its shares are listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange) and China Merchants Securities Company, Limited, and the Chairman of China Merchants Finance Investment Holdings Company, Limited, China Merchants Holdings (UK) Limited, China Merchants Industry Development (Shenzhen) Limited, China Merchants Insurance Company Limited, Houlder Insurance Brokers Far East Limited and Houlder China Insurance Brokers Limited. He was a Director of China Merchants Property Development Company, Limited (its shares are listed on the Shenzhen Stock Exchange). Mr. HONG had previously served as an Officer of Department of Overall Planning of the State Commission for Restructuring Economic System of China, the General Manager of Shenzhen Longfan Enterprise Company, Limited, the Assistant General Manager of China Merchants Shekou Industrial Zone Company, Limited, the General Manager of China Merchants Property Development Company, Limited and China Merchants Technology Holdings Company, Limited, and the Deputy General Manager of China Merchants Shekou Industrial Zone Company, Limited. Mr. HONG obtained a master degree in Economics from Peking University in 1988 and a master of science degree from The Australian National University in 1992. Save as disclosed above, Mr. HONG did not hold any directorship in other listed public companies in the last three years and did not hold any position with the Company and other members of the Company's group.

There is no service contract between the Company and Mr. HONG. He has no fixed term of service with the Company and will hold office until the Annual General Meeting and will be eligible for re-election pursuant to Article 101 of the Articles of Association of the Company. 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 of the Company. There is no agreement on the amount of the remuneration payable to Mr. HONG. At the annual general meeting of the Company held on 25 May 2007, it was approved that the Director's fee for the year ended 31 December 2007 be determined by the Board of Directors. The Board of Directors resolved that the Director's fee payable to Mr. HONG for the year ended 31 December 2007 be fixed at HK\$50,000 with reference to his duties and responsibility with the Company. Mr. HONG did not receive other emoluments for the year ended 31 December 2007. Save as disclosed above, Mr. HONG is and was not connected with any Directors, senior management or substantial or controlling shareholders of the Company. 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 rule 13.51(2) of the Listing Rules.

3. **Mr. CHU Lap Lik, Victor**, Executive Director, aged 50, has been an Executive Director of the Company since June 1993 and holds directorship in a subsidiary of the Company. He is also Chairman of First Eastern Investment Group which is actively involved in direct investments in the PRC. Mr. CHU has served on the Central Policy Unit of the Hong Kong Government, the Council of the Hong Kong Stock Exchange, the Takeovers and Mergers Panel and the Advisory Committee of the Securities and Futures Commission. Outside of Hong Kong, Mr. CHU is a Foundation Board Member of the World Economic Forum in Geneva and Chairman of the Paris-based ICC Commission on Financial Services and Insurance. Mr. CHU took his law degree at University College London. Save as disclosed above, Mr. CHU did not hold any directorship in other listed public companies in the last three years or any position with the Company or other members of the Company's group.

There is no service contract between the Company and Mr. CHU. He has no fixed term of service with the Company but will be subject to rotational retirement and re-election requirements at annual general meetings pursuant to Article 105 of the Articles of Association of the Company. There is no agreement on the amount of the remuneration payable to Mr. CHU. At the annual general meeting of the Company held on 25 May 2007, it was approved that the Director's fee for the year ended 31 December 2007 be determined by the Board of Directors. The Board of Directors resolved that the Director's fee payable to Mr. CHU for the year ended 31 December 2007 be fixed at HK\$50,000 with reference to his duties and responsibility with the Company. Mr. CHU did not receive other emoluments for the year ended 31 December 2007. Save as disclosed above, Mr. CHU is and was not connected with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. CHU is deemed to have corporate interest in 3,224,000 Shares in which China Bright Holdings Limited is interested within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. CHU 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 rule 13.51(2) of the Listing Rules.

4. **Ms. ZHOU Linda Lei**, Executive Director, aged 39, was appointed as an Executive Director of the Company on 6 March 2008. She was an Executive Director of the Company during the period from March 2002 to September 2005 and the Managing Director of the Investment Manager during the period from March 2002 to July 2005. Ms. ZHOU was re-appointed as the Managing Director of the Investment Manager on 19 February 2008. Ms. ZHOU is also a Director of China Merchants Industry Development (Shenzhen) Limited, Shandong Jinbao Electronic Company, Limited and Langfang Oriental Education Facilities Development Company, Limited. Ms. ZHOU was a Director of Houlder Insurance Services Limited (a subsidiary of China Merchants Group Limited, which is a substantial shareholder of the Company), Houlder China Insurance Brokers Limited and Jutian Fund Management Company, Limited, and the Chairman of the Supervisory Committee of Shenzhen Jutian Investment Company, Limited. Before joining the Investment Manager in April 2001, Ms. ZHOU worked with ASI as a director of Business Development – Asia Pacific Region for three years and thereafter acted as a senior financial analyst and an advisor of Board of Advisory in iLink Global. Just prior to rejoining the Investment Manager in February 2008, Ms. ZHOU worked with China International Marine Containers (Group) Co., Ltd. and was responsible for leading the South America project team to study the feasibility of establishing refer container manufacturing base in Brazil and Chile and participated in other ad hoc projects. Meanwhile, Ms. ZHOU is also an Independent Non-executive Director of Jiangxi Shihong Company, Limited and China Merchants Fund Management Company, Limited. Ms. ZHOU has extensive experience in positioning foreign companies in China market and has actively involved with direct investments in China. Ms. ZHOU obtained her bachelor degree in Financial Accountancy from People’s (Renmin) University of China in 1989 and Master of Business Administration degree from California State University at Sonoma in 1993. Save as disclosed above, Ms. ZHOU did not hold any directorship in other listed public companies in the last three years and did not hold any position with the Company and other members of the Company’s group.

There is no service contract between the Company and Ms. ZHOU. She has no fixed term of service with the Company and will hold office until the Annual General Meeting and will be eligible for re-election pursuant to Article 101 of the Articles of Association. Thereafter, she will be subject to rotational retirement and re-election requirements at annual general meetings pursuant to Article 105 of the Articles of Association of the Company. The Director’s fee payable to Ms. ZHOU is determined by the Shareholders in annual general meetings. Ms. ZHOU will not receive other emoluments from the Company. Save as disclosed above, Ms. ZHOU is and was not connected with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Ms. ZHOU did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Ms. ZHOU has confirmed that there are no other matters relating to her 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 rule 13.51(2) of the Listing Rules.

5. **Mr. TSE Yue Kit**, Executive Director, aged 46, 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 Investment & Development Division of China Merchants Finance Holdings Company Limited which is a substantial shareholder of the Company. Mr. TSE has a number of years extensive experience in accounting, auditing, corporate finance as well as investment. 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 or any position with the Company or other members of the Company's group.

There is no service contract between the Company and Mr. TSE. He has no fixed term of service with the Company but will be subject to rotational retirement and re-election requirements at annual general meeting pursuant to Article 105 of the Articles of Association of the Company. There is no agreement on the amount of the remuneration payable to Mr. TSE. At the annual general meeting of the Company held on 25 May 2007, it was approved that the Director's fee for the year ended 31 December 2007 be determined by the Board of Directors. The Board of Directors resolved that the Director's fee payable to Mr. TSE for the year ended 31 December 2007 be fixed at HK\$50,000 with reference to his duties and responsibility with the Company. Mr. TSE did not receive other emoluments for the year ended 31 December 2007. Save as disclosed above, Mr. TSE is and was not connected with any Directors, senior management or substantial or controlling shareholders of the Company. 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 rule 13.51(2) of the Listing Rules.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at Lavender Room, 27th Floor, The Park Lane Hong Kong, 310 Gloucester Road, Hong Kong, on Monday, 26 May 2008 at 3:00 p.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 2007.
2. To re-elect Retiring Directors and authorise the Board of Directors to fix Directors' fee.
3. To re-appoint Auditors and authorise the Directors to fix their remuneration.
4. As special business to consider and, if thought fit, to pass with or without modifications the following resolutions as Ordinary Resolutions:

A. **“THAT:**

- (a) subject to paragraph (c) of this Resolution and pursuant to section 57B of the Companies Ordinance, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into such shares or warrants or similar rights to subscribe for any shares in the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved.
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period.
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue, (ii) the exercise of rights of subscription under the

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## NOTICE OF ANNUAL GENERAL MEETING

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terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, (iii) 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 (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of 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 law to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the Shareholders in General Meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company 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 outside Hong Kong).”

**B. “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;

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## NOTICE OF ANNUAL GENERAL MEETING

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(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.”

C. “**THAT** conditional upon Resolutions 4.A. and 4.B. being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution 4.B. shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to Resolution 4.A., provided that the amount of share capital repurchased by the Company shall not exceed 10 per cent. of the total nominal amount of the share capital of the Company in issue on the date of this Resolution.”

By Order of the Board  
**Dr. Fu Yuning**  
*Chairman*

Hong Kong, 30 April 2008



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## NOTICE OF ANNUAL GENERAL MEETING

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*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 need not be a member of the Company.
- (2) In order to be valid, the instrument appointing a proxy and 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.
- (3) The Register of Members of the Company will be closed from 22 May 2008 to 26 May 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attendance at the annual general meeting, all transfers 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, Hong Kong not later than 4:30 p.m. on 21 May 2008.
- (4) At the annual general meeting of the Company held on 25 May 2007, Ordinary Resolutions were passed giving general mandates to Directors to repurchase shares of the Company on the Stock Exchange and to allot, issue and otherwise deal with additional shares in the capital of the Company. Under the terms of the Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange these general mandates lapse at the conclusion of the annual general meeting for 2008, unless renewed at that meeting. The Ordinary Resolutions sought in items 4.A. and 4.B. of this notice renew these mandates.
- (5) With regard to item no.2 of this notice, details of retiring Directors proposed for re-election namely, Dr. FU Yuning, Mr. HONG Xiaoyuan, Mr. CHU Lap Lik, Victor, Ms. ZHOU Linda Lei and Mr. TSE Yue Kit, are set out in the appendix to the Circular to Shareholders dated 30 April 2008.
- (6) With reference to the Ordinary Resolutions sought in items 4.A. and 4.B. of this notice, the Directors wish to state that they have no immediate plans to issue any new shares or 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 new issue and repurchase mandates and re-election of retiring Directors will be dispatched to Shareholders.
- (8) As at the date hereof, the Executive Directors of the Company are Dr. FU Yuning, Mr. HONG Xiaoyuan, Mr. CHU Lap Lik, Victor, Ms. ZHOU Linda Lei and Mr. TSE Yue Kit; and the Independent Non-executive Directors of the Company are Dr. The Hon. David LI Kwok-po, Mr. KUT Ying Hay and Mr. WANG Jincheng. Besides, Ms. KAN Ka Yee, Elizabeth is the Alternate Director to Mr. CHU Lap Lik, Victor and Mr. LI Kai Cheong, Samson is the Alternate Director to Dr. The Hon. David LI Kwok-po.