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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)**

### **PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION**

In order to bring the Articles in line with the Statutory Changes, the Board proposes to adopt the New Articles in replacement of the existing Articles.

The proposed adoption of the New Articles is subject to the approval of the shareholders of the Company by way of a special resolution at the Annual General Meeting. A circular containing, among other things, particulars relating to the major changes brought about by the adoption of the New Articles when compared with the existing Articles together with a notice convening the Annual General Meeting will be despatched to the shareholders of the Company in due course.

The board of directors (the “**Board**”) of China Merchants China Direct Investments Limited (the “**Company**”) wishes to announce that the following major statutory changes (collectively, the “**Statutory Changes**”) which came into operation on 3 March 2014 may have impact on the provisions contained in the Articles of Association of the Company (the “**Articles**”):-

- (a) the new Companies Ordinance, Chapter 622 of the laws of Hong Kong (the “**New Companies Ordinance**”) has replaced the old Companies Ordinance, and the major changes include, *inter alia*, abolishing the par value for shares, abolishing the memorandum of association and regarding conditions in the memorandum of association of existing companies as provisions of the articles of association, removing the power to

issue warrants to bearer, removing the power to convert shares into stock, requiring the company to give reasons for declining to register a transfer of shares upon request, reducing the threshold for demanding a poll, making the keeping and use of a common seal optional, and deeming consent from members to receive corporate communications via the company's website; and

- (b) the old Companies Ordinance has been amended as Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong) which retains the provisions dealing with company winding up and insolvency as well as prospectus related matters.

In order to bring the Articles in line with the Statutory Changes, the Board proposes to adopt a new set of Articles (the “**New Articles**”) in replacement of the existing Articles. The major changes brought about by the adoption of the New Articles when compared with the existing Articles include, *inter alia*, the following:-

1. inserting provisions in the former memorandum of association of the Company (the “**Memorandum**”) regarding company name and members' limited liabilities into the New Articles (those provisions in the Memorandum having been statutorily regarded as provisions of the Articles pursuant to section 98 of the New Companies Ordinance);
2. not having objects clause provisions in the New Articles but giving the Company the capacity, rights, powers and privileges of a natural person of full age;
3. amending the definition of “Companies Ordinance” to make reference to the New Companies Ordinance and where appropriate, to make references to the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong) and deleting, adding or modifying certain definitions as appropriate;
4. amending the provisions relating to various ways to alter the Company's capital in light of the abolishment of the par value of shares;
5. deleting references relating to “memorandum”, “authorised share capital”, “nominal value”, “par value”, “nominal amount of the shares”, “premium”, “share premium account” and “capital redemption reserve” or similar wordings in the Articles and where applicable, replacing references to nominal value of shares with total voting rights;

6. allowing any document signed by any two directors or any one director and the secretary of the Company and expressed to be executed to have the effect as if such document had been executed under the Company's common seal;
7. requiring the Board to give reasons for declining to register a share transfer if requested by the transferor or transferee;
8. removing the Company's power to convert any paid up shares into stock (or vice versa);
9. reducing the threshold for demanding a poll such that shareholders holding at least 5% (instead of one-tenth) of the total voting rights of all the shareholders having the right to vote at the meeting can demand a poll;
10. removing the Company's power to issue warrants to bearer; and
11. broadening the disclosure of interest by directors to include the disclosure of interests of the directors' "connected entity" (within the meaning given under section 486 of the New Companies Ordinance).

The Board also proposes to make certain housekeeping amendments to the Articles at the same time for the purpose of bringing the Articles in line with Rule 13.44 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and improving on the drafting and to correct typographical errors.

The proposed adoption of the New Articles is subject to the approval of the shareholders of the Company by way of a special resolution at the annual general meeting of the Company to be held on 21 May 2014 (the "**Annual General Meeting**").

A circular containing, among other things, particulars relating to the major changes brought about by the adoption of the New Articles together with a notice convening the Annual General Meeting will be despatched to the shareholders of the Company in due course.

By Order of the Board  
**LEUNG Chong Shun**  
*Company Secretary*

Hong Kong, 26 March 2014

*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. LIU Baojie, Mr. XIE Tao, Mr. ZHU Li and Mr. TSANG Wah Kwong. In addition, Ms. KAN Ka Yee, Elizabeth is the Alternate Director to Mr. CHU Lap Lik, Victor.*