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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)

ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board wishes to announce that the Company has been considering possible steps that may help in reducing the discount at which the Shares have been trading to their underlying publicly announced net asset value per Share, including (i) making arrangements for realised investment gains, currently held in subsidiaries or other vehicles used to hold investments of the Company, to be paid by way of dividend to the Company to facilitate possible future dividend payments by the Company as and when appropriate; (ii) to further the transparency of information relating to the Company's investment portfolio; and (iii) to increase the number of directors serving on the Board by appointment of additional non-executive directors.

The Board is also pleased to announce that it has been notified by the Investment Manager that, in view of the exceptional market circumstances arising from the financial crisis and the recent performance of the Company's investments, the Investment Manager has unilaterally offered to waive 50% of its entitlement to receive the performance fee for the year ending 31 December 2009 to be accrued by the Company under the Investment Management Agreement, subject, if applicable, to any reporting and shareholders approval requirements under the Listing Rules.

The Board has resolved to form an independent committee to review the terms of the Investment Management Agreement which is due for renewal on 15 July 2010.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board has been considering possible steps that may help in reducing the discount at which the Shares have been trading to their underlying publicly announced net asset value per Share and sets out below a number of possible developments.

As shown in the Company's audited accounts for the year ended 31 December 2008, the Company had accumulated losses of approximately US\$47.7 million at the holding company level. The Board has been taking steps to arrange for realised investment gains, currently held in subsidiaries or other vehicles used to hold investments, to be paid by way of dividend to the Company. A significant portion of these gains have been realised in the current year from investments in China Merchants Bank Co., Ltd. and Industrial Bank Co., Ltd.. At this stage the Board is unable to determine a definitive date by which these dividends to the Company may be received but when made, subject to the audit for the year ending 31 December 2009, such dividends received would contribute to the accumulated distributable reserves of the Company to facilitate a possible resumption of dividend payment to shareholders, if the Board shall determine it appropriate to do so. It is emphasised, however, that the ability to remit funds to the Company from its subsidiaries will depend on obtaining all necessary regulatory and other consents.

To further the transparency of information relating to the Company's investment portfolio, in addition to the monthly publication of net asset value, the composition of the investment portfolio and values of the Company's respective investments will be published on the website of the Company and the Stock Exchange on a quarterly basis starting from the year 2010. The Company will also provide updates on the status of its investments in China Merchants Bank Co., Ltd. and Industrial Bank Co., Ltd. on the above websites on a monthly basis.

Although the number of independent non-executive directors on the Board meets the requirements of the Listing Rules, the Board has also decided to increase the number of directors serving on the Board by seeking to appoint additional non-executive directors. The Board is actively seeking suitable candidates and announcement will be made in accordance with the Listing Rules as and when appropriate.

The Board has been notified by the Investment Manager that, in view of the exceptional market circumstances arising from the financial crisis and the recent performance of the Company's investments, the Investment Manager has unilaterally offered to waive 50% of its entitlement to receive the performance fee for the year ending 31 December 2009 to be accrued by the Company under the Investment Management Agreement, subject, if applicable, to any reporting and shareholders approval requirements under the Listing Rules.

Under the terms of the Investment Management Agreement, the Investment Manager was appointed for an initial term of five years, which term shall be thereafter automatically renewed for further terms of three years after the expiry of each fixed term, unless either party shall at least six months prior to such renewal date give notice to the other party

that the term will not be renewed. The current three year term is due for renewal on 15 July 2010 unless notice is given by either party otherwise and the Company has resolved to form an independent committee to review the terms before renewal of the Investment Management Agreement.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

"Board"	the board of directors of the Company
"Company"	China Merchants China Direct Investments Limited, a company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange with stock code 133
"Investment Manager"	China Merchants China Investment Management Limited
"Investment Management Agreement"	the Investment Management Agreement dated 15 July 1993 entered into between the Company and the Investment Manager
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Shares"	the ordinary shares of US\$0.10 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US\$"	United States Dollar, the lawful currency of the United States of America

By Order of the Board
ZHOU Linda Lei
Director

Hong Kong, 15 November 2009

As at the date hereof, the Board of Directors of the Company comprises eight Directors, of which five are Executive Directors, namely Mr. LI Yinquan, Mr. HONG Xiaoyuan, Mr. CHU Lap Lik, Victor, Ms. ZHOU Linda Lei and Mr. TSE Yue Kit; and three are Independent Non-executive Directors, namely Mr. KUT Ying Hay, Mr. WANG Jincheng and Mr. LI Kai Cheong, Samson. In addition, Ms. KAN Ka Yee, Elizabeth is the Alternate Director to Mr. CHU Lap Lik, Victor.