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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)

**VOLUNTARY DISCLOSURE
CAPITAL INJECTION INTO JINPOWER ELECTRICAL**

China Merchants China Direct Investments Limited (the “**Company**”) announces that on 26 January 2011, Shenzhen Tian Zheng Investment Co., Ltd. (“**Tian Zheng**”), a wholly-owned subsidiary of the Company, entered into a capital increase agreement in relation to 西安金源電氣有限公司 (Xi’an Jinpower Electrical Co. Ltd.*, “**Jinpower Electrical**”), pursuant to which Tian Zheng shall make a cash injection of RMB20,000,000 into the capital of Jinpower Electrical. Upon completion of the capital injection, Tian Zheng will hold approximately 5.26% equity interests in the enlarged capital of Jinpower Electrical. Mr. Liu Jiabing will remain the single largest shareholder of Jinpower Electrical.

Jinpower Electrical is a technology-oriented company principally engaged in the research, development and production of intelligent on-line monitoring systems for transmission lines and substation equipment of power grid. Among the enterprises engaging in the production of intelligent monitoring equipment for transmission lines in China, Jinpower Electrical is one of the enterprises with the most comprehensive product types and specifications. The monitoring system for icing of transmission lines is one of the many products produced by Jinpower Electrical, which can increase transmission points and efficiency for power grid corporations and plays an important role in ensuring the safe operation of transmission lines in adverse weather conditions such as snowing and sleeting.

The State Grid Corporation of China has announced its proposed investment of nearly RMB1.5 trillion in the construction of strengthened intelligent power grid during the term of the Twelfth Five-Year Plan of China, which the Company believes will provide favourable market prospects for electrical equipment manufacturing enterprises, including Jinpower Electrical. The Company is of the view that Jinpower Electrical will continue to benefit from the advantages of its leading position in the market, the stable and reliable quality of its products, its comprehensive product specifications and its good relationship with its clients and suppliers.

The capital injection into Jinpower Electrical is the first investment of the Company into the realm of applications of intelligent electrical equipment. The Company believes that the investment in Jinpower Electrical will further optimise the Company's investment portfolio and lay the foundation for future investments in energy industries.

For and on behalf of
CHINA MERCHANTS CHINA DIRECT
INVESTMENTS LIMITED
ZHOU Linda Lei
Director

Hong Kong, 26 January 2011

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. KUT Ying Hay, Mr. WANG Jincheng, Mr. LI Kai Cheong, Samson and Mr. LIU Baojie. In addition, Ms. KAN Ka Yee, Elizabeth is the Alternate Director to Mr. CHU Lap Lik, Victor.

**For identification purposes only*