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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 CHENGTIAN

China Merchants China Direct Investments Limited (the “**Company**”) announces that Shenzhen Tian Zheng Investment Co., Ltd. (“**Tian Zheng**”), a wholly-owned subsidiary of the Company, entered into a capital increase agreement (the “**Agreement**”) dated 18 July 2012 in relation to 巴州承天棉業有限責任公司 (Bazhou Chengtian Cotton Co., Ltd.*, “**Chengtian**”), pursuant to which Tian Zheng shall make a cash injection of RMB30,000,000 into the capital of Chengtian. Upon completion of the capital injection contemplated under the Agreement, Tian Zheng will hold approximately 6.25% equity interests in the enlarged capital of Chengtian.

To the knowledge of the Company, Chengtian is based in Yuli County, Bayingolin Mongol Autonomous Prefecture (“**Bazhou**”), Xinjiang. Its current principal businesses include acquisition of unginned cotton and cotton-seed; processing of unginned cotton; wholesale and retail of ginned cotton, cotton by-product, cotton linter, cotton-seed; processing and sale of cotton-seed oil, cotton-seed husk, cotton-seed meal, cotton-seed protein; cultivation and sale of cotton, jujube, fruits, animal forage and other crops. Chengtian also intends to extend its business to the husbandry, slaughter and processing of cattle and sheep.

Food safety is now a focused area of concern in the contemporary society and the modernisation of agriculture is pivotal to the development of our country. The modernised agricultural circular economy advocated by Chengtian is in line with the direction of the national policy. Moreover, Xinjiang, where the project is based, is a key area supported by national policies and capital. Having a firm foundation in the cotton industry and relying on the natural conditions and abundant land resources unique to Xinjiang, Chengtian as a leading enterprise of the agriculture industry in Bazhou, Xinjiang will also actively explore the jujube and animal husbandry businesses.

The capital injection into Chengtian is the first investment made by the Company in the agriculture industry. The Company believes that the investment in Chengtian will further optimise the Company's investment portfolio and lay a foundation for subsequent investments in the agriculture industry.

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

Hong Kong, 23 July 2012

**For identification purposes only*

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. LI Kai Cheong, Samson, Mr. LIU Baojie, Mr. XIE Tao and Mr. ZHU Li. In addition, Ms. KAN Ka Yee, Elizabeth is the Alternate Director to Mr. CHU Lap Lik, Victor.