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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 INVESTMENT IN TERALANE SEMICONDUCTOR

China Merchants China Direct Investments Limited (the “**Company**”) announces that on 25 November 2011, Shenzhen Tian Zheng Investment Co., Ltd. (“**Tian Zheng**”), a wholly-owned subsidiary of the Company, entered into an investment agreement (the “**Agreement**”) in relation to 天利半導體（深圳）有限公司（Teralane Semiconductor (Shenzhen) Co., Ltd.*, “**Teralane Semiconductor**”). Pursuant to the Agreement, Tian Zheng shall subscribe convertible bonds in the principal amount of RMB5,000,000 issued by Teralane Semiconductor. The said convertible bonds are convertible into equity interest of Teralane Semiconductor which would amount to approximately 1.8% of the enlarged capital of Teralane Semiconductor.

The Company understands that Teralane Semiconductor is principally engaged in the design of integrated circuit(IC), the research and development, manufacturing and sale of related products, and the provision of related system integration and technical services; its current principal products and services comprise: liquid crystal display(LCD) driver IC, light emitting diode(LED) display and illumination driver IC, touch screen display driver IC, battery pack control IC, audio and sound control IC and power management applications; and its business covers the whole process of IC design. Teralane Semiconductor is a state-accredited high technology enterprise and software enterprise. The development of IC design and application on the basis of its proprietary patent and technological research and development is at an advanced level by national standard.

Currently, the market demand for domestic consumer electronics as well as LCD and LED products, and the related industries are in rapid development in China. Accordingly, it is anticipated that related enterprises of IC and IC design will enjoy good development prospect in future, hence the investment in Teralane Semiconductor should bring considerable returns to the Company, and further optimise the Company's investment portfolio.

For and on behalf of
CHINA MERCHANTS CHINA DIRECT
INVESTMENTS LIMITED

ZHOU Linda Lei

Director

Hong Kong, 25 November 2011

**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.