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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 ESURFING**

China Merchants China Direct Investments Limited (the “**Company**”) announces that on 2 June 2012, Shenzhen Tian Zheng Investment Co., Ltd. (“**Tian Zheng**”), a wholly-owned subsidiary of the Company, entered into a capital increase agreement (the “**Agreement**”) in relation to 天翼視訊傳媒有限公司 (Esurfing Media Co., Ltd.*, “**Esurfing**”), pursuant to which Tian Zheng shall make a cash injection of RMB102,000,000 into the capital of Esurfing. Upon completion of the capital injection contemplated under the Agreement, Tian Zheng will hold approximately 5.37% equity interests in the enlarged capital of Esurfing; whereas China Telecom Corporation Limited shall remain the controlling shareholder of Esurfing.

The Company understands that Esurfing is a new media company, principally engaged in providing platform services for mobile videos and online videos, and is one of the larger mobile video platform enterprises in China. Through the innovative cooperation models with content providers, Esurfing has provided higher quality video services to its users and has achieved a rapid growth in the number of its users within a relatively short period of time, during which considerable returns were also brought to its business partners.

With the rapid development of the 3G network and the increasing prevalence of large screened smart-phones in China, the public has an increasing need for the value-adding services including the mobile video businesses, thus providing good market prospects for the mobile internet value-adding services enterprises including Esurfing. The Company is of the view that Esurfing will continue to benefit from its close business relationships with its many content providers, the cost advantage brought by its innovative business model and advantages brought by the large and continuously increasing user base of 3G mobile phones and home broadband in China.

The injection of capital into Esurfing will further increase the proportion of investment by the Company in the culture and media segment, and is expected to create a synergy effect with other culture and media projects invested by the Company, hence further optimising the Company's investment portfolio and bringing considerable returns to the Company.

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

Hong Kong, 4 June 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.