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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)

INVESTMENT IN PONY AI

China Merchants China Direct Investments Limited (the “**Company**”) announces that 敏星投資有限公司 Main Star Investment Limited (“**Main Star**”), a wholly-owned subsidiary of the Company, entered into a preferred share purchase agreement and other relevant agreements all dated 27 June 2018 in relation to Pony AI Inc. (“**Pony AI**”), pursuant to which Main Star has agreed to contribute capital of US\$8 million to Pony AI, and will obtain not less than 0.8% shareholding in Pony AI upon completion of the capital raising.

Information on Pony AI

Pony AI was established in December 2016. It is a research and development company in China that focuses on technology solutions for autonomous driving, and has research centres in the Silicon Valley of the United States and in Beijing and Guangzhou in China.

Reasons for and Benefits of Investing in Pony AI

Pony AI is a leader in the field of autonomous driving technology in China. Its technical team has gathered China’s top talents in algorithm as well as leading high-quality talents in the industry in each and every aspect of systems engineering, perception, planning and control, and big data. Currently, Pony AI has achieved to self-develop the whole autonomous driving system, and is the only company in the world apart from Google that possesses a self-developed operating system for driverless car. Field driving tests and autonomous driving car trial operations have been carried out by Pony AI’s fleet of cars in Silicon Valley and Nansha, Guangzhou, respectively. Furthermore, Pony AI entered into a strategic co-operation framework agreement with Guangzhou Automobile Group Co., Ltd. in February 2018, making it one of the two autonomous driving companies in China which have entered into comprehensive strategic co-operation agreements with China’s “Big 4” car manufacturers. The Company is of the view that, based on China’s tremendous transportation and freight markets, and the country’s sizeable auto industry, Pony AI will have good development prospects.

The Company believes that the investment in Pony AI will further enhance the proportion of information technology related projects in the Company's investment portfolio and consequently, will further optimise the investment portfolio of the Company.

For and on behalf of
CHINA MERCHANTS CHINA DIRECT
INVESTMENTS LIMITED
WANG Xiaoding
Director

Hong Kong, 10 July 2018

As at the date hereof, the Executive Directors of the Company are Mr. HONG Xiaoyuan, Mr. CHU Lap Lik, Victor, Mr. WANG Xiaoding and Mr. TSE Yue Kit; the Non-executive Directors are Mr. KE Shifeng and Mr. ZHANG Rizhong; and the Independent Non-executive Directors are Mr. LIU Baojie, Mr. TSANG Wah Kwong and Dr. LI Fang. In addition, Ms. KAN Ka Yee, Elizabeth is the Alternate Director to Mr. CHU Lap Lik, Victor.