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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 ARASHI VISION

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 and other relevant agreements all dated 2 September 2019 in relation to 深圳嵐鋒創視網絡科技有限公司 (Shenzhen Arashi Vision Co., Ltd.*, “**Arashi Vision**”), pursuant to which Tian Zheng agrees to contribute capital of RMB20,000,000 to Arashi Vision to participate in a new round of equity financing and obtain its preferred shares. Subsequently, Tian Zheng proposes to purchase certain preferred shares of Arashi Vision from its existing shareholders for RMB10,000,000 at a discounted price. There are currently still uncertainties about the timing and implementation of such purchase.

Information on Arashi Vision

Arashi Vision was established in September 2014. It is located in Shenzhen, China and engaged in the research, development and manufacturing of 360 degree video products. The 360 degree camera brand of “Insta360” created by Arashi Vision is a global leader in the field of 360 degree cameras and covers both the professional-grade and consumer-grade 360 degree imaging markets, including professional 3D 360 degree cameras, consumer 360 degree action cameras and camera products for mobile phones.

Reasons for and Benefits of Investing in Arashi Vision

Arashi Vision’s 360 degree camera products have successfully developed a wide range of sales network, and been exported to hundreds of countries and regions globally, which covers more than 1,500 retail stores and 150 chain stores worldwide as well as 70 global agents with long-term partnership, including ASI, being the largest consumer electronics trader in North America, SoftBank in Japan, Alltron in Switzerland and Sundan in China. Insta360 Pro became official partner with Google in October 2017, being the first certified product for Google’s street view vehicle project. In March 2018, Insta360 officially entered Apple’s global stores and websites for display and sales, and was the first 360 degree camera products to enter Apple’s stores. With the upgrade of consumption in China, the fifth generation (5G) mobile communication service becoming mature and common in future, and the development

of virtual reality (VR) technology, the Company believes that there will be a growing demand for 360 degree image recording and Arashi Vision will have promising development prospects in the future.

The Company believes that the investment in Arashi Vision 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, 24 September 2019

As at the date hereof, the Executive Directors of the Company are Mr. CHU Lap Lik, Victor, Mr. WANG Xiaoding and Mr. TSE Yue Kit; the Non-executive Directors are Mr. ZHANG Jian, Mr. ZHANG Rizhong and Mr. KE Shifeng; 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.