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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)

ANTI-DILUTIVE INVESTMENT IN PONY AI

Reference is made to the announcement of China Merchants China Direct Investments Limited (the “**Company**”) dated 10 July 2018 in relation to the subscription of preferred shares in Pony AI Inc. (“**Pony AI**”) by 敏星投資有限公司 Main Star Investment Limited (“**Main Star**”), a wholly-owned subsidiary of the Company. Main Star completed its capital contribution to Pony AI in July 2018 pursuant to the relevant agreements.

The Company announces that Pony AI has recently carried out a new round of equity financing and introduced a new investor. To avoid the dilution of interest, the Company has exercised its right of anti-dilution under the relevant agreements and has made a further investment of approximately US\$0.60 million in Pony AI so as to maintain its equity interest and certain rights (including information right) in Pony AI unchanged.

Recent Business Developments of Pony AI

Pony AI is presently a leader in the field of autonomous driving technology in China. It has obtained the “Autonomous Vehicle Testing License” issued by the state government of California of the United States as well as the “T3 Autonomous Vehicle Testing License” issued by the municipal government of Beijing. In addition, Pony AI has achieved to self-develop the whole autonomous driving system and has recently launched its third-generation autonomous driving software and hardware system, named PonyAlpha, and released China’s first commercialised autonomous driving fleet based on that system platform. At present, the commercialised autonomous driving fleet is undergoing testing in Guangzhou, California and Beijing.

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

Hong Kong, 26 April 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.