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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 IFLYTEK VENTURE CAPITAL

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 partnership agreement dated 6 December 2016 in relation to 安徽科訊創業投資基金合夥企業(有限合夥) (Anhui Iflytek Venture Capital LLP*, “**Iflytek Venture Capital**”), pursuant to which Tian Zheng agrees to contribute capital in cash of RMB90,000,000 in total by instalments in Iflytek Venture Capital, representing approximately 14.95% of the size of RMB602,000,000 of Iflytek Venture Capital.

Information on Iflytek Venture Capital and the Major Investors

Iflytek Venture Capital was established in December 2015 for a term of 7 to 9 years. It is managed by 蕪湖科訊投資管理合夥企業(有限合夥) (Wuhu Iflytek Investment Management LLP*, “**Wuhu Iflytek**”) as the general partner, and its major investors include 安徽訊飛產業投資有限責任公司 (Anhui Iflytek Industrial Investment Co., Ltd.*) and 安徽省開發投資有限公司 (Anhui Provincial Development and Investment Co., Ltd.*), etc. The major investment targets of Iflytek Venture Capital are industries related to internet and applications of artificial intelligence (AI) in China such as enterprises involving education, healthcare, tourism, motor vehicles, internet of things, smart hardware, information security, e-commerce, interactive entertainment, smart toys, robotics and internet advertising.

As the general partner and investment manager of Iflytek Venture Capital, Wuhu Iflytek is responsible for defining and executing the investment strategy for Iflytek Venture Capital, as well as for managing their operations. The investment team in Wuhu Iflytek has extensive experience, professional knowledge and relationship networks in the industries related to AI.

Reasons for and Benefits of Investing in Iflytek Venture Capital

With the technologies of Chinese enterprises related to AI attaining high rankings in multiple international competitions, AI technologies are becoming mature and will gradually become more common in the applications in different industries. The Company considers that there will be promising development prospects for the industry of AI in the future.

The Company believes that the investment in Iflytek Venture Capital will further optimise the Company's investment portfolio, and will intensify the Company's understanding in and connections to industries related to AI, bringing more investment opportunities to the Company.

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

Hong Kong, 12 December 2016

**For identification purposes only*

As at the date hereof, the Executive Directors of the Company are Mr. HONG Xiaoyuan, Mr. LI Yinquan, Mr. CHU Lap Lik, Victor, Mr. WANG Xiaoding and Mr. TSE Yue Kit; the Non-executive Director is Mr. KE Shifeng; and the Independent Non-executive Directors are Mr. LIU Baojie, Mr. ZHU Li, 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.