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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)

RECALL OF ALL OF THE LOAN TO RONG BAO ZHAI CULTURE

Reference is made to the announcement of China Merchants China Direct Investments Limited (the “**Company**”) dated 7 December 2016 in relation to an agreement entered into among Shenzhen Tian Zheng Investment Co., Ltd. (“**Tian Zheng**”), a wholly-owned subsidiary of the Company, Rong Bao Zhai and 榮寶齋文化有限公司 (Rong Bao Zhai Culture Co., Ltd.*, “**Rong Bao Zhai Culture**”) for a loan convertible into equity interest of Rong Bao Zhai Culture (the “**Agreement**”). Pursuant to the Agreement, Tian Zheng had agreed to advance cash of RMB300 million to Rong Bao Zhai Culture for a period of 5 years, and had the right to convert such fund into shareholding in Rong Bao Zhai Culture during such period. In December 2016 and April 2017 respectively, Tian Zheng had advanced RMB300 million in aggregate to Rong Bao Zhai Culture.

As disclosed in the 2020 annual report of the Company, Tian Zheng reached a decision to recall the loan to Rong Bao Zhai Culture in the fourth quarter of 2020. The Company announces that as of 28 June 2021, Tian Zheng had received from Rong Bao Zhai Culture all principal of the loan together with the interest related thereto, and had officially exited the investment contemplated under the Agreement (the “**Investment**”).

Reasons for and Benefits of the Recall of the Loan to Rong Bao Zhai Culture

As disclosed in the 2020 annual report of the Company, the prolonged recession in the culture and arts market due to a change in the economic environment in the recent years has significantly hampered the performance of Rong Bao Zhai Culture, and the listing process and internal transformation of Rong Bao Zhai Culture have not been proceeding as expected. Accordingly, Tian Zheng decided to exit the Investment pursuant to the terms of the Agreement after negotiation with Rong Bao Zhai Culture. The Company considers that an exit from the Investment and making use of such funds for investment in other new projects is in the interest of the Company and its shareholders.

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

Hong Kong, 7 July 2021

** For identification purposes only*

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