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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 AZURI**

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 10 November 2021 in relation to 日照市艾銳光電科技有限公司(Rizhao Azuri Optics Technologies Co., Ltd.\*, “**Azuri**”), pursuant to which Tian Zheng agreed to contribute capital of RMB30,000,000 to Azuri to participate in its current Tranche B financing. Tian Zheng completed this capital contribution of RMB30,000,000 on 9 December 2021.

### **Information on Azuri**

Azuri was incorporated in August 2016. It is a company that develops and manufactures laser diode chip, optical device and optical module products for high-speed optical communications. It has research and development centres in Suzhou of Jiangsu Province and Rizhao of Shandong Province in China.

### **Reasons for and Benefits of Investing in Azuri**

The research and development team of Azuri had previously worked in Finisar Corporation, an industry-leading enterprise, and Wuhan National Laboratory for Optoelectronics in the Huazhong University of Science and Technology. Based on knowledge and experience in the field for more than a decade, it has developed unique chirp-reduction direct modulated lasers (DML) with its fully owned intellectual property rights. Azuri’s DMLs can be used to replace EML (External Modulated Lasers) products supplied by the Japanese and American companies that are currently used in 10G-PON (Passive Optical Network), POL (Passive Optical LAN), 5G, data centres, and other related markets. Azuri has been endorsed by leading customers in the segment markets and started volume production. The Company is of the view that the optical communication market has huge potentials. Chinese companies have already achieved world-class leading positions in optical communication equipment market, and are on par with other leading manufacturers for optical modules. In the field of optical chips, some leading Chinese companies have also started to play as challengers to the high-end product line, and will pave the way for self-sufficiency and supply chain upgrades of products manufactured domestically. Based on its current technological

reserve and progress in research and development, Azuri is expected to become a leading enterprise in China producing optical chips and optical modules with distinct characteristics.

The Company believes that the investment in Azuri will further enrich the Company's information technology (IT) portfolio, and can further optimize the Company's investment portfolio.

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

Hong Kong, 10 December 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, Dr. GONG Shaolin and Mr. Michael Charles VITERI.*