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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 HUIYOU XINGYAO FUND

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 on 24 September 2020 in relation to 南寧匯友興曜股權投資基金合夥企業(有限合夥) (Nanning Huiyou Xingyao Equity Investment Fund L.P.*, “**Huiyou Xingyao Fund**”), pursuant to which Tian Zheng agrees to contribute capital in cash of RMB24 million in total by instalments to Huiyou Xingyao Fund, representing 21.24% of the paid-in capital of RMB113 million of Huiyou Xingyao Fund. Tian Zheng completed the first capital contribution of RMB16.31 million on 16 November 2020.

Information on Huiyou Xingyao Fund

Huiyou Xingyao Fund was established in September 2020 for a term of 5 to 7 years starting from the completion of the fundraising, with 同德乾元(北京)投資管理有限公司(Tongde Qianyuan (Beijing) Investment Management Co., Ltd.*, “**Tongde Qianyuan**”) as its fund manager. Huiyou Xingyao Fund is a single-project equity investment fund and solely makes equity investment in 武漢友芝友生物製藥有限公司(Wuhan YZY Biopharma Co., Ltd.*, “**YZY Biopharma**”). YZY Biopharma is a pharmaceutical company established in China with a bispecific antibodies platform and relevant biopharmaceutical research and development capabilities. The bispecific antibodies medicine it is committed to researching and developing is expected to be categorized as the next generation drug class for treating tumors which will have a huge commercial value if it can pass the clinical trials.

The investment team of Tongde Qianyuan has extensive experience in the drug research and development industry, and is expected to be able to provide valuable opinion to YZY Biopharma on the pipeline planning and commercial development strategies for products under research and development.

Reasons for and Benefits of Investing in Huiyou Xingyao Fund

The Company, through investing in Huiyou Xingyao Fund, has indirectly invested in YZY Biopharma. The Company expects that as the proportion of biopharmaceuticals in drug sales is constantly increasing in China, biopharmaceutical companies will have better development opportunities in the future. At the same time, the Company expects that in reliance on the experience of the fund manager of Huiyou Xingyao Fund in the industry, enhancement in the value of YZY Biopharma will materialize.

The Company believes that the investment in Huiyou Xingyao Fund can further optimize the Company's investment portfolio, and enables the Company to get involved in biopharmaceutical projects, and accordingly will deepen the Company's understanding in and connections to the biopharmaceutical industry, which will bring more investment opportunities to the Company.

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

Hong Kong, 16 November 2020

** 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. ZHANG Jian, 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.