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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 XINYI**

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 for Tranche B and other relevant agreements all dated 25 August 2021 in relation to 芯翼信息科技(上海)有限公司 (Xinyi Information Technology Ltd.\*, “**Xinyi**”), pursuant to which Tian Zheng agreed to contribute capital of RMB35,000,000 to Xinyi to participate in its current Tranche B financing. Tian Zheng completed this capital contribution of RMB35,000,000 on 9 September 2021.

### **Information on Xinyi**

Xinyi was established in March 2017. It is a company that focuses on the research and development of SoC (system on a chip) for Internet of Things (IoT) for low-power wide-area network (LPWAN). It has research and development centres in Shanghai, Nanjing and Chengdu as well as customer service centres in Shenzhen, Xi’an and Chongqing, China.

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

Based on the past experience accumulated from the research and development in top international enterprises in the telecommunications field, including Broadcom and Qualcomm, for more than a decade, the entrepreneurial team of Xinyi has created a world-class NB-IoT SoC with low power consumption, high performance and low cost, and that is also based entirely on its independent intellectual property rights. The chips performed well in various tests, and a vast majority of module manufacturers, leading players in related industries and solution companies in China have placed sizeable orders for the chips. Since the fourth quarter of 2020, Xinyi has been able to produce and ship chips with a scale of million per month and the revenue growth is still accelerating. The Company is of the view that China is now leading the global 5G communications development. The IoT terminal is expected to develop into another communication and computing platform apart from smart phones and smart cars. The chips for IoT terminals represent the edge computing power and will serve tens of billions of Internet connections and a huge market. With iterative enhancement on its products, Xinyi is expected to become a leading enterprise in China producing chips for LPWAN applications.

The Company believes that the investment in Xinyi 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, 9 September 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.*