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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)**

## VOLUNTARY ANNOUNCEMENT

This is a voluntary announcement made by China Merchants China Direct Investments Limited (the “**Company**”).

From time to time, the Company and the board of directors of the Company (the “**Board**”) are considering and evaluating strategic plans to enhance shareholders’ value. As such, the Company has engaged Altus Capital Limited (“**Altus**”) to analyse and review a range of measures that might be carried out by the Company going forward.

The Board has considered Altus’ recommendations and, after thorough discussion and consideration, has identified the following actions with an objective to narrow the trading price discount of the Company’s shares relative to its net asset value (“**NAV**”) per share without reducing the scale of the Company and its subsidiaries (the “**Group**”).

Amongst others, the Board is reviewing the key terms of the existing investment management agreement (“**IMA**”) entered into between the Company and China Merchants China Investment Management Limited on 18 October 2021. The aim is to re-align fee rates to competitive market rates when a revised IMA proposal is put forward to shareholders, as the existing IMA will expire on 31 December 2024.

In addition, the Board has considered the Group’s liquidity. As at 30 June 2024, the Group had approximately US\$42.32 million cash and cash equivalents. Approximately US\$6.09 million of this will be used for distribution of the Company’s interim dividend of US\$0.04 (HK\$0.312) per share for the six months ended 30 June 2024, declared by the Board on 28 August 2024. As for the balance of such cash and cash equivalents, approximately 45% are held by subsidiaries of the Group in Mainland China and are subject to relevant laws, rules and regulations in relation to remittance back to Hong Kong; and approximately 46% are earmarked for the Group’s new investments and general operations. Overall, the Board will continue to actively manage the Group’s cash allocation to meet the distribution requirements and the distribution frequencies of the Company effectively, pending the availability of realisation proceeds from future divestments.

In the longer term, the Board noted the importance to conduct discount mitigation measures to enhance shareholders' value. Hence, the Board plans to achieve such objective by undertaking the following actions.

Firstly, a share buy-back general offer may be conducted in 2025, contingent on the availability of proceeds from divestments and compliance with all applicable laws, rules and regulations. Secondly, beyond 2025, the Company may consider return of realisation profits to its shareholders through either special dividends or on-market share buy-backs. The choice between dividend distributions or on-market share buy-backs will depend on market conditions at the prevailing time, with particular focus on narrowing the share price discount to the Company's NAV per share.

The abovementioned possible strategic actions are intended to provide more clarity to shareholders and potential investors of the Company, and are expected to help narrow the trading discount of the Company's share valuation relative to its NAV per share. The Board understands the importance of information transparency and engagements with the shareholders and stakeholders of the Company. The Company will make further announcements/disclosures in accordance with all applicable rules and regulations as and when appropriate.

**The above is for reference on certain considerations and planning that the Company is currently having. There is no certainty that the possible actions referred to above will proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**WANG Xiaoding**  
*Director*

Hong Kong, 27 September 2024

*As at the date hereof, the Executive Directors of the Company are Mr. WANG Xiaoding and Ms. KAN Ka Yee, Elizabeth; the Non-executive Directors are Mr. ZHOU Xing, Mr. ZHANG Rizhong, Mr. KE Shifeng and Mr. TSE Yue Kit; and the Independent Non-executive Directors are Mr. TSANG Wah Kwong, Dr. LI Fang, Dr. GONG Shaolin, Mr. Michael Charles VITERI and Mr. ZHU Qi.*