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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)

ADOPTION OF SHARE INCENTIVE SCHEME BY THE INVESTMENT MANAGER

China Merchants China Direct Investments Limited (the “**Company**”) announces that China Merchants China Investment Management Limited, the investment manager of the Company (“**CMCIM**”), has adopted a share incentive scheme (the “**Scheme**”). Pursuant to the rules of the Scheme, certain investment officers and staff of CMCIM (the “**Participants**”) will purchase the shares of the Company (the “**Shares**”) in the secondary market and the Shares purchased will be subject to a three-year lock-up period. The Participants will be entitled to a special bonus awarded by CMCIM subject to performance assessment target with respect to the Company having been reached.

The Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and is a discretionary scheme of CMCIM. The Scheme does not involve the issuance of any new Shares by the Company.

PURPOSES OF THE SCHEME

The purposes of the Scheme are to (i) provide the Participants with an opportunity to acquire a proprietary interest in the Company; and (ii) provide additional incentive for them to achieve performance goals and promote the pursuit of long-term interests of the Company and its shareholders, with a view to achieving the objective of aligning the interests of the Participants with those of the shareholders of the Company.

SUMMARY OF THE SCHEME

Incentive Mechanism

The Participants will purchase the Shares in the secondary market, after which CMCIM will award a special bonus which is to be paid out over the course of two years with an amount equal to a certain portion of their purchase costs and expenses in purchasing the Shares.

Participating Employees and Scope of Implementation

The Scheme will be mandatory for the senior investment staff of CMCIM, including the director and general manager of CMCIM (also an executive director of the Company).

Participants' Obligation and Incentive Level

The amount of money that are used to purchase the Shares in pursuant to the Scheme will be determined based on the respective ranks of the Participants, while the special bonus for each of the Participants will be awarded over the course of two years with an amount equal to a certain portion of their purchase costs and expenses in purchasing the Shares.

Lock-up Period

Under the Scheme, the Shares purchased by the Participants will be subject to a lock-up period of three years from the date of purchase.

Performance Link

The award of the special bonus to the Participants, which is to be paid out over the course of two years, will be linked and subject to the specific assessment target with respect to the performance of the Company having been reached. The yearly growth rate of the net asset value and yearly total shareholder return of the Company will be used as the performance assessment criteria.

Costs and Expenses of the Scheme

The costs and expenses, chiefly the special bonuses, incurred for administering the Scheme will be borne by CMCIM.

Periodic Review

The Scheme will be subject to review by the board of directors of CMCIM after 3 years' implementation.

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

Hong Kong, 23 March 2020

As at the date hereof, the Executive Directors of the Company are Mr. CHU Lap Lik, Victor, Mr. WANG Xiaoding and Mr. TSE Yue Kit; 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 and Dr. LI Fang. In addition, Ms. KAN Ka Yee, Elizabeth is the alternate Director to Mr. CHU Lap Lik, Victor.