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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)**

## **RECALL OF PART OF THE LOAN TO QINGHAI LAKE TOURISM**

Reference is made to the announcement of China Merchants China Direct Investments Limited (the “**Company**”) dated 1 August 2017 in relation to an agreement entered into by Shenzhen Tian Zheng Investment Co., Ltd. (“**Tian Zheng**”), a wholly-owned subsidiary of the Company, for a loan convertible into equity interest with 青海省青海湖旅遊集團有限公司 (Qinghai Provincial Qinghai Lake Tourism Group Co., Ltd.\*, “**Qinghai Lake Tourism**”) (the “**Agreement**”). Pursuant to the Agreement, Tian Zheng had advanced RMB50 million and RMB150 million to Qinghai Lake Tourism in August and September 2017 respectively, amounting to RMB200 million in aggregate.

The Company announces that Tian Zheng and Qinghai Lake Tourism, after friendly negotiation, entered into a supplemental agreement to the Agreement dated 9 May 2019, pursuant to which Qinghai Lake Tourism undertakes to repay to Tian Zheng RMB100 million and RMB90 million before 31 May 2019 and 30 June 2019 respectively, amounting to RMB190 million in aggregate, and Tian Zheng still retains the right to repayment of RMB10 million loan from Qinghai Lake Tourism. At the same time, Tian Zheng retains the right to convert an amount up to RMB200 million into shareholding in Qinghai Lake Tourism during its joint-stock system restructuring.

### **Qinghai Lake Tourism’s Joint-stock System Restructuring**

Currently, Qinghai Lake Tourism is in the process of implementing a restructuring plan under the guidance of intermediaries. In June 2018, the Qinghai Provincial People’s Government officially approved the continuation and division of Qinghai Lake Tourism. In September 2018, Qinghai Lake Tourism obtained a division business license. After the division, Qinghai

Lake Tourism continues to retain core assets and related businesses, while the newly established company after the division takes over non-operating assets and related personnel. As the Company understands, the restructuring work is still closely in progress. Upon completion of the restructuring plan, the Company will consider whether suitable conditions have been achieved for the exercise of the conversion rights under the Agreement.

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

Hong Kong, 17 May 2019

*\*For identification purposes only*

*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.*