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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)

CONTINUING CONNECTED TRANSACTION

**PROVISION OF INVESTMENT MANAGEMENT SERVICES BY
CHINA MERCHANTS CHINA INVESTMENT MANAGEMENT LIMITED
FOR A TERM UP TO 30 JUNE 2026**

The Company clarifies that the New Management Agreement which was disclosed in its announcement dated 22 December 2025 constitutes a continuing connected transaction of the Company, and accordingly makes disclosure on such continuing connected transaction in accordance with requirements under Chapter 14A of the Listing Rules.

In view that the Previous Management Agreement expired on 31 December 2025, and in order to allow more time for the Company to consider and decide on and to ensure the continuity of its investment management operations, the Company and CMCIM entered into the New Management Agreement on 22 December 2025 for the re-appointment of CMCIM as the Company's investment manager for the Management Period up to 30 June 2026. The Management Period commenced immediately after the expiry date of the Previous Management Agreement on 31 December 2025.

CMCIM, as the investment manager of the Company since 1993, is a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules. Accordingly, the transaction under the New Management Agreement constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios (other than the profits ratio) in respect of the New Management Agreement based on the amount of the Annual Cap is higher than 0.1% but less than 25% and the amount of the Annual Cap is less than HK\$10,000,000, the New Management Agreement is subject to the reporting and announcement requirements, but exempt from the circular and the independent shareholders' approval requirements under Rule 14A.76(2)(b) of the Listing Rules.

The Company clarifies that the New Management Agreement which was disclosed in its announcement dated 22 December 2025 constitutes a continuing connected transaction of the Company, and accordingly makes disclosure on such continuing connected transaction in accordance with requirements under Chapter 14A of the Listing Rules.

THE NEW MANAGEMENT AGREEMENT

Reference is made to the poll results announcements of the Company dated 29 November 2024 and the Announcement of the Company regarding matters in relation to the appointment of investment manager as a result of the poll results of the EGM No.1 and the extraordinary general meeting no.2 held on 29 November 2024. As disclosed in the Announcement, the ordinary resolution proposed at the EGM No.1 to approve the Three-Year Management Agreement and the proposed annual caps was not passed. Therefore, the Three-Year Management Agreement did not become effective and was thus terminated. To ensure the continuity of the Company's investment management operations, the Company entered into the Previous Management Agreement with CMCIM on 17 December 2024 for re-appointment of CMCIM as the Company's investment manager for a term up to 30 June 2025. A supplemental agreement was subsequently entered into with CMCIM on 20 June 2025 to extend the term of the Previous Management Agreement to 31 December 2025.

In view of the expiry of the Previous Management Agreement on 31 December 2025, and in order to allow more time for the Company to consider and decide on and to ensure the continuity of its investment management operations, the Company and CMCIM entered into the New Management Agreement on 22 December 2025 for the re-appointment of CMCIM as the Company's investment manager for the Management Period up to 30 June 2026. The Management Period commenced immediately after the expiry date of the Previous Management Agreement on 31 December 2025.

Principal terms

The principal terms of the New Management Agreement are as follows:

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| Term of appointment: | The appointment of CMCIM is for a term of six months, commencing on 1 January 2026 and ending on 30 June 2026. The Company may terminate earlier by giving CMCIM not less than thirty days' written notice. |
| Services: | CMCIM shall undertake all investment and management duties arising pursuant to the operations of the Company, and the responsibilities of CMCIM shall include identifying and evaluating investment opportunities, executing investment decisions, monitoring and enhancing investments of the Group (including accelerating the exit from the Group's existing investment projects), making decisions on investments and realisations for the Group in accordance with the investment objectives and policy of the Company as described in the Prospectus and as from time to time laid down by the Directors, managing the corporate affairs of the Company and dealing with its day-to-day administration, strengthening the management of the Company's net assets and |

safeguarding its market value, and ensuring the stable operation of the Company.

Remuneration: Management Fee: The Company shall pay to CMCIM a management fee of HK\$7,000,000 (or the equivalent amount in US dollars or RMB), payable in six equal instalments of approximately HK\$1,166,667 (or the equivalent amount in US dollars or RMB) each on the last day of each month (pro-rated for the final month in the event of early termination).

Discretionary Performance Fee: The Company shall pay CMCIM a discretionary performance fee of up to HK\$1,000,000 (or the equivalent amount in US dollars or RMB). The mechanism and criteria for determining the performance fee are as follows: 15 days prior to the termination of the New Management Agreement, the Board shall evaluate CMCIM's investment management performance. (i) Should the Group's investments as of 1 January 2026 have achieved an exit amount of HK\$300,000,000 (or the equivalent amount in US dollars or RMB) or more during the Management Period, the Company shall pay a performance fee of HK\$1,000,000 (or the equivalent amount in US dollars or RMB); (ii) should (i) not be satisfied, the Board shall comprehensively evaluate the exit amount of the Group's investments as of 1 January 2026 during the Management Period, the increase in the Company's net assets, and the increase in market capitalization of the Company, and may, at its discretion, consider paying a performance fee to CMCIM of up to HK\$1,000,000 (or the equivalent amount in US dollars or RMB). Should the Board decide to pay a performance fee, it shall be paid by the Company to CMCIM in a lump sum within fifteen days following the evaluation date.

HISTORICAL FIGURE OF FEES PAID UNDER THE PREVIOUS MANAGEMENT AGREEMENT

CMCIM provided the same management services to the Company under the Previous Management Agreement as it provides under the New Management Agreement. The total amount of remuneration paid under the Previous Management Agreement for the year ended 31 December 2025 was HK\$9,900,000.

BASIS OF DETERMINATION OF THE REMUNERATION AND THE ANNUAL CAP UNDER THE NEW MANAGEMENT AGREEMENT

The total maximum amount of fees payable under the New Management Agreement during the financial year ending 31 December 2026 will not exceed HK\$8,000,000, which forms the amount of the Annual Cap.

The terms of the New Management Agreement were arrived at after arm's length negotiations between the Company and CMCIM, and the Annual Cap was determined with reference to the

total amount of remuneration under the Previous Management Agreement. Compared to the Previous Management Agreement, the New Management Agreement offers a more competitive remuneration structure for the investment manager and better aligns with the interests of the Company and its shareholders. This is specifically reflected in:

- (i) The maximum amount of remuneration under the New Management Agreement being set at HK\$8,000,000 (or the equivalent amount in US dollars or RMB), representing a reduction of approximately 19.19% from the total amount of remuneration paid under the Previous Management Agreement.
- (ii) The remuneration under the New Management Agreement comprises two components, namely, the Management Fee and the Discretionary Performance Fee. The Management Fee is paid monthly as a fixed amount, with the total Management Fee depending on the actual duration of the appointment of CMCIM.
- (iii) Payment of the Discretionary Performance Fee is subject to certain performance conditions, with the primary payment condition linked to the exit amount of the Group's existing investments during the Management Period, which will incentivize the investment manager to optimize the Group's investment portfolio as of the date of the New Management Agreement, thereby further increasing the Company's investable capital through organic means and enabling the Company to capture better investment opportunities in a timely manner. The condition triggering the Company's full payment of HK\$1,000,000 (or the equivalent amount in US dollars or RMB) in performance fees is the Group's investments as of 1 January 2026 achieving an exit amount of HK\$300,000,000 (or the equivalent amount in US dollars or RMB) during the Management Period, which represented approximately 4.57% of the Company's net asset value as of 30 November 2025, and is expected to have a significant impact on the Company's asset allocation.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW MANAGEMENT AGREEMENT

In view of the expiry of the Previous Management Agreement on 31 December 2025, entering into the New Management Agreement with CMCIM in relation to the re-appointment of CMCIM as the Company's investment manager for the Management Period would ensure continuity in the Company's investment management operations. The New Management Agreement provides the Company with the necessary time to assess its options and determine its best alternatives while ensuring that there will be minimal disruption to the Group's ongoing investment activities.

The maximum amount of remuneration under the New Management Agreement (and thus the Annual Caps) was determined by negotiation between the Company and CMCIM and is significantly below market rates, reflecting a favourable arrangement for the Company. Furthermore, CMCIM's remuneration shall comprise the Management Fee and the Discretionary Performance Fee, thereby aligning its interests with the Group's investment performance during the Management Period. Concurrently, the Company retains the unilateral right to terminate the

New Management Agreement prior to the expiry of the Management Period. The Company's objective is to clearly define, within the Management Period, the future development path and operational model that are most beneficial to the Company and its shareholders. This includes promoting the internalisation of the Company's management functions, while focusing on several core investment tracks, and feasible paths such as selecting long-term cooperative investment managers with professional capabilities.

The Board is actively formulating measures and steps to achieve the goal of further optimising the Company's investment management and operations starting from the Management Period. The Board has established a dedicated working group consisting of seven Directors (comprising two executive Directors, two non-executive Directors, and three independent non-executive Directors) to examine and assess the feasibility and implementation measures for the internalisation of certain management functions of the Company. Such working group is expected to submit a written report on the aforesaid to the Board in early 2026. Concurrently, the Board has received proposals relating to investment management engagements from other institutions and is undertaking an internal evaluation of such proposals. Meanwhile, the investment and management of the Company continues to be undertaken by CMCIM pursuant to the New Management Agreement.

Given CMCIM's extensive experience having provided investment management services to the Company since its inception in 1993, and the broad range of services that CMCIM provides including investment sourcing, execution, accounting, compliance and oversight of service providers, the New Management Agreement will ensure that the Group's operations will continue smoothly during the Management Period.

LISTING RULE IMPLICATIONS

CMCIM, as the investment manager of the Company since 1993, is a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules. Accordingly, the transaction under the New Management Agreement constitute a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios (other than the profits ratio) in respect of the New Management Agreement based on the amount of the Annual Cap is higher than 0.1% but less than 25% and the amount of the Annual Cap is less than HK\$10,000,000, the New Management Agreement is subject to the reporting and announcement requirements, but exempt from the circular and the independent shareholders' approval requirements under Rule 14A.76(2)(b) of the Listing Rules.

VIEWS OF THE DIRECTORS

The Directors (including the independent non-executive Directors) are of the view that the terms of and the transaction contemplated under the New Management Agreement are better than normal commercial terms, in the ordinary and usual course of business of the Company, fair and reasonable and in the interests of the Company and its shareholders as a whole.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Directors had a material interest in the New Management Agreement, saved for Ms. KAN Ka Yee, Elizabeth, who is interested in the New Management Agreement by virtue of her beneficial interest in CMCIM and had abstained from voting on (and was not counted in the quorum for) the relevant resolutions of the Board approving the same.

INFORMATION IN RESPECT OF THE COMPANY AND CMCIM

The Company is an investment company, the Shares of which are listed on the Main Board of the Stock Exchange under Chapter 21 of the Listing Rules. The Company specialises in investing in the PRC. Its investment objective is to acquire quality investments, principally in unlisted enterprises, in the PRC. The Company may also invest in China-concept shares through the secondary securities market.

CMCIM is a fund management company which manages the investment portfolio and deals with day-to-day administration of the Company. Pursuant to the New Management Agreement, CMCIM is responsible for identifying and researching prospective investments for the Group. The Board is responsible for formulating the Company's overall investment strategy and guidelines that CMCIM shall follow in making investments.

GENERAL

CMCIM is owned as to 55% by CMG (through its associates) and as to 45% by Victor Chu China Investment Limited. CMG is a state-owned enterprise of the PRC principally engaged in transportation, financial services and real estate. The ultimate beneficial owners of Victor Chu China Investment Limited are Mr. CHU Lap Lik, Victor (80%) and Ms. KAN Ka Yee, Elizabeth (20%). As at the date of this announcement, the associates of CMG collectively hold approximately 27.59% shareholding interests in the Company, whereas the associates of Victor Chu China Investment Limited collectively hold approximately 2.05% shareholding interests in the Company.

DEFINITIONS

“Announcement”	the voluntary announcement of the Company regarding matters in relation to the appointment of investment manager as a result of the poll results of the EGM No.1 and the extraordinary general meeting no.2 held on 29 November 2024 dated 29 November 2024
“Annual Cap”	the maximum amount of fees payable by the Company to CMCIM under the New Management Agreement in the year ending 31 December 2026

“Associates”	the same meaning as is provided in the Listing Rules
“Board”	the board of directors of the Company from time to time
“CMCIM”	China Merchants China Investment Management Limited, a fund management company incorporated in Hong Kong with limited liability and registered under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“CMG”	China Merchants Group Limited, a company incorporated in the PRC with limited liability which (through its associates) owns 55% of CMCIM and is also a substantial shareholder of the Company
“Company”	China Merchants China Direct Investments Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 00133)
“Directors”	the directors of the Company
“Discretionary Performance Fee”	a performance fee of up to HK\$1,000,000 (or the equivalent amount in US dollars or RMB) that the Company may pay to CMCIM under the New Management Agreement
“EGM No.1”	the extraordinary general meeting of the Company held as a hybrid meeting on 29 November 2024 at 10:00 a.m. to consider and, if thought fit, approve the Three-Year Management Agreement and the transactions contemplated thereunder and the proposed annual caps
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time

“Management Fee”	the management fee of HK\$7,000,000 (or the equivalent amount in US dollars or RMB), to be paid to CMCIM by the Company in six equal instalments on the last day of each month under the New Management Agreement
“Management Period”	the term of appointment of CMCIM for a term of six months commencing on 1 January 2026 and ending on 30 June 2026 under the New Management Agreement (subject to earlier termination by the Company by written notice)
“New Management Agreement ”	the investment management agreement entered into between the Company and CMCIM dated 22 December 2025 for the provision of investment management services from 1 January 2026 to 30 June 2026 (subject to earlier termination by the Company by written notice)
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Management Agreement”	the investment management agreement entered into between the Company and CMCIM dated 17 December 2024 for the provision of investment management services from 1 January 2025 to 30 June 2025, which term was extended to 31 December 2025 pursuant to a supplemental agreement
“Prospectus”	the prospectus dated 15 July 1993 issued by the Company in connection with the placing of Shares on the terms described therein
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	the ordinary shares in the issued share capital of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Three-Year Management Agreement”	the conditional investment management agreement dated 18 October 2024 entered into between the Company and CMCIM in relation to the provision of investment management services from 1 January 2025 to 31 December 2027

“US dollar”

United States Dollars, the lawful currency of the United States of America

“%”

per cent

By Order of the Board
WANG Xiaoding
Director

Hong Kong, 16 January 2026

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, Ms. YAO Wang, Mr. KE Shifeng and Mr. ZOU Chuan; 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.