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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 under the Companies Ordinance)*

#### ANNOUNCEMENT

The Board noted certain articles appearing in the newspapers relating to possible privatisation of the Company.

At the request of the Company, trading in shares of the Company on the Stock Exchange was suspended with effect from 9:30 a.m. on 9 June 2003 pending the issue of this announcement. Application has been made for the resumption of trading in the shares on the Stock Exchange with effect from 9:30 a.m. on 10 June 2003.

**Shareholders and investing public are reminded to exercise caution when dealing in the shares of the Company.**

The board of directors (the “**Board**”) of China Merchants China Direct Investments Limited (the “**Company**”) noted recent press articles, including articles appearing in the newspapers on 7 June 2003, reporting that Dr. Fu Yuning, the Chairman of the Company and the President of China Merchants Group Limited (“**CMG**”), had stated that privatisation of the Company is a possible option which may be considered by CMG. The statement was made in response to questions raised by reporters after the conclusion of the Annual General Meeting of China Merchants Holdings (International) Company Limited held on 6 June 2003. CMG is the single largest shareholder holding indirectly 25.05% of the issued shares of the Company.

The Board would like to confirm that the Company has not received nor has it been considering any plan or proposal of privatisation. The statement was made by Dr. Fu in his capacity as the President of CMG. CMG has confirmed to the Company today that privatisation of the Company is only a possibility which will not be ruled out by CMG. No plan or timetable in connection with any privatisation has been made or considered.

The Board also confirm that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

**In the meantime, shareholders are strongly advised to exercise extreme caution in dealing in the shares of the Company.**

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Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

By order of the Board  
**Huang Dazhan**  
Executive Director

Hong Kong, 9 June 2003

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*