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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 of directors of China Merchants China Direct Investments Limited confirms that China Merchants Group Limited has decided not to proceed with any privatisation of China Merchants China Direct Investments Limited for the time being.

In the meantime, shareholders are strongly advised to exercise extreme caution in dealing in the shares of China Merchants China Direct Investments Limited.

The board of directors (the “**Board**”) of China Merchants China Direct Investments Limited (the “**Company**”) refers to the announcements of the Company dated 9 June 2003, 8 July 2003, 8 August 2003, 8 September 2003, 8 October 2003 and 8 November 2003 relating to the statement made by China Merchants Group Limited (“**CMG**”) of the possible privatisation of the Company.

The Board would like to confirm that the Company has been informed by CMG that CMG has decided not to proceed with any privatisation of the Company for the time being and that CMG will comply with all applicable provisions of the Code on Takeovers and Mergers and Share Repurchases in relation to such decision.

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

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, 3 December 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.

“Please also refer to the published version of this announcement in South China Morning Post”.