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CHINA MERCHANTS DICHAIN (ASIA) LIMITED

招商迪辰（亞洲）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 632)

COMPLETION OF THE SUBSCRIPTION AGREEMENTS RESIGNATION OF DIRECTORS APPOINTMENT OF DIRECTORS, CHAIRMAN, CHIEF EXECUTIVE AND MEMBERS OF AUDIT COMMITTEE

The Board is pleased to announce that all the conditions precedent to the completion of the Subscription Agreements have been fulfilled and Completion took place on 24 May 2006.

Upon Completion, Dr. Fan Di, Messrs. Wang Shizhen, Barry J. Buttifant and Iain F. Bruce have resigned as Directors, and Mr. Chen Gang, Gordon also has resigned as alternate Director to Dr. Fan Di.

Upon Completion, Mr. Wong Yuk Kwan (alias: Wong Kwan) has been appointed Chairman of the Board, executive Director and chief executive of the Company whilst Mr. Chan Yiu Keung and Mr. Cheung Kwok Yu have been appointed executive Directors. The appointment of Dr. Anwar Ibrahim and Dr. Lee G. Lam as independent non-executive Directors and members of the audit committee of the Company has also become effective from the same date.

Reference is made to the joint announcement dated 23 March 2006 and the circular dated 4 May 2006 (the "Circular") of the Company and the Subscriber. Capitalized terms used herein have the same meanings as defined in the Circular, unless the context otherwise requires.

COMPLETION OF THE SUBSCRIPTION AGREEMENTS

The Board is pleased to announce that all the conditions precedent to the Subscription Agreements have been fulfilled and completion of the Subscription Agreements (the "Completion") took place on 24 May 2006.

RESIGNATION OF EXISTING DIRECTORS

With effect from Completion, Dr. Fan Di, Messrs. Wang Shizhen, Barry J. Buttifant and Iain F. Bruce have resigned as Directors, and Mr. Chen Gang, Gordon also has resigned as alternate Director to Dr. Fan Di. The Company and each of Dr. Fan Di, Messrs. Wang Shizhen, Barry J. Buttifant, Iain F. Bruce and Chen Gang, Gordon have confirmed that there is no disagreement between each of the resigned Directors and the Board and there is no matter relating to each of their resignation that needs to be brought to the attention of the Shareholders.

As stated in the Circular, the Board shall determine the new terms of Dr. Fan Di's appointment as a senior consultant of the Company.

APPOINTMENT OF NEW DIRECTORS

With effect from Completion, Mr. Wong Yuk Kwan (alias: Wong Kwan) has been appointed Chairman of the Board, executive Director and chief executive of the Company whilst Mr. Chan Yiu Keung and Mr. Cheung Kwok Yu have been appointed executive Directors, and Dr. Anwar Ibrahim and Dr. Lee G. Lam have been appointed as independent non-executive Directors and members of the audit committee of the Company.

The appointment of the new Directors and their biographies have been disclosed in the Circular. Please refer to the Circular for the biographical details of the new Directors.

As at the date hereof, there is neither any service contract between the Company and any of the new Directors nor any proposed length of service with the Company in respect of their directorship. The amount of directors' emoluments will be determined by the Board, and further announcements will be made by the Company as soon as practicable.

As at the date hereof, Mr. Wong Yuk Kwan is interested in 42.58% of shareholding interest in the Company, his beneficial interests in the securities of the Company are as follows:

- i. An aggregate of 80,380,000 Consolidated Shares of HK\$0.50 each;
- ii. Convertible Notes in the principal sum of HK\$30,000,000 which are convertible to 60,000,000 Consolidated Shares of HK\$0.50 each at conversion price of HK\$0.50 per Consolidated Share; and
- iii. An Option of subscribing for 20,000,000 new Consolidated Shares of HK\$0.50 each at the exercise price of HK\$0.50 per Consolidated Share.

Save as disclosed herein and in the Circular, none of the new Directors:

1. held any directorships in any public listed companies in the last 3 years;
2. has any interest in the Shares which is required to be disclosed under Part XV of the SFO; or
3. has any relationship with any Directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Group.

Save as disclosed above, there is no information about any of the new Directors that is required to be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules.

OTHER TERMS AND CONDITIONS OF THE SUBSCRIPTION AGREEMENTS

It is a term and condition in the Subscription Agreements and an obligation (the "Obligation") for DiChain Holdings Limited ("DiChain Holdings") to pledge one billion Shares upon Completion, as collateral to compensate the Company of any economic loss (if any) arising from any breach of the warranties (if any) provided by DiChain Holdings under the Subscription Agreements.

The Company is now taking legal advice in respect of the Obligation under the Subscription Agreements as DiChain Holdings, up to the date hereof, has not yet performed the Obligation upon Completion.

By Order of the Board
China Merchants DiChain (Asia) Limited
Zhou Li Yang
Managing Director

Hong Kong, 29 May 2006

As at the date of this announcement, the Directors are

Executive Directors:

Mr. Wong Yuk Kwan (alias: Wong Kwan)

Mr. Chan Yiu Keung

Mr. Cheung Kwok Yu

Mr. Zhou Li Yang

Mr. Zheng Yingsheng

Non-Executive Director:

Mr. Robert Fung Hing Piu

Independent Non-Executive Directors:

Dr. Anwar Ibrahim

Dr. Lee G. Lam

Mr. Victor Yang

* *for identification purpose only*

“Please also refer to the published version of this announcement in The Standard”