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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)

**DELAY IN DESPATCH OF CIRCULAR
REGARDING
VERY SUBSTANTIAL ACQUISITION**

The Company has made an application to the Stock Exchange for an extension of time for despatch of the Circular to on or before 8 September 2006.

Reference is made to the Company's announcement dated 20 July 2006 in relation to the very substantial acquisition (the "Announcement"). Terms defined in the Announcement shall have the same meanings when used herein unless the context requires otherwise.

Pursuant to Rule 14.38 of the Listing Rules, the Company is required to despatch to Shareholders a circular (the "Circular") within 21 days after publication of the Announcement, which should be on or before 11 August 2006. As additional time is required by the reporting accountant to prepare the financial information for inclusion in the Circular, including the audited financial statements of Taiyuan Sanxing Group, pro forma financial information of the Enlarged Group and the indebtedness statement of the Group, an application has been made by the Company to the Stock Exchange for an extension of the time limit for despatch of the Circular. The Circular is expected to be despatched to the Shareholders on or before 8 September 2006.

As at the date hereof, the Board comprises six executive Directors, namely Mr. Wong Yuk Kwan (alias: Wong Kwan), Mr. Lin Xizhong, Mr. Chan Yiu Keung, Mr. Cheung Kwok Yu, Mr. Zhou Li Yang, Mr. Zheng Yingsheng; one non-executive Director, namely Dr. Robert Fung Hing Piu; and three independent non-executive Directors, namely Dr. Anwar Ibrahim, Dr. Lee G. Lam and Mr. Victor Yang.

By Order of the Board
China Merchants DiChain (Asia) Limited
Wong Kwan
Chairman and Chief Executive

Hong Kong, 10 August 2006

* *For identification purpose only*

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