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CHINA RESOURCES ENTERPRISE, LIMITED

(incorporated in Hong Kong with limited liability)

PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES

China Resources Enterprise, Limited (the "Company") is pleased to announce that Credit Lyonnais Securities (Asia) Limited ("CLSA") as placing agent has fully exercised its option (the "Over-placement Option") to place an additional 41,968,000 existing ordinary shares of HK\$1.00 each of the Company at HK\$13.85 each (each an "Additional Placing Share") on behalf of the China Resources (Holdings) Company Limited (the "Vendor"). The Additional Placing Shares have been placed to independent professional and institutional investors.

Further to the Company's announcement yesterday, the Company announces that CLSA as placing agent for the Placing of 95,126,000 Placing Shares at HK\$13.85 per Placing Share has, on 7 July 1999, fully exercised the Over-placement Option granted to its by the Vendor.

As a result of the exercise of the Over-placement Option, the Vendor has sold 41,968,000 Additional Placing Shares at HK\$13.85 per Additional Placing Share, and pursuant to the Top-Up Subscription Agreement will subscribe for the same number of new shares from the Company at the same price. The aggregate number of new shares to be subscribed for by the Vendor will be 137,094,000 shares.

Terms used in this announcement shall have the same meanings as defined in the announcement dated 6 July 1999 unless the context otherwise requires.

By Order of the Board

China Resources Enterprise, Limited

Lee Yip Wah, Peter

Company Secretary

Hong Kong, 7 July 1999