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CHINA RESOURCES ENTERPRISE, LIMITED

(incorporated in Hong Kong under the Companies Ordinance)

Conditional agreement to buy shares in Lippo CRE (Financial Services) Limited and a possible offer for issued shares in The HKCB Bank Holding Company Limited

The board of directors of China Resources Enterprise, Limited ("China Resources Enterprise") announces that the sale and purchase agreement dated 30th June, 1998 entered into between Lippo China Resources Limited ("Lippo China Resources") and China Resources Enterprise in relation to the acquisition by China Resources Enterprise of all of Lippo China Resources' shareholding interest in Lippo CRE (Financial Services) Limited ("Lippo CRE") lapsed on 30th September, 1998 in accordance with its terms. Accordingly, no general offer for the issued shares in The HKCB Bank Holding Company Limited ("HKCB Bank Holding") will be made.

Conditions precedent to the sale and purchase agreement

The board of directors of China Resources Enterprise announces that certain regulatory approvals being some of the conditions precedent of the sale and purchase agreement entered into between Lippo China Resources and China Resources Enterprise on 30th June, 1998 in relation to the acquisition by China Resources Enterprise of all of Lippo China Resources' shareholding interest in Lippo CRE, being approvals from The People's Bank of China and the Hong Kong Monetary Authority, were not fulfilled by 30th September, 1998.

The possible offer for the issued shares in HKCB Bank Holding

The sale and purchase agreement therefore lapsed in accordance with its terms and **the possible general offer for the issued shares in HKCB Bank Holding will not proceed.** Presently, China Resources Enterprise holds 50% of the issued share capital of Lippo CRE, which is the holding company of HKCB Bank Holding. As at the date of this announcement, Lippo CRE holds 794,428,440 issued shares in HKCB Bank Holding, representing about 59.01% of its issued share capital. In addition, China Resources Enterprise and China Resources (Holdings) Co. Ltd., being the controlling shareholder of, and party acting in concert with, China Resources Enterprise, beneficially own respectively 78,890,000 and 6,461,871 shares in HKCB Bank Holding, representing 5.86% and 0.48% of HKCB Bank Holding's issued share capital respectively.

The board of directors of China Resources Enterprise wishes to advise that the lapse of the sale and purchase agreement is due to its conditions precedent not being fulfilled and is not connected with the financial situation of HKCB Bank Holding. The board is confident of the business prospects of HKCB Bank Holding and intends that China Resources Enterprise will hold its investment in Lippo CRE for long term investment purposes. China Resources Enterprise will continue to be supportive of HKCB Bank Holding and its principal subsidiary, The Hongkong Chinese Bank, Limited, in the implementation of their business plans.

By order of the board of
China Resources Enterprise, Limited
Lee Yip Wah, Peter
Secretary

Hong Kong, 3rd October, 1998

All the directors of China Resources Enterprise 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, the 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.