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**CHINA RESOURCES
ENTERPRISE, LIMITED**

*(incorporated in Hong Kong under the
Companies Ordinance)*

五豐行有限公司

NG FUNG HONG LIMITED

*(incorporated in Hong Kong under the
Companies Ordinance)*

Joint announcement relating to
voluntary conditional offer by Anglo Chinese Corporate
Finance, Limited
on behalf of Best-Growth Resources Limited,
a wholly owned subsidiary of
China Resources Enterprise, Limited
to acquire all the issued shares in
Ng Fung Hong Limited
other than those shares presently owned by
a subsidiary of China Resources Enterprise, Limited and
certain members of the China Resources (Holdings) Company
Limited Group

and

a proposed voluntary withdrawal of listing of the shares in

Ng Fung Hong Limited

on the Stock Exchange of Hong Kong Limited

The Offer Document setting out the terms and conditions of the Public Offer and the notice of the extraordinary general meeting to be held on 27th December, 2000 are being despatched on 9th December, 2000.

The Public Offer is not being made, and will not be made directly or indirectly in or into the United States, Canada, Australia, the United Kingdom or Japan.

The Public Offer is, by means of this advertisement, extended to all persons to whom the Offer Document may not be despatched and who hold shares in Ng Fung Hong to which the Public Offer relates.

Apart from the 558,914,000 shares in Ng Fung Hong, representing approximately 53.4% of the total issued shares, held by Rui Jun Investments Limited, a wholly owned subsidiary of China Resources Enterprise, two wholly owned subsidiaries of China Resources (Holdings) Company Limited also own 5,002,000 shares and 9,374,000 shares in Ng Fung Hong, representing approximately 0.5% and 0.9% respectively of the total issued shares, which are the subject of the CRE Offer.

The Offer Document contains important information including the unaudited consolidated profit and loss account of the Ng Fung Hong group for the nine months ended 30th September, 2000 and its unaudited pro forma adjusted consolidated net tangible assets referred to below.

Shareholders of Ng Fung Hong are encouraged to read the Offer Document carefully, including the advice to the independent board committee of Ng Fung Hong from Cazenove Asia Limited, before voting on the resolution for the delisting at the extraordinary general meeting or taking any action in respect of the Public Offer.

Despatch of Offer Document

Reference is made to the joint announcements of China Resources Enterprise, Limited ("China Resources Enterprise") and Ng Fung Hong Limited ("Ng Fung Hong") dated 20th November, 2000 and 27th November, 2000. It is announced that, by means of a formal offer document dated and being despatched on 9th December, 2000 (the "Offer Document"), Anglo Chinese Corporate Finance, Limited is making a voluntary conditional offer (the "Public Offer") on behalf of Best-Growth Resources Limited (the "Offeror") to acquire the entire issued share capital of Ng Fung Hong other than those shares presently owned by a subsidiary of China Resources Enterprise and certain members of the China Resources (Holdings) Company Limited group.

The Public Offer is a voluntary conditional offer on the following basis:

For every 6 shares in Ng Fung Hong HK\$29.40 in cash, being HK\$4.90 in cash for each share held (the "cash alternative"); or

at the election of the assenting shareholder, HK\$19.44 in cash and 1 new share in China Resources Enterprise, and in the same proportion for any greater or lesser number of shares in Ng Fung Hong, except that no fraction of a share in China Resources Enterprise will be issued (the "cash and share alternative").

Shareholders may accept the Public Offer in respect of some or all of his, or her shares in Ng Fung Hong. For those shares in Ng Fung Hong in respect of which a shareholder accepts the Public Offer, such shareholder may elect to receive the cash alternative or the cash and share alternative or a combination in respect of all such shares. If the Public Offer becomes unconditional, the cash alternative and the cash and share alternative will be open for acceptance for 14 days after the date the Public Offer is declared unconditional. Thereafter, if the Public Offer remains open for acceptance, shareholders may only accept the Public Offer in respect of the cash alternative.

The full terms and conditions of the Public Offer are set out in the Offer Document and the forms of acceptance despatched together with the Offer Document.

The Public Offer is not being made, and will not be made directly or indirectly in or into the United States of America, its territories and possessions, any state of the United States and the District of Columbia (the "United States"), Canada, Australia, the United Kingdom or Japan, or by use of the mails or by any means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States, Canada, Australia, the United Kingdom or Japan. This includes, but is not limited to the post, facsimile transmission, telex and telephone or electronic means. The Public Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within the United States, Canada, Australia, the United Kingdom or Japan. No

prospectus in relation to the Public Offer or the new shares in China Resources Enterprise to be issued pursuant to the cash and share alternative has been lodged with, or registered by, the Australian Securities Commission or the registrar of companies in England and Wales. The new shares in China Resources Enterprise have not been, and will not be registered under the United States Securities Act of 1933, as amended, the securities laws of any state of the United States, the Securities and Exchange Law of Japan, and the relevant clearances have not been and will not be obtained from the securities commission of any province of Canada. Accordingly, the new shares in China Resources Enterprise may not, except pursuant to an exemption from any applicable registration requirements and otherwise in compliance with all applicable legislation, be offered, sold, resold or delivered directly or indirectly in or into the United States, Canada, Australia, the United Kingdom or Japan. Any person (including, without limitation, nominees, trustees or custodians) who are overseas persons or who would, or otherwise intend to, forward this announcement to any jurisdiction outside Hong Kong should seek appropriate advice before taking any action.

This advertisement is not being published or otherwise distributed or sent in or into the United States, Canada, Australia, the United Kingdom or Japan and persons reading this advertisement, including custodians, nominees and trustees, must not distribute or send this advertisement, the Offer Document, forms of acceptance or any related documents in, into or from the United States, Canada, Australia, the United Kingdom or Japan and doing so may invalidate any related purported acceptance of the Public Offer.

The Public Offer, which is made by means of the Offer Document and this advertisement, is capable of acceptance from 9th December, 2000 in accordance with the terms and conditions set out or referred to in the Offer Document. The Public Offer is, by means of this advertisement, extended to all persons to whom the Offer Document may not be despatched and who hold shares in Ng Fung Hong to which the Public Offer relates. Such persons are informed that copies of the Offer Document, and forms of acceptance will be available for collection from the registered office of Ng Fung Hong at 8th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong and from Anglo Chinese at 40th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

Shareholding of Ng Fung Hong by members of the China Resources (Holdings) Company Limited group

It is announced that apart from the 558,914,000 shares in Ng Fung Hong, representing approximately 53.4% of the total issued shares, held by Rui Jun Investments Limited, a wholly owned subsidiary of China Resources Enterprise, two wholly owned subsidiaries of China Resources (Holdings) Company Limited also own 5,002,000 shares and 9,374,000 shares in Ng Fung Hong, representing approximately 0.5% and 0.9% respectively of the total issued shares. All these shares are the subject of an offer by the Offeror (the "CRE Offer") made on the same terms

and conditions as the Public Offer.

Disclosure of financial information

The Offer Document contains an unaudited consolidated profit and loss account of Ng Fung Hong group for the nine months ended 30th September, 2000 prepared by the directors of Ng Fung Hong for the purpose of the Offer Document. It is subject to adjustment upon audit and, or, changes as a result of any subsequent events which may arise after the latest practicable date prior to the printing of the Offer Document, being 5th December, 2000.

For the nine months ended 30th September, 2000 HK\$'000

Turnover	5,387,254
Cost of sales	<u>(4,388,587)</u>
Gross profit	998,667
Other revenue	269,630
Selling and distribution expenses	(415,389)
General and administrative expenses	<u>(214,427)</u>
Profit from operations	638,481
Finance costs	(59,642)
Share of results of associates	<u>36,109</u>
Profit before taxation	614,948
Taxation	<u>(73,548)</u>
Profit after taxation	541,400
Minority interests	<u>(42,966)</u>
Profit attributable to shareholders	<u>498,434</u>

The following is a statement of the unaudited pro forma adjusted consolidated net tangible assets of Ng Fung Hong group based on the audited consolidated net assets of the group as at 31st December, 1999 and adjusted as follows:

	HK\$'000
Audited consolidated net tangible assets as at 31st December, 1999	1,938,737
Unaudited consolidated profit attributable to shareholders for the nine months ended 30th September, 2000	498,434
Less: interim dividend paid	<u>(62,706)</u>
Unaudited pro forma adjusted consolidated net tangible asset	<u>2,374,465</u>

Unaudited pro forma adjusted consolidated net tangible asset per share (based on 1,046,258,000 shares in Ng Fung Hong in issue)

HK\$2.27

WITHDRAWAL OF LISTING

A notice of an extraordinary general meeting to consider a resolution for the delisting which will be held on 27th December, 2000 is set out in the Offer Document and the South China Morning Post and the Hong Kong Economic Times on 9th December, 2000 and 11th December, 2000. Shareholders of Ng Fung Hong are encouraged to read the Offer Document carefully, including the advice to the independent board committee of Ng Fung Hong from Cazenove Asia Limited, before voting on the resolution for the delisting at the extraordinary general meeting or taking any action in respect of the Public Offer.

By Order of the Board
China Resources Enterprise, Limited
Lee Yip Wah, Peter
Company Secretary

By Order of the Board
Ng Fung Hong Limited
Hon Ping Cho, Terence
Company Secretary

Hong Kong, 9th December, 2000

All the directors of China Resources Enterprise jointly and severally accept full responsibility for the accuracy of the information, other than those relating to Ng Fung Hong, contained in this announcement and confirm, having made all reasonable inquiries, 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, other than those relating to Ng Fung Hong, not contained in this announcement, the omission of which would make any statement in this announcement misleading.

All the directors of Ng Fung Hong jointly and severally accept full responsibility for the accuracy of the information, other than those relating to China Resources Enterprise, contained in this announcement and confirm, having made all reasonable inquiries, 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, other than those relating to China Resources Enterprise, not contained in this announcement, the omission of which would make any such statement in this announcement misleading.

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