



**Press Release
For Immediate Release**

China Resources Enterprise, Limited Acquired A 39.25% Stake In Suguo

(September 26, 2002, Hong Kong) China Resources Enterprise, Limited (Stock Code: 0291) (or ‘The Company’) announced that the Company has entered into an agreement with Jiangsu Supply & Marketing General Cooperative and its associates, for the acquisition of half of their 78.5% interests in Suguo Supermarket Co., Ltd (“Suguo”). Suguo is currently the largest supermarket chain operator in Jiangsu province, China and ranked the seventh in sales value among all retail chain operators in China in 2001 according to the State Economic and Trade Commission. It has an estimated 50% market share in Nanjing. The consideration of the acquisition for a 39.25% interest in Suguo is approximately RMB232 million, which represents approximately 11.7 times PE based on Suguo’s 2001 audited earnings and approximately 4.4 times of its attributable consolidated net assets as at June 30, 2002. The consideration will be financed by internal resources.

Suguo was set up in July 1996 and operated 4 hypermarket stores, 88 supermarket stores and 126 convenience stores in Nanjing, Jiangsu as at June 30, 2002. In addition, as at June 30, 2002, Suguo was also the franchisor of 502 Suguo supermarkets and convenience stores in Jiangsu, Anhui, Shandong and Henan provinces.

“The acquisition of Suguo is a major step to implement our retail-led distribution plan. We now have dominant market position in Guangdong and Jiangsu provinces, the two most affluent provinces in the country in terms of GDP. It will also strengthen our supply chain in Jiangsu upon integration with our own 101 supermarkets in Suzhou. Shareholders of Suguo are as committed as we are in expanding the supermarket chain business in Jiangsu and we will accelerate our store opening plan. We are delighted to see immediate benefit from the acquisition, which gives us market dominance in Jiangsu and a competent management team,” said Mr. Frank Ning, Chairman of the Company.

The Company now operates about 450 supermarkets in Hong Kong and China, 11 hypermarkets and 4 superstores in China. The acquisition will add to the extensive retail network throughout Southern and Eastern China, the core expansion regions that the Company aimed at.

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About China Resources Enterprise, Limited

China Resources Enterprise, Limited is listed on both the Hong Kong Stock Exchange and the London Stock Exchange and is one of the Hang Seng Index constituent stocks in Hong Kong. The Group has a well-diversified portfolio of businesses in both Hong Kong and the Chinese Mainland, including retail, beverage, food processing and distribution, textile, petroleum and chemical distribution, property and other investments.

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