



**Press Release
For Immediate Release**

**China Resources Enterprise, Limited Acquires Remaining
Minority Interests In Nine Textile Companies**

(May 26, 2002, Hong Kong) China Resources Enterprise, Limited (Stock Code: 0291) ('The Company' or 'China Resources') announced that the Company's wholly owned subsidiary, China Resources Light Industries and Textiles Investment & Development Co. Ltd., has entered into various acquisition agreements with eight vendors for the acquisition of the remaining minority interests in nine textile companies currently controlled by a wholly owned subsidiary of the Company for a total consideration of RMB 68,431,300. The respective consideration will be settled in cash within one month of completion of the respective acquisitions. After completion of all the above acquisitions, China Resources will have assumed full ownership control of the nine companies, namely Shandong Binhua Textiles Co., Ltd., Shandong Binzhou China Resources Textiles Co., Ltd, Shandong Linqing China Resources Textiles Co., Ltd., Shandong Hua Lin Textiles Co., Ltd, Shandong China Resources Textiles Co., Ltd., Weifang Huawei Textiles Co., Ltd., Shandong Huimin China Resources Textiles Co., Ltd, Shandong Liaocheng China Resources Textiles Co., Ltd., Tongzhou CRC Printing & Dyeing Co., Ltd. All of these nine companies are engaged in spinning and weaving business in Shangdong Province with an aggregate net asset value of RMB550.9 million as at December 31, 2001.

Mr. Mark Chen, Chairman of China Resources Light Industries and Textiles Group said, "The acquisition provides us a platform to further centralize the management, sales and purchasing of these manufacturing plants. It will also enhance our operation efficiency and allow us to enjoy higher cost benefits. We also plan to upgrade the technology of these manufacturing plants to cope with rising industry demand. The acquisitions will further facilitate our expansion plan to become a leading player in the highly fragmented textile and garment manufacturing market in China."

Mr. Chen continued, "At a weighted average of approximately 53.6% discount to the aggregate unaudited net asset value of these companies, we believe the consideration for these acquisitions are reasonable. We will continue to look into other suitable opportunities which can further assist our expansion plan and match our development strategy."

Since establishment, China Resources Light Industries and Textiles Group has gradually developed into a vertically-integrated textile manufacturing operation that offers spinning,

weaving, dying and garment making. The Company has a portfolio of international fashion brands as its OEM customers.

The textile business is an important component of the Company's supply chain. There will be closer cooperation between the textile business and the Company's retail businesses under a retail-led distribution model.

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About China Resources Enterprise, Limited

Established in 1992, China Resources Enterprise, Limited is a listed company on the Hong Kong Stock Exchange with a market value of HK\$18 billion. The company has a well-diversified range of businesses in both Hong Kong and China.

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Detail of the transaction will be posted to the South China Morning Post and Hong Kong Economic Times on May 27, 2002 and the corporate web site at www.cre.com.hk. Information can also be accessed via www.irasia.com.