

For Immediate Release

Press Release

China Resources Enterprise, Limited Announced Proposal to Reorganise its Concrete Business for a Separate Listing on the Hong Kong Stock Exchange

[Hong Kong, 26th March, 2003] China Resources Enterprise, Limited (Stock Code: 0291) (or 'The Company') today announced that the board of directors proposed to reorganise the Company's interests in all its concrete production and related businesses in Hong Kong (currently operated by Redland Concrete Limited) by way of a separate listing of a newly formed company, China Resources Cement Holdings Limited. (or 'CR Cement'). CR Cement will leverage on its foothold in the Hong Kong ready-mixed concrete market and expand into the Chinese Mainland through acquiring all the concrete and cement businesses operated by China Resources (Holdings) Company Limited (or 'CR Holdings') in the Chinese Mainland.

The reorganisation includes, among other things, the distribution by the Company to its shareholders the shares in CR Cement in the form of a dividend in specie. The dividend distribution will result in each shareholder of the Company, as at a record date to be determined later, receiving one share in CR Cement for every ten shares in the Company.

The reorganisation is subject to various conditions including the acquisition of majority interests in concrete and cement production business of CR Holdings in the Chinese Mainland which is subject to the approval of the Company's independent shareholders. The proposed acquisitions comprise of two cement operations at Guangxi and Dongguan and two concrete production companies in Dongguan and Shenzhen. The aggregate consideration for the acquisitions of the businesses amounts to HK\$414.1 million, which is based on the aggregated unaudited combined net assets value of HK\$205.4 million of the acquired companies as at 31st December, 2002 (subject to adjustments), and the principal amounts of HK\$208.7 million of such related shareholders' loans as at 25th March, 2003. The aggregate consideration will be settled by issuing such number of the CR Cement shares on the basis of the proforma combined net asset value per share of CR Cement as at 26th March, 2003.

Upon the completion of the reorganisation and the above acquisitions, the Company will not hold any shares in CR Cement and it is expected that CR Holdings and its associates will hold approximately 74.5% of CR Cement whilst the other shareholders of the Company will hold the remaining 25.5%.

Following the reorganisation and the acquisitions, shares in CR Cement will be listed on the Main Board of the Stock Exchange of Hong Kong Limited.

China Resources Enterprise, Limited

39/F China Resources Building, 26 Harbour Road, Wanchai, Hong Kong
Tel: (852) 2827 1028 Fax: (852) 2598 8453 Website: www.cre.com.hk



Mr. Ning Gaoning, Chairman of the Company concluded, “The reorganisation will provide shareholders of the Company with the opportunity to participate in the future development of CR Cement which will become the sole listing vehicle of CR Holdings in expanding into the concrete and cement businesses in the Chinese Mainland. It will result in two listed companies that are well positioned for long-term growth and profitability. Not only will the Company be able to focus on its retail-led distribution business and deploy tailored strategies in maximizing values for its shareholders, CR Cement will also be able to establish a stronger foothold with an enlarged ready mixed concrete and cement operations in the Chinese Mainland. The reorganisation will also open a window for CR Cement to have direct access to the capital market and provides the shareholders of the Company another marketable security for investment.”

The unaudited proforma combined net asset value of the CR Cement group (assuming the CR Cement were the holding company of the company’s concrete production and related businesses as at 31st December, 2002) following the completion of the group reorganisation and the acquisitions was approximately HK\$970.8 million as at 31st December, 2002 and the proforma combined profit attributable to shareholders would be approximately HK\$77.743 million for the year ended 31st December, 2002.

About China Resources Enterprise, Limited

China Resources Enterprise, Limited is listed on the Hong Kong Stock Exchange and is also traded on SEAQ International of the London Stock Exchange. It is also one of the constituent stocks of the Hang Seng Index in Hong Kong and Hang Seng London Reference Index. The Company has a well-diversified portfolio of businesses in both Hong Kong and the Chinese Mainland, with principal activities being retail, beverage, food processing and distribution, textile and petroleum distribution.

China Resources Enterprise, Limited

39/F China Resources Building, 26 Harbour Road, Wanchai, Hong Kong
Tel: (852) 2827 1028 Fax: (852) 2598 8453 Website: www.cre.com.hk



For further information, please contact:

Mr. Francis Kwong

Executive Director

China Resources Enterprise, Limited

Tel: +852 2829 9816

Fax: +852 2598 8453

Email: francis.kwong@cre.com.hk

Details of the announcement will be posted on the Hong Kong Economic Times and South China Morning Post on 27th March, 2003. It can also be accessed via the Company's web site at <http://www.cre.com.hk> or irasia's web site at <http://www.irasia.com>

- End -

China Resources Enterprise, Limited

39/F China Resources Building, 26 Harbour Road, Wanchai, Hong Kong
Tel: (852) 2827 1028 Fax: (852) 2598 8453 Website: www.cre.com.hk