

**For Immediate Release
Press Release**

**China Resources Enterprise, Limited Announced
Acquisition of a 51 percent Stake in CR Jinhua from Ultimate Shareholder**

(Hong Kong, 16th February, 2003) China Resources Enterprise, Limited (Stock Code: 0291) (or 'The Company') announced on 14th February, 2003 its plan to acquire a 51 percent stake in China Resources Jinhua Co., Ltd (or 'CR Jinhua') via its wholly owned subsidiary, China Resources Light Industries and Textiles (Holdings) Company Limited, from its ultimate shareholder, the China Resources National Corporation (or 'CRNC'). CR Jinhua is a textile company listed on the Shenzhen Stock Exchange. The shares to be acquired are state-owned shares and represent the entire shareholding of CRNC in CR Jinhua. The acquisition of CR Jinhua involves a cash consideration of RMB163,522,179 (or approximately HK\$153.7 million) and will be funded by internal resources. The consideration represents an aggregate of the original historic investment costs and the interest attributable to the acquisition by CRNC. The purchase price of RMB2.473 per share is equivalent to a discount of approximately 81.1% to the closing price of RMB13.07 per CR Jinhua share as quoted on the Shenzhen Stock Exchange on 13th February, 2003 (date of the agreement), or a discount of approximately 81.0% to the average closing price of RMB13.01 per CR Jinhua share as quoted on the Shenzhen Stock Exchange for the past ten trading days starting from the date of the agreement.

CR Jinhua is engaged in the business of spinning, weaving, making and distributing textile products. Its audited consolidated net asset value as at 31st December, 2002 was RMB182.5 million and the audited consolidated net profit for the year ended 31st December, 2002 was RMB13.15 million.

Mr. Frank Ning, Chairman of the Company said, "The acquisition of CR Jinhua will establish an important milestone for the development of our textile business. CR Jinhua will provide the business with an excellent platform for consolidation, further acquisition and future fund raising. There will also be a substantial boost to our production capacity following the acquisition to cope with rising industry demand."

Subsequent to the acquisition of the minority interests of six textile plants in May, 2002, the acquisition of CR Jinhua is another move by the Company's textile division to build a leading position in the mainland textile industry. Since last year, the division has been focusing on integrating the existing textile plants to facilitate more efficient sharing of resources. It has also embarked on a technology upgrade program for its textile plants to explore the higher end market.

Leveraging on the Company's distribution and logistics network, the textile division has grown into a vertically integrated operation from raw material sourcing, manufacturing, marketing to distribution. It also aims to establish a centralized manufacturing, purchasing and management base. Upon completion of the CR Jinhua acquisition, total capacity of the textile division will reach approximately 500,000 spindles, 8,000 looms, an annual production of 60,000 tonnes of yarns and over 200 million metres of fabrics. It heads towards a dominant market position.

The closing of the transaction is subject to relevant PRC regulatory approvals.

China Resources Enterprise, Limited

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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 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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Details of the announcement will be posted on the Hong Kong Economic Times and South China Morning Post on 17th February, 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>

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