

For Immediate Release

Press Release

**Shareholders of China Resources Enterprise Approved Acquisition,
CR Cement to be Separately Listed As Planned**

[Hong Kong, 15th July, 2003] China Resources Enterprise, Limited (HKEx: 0291) (“The Company” or “CRE”) is pleased to announce that the resolution in respect of the acquisition of China Resources (Holdings) Company Limited’s entire interests in Guangxi China Resources Hongshuihe Cement Co., Ltd, Dongguan Huarun Cement Manufactory Co., Ltd, Dongguan China Resources Concrete Co., Ltd, and Shenzhen China Resources Tiejian Concrete Co., Ltd and the related shareholders’ loans by China Resources Cement Holdings Limited (or ‘CR Cement’) was passed by the Company’s independent shareholders at today’s EGM. The Company has, subsequent to the EGM, declared a special interim dividend through a distribution in specie of CR Cement shares on the basis of one CR Cement share for every ten CRE shares held. Subject to the approval from the Stock Exchange, the CR Cement shares are expected to be listed on the Main Board (Stock Code ‘712’) by way of introduction on 29th July, 2003. The share certificates of CR Cement shares will be despatched on or about 24th July, 2003.

The acquisition and the listing of CR Cement are part of a group reorganization announced by the Company in March this year. While the Company is concentrating on the development of retail-led distribution businesses, the ready mixed concrete operation has become less of a core business of CRE. Listing of CR Cement will allow the Company to focus on its core business and CR Cement itself to capitalize on a vertically integrated business in Hong Kong and the Chinese Mainland. A listing status will also enable CR Cement to capture the immense potential of the PRC cement and concrete markets and give it direct access to the equity capital market.

The Company’s Chairman, Mr. Ning Gao Ning, who is also a non-executive director of CR Cement, said after the EGM, “The reorganization will benefit all three parties. CRE will be better positioned to implement its retail-led distribution strategy. At the same time, CR Cement will become the sole listing vehicle for the cement and concrete operations of China Resources Holdings with expanded geographical coverage. To CRE shareholders, they will be given an opportunity to participate directly in the success and future development of CR Cement’s businesses, which is in line with our ultimate objective of maximizing return to shareholders.”



For the year ended 31st December, 2002, after taking into account of the acquisition, the pro forma combined turnover and earnings of CR Cement group were approximately HK\$899,450,000 and HK\$77,743,000 respectively. The pro forma combined net profit of the CR Cement group for the year ended 31st December, 2002 was approximately HK\$0.214 per CR Cement share and the pro forma combined net asset was approximately HK\$2.68 per CR Cement share as at 31st December, 2002.

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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, with principal activities being retail, beverage, food processing and distribution, textile and petroleum distribution.

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

For details on the business operations of CR Cement, please refer to the website of Hong Kong Stock Exchange at <http://www.hkex.com.hk/listedco/listconews/sehk/20030626/LTN20030626075.htm> to view the prospectus.

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