



**Press Release  
For Immediate Release**

**China Resources Enterprise, Limited Announced 2002 Interim Results  
Restructuring Efforts Start to Pay Off**

(Hong Kong, September 4, 2002) China Resources Enterprise, Limited (SEHK Code: 0291), together with its subsidiaries (collectively "The Group"), announced its interim results for the six months ended June 30, 2002 today and reported an unaudited consolidated turnover and profit attributable to shareholders of HK\$12,933 million and HK\$720 million respectively, representing a 7.2% increase and an 8.6% decrease over the same period of last year.

Excluding the profit of HK\$59.1 million from the disposal of a 25.5% stake in China Resources (Shenyang) Sanyo Compressor Co., Ltd. in the first half of 2001, profit attributable to shareholders for the six months ended June 30, 2002 declined slightly by just 1.2% over the same period of last year. Earnings per share, based on a weighted average number of shares, was HK\$0.35 compared with HK\$0.39 for the first half of 2001. The Board has declared an interim dividend for the year ending December 31, 2002 of HK 9 cents per share which will be payable on or about November 1, 2002.

Mr. Frank Ning, the Chairman of China Resources Enterprise, Limited said, "The Group's strenuous efforts in restructuring its distribution businesses into a more refined and focused 'retail-led distribution' direction are gradually paid off. This is evident from the earnings stability in the first half of 2002 in the absence of any significant property development and banking profits. We are confident that our retail-led distribution model will drive future growth and thus earnings of the Group will be more recurrent."

Among the different business divisions, earnings of the Group's Petroleum and Chemical operation doubled due to higher wholesaling margin of petroleum, turnaround of chemicals distribution business as well as continued growth of the local retail business. As compared to the second half of 2001, the Brewery business recovered sharply and is now the second largest brewer in the Chinese Mainland in terms of sales volume. Supermarket also reported a 55% increase in turnover driven by the supermarket operation in the Chinese Mainland and further growth will be fuelled by the recent acquisition of Vanguard. Amid the sluggish local economy, the Hong Kong Retail business was able to turn around with a profit.

Looking ahead, Mr. Ning continued, "We will use China Resources Vanguard, the merged entity between Vanguard and the Group's existing supermarket operation, to spearhead the execution of our retailing plan. We are delighted that upon the merger, China Resources Vanguard has become the largest retailer in Guangdong in terms of sales."

The Group will also endeavour to improve corporate governance and investor relations by voluntarily announcing its quarterly results commencing the third quarter of this year, giving benchmarks for investors to measure the progress of its reform progress and business development.

### Chart 1. Turnover Summary – by Division

Year end 31 Dec	H1 2002 HK\$m	Prop (%)	H1 2001 HK\$m	Prop (%)	% change
Petroleum and chemicals	4,558	35	5,150	42	-11
Retail	2,638	20	1,894	16	+39
Food processing and distribution	2,389	18	2,854	24	-16
Beverage	1,846	14	1,131	9	+63
Textile	1,000	8	0	0	na
Property	303	2	727	6	-58
Investment & others	273	2	380	3	-28
	13,005	100	12,136	100	+7
Less:inter-co transactions	(72)		(76)		-6
Turnover	12,933		12,059		+7

### Chart 2. Profit Summary – by Division

Year end 31 Dec	H1 2002 HK\$m	Prop (%)	H1 2001 HK\$m	Prop (%)	% change
Petroleum and chemicals	181	23	91	10	+100
Retail	17	2	(6)	(1)	na
Food processing and distribution	172	22	221	25	-22
Beverage	42	5	48	5	-13
Textile	43	6	0	0	na
Property	141	18	249	28	-43
Investment & others	189	24	297 *	33	-36
	784	100	899	100	-13
Net corporate interest & expenses	(64)		(111)		-43
Earnings	720		788		-9
Earnings ex-asset disposal profit **	720		729		-1

\* Including profits of HK\$59.1m from the disposal of a stake in Shenyang Compressor and HK\$43.0m from the share of profit of HKCB Bank Holding (sold)

\*\* Earnings excluding the profit from the disposal of Shenyang Compressor

Figures above are rounded off to the nearest million

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### **About China Resources Enterprise, Limited**

China Resources Enterprise, Limited was established in Hong Kong in 1992. It 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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Interim Results 2002 will be posted to the South China Morning Post and Hong Kong Economic Times on September 5, 2002 and the corporate web site at [www.cre.com.hk](http://www.cre.com.hk). Information can also be accessed via [www.irasia.com](http://www.irasia.com).

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