

For Immediate Release

Press Release

- **Turnover of HK\$16.2 billion, a 25.2% increase from last year**
- **Profit attributable to shareholders increased by 3.3% to HK\$749.7 million**
- **Turnover contribution from the Chinese Mainland operations exceeded that of Hong Kong for the first time**
- **Interim dividend of HK10¢ per share, an 11% increase as compared to that of last year**

**China Resources Enterprise, Limited Announced 2003 Interim Results
Roll-out of Strategies as Planned**

(Hong Kong, 10 September, 2003) China Resources Enterprise, Limited (HKEx: 0291), together with its subsidiaries (collectively "The Group"), announced its interim results for the six months ended 30 June, 2003 today. Consolidated turnover was HK\$16.2 billion and profit attributable to shareholders was HK\$749.7 million, representing an increase of 25.2% and 3.3% respectively over that of last year. Earnings per share on a weighted average basis rose to HK\$0.36 from HK\$0.35 last year. The Board of Directors declared an interim dividend of HK10¢ per share, an increase of 11% from last year. Such interim dividend of 2003 is additional to a special interim dividend effected by way of a distribution in specie of shares in China Resources Cement to shareholders in July.

For the six months period ended 30 June, 2003, the Group's textile operation accomplished a 74% increase in earnings, due to marked improvements registered in all its major divisions, confirming its role as one of our earnings drivers. Overall net margin also rose to 5.8% from 4.7%, as both yarns and fabrics reported increases in volume and price that were led by the hike of cotton price. Boosted by the sharing of a gain from the disposal of our interest, held through a jointly controlled entity, in the aviation fuel facility at the airport, earnings from the petroleum & chemicals distribution business surged by 57%. Moreover, the Group's food processing and distribution business continued to make steady contribution with moderate increase in earnings, while its expansion plan to the Chinese Mainland food processing market is well underway.

The Group's retail and brewery businesses, however, bore the brunt of the SARS outbreak. Amid the adverse impact by SARS though, both divisions strived to register considerable growth in turnover. Within the retail division, the Group's supermarket operation reported an increase in turnover of 93.4% as compared to the same period of last year, attributable to the increase in number of stores as well as the acquisition of CR Vanguard in July last year. While SARS has now been kept under control and sales situation is improving, the Group aims to strengthen the management team and improve the fundamentals of merchandising, operational and logistics and we remain confident and committed to this operation. Aided by the acquisitions of breweries in Wuhan and Panjin in 2002 and in Beijing in 2003 as well as stable sales



growth of the Sichuan Blue Sword, the Group's beverage business posted an 8.8% increase in the sales volume of beer, consolidating our market position as the second largest brewer in the Chinese Mainland. Sales volume of our national brand, 'SNOW 雪花' also went up by 45%, demonstrating its growing popularity following the implementation of our brand development strategy for the whole country.

Mr. Ning Gaoning, Chairman of the Company said, "The strategies to bolster our unique retail-led distribution model have been rolled out step by step as planned. These include reorganizing our non-core businesses, as seen from the separate listing of China Resources Cement, as well as the acquisition of our parent company's logistics business in July to enhance the efficiency of the retailing business and to meet our own long-term logistics demand. We have also started to sell more of our own products in our supermarkets. Our accelerated investments in the mainland over the years have resulted in a higher proportion of turnover contribution from the Chinese Mainland than that of Hong Kong for the first time. Coupled with our efforts to improve operational efficiency, we are very confident about the future prospects of the Group."

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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.

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Full details of our Interim Results 2003 will be posted on the South China Morning Post, Hong Kong Economic Times and Wenweipo on 11 September, 2003 and the corporate web site at www.cre.com.hk. Information can also be accessed via www.irasia.com.



財務概要 FINANCIAL HIGHLIGHTS

		截至六月三十日止六個月 Six months ended 30 June	
		二零零三年 (未經審核) 港幣千元 2003 (Unaudited) HK\$'000	二零零二年 (未經審核及重列) 港幣千元 2002 (Unaudited and Restated) HK\$'000
營業額	Turnover	16,190,163	12,933,223
經營溢利	Profit from operations	651,381	930,328
應佔聯營公司業績	Share of results of associates	228,498	208,601
股東應佔溢利	Profit attributable to shareholders	749,733	725,462
每股盈利 ¹	Earnings per share ¹	HK\$0.36	HK\$0.35
每股中期股息	Interim dividend per share	HK\$0.10	HK\$0.09

		於二零零三年 六月三十日 (未經審核) 港幣千元 At 30 June 2003 (Unaudited) HK\$'000	於二零零二年 十二月三十一日 (重列) ³ 港幣千元 At 31 December 2002 (Restated) ³ HK\$'000
股東權益	Shareholders' funds	13,424,718	12,945,721
少數股東權益	Minority interests	3,431,760	3,290,057
綜合借款淨額	Consolidated net borrowings	1,479,747	1,482,909
負債比率 ²	Gearing ²	8.78%	9.13%
流動比率	Current ratio	1.38	1.29
每股資產淨值: 賬面值	Net assets per share: book value	HK\$6.45	HK\$6.22

附註:

- 每股盈利乃將股東應佔溢利除以各期間已發行股份之加權平均數計算。
- 負債比率指借款淨額與股東權益及少數股東權益之比例。
- 比較數字已經重列，以便符合本期間會計政策之遞延稅項改變。

Notes:

- Earnings per share have been calculated by dividing the profit attributable to shareholders by weighted average number of shares in issue during the period.
- Gearing represents the ratio of net borrowings to shareholders' funds and minority interests.
- The comparatives have been restated to conform with the current period presentation in light of the change in accounting policy for deferred taxation.



營業額及溢利分析表
ANALYSIS OF TURNOVER AND PROFIT

截至六月三十日止六個月

Six months ended 30 June

二零零三年
(未經審核)
港幣千元

二零零二年
(未經審核及重列)
港幣千元
2002
(Unaudited and
Restated)
HK\$'000

各項業務之營業額	Turnover by segment		
石油及化學品經銷	Petroleum and Chemical Distribution	5,978,428	4,557,996
零售	Retail	4,303,594	2,725,851
食品加工及經銷	Food Processing and Distribution	2,357,389	2,388,627
飲品	Beverage	1,908,632	1,845,602
紡織	Textiles	1,410,521	999,517
物業	Property	142,627	214,690
投資及其他業務	Investments and Others	167,877	272,646
小計	Subtotal	16,269,068	13,004,929
對銷業務間之交易	Elimination of inter-segment transactions	(78,905)	(71,706)
總額	Total	16,190,163	12,933,223
各項業務之股東應佔溢利	Profit attributable to shareholders by segment		
石油及化學品經銷	Petroleum and Chemical Distribution	285,507	182,018
零售	Retail	(88,818)	61,494
食品加工及經銷	Food Processing and Distribution	175,461	172,274
飲品	Beverage	25,253	38,484
紡織	Textiles	82,274	47,167
物業	Property ³	165,931	97,071
投資及其他業務	Investments and Others	167,581	190,776
小計	Subtotal	813,189	789,284
公司總部利息淨額及費用	Net corporate interest and expenses	(63,456)	(63,822)
總額	Total	749,733	725,462

附註:

- 比較數字已經重列，以便符合本期間會計政策之遞延稅項改變。
- 物流業務從物業業務重新分類至零售業務。
- 由於有物業從固定資產改變用途為投資物業，導致截至二零零三年六月三十日止物業業務之遞延稅項負債減少。

Notes:

- The comparatives have been restated to conform with the current period presentation in light of the change in accounting policy for deferred taxation.
- The logistic business has been reclassified under Retail segment from Property segment.
- Due to change in use of certain properties from fixed assets to investment properties, it resulted in a decrease in deferred tax liabilities.