

**For Immediate Press Release**

The Esprit logo consists of the word "ESPRIT" in a bold, red, sans-serif font. The letter "E" is stylized with three horizontal bars.

華潤創業有限公司  
China Resources Enterprise, Limited

## **CRE Sale of its Stake in Esprit China to Esprit**

- Esprit will acquire the remaining stake which CRE holds in Esprit China for a total cash consideration of HK\$3.88 billion.
- Disposal of its interest in Esprit China will allow CRE to focus on market leadership in its core consumer businesses, namely retail, beverage, food processing and distribution.
- The acquisition will enable Esprit to unify its interests in the PRC, gain full management control of the brand and business, integrate its operation in the PRC into its global system and enable it to consolidate its sales in the PRC into the Esprit group. The proposed transaction will further facilitate Esprit to continue its expansion in the PRC.

Hong Kong, 17 December 2009---Esprit Holdings Limited (“Esprit”, HKEx: 00330) and China Resources Enterprise, Limited (“CRE”, HKEx: 00291) today jointly announced that the companies have entered into a sale and purchase agreement in relation to their joint venture business in China (“Esprit China”). Esprit will effectively acquire the businesses of Esprit China from its joint venture partner CRE for an aggregate cash consideration of HK\$3.88 billion.

Esprit China is a joint venture that is 51% and 49% owned by CRE and Esprit, respectively. Esprit China engages in the retail sale and wholesale distribution of “Esprit” and “Red Earth” branded apparel and accessories in the PRC on an exclusive basis. As of 30 June 2009, Esprit China operated 1,112 outlets in 171 cities across PRC, comprising 345 self-operated stores and 767 franchised stores, with net sales of HK\$2.6 billion in the twelve months ended 31 December 2008.

Esprit will own 100% of the economic rights of Esprit China with effect from 17 February 2010 or such other date CRE and Esprit agreed. This proposed transaction represents a “win-win” outcome for both Esprit and CRE and their respective shareholders.

Mr. Heinz Krogner-Kornalik, Executive Chairman of Esprit, said, “The China market presents great strategic value to Esprit and is high on our priorities to strengthen our presence in Asia Pacific. The proposed acquisition will allow us to gain full operational, management and ownership control of Esprit China. Building on top of the solid foundation CRE and Esprit established, we believe Esprit’s business in China will become one of the most important growth engines driving the further expansion of Esprit in the medium term. We will integrate Esprit China into our global system and allocate the necessary resources to fully realize Esprit’s brand potential in China. We expect the acquisition to add a new growth dimension to the business of Esprit and create value to our shareholders.”

Mr. Chen Lang, Managing Director of CRE, said, “The proposed disposal of our non-core investment in Esprit China is consistent with our stated strategy to focus on market leadership in core consumer businesses, namely retail, beverage, food processing and distribution. Specifically, this would enable our management team to dedicate resources towards, and re-deploy the sale proceeds to invest in, the continued growth of our core businesses. Together with the asset swap transaction announced on 29 October 2009, this proposed transaction is a testament to CRE management’s ability to deliver on our promises to shareholders in a timely fashion.”

The proposed transaction constitutes a discloseable and connected transaction from CRE’s perspective, and a discloseable transaction from Esprit’s perspective, with completion subject to the satisfaction of certain conditions.

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

China Resources Enterprise, Limited is listed on the Hong Kong Stock Exchange and is one of the constituent stocks of the Hang Seng Index in Hong Kong. The Group focuses on the consumer businesses in both the Chinese Mainland and Hong Kong, with core activities being retail, beverage, food processing and distribution and property investment.

### **About Esprit Holdings Limited**

Esprit Holdings Limited generated a worldwide group turnover of around HKD 34.5 billion (as of 30.06.2009), with net profits of around HKD 4,745 million. The share of Esprit Holdings Limited is listed on the Hong Kong stock market and is included in both the Hang Seng Index, in the MSCI Index Hong Kong, as well as in the FTSE ALL World-Index for Hong Kong, S&P/HKEx LargeCap Index and S&P Asia 50 Index.

Esprit Holdings Limited operates more than 800 directly managed retail stores worldwide and distributes its products via more than 14,000 wholesale locations around the globe. The company has more than 1.1 million square metres of sales area in more than 40 countries.

For further information, please contact:

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

Ms. Joyce Chan

Assistant General Manager – M&A

Tel: +852 2829 9829

Fax: +852 2598 8453

Email: joyce.chan@cre.com.hk

Ms. Mona Leong

Corporate Communications Manager

Tel: +852 2829 9809

Fax: +852 2598 8453

Email: mona.leong@cre.com.hk

### **Esprit Holdings Limited**

Mr. Fook Aun Chew

Group Chief Financial Officer

Tel: +852 2765 4300

Fax: +852 2764 1723

Email: fookaun.chew@esprit.com

Mr. Patrick Lau

Senior Vice President - Investor Relations

Tel: +852 2765 4232

Fax: +852 2764 1723

Email: patrick.lau@esprit.com

### **Hill & Knowlton Asia Limited**

Ms. Rachel Chan

Tel: +852 2894 6309

Fax: +852 2576 1990

Email: rachel.chan@hillandknowlton.com.hk