

For Immediate Release

Press Release

- **Turnover and earnings amounted to HK\$35,047 million and HK\$1,158 million respectively**
- **Turnover and earnings of beverage division both reached record highs**
- **Underlying net profit amounted to HK\$966 million**
- **Interim dividend of HK\$0.14 per share**

**China Resources Enterprise Announces Interim Results for 2009
“Focus and Opportunities”**

[Hong Kong, 3 September 2009] China Resources Enterprise, Limited (HKEx: 00291) (‘The Company’ or together with its subsidiaries, ‘The Group’) today announced its interim results for the six months ended 30 June 2009. Consolidated turnover and profit attributable to the Company’s shareholders amounted to approximately HK\$35,047 million and HK\$1,158 million respectively, representing an increase of 10.2% and a decrease of 22.2% from the same period of last year. Basic earnings per share were HK\$0.48. Excluding the after-tax effect of revaluation of investment properties and major disposals, which led to aggregate gains of HK\$192 million and HK\$466 million in the first half of 2009 and 2008 respectively, underlying net profit would decrease by 5.5% to HK\$966 million. The Board of Directors declared an interim dividend of HK\$0.14 per share.

Retail division registered a 9.6% increase in turnover while earnings decreased by 27.7% to HK\$276 million. Although its profitability was undermined by the global financial crisis, the increase in turnover has laid a foundation for recovery. Supermarket and logistics operation reported earnings of HK\$224 million, representing a decrease of 13.8%. Despite a drop in its operating profit, there was a 7.5% improvement in EBITDA to HK\$843 million.

Beverage division achieved impressive growth with earnings rising by 133.6% to HK\$341 million. Sales volume of beer increased by 20.0% to approximately 4,187,000 kiloliters while earnings soared by 144.8% to HK\$257 million. Sales volume of our national brand, SNOW, expanded further by 23.6% to about 3,578,000 kiloliters, consolidating its positions as the single largest beer brand in the Chinese Mainland and one of the leading brands in the world. Earnings contribution from purified water operation surged 104.9% to HK\$84 million, driven by its 20.9% sales volume growth and a fall in plastic packaging materials costs. Using “C’estbon” as its sole brand, it has achieved a leading position in Guangdong Province with a sales volume of 736,000 kiloliters.

Earnings contribution from food division fell by 12.1% to HK\$211 million in which the reduction continued to narrow down when compared with the first quarter of 2009. This was aided by the easing competition in the live pig import market since the end of last year, which made the operating environment in Hong Kong more



stabilized. Excluding the disposal gains of certain equity interests in non-core investments, underlying net profit would decrease only by 7.1%. Turnover of the meat processing and assorted foodstuff businesses as well as slaughtering volume of live pigs in the Chinese Mainland recorded satisfactory growth.

The operating environment of the textile division remained tough because of the weakened export demand. However, the division managed to reduce the attributable loss to HK\$67 million. We will continue to counteract the unfavourable operating environment by tightening cost control, exploring new markets and introducing new products.

Excluding the effect from property revaluation and change in local tax rate in the first half of 2008, attributable profit of the investment property portfolio, which predominantly consists of retail properties, increased by 41% alongside the surge in rental income from Silvercord, a remodeled shopping mall at Tsimshatsui.

Managing Director of the Company, Mr. Chen Lang, said, "We will continue to focus on our core businesses in order to solidify our industry leading positions. Our sound financial position and liquidity boost our confidence that the Group is well positioned for further recovery in the second half of the year."

Chairman, Mr. Qiao Shibo, also said, "To better prepare ourselves for the opportunities, we are determined to act strategically by implementing numerous measures such as system automation and enhancement of fund utilization management as well as staff efficiency to support our quality growth in the future. We will now also focus more on profitability through cost control, risk management and cash management."

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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, textile and property investment.

For further information, please contact:

Mr. Frank Lai, Deputy Managing Director

China Resources Enterprise, Limited

Tel: +852 2829 9816

Fax: +852 2598 8453

Email: franklai@cre.com.hk

Full details of our Interim Results 2009 have been posted on the designated website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the corporate website at www.cre.com.hk.



FINANCIAL HIGHLIGHTS

	2009 (Unaudited) HK\$ million	2008 (Unaudited) HK\$ million
For the six months ended 30 June		
Turnover	35,047	31,806
Profit attributable to shareholders of the Company	1,158	1,488
Basic earnings per share ²	HK\$0.48	HK\$0.62
Interim dividend per share	HK\$0.14	HK\$0.15
	At 30 June 2009 (Unaudited) HK\$ million	At 31 December 2008 (Audited) HK\$ million
Equity attributable to shareholders of the Company	25,666	25,159
Minority interests	9,749	9,339
Total equity	35,415	34,498
Consolidated net borrowings	4,436	6,463
Gearing ratio ³	12.5%	18.7%
Net assets per share (book value):	HK\$10.74	HK\$10.53

Notes:

1. Diluted earnings per share for the six months ended 30 June 2009 and 2008 are HK\$0.48 and HK\$0.62 respectively.
2. Gearing ratio represents the ratio of consolidated net borrowings to total equity.



ANALYSIS OF TURNOVER AND PROFIT

	Turnover		Profit Attributable to Shareholders ("PAS")		PAS excluding the effect of investment property revaluation and major disposal of non-core assets/investments (Note 1)	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2009	2008	2009	2008	2009	2008
	(Unaudited) HK\$ million	(Unaudited) HK\$ million	(Unaudited) HK\$ million	(Unaudited) HK\$ million	(Unaudited) HK\$ million	(Unaudited) HK\$ million
Core Businesses						
- Retail	18,986	17,330	276	382	276	378
- Beverage	10,216	8,174	341	146	341	146
- Food Processing and Distribution	3,505	3,821	211	240	145	156
- Investment Property	266	205	321	566	196	191
Subtotal	32,973	29,530	1,149	1,334	958	871
Other Businesses						
- Textile	2,211	2,461	(67)	66	(68)	63
- Investments and Others	–	–	151	190	151	190
Subtotal	2,211	2,461	84	256	83	253
	35,184	31,991	1,233	1,590	1,041	1,124
Elimination of inter-segment transactions	(137)	(185)	–	–	–	–
Net corporate interest and expenses	–	–	(75)	(102)	(75)	(102)
Total	35,047	31,806	1,158	1,488	966	1,022

Notes:

1. For the analysis of PAS excluding the effect of investment property revaluation and major disposal of non-core assets/investments, the effect of the following transactions have been excluded in PAS of the respective division:
 - a. Net valuation surplus of approximately HK\$4 million arising mainly from industrial building held by the Retail division has been excluded from its 2008 results.
 - b. Net gain on disposal of non-core investments and valuation surplus with an aggregate amount of approximately HK\$66 million (2008: HK\$84 million) have been excluded from the results of the Food Processing and Distribution division.
 - c. Net valuation surplus amounting of approximately HK\$125 million (2008: HK\$375 million) has been excluded from the results of the Investment Property division.
 - d. Net valuation surplus of approximately HK\$1 million (2008: HK\$3 million) arising mainly from industrial building held by the Textile division has been excluded from its results.