

For Immediate Release

Press Release

China Resources Enterprise Acquired a Supermarket Chain in Zhejiang

[Hong Kong, 20 September 2005] China Resources Enterprise, Limited (HKEx: 0291) announced that the Group has agreed with the shareholders of Zhejiang Cikelong Supermarket Company, Limited 浙江慈客隆超市有限公司 (or 'Cikelong Supermarket') to acquire 100% interest in the latter for a cash consideration of approximately RMB280 million (final acquisition price subject to adjustment in accordance to the audited earnings for FY2005). As recorded in its accounts, turnover of Cikelong Supermarket was about RMB546.7 million in 2004, an increase of 21% over 2003. Profit before tax surged 33% to RMB21.9 million and earnings rose by 11% to RMB18.3 million for the same period.

Cikelong Supermarket is the largest supermarket chain in Cixi (慈溪) city, an affluent city under the administration of Ningbo at eastern Zhejiang, and is one of the top 100 retail enterprises on the mainland according to the China Chain Store and Franchise Association 中國連鎖經營協會. As at July 2005, Cikelong Supermarket had 95 outlets, with 10 self-operated superstores, 54 franchised standard supermarkets and 31 franchised convenience stores. At present, the Group has eleven superstores in Zhejiang Province, mainly in the Hangzhou (杭州) area, under its wholly-owned subsidiary, CR Vanguard. The acquisition will considerably strengthen the Group's development in Zhejiang Province, which commenced about two years ago.

Mr. Song Lin, Chairman of China Resources Enterprise, Limited said, "The acquisition of Cikelong Supermarket is a strategic move for us to extend our presence in eastern China. Cikelong Supermarket has dominant market share in Cixi and will fill our blank along the Ningbo area, creating potential synergies in the areas of procurement and logistics with our existing operation in Zhejiang. Coupled with our leading presence in Jiangsu, mainly via Suguo Supermarket, we have already established a strong platform in eastern China for further growth."

* * *

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



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 focuses on the consumer businesses in both Hong Kong and the Chinese Mainland, with core activities being retail, beverage, food processing and distribution, textile and property.

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

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