

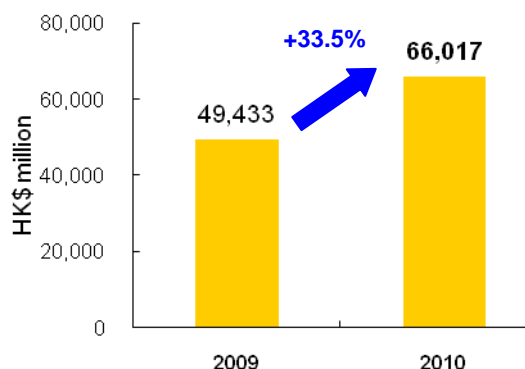
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Press Release

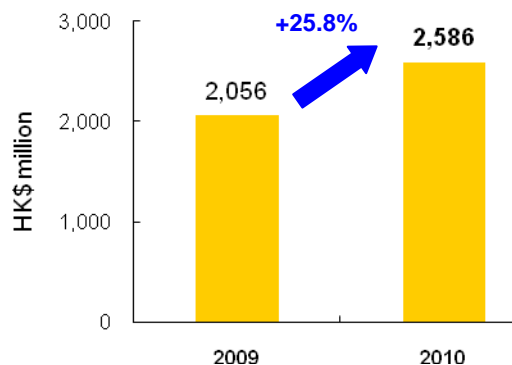
China Resources Enterprise Announces Unaudited Quarterly Review for Q3 2010

- Consolidated earnings for the first nine months of 2010 broke a new record with a year-on-year increase of 140.8% to about HK\$5,301 million, including a net gain of about HK\$3 billion from the disposal of the brand-fashion distribution business
- Turnover and earnings from the core businesses for the first nine months of 2010 increased by 33.5% and 25.8% year-on-year respectively to about HK\$66,017 million and HK\$2,586 million
- Retail division achieved significant growth with turnover and underlying net profit for the third quarter rising by 56.0% and 68.0% year-on-year respectively on expanded operation and enhanced profitability
- Beer division showed strong recovery in the third quarter with a year-on-year earnings increase of 30.2%
- Food division gathered momentum and recorded a year-on-year increase of 44.0% in underlying net profit for the first nine months
- Beverage division achieved robust growth of 31.6% and 44.8% year-on-year in turnover and earnings respectively for the third quarter

Turnover from the core businesses for the first nine months



Earnings from the core businesses for the first nine months



[Hong Kong, 18 November 2010] China Resources Enterprise, Limited (HKEx: 00291) ('the Company' and together with its subsidiaries, 'the Group') today announced its unaudited financial and operational review for the third quarter and the nine months ended 30 September 2010. Consolidated profit attributable to the Company's shareholders for the third quarter and the first nine months of 2010 increased by 1.4% and 140.8% year-on-year respectively to about HK\$1,058 million and HK\$5,301 million. The latter included a net gain of approximately HK\$3 billion from the disposal of the brand-fashion distribution business.

The core businesses of the Group include retail, beer, food and beverage. Turnover from the core



businesses for the third quarter and the first nine months of 2010 amounted to approximately HK\$24,447 million and HK\$66,017 million respectively, representing increases of 36.9% and 33.5% year-on-year. Profit attributable to the Company's shareholders from the core businesses for the third quarter and the first nine months of 2010 was up 12.0% and 25.8% year-on-year to approximately HK\$1,080 million and HK\$2,586 million respectively. Excluding the after-tax profit of asset revaluation and major disposals, underlying net profit from the core businesses would have increased by 37.9% and 26.5% year-on-year for the third quarter and the first nine months of 2010 respectively.

Mr. Qiao Shibo, Chairman of the Company, said, "The Group achieved sustained growth across the core businesses and they generated strong underlying net profit growth. Riding on the recovering economy, we will strive to further expand our core businesses by fine-tuning our business strategies. With the continued expansion of China's consumer market, the Group will further extend its retail network, capture new opportunities and widen revenue streams. In particular, we will unlock the tremendous potential of our unique consumer goods network formed by our core businesses of retail, beer, food and beverage."

The Group's **retail division** recorded a turnover of HK\$13,916 million and HK\$40,808 million for the third quarter and the first nine months of 2010 respectively, representing increases of 56.0% and 51.8% year-on-year. Earnings for the third quarter decreased by 7.5% year-on-year to HK\$383 million, and that for the nine-month period grew by 40.3% year-on-year to HK\$1,338 million. Excluding an after-tax revaluation surplus, attributable profit of the division would have increased by 68.0% for the third quarter and 38.6% for the nine-month period year-on-year. Driven by an improving economy and rising food prices in the Chinese Mainland, same store sales of our retail division rose by 9.3% year-on-year in the first nine months of 2010. EBITDA of the division for the first nine months of 2010 rose by 36.3% year-on-year to HK\$2,760 million. The higher operating profit was mainly driven by the contribution from a hypermarket chain acquired from the parent company, satisfactory same store sales growth and a higher gross margin. Our over 3,000-store retail network is one of the most comprehensive in China in both formats and regional coverage.

In October, the Group launched two "VivoPlus" health and personal care stores in Hong Kong, offering a wide range of cosmetics, skin care, health and personal care products. The move not only helped the Group explore new markets but also strengthened the synergies and brand image of our supermarket and convenience store operations.

The **beer division** demonstrated strong recovery with earnings of HK\$526 million and HK\$784 million for the third quarter and the first nine months of 2010 respectively, representing increases of 30.2% and 18.6% year-on-year. Turnover for the third quarter and the first nine months of 2010 rose by 20.0% and 11.7% year-on-year respectively to HK\$7,773 million and HK\$17,816 million. Beer sales volume for the first nine months of 2010 rose by about 10% year-on-year to 7,800,000 kiloliters, partly driven by the increase in production capacity, and more effective and aggressive promotion on beer products. During the nine-month period, sales volume of our national brand "雪花 Snow" increased by 15% to approximately 7,050,000



kiloliters, accounting for over 90% of the total sales volume. As at the end of September 2010, the Group operated over 70 breweries in the Chinese Mainland with an annual production capacity of over 14,000,000 kiloliters.

Turnover of the **food division** rose by 8.4% year-on-year to HK\$2,121 million for the third quarter, bringing that for the first nine months of 2010 to HK\$5,997 million, representing year-on-year growth of 9.8%. Earnings for the quarter held steady from last year and amounted to HK\$87 million while that for the first nine months rose by 9.4% year-on-year to HK\$327 million. Excluding the after-tax profit from asset revaluation and reducing certain equity interests in strategic investments, the division's attributable profit would have increased by 30.8% for the third quarter and 44.0% for the first nine months of the year. Benefiting from strong brand recognition of our quality meat products and a well-managed supply chain, profit contribution from the meat business in the Chinese Mainland further increased. To enhance the scale and profit of our meat business in the Chinese Mainland, the Group has accelerated the development of self-owned retail stores and launched a total of 90 “五豐鮮肉 Ng Fung Fresh Meat” counters and stores this year. The Hong Kong livestock distribution operation achieved growth in sales volume, turnover and profit. By promoting the “五豐 Ng Fung” brand, the assorted foodstuff operation attained notable growth in operating performance.

The **beverage division** recorded a turnover of HK\$754 million and HK\$1,650 million for the third quarter and the first nine months of 2010, representing increases of 31.6% and 25.5% year-on-year respectively. Earnings were up 44.8% year-on-year to HK\$84 million for the third quarter. Earnings decline for the first nine months narrowed to 3.5% and it amounted to HK\$137 million. With its flagship purified water brand -“怡寶 C'estbon”, the division achieved total sales volume of 1,585,000 kiloliters for the first nine months of 2010, representing a year-on-year increase of about 22%. The Group acquired a Jialinshan project to develop the mineral water business in the quarter. It not only enhanced our product mix, but also strengthened our distribution network in areas like Zhuhai. It also helped improve the sales and competitiveness of “怡寶 C'estbon” in Western Guangdong, Hong Kong and Macau. The Group has successfully built a distribution network for its fruit-flavored nutritional drink “零帕 0 PA”, and has increased sales and marketing activities to help create demand for the products at point of sales.

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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 including retail, beer, food and beverage in both the Chinese Mainland and Hong Kong.

For further information, please contact:

China Resources Enterprise, Limited

Mr. Vincent Tse, General Manager
Strategic Planning and Investor Relations Dept.
Tel: +852 2829 8407
Fax: +852 2598 8453
Email: vincent.tse@cre.com.hk

Ms. Phoenix Yuen, Deputy Manager – Public Relations
Strategic Planning and Investor Relations Dept.
Tel: +852 2829 8412
Fax: +852 2598 8453
Email: phoenix.yuen@cre.com.hk

Hill & Knowlton Asia Limited

Mr. K W Lam
Tel: +852 2894 6218
Fax: +852 2576 1990
Email: kw.lam@hillandknowlton.com.hk

Ms. Crystal Yip
Tel: +852 2894 6211
Fax: +852 2576 1990
Email: crystal.yip@hillandknowlton.com.hk

Full details of our Quarterly Review for Q3 2010 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.