

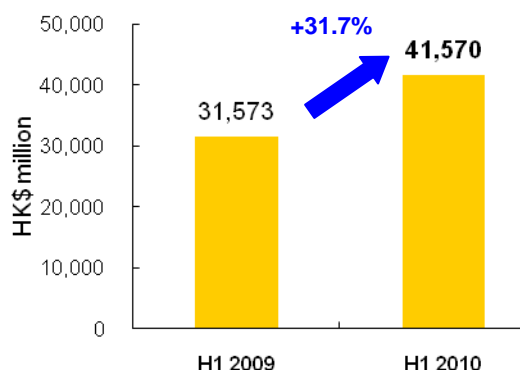
For Immediate Release

Press Release

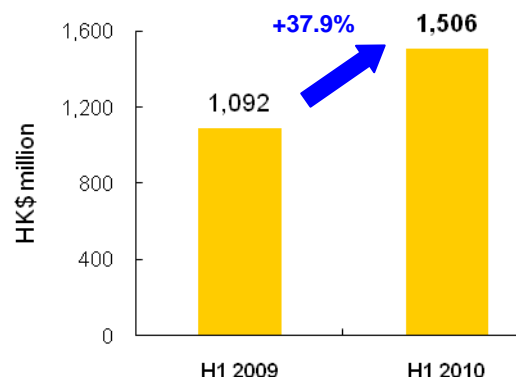
**China Resources Enterprise Announces Interim Results for 2010
“Enhanced Growth Platform”**

- Consolidated earnings increased by 266.4% year-on-year to about HK\$4,243 million, including a net gain of approximately HK\$3 billion from the disposal of the brand-fashion distribution business
- Turnover and earnings from the core businesses rose by 31.7% and 37.9% respectively
- Retail division delivered a strong performance with turnover and earnings surging by 49.6% and 76.9% year-on-year respectively on expanded operation and enhanced profitability
- The Board of Directors declared an interim dividend of HK\$0.14 per share

Turnover from the core businesses



Earnings from the core businesses



[Hong Kong, 26 August 2010] China Resources Enterprise, Limited (HKEx: 00291) (‘the Company’ and together with its subsidiaries, ‘the Group’) today announced its interim results for the six months ended 30 June 2010. The Group’s consolidated profit attributable to the Company’s shareholders increased by 266.4% year-on-year to approximately HK\$4,243 million, including 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, beverage, and food processing and distribution. The turnover and profit attributable to the Company’s shareholders from the core businesses rose by 31.7% and 37.9% year-on-year respectively to approximately HK\$41,570 million and HK\$1,506 million. Excluding the after-tax effect of asset revaluation and major disposals, the Group’s underlying net profit from the core businesses would have increased by 18.9% year-on-year. The Board of Directors declared an interim dividend of HK\$0.14 per share.

Mr. Chen Lang, Managing Director of the Company, said, “Our focus on the core businesses generated strong growth in both the turnover and earnings in the first half of the year. With the continued improvement



in the economy, we plan to further expand our core businesses to strengthen our leading positions in the market.”

The Group’s retail division reported a turnover of HK\$26,892 million and earnings of HK\$955 million, up 49.6% and 76.9% year-on-year respectively. Thanks to a strengthening economy in China, same store sales of the retail division increased by 8.4% year-on-year. Excluding a revaluation surplus of approximately HK\$496 million, EBITDA of the retail division rose by 29.8% year-on-year to HK\$1,417 million. Higher operating profit was driven by the contribution of a hypermarket chain acquired from the parent company, satisfactory same store sales growth and an increase in gross margin. Our over 2,900-store retail network is one of the most comprehensive in China in both formats and regional coverage.

After its acquisition of an 80% interest in Pacific Coffee (Holdings) Limited (“Pacific Coffee”), the Group will gain a new revenue stream with higher margin and enormous growth potential. Besides creating synergy by driving customer traffic and revenue through co-location, “Pacific Coffee” will serve to enhance store format differentiation of our supermarket operation. The Group will also be able to offer a more sophisticated lifestyle experience to the shoppers at its retail stores.

The beer division reported a turnover of HK\$10,043 million, representing an increase of 6.0% year-on-year, and earnings of HK\$258 million, comparable to the same period of last year. Beer sales volume rose by 4.8% year-on-year to approximately 4,388,000 kiloliters. There was a slowdown in the overall beer sales volume growth compared with a year earlier mainly due to the heavy rain and cool weather in Southern China in the second quarter. Sales volume of our national brand, “雪花 Snow”, rose by 10.3% year-on-year to approximately 3,947,000 kiloliters, consolidating its position as one of the leading beer brands in the world. Increased selling prices on product upgrade and product mix optimization, together with lower raw material costs, resulted in an increase in gross margin. As the largest brewer by volume in the Chinese Mainland, the Group had a market share of approximately 20% as at the end of 2009.

With “怡寶 C’estbon” purified water as its key operation, the Group’s beverage division recorded a year-on-year increase of 20.8% in its turnover to HK\$896 million and a year-on-year decrease of 36.9% in its earnings to HK\$53 million. Total sales volume of the division was up 17.9% year-on-year to approximately 868,000 kiloliters. Smooth progress in its strategic expansion in Jiangsu, Guangxi, Fujian and Tianjin has paved the way for building its nationwide distribution network in China. The division has brought “零帕 0 PA”, a new fruit-flavored nutritional drink launched in April 2010, into various markets such as Guangdong, Sichuan, Jiangsu, Hunan, Shanghai and Beijing. Nevertheless, profit contribution from the operation dropped due to increased advertising and promotional expenses for the launch of the new product.

The turnover of the food processing and distribution division rose by 10.6% to HK\$3,876 million. Its earnings amounted to HK\$240 million, representing a year-on-year increase of 13.7%. Excluding the gains from reducing certain equity interests in strategic investments, the division’s attributable profit would have



increased by 47.6% year-on-year. Benefitting from strong brand recognition of our premium meat and our effective supply chain management, profit contribution from the meat business in the Chinese Mainland further increased. The Hong Kong livestock distribution operation achieved growth in sales volume, turnover and profit as well as higher gross margin through fine-tuning its operational strategy and creating synergy with its mainland livestock supply base. The division's dedication to building the “五豐 Ng Fung” brand helped the assorted foodstuff operation to attain significant growth in operating results. Notably, both sales volume and profitability of the frozen food and ice-cream business increased year-on-year.

Mr. Qiao Shibo, Chairman of the Company, concluded, “Our core businesses form one of the largest consumer goods networks in the Chinese Mainland, which has tremendous value not fully realized. With the continued expansion and deepening of China's consumer market, the Group is well positioned to unleash the potential of this unique network, which will contribute to the further growth of the Group in the years to come.”

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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 comprising retail, beer, beverage, and food processing and distribution.

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Full details of our interim results 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.