

For Immediate Release

Press Release

China Resources Enterprise Announces Final Results for 2009

“Focus for Success”

- **Our turnover and earnings from continuing operations rose by 12.1% and 35.9% to HK\$64.1 billion and HK\$2,785 million respectively**
- **Our underlying net profit from continuing operations amounted to HK\$1,735 million**
- **Both the turnover and earnings of our beverage division hit another record**
- **A final dividend of HK\$0.35 per share proposed, bringing the total dividend for 2009 to HK\$0.49 per share**

[Hong Kong, 25 March 2010] China Resources Enterprise, Limited (HKEx: 00291) ('The Company' or together with its subsidiaries, 'The Group') today announced its final results for the year ended 31 December 2009. Consolidated turnover and profit attributable to the Company's shareholders from the continuing operations amounted to approximately HK\$64.1 billion and HK\$2,785 million respectively, representing corresponding increases of 12.1% and 35.9% over 2008. Basic earnings per share from the continuing operations were HK\$1.17 (2008: HK\$0.86). Excluding the after-tax effect of revaluation of investment properties and major disposals of non-core assets and investments, the Group's underlying net profit from the continuing operations would have increased by 11.6% to HK\$1,735 million. The Board of Directors proposed a final dividend of HK\$0.35 per share. Together with the interim dividend of HK\$0.14 per share, the total dividend for 2009 will be HK\$0.49 per share.

Managing Director of the Group, Mr. Chen Lang, said, "The Group achieved solid results in 2009 despite the challenging operating environment. We also successfully implemented our stated strategy to divest non-core businesses and further expanded our core consumer businesses towards the end of the year. We will take advantage of our economies of scale and continue to enhance cost and operational efficiency in order to ride on the benefits emerging from the gradual economic recovery."

In 2009, the retail business reported a turnover of HK\$35,939 million and earnings of HK\$296 million, representing a year-on-year increase of 12.1% and a year-on-year decrease of 24.5% respectively. While its profitability suffered from the negative impact of the global financial crisis, steady growth in its turnover has fuelled the division's upturn. Supermarket and logistics operation reported a drop of 19.9% in earnings to HK\$281 million as consumer spending remained weak. Notwithstanding the earnings decline, EBITDA increased by 9.9% to HK\$1,510 million and overall same store sales grew by 0.3% year-on-year.

The beverage division delivered strong performance in 2009 with turnover and earnings climbing by 17.6% and 67.2% to new highs of HK\$20,470 million and HK\$684 million respectively. Benefiting from product mix

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optimization, product upgrade and product display innovation, sales volume of beer rose by 15.3% to approximately 8,371,000 kiloliters. Sales volume of our national brand, “雪花 Snow”, expanded further by 18.8% to about 7,244,000 kiloliters, consolidating its position as one of the leading beer brands in the world. Strong volume growth has driven the turnover and earnings of the beer operation to soar by 17.6% and 81.2% to HK\$18,878 million and HK\$540 million respectively. The purified water operation registered a 29.7% increase in earnings to HK\$144 million, contributed by its 16.6% sales volume growth to about 1,594,000 kiloliters. Using “怡寶 C'estbon” as its sole brand, it has achieved a leading position in Guangdong Province.

Earnings contribution of the food business rose by 12.2% to HK\$350 million. The Group's market share in the Hong Kong live pig market stabilized through the synergy with its mainland livestock raising business that ensured a steady supply of live pigs. Via active business expansion, the Group delivered satisfactory operating results in its meat processing, branded food processing, storage, logistics and distribution businesses in the Chinese Mainland for the year under review. Encouraging growth was also recorded in the mainland slaughtering volume of live pigs as well as the sales volume of fresh, chilled and frozen meat businesses.

Chairman, Mr. Qiao Shibo, concluded, “Moving forward as a pure consumer play, we will keep strengthening our three core businesses to improve our profitability while actively extending our presence in the fast-growing China's consumer market. Our continuous initiatives to consolidate our leadership positions in the market have created a stronger and more focused consumer business platform; therefore, we will be in a better position than ever to achieve quality growth in the years ahead.”

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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, and food processing and distribution.

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Full details of our final 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 <i>HK\$ million</i>	2008 <i>HK\$ million</i> <i>(Restated)</i>
Turnover		
– continuing operations	64,131	57,220
– discontinued operations ¹	7,498	7,408
	<u>71,629</u>	<u>64,628</u>
Profit attributable to shareholders of the Company		
– continuing operations	2,785	2,050
– discontinued operations ¹	128	272
	<u>2,913</u>	<u>2,322</u>
Basic earnings per share ²		
– continuing operations	HK\$1.17	HK\$0.86
– discontinued operations ¹	HK\$0.05	HK\$0.11
	<u>HK\$1.22</u>	<u>HK\$0.97</u>
Dividend per share		
– interim	HK\$0.14	HK\$0.15
– final	HK\$0.35	HK\$0.25
	<u>HK\$0.49</u>	<u>HK\$0.40</u>
	At 31 December 2009	At 31 December 2008
	<i>HK\$ million</i>	<i>HK\$ million</i>
Equity attributable to shareholders of the Company	25,847	25,159
Minority interests	9,597	9,339
Total equity	<u>35,444</u>	<u>34,498</u>
Consolidated net borrowings	3,340	6,463
Gearing ratio ³	9.4%	18.7%
Current ratio	0.90	0.98
Net assets per share (book value):	<u>HK\$10.79</u>	<u>HK\$10.53</u>

Notes:

1. In December 2009, the Group completed the disposal of its textile operation and entered into a sale and purchase agreement to dispose of its entire equity interest in a joint venture business engaged in brand-fashion distribution operation. These operations are presented as discontinued operation according to the Hong Kong Financial Reporting Standard 5.
2. Diluted earnings per share for the year ended 31 December 2009 and 2008 are HK\$1.21 and HK\$0.97, respectively. Diluted earnings per share of discontinued operations for the year ended 31 December 2009 and 2008 are HK\$0.05 and HK\$0.11, respectively.
3. 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)	
	2009	2008	2009	2008	2009	2008
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Core Businesses						
- Retail	35,939	32,072	296	392	278	397
- Beverage	20,470	17,405	684	409	684	409
- Food Processing and Distribution	7,443	7,645	350	312	230	227
- Investment Property	550	434	1,286	754	374	339
Subtotal	64,402	57,556	2,616	1,867	1,566	1,372
Other Businesses						
- Investment and Others	-	-	321	396	321	396
	64,402	57,556	2,937	2,263	1,887	1,768
Elimination of inter-segment transactions	(271)	(336)	-	-	-	-
Net corporate interest and expenses	-	-	(152)	(213)	(152)	(213)
Total from continuing operations	64,131	57,220	2,785	2,050	1,735	1,555
Discontinued operations						
- Brand-fashion distribution	2,611	2,579	138	198	138	198
- Textile	4,887	4,829	(10)	74	(13)	40
Total from discontinued operations	7,498	7,408	128	272	125	238
Total	71,629	64,628	2,913	2,322	1,860	1,793

Note:

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 the PAS of the respective division:
 - a. Net valuation surplus of approximately HK\$18 million arising mainly from industrial building held by the Retail division (2008: Net valuation deficit of HK\$5 million) has been excluded from its results.
 - b. Net gain on disposal of non-core investments and valuation surplus with an aggregate amount of approximately HK\$120 million (2008: HK\$85 million) have been excluded from the results of Food Processing and Distribution division.
 - c. Net valuation surplus of approximately HK\$912 million (2008: HK\$415 million) has been excluded from the results of the Investment Property division.
 - d. Net valuation surplus of approximately HK\$3 million arising mainly from industrial building held by the Textile division (2008: Net valuation deficit of HK\$1 million) has been excluded from its results. Net gain on disposal of non-core investments amounting to approximately HK\$35 million has been excluded from its 2008 results.