

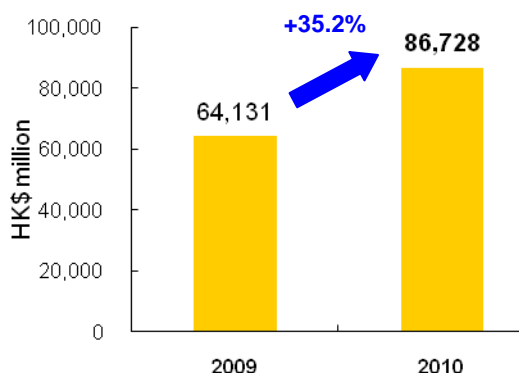
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Press Release

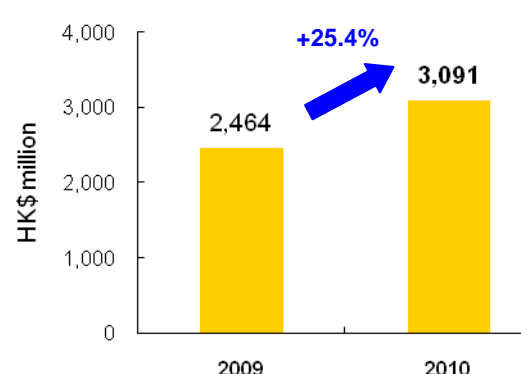
**China Resources Enterprise Announces Final Results for 2010
"Enhanced Growth Platform"**

- Consolidated earnings reached a new high with an increase of 94.8% to about HK\$5,674 million, including a net gain of about HK\$3 billion from the disposal of a non-core brand-fashion distribution business
- Turnover and earnings from the core businesses rose by 35.2% and 25.4% respectively to about HK\$86,728 million and HK\$3,091 million
- *Retail division* achieved significant growth with turnover and earnings climbing by 51.3% and 22.0% respectively on continuing expansion
- *Beer division* continued to deliver strong growth of 14.1% and 26.9% in turnover and earnings respectively through expanded production capacity and aggressive promotions
- *Food division* recorded an increase in underlying net profit of 39.6% on the back of strong brand recognition
- *Beverage division* achieved a robust increase in turnover of 30.7% mainly due to robust growth in sales volume
- The Board recommended a final dividend of HK\$0.38 per share, bringing the total dividend for 2010 to HK\$0.52 per share

Turnover from the core businesses



Earnings from the core businesses



[Hong Kong, 24 March 2011] China Resources Enterprise, Limited (HKEx: 00291) ('The Company' and together with its subsidiaries, 'The Group') today announced its final results for the year ended 31 December 2010. The Group's consolidated profit attributable to the Company's shareholders increased by 94.8% year-on-year to approximately HK\$5,674 million, including a net gain of approximately HK\$3 billion from the disposal of a non-core brand-fashion distribution business.

Page 1 of 4

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Turnover and profit attributable to the Company's shareholders from the core businesses amounted to approximately HK\$86,728 million and HK\$3,091 million respectively, representing corresponding increases of 35.2% and 25.4% over 2009. Basic earnings per share from the continuing operations were HK\$1.12 (2009: HK\$1.17). Excluding the after-tax profit of asset revaluation and major disposals, the Group's underlying consolidated profit attributable to the Company's shareholders contributed by the core businesses would have increased by 33.9%. The Board of Directors recommended a final dividend of HK\$0.38 per share. Together with the interim dividend of HK\$0.14 per share, the total dividend for 2010 will be HK\$0.52 per share.

Mr. Chen Lang, Chief Executive Officer of the Company, said, "The Group's sound performance in 2010 has validated our efforts to move steadily toward the goal of becoming the largest consumer goods company in China. We have also reaped rewards from the strategy of focusing on building core businesses comprising retail, beer, food and beverage. On the back of the favorable operating environment, we continued to take concrete steps to grow the core consumer businesses and solidify our leading market position in China, which led to our remarkable growth last year."

The Group's **retail division** recorded a turnover of HK\$55,140 million and earnings of 1,930 million in 2010 respectively, representing increases of 51.3% and 22.0% over 2009. Excluding an after-tax revaluation surplus, the underlying net profit of the division in 2010 would have increased by 27.3%. Earnings before interest, tax, depreciation and amortization of the division in 2010 went up by 24.1% to HK\$3,873 million. Benefiting from the improving economy and rising food prices in China, the Group's retail division recorded same store sales growth of 8.5% in 2010.

In mid-2010, the Group acquired an 80% interest in Pacific Coffee (Holdings) Limited. The Group's extensive retail network, sourcing and logistical capabilities and retail management experience will provide strong support to the coffeehouse chain's future expansion in China. In order to enhance consumption, provide customers with a wide variety of choices and enhance their shopping experiences, the Group has also introduced new store formats, such as its wine cellar "Voi_la!", and its health and personal care chain store "VivoPlus" in Hong Kong. The Group's efforts in innovating the store formats and enriching its retail portfolio have helped explore new markets as well as creating more synergy among its retail network of over 3,000 stores.

The **beer division** reported a turnover of HK\$21,535 million and earnings of HK\$685 million for 2010, representing year-on-year increases of 14.1% and 26.9% respectively. The total sales volume of beer in 2010 rose by 11% to approximately 9,280,000 kiloliters, driven by an increased production capacity, a stronger sales network, better services at points of sales, and a series of promotion activities for the national beer brand "雪花 Snow". The sales volume of "雪花 Snow" alone increased by 16% to approximately 8,413,000 kiloliters, accounting for more than 90% of the total beer sales volume. As the largest brewer by



volume in China, the Group's market share in the beer market was approximately 21% as at the end of 2010. By enhancing the product mix and fine-tuning the selling prices in certain regions, average selling prices and gross margins both increased during the year under review. As at the end of 2010, the Group operated over 70 breweries in China with an annual production capacity of more than 14,500,000 kiloliters.

The **food division** reported a turnover of HK\$8,306 million and earnings of HK\$418 million for 2010, representing year-on-year increases of 11.6% and 19.4% respectively. Excluding the after-tax profit from asset revaluation and reducing certain equity interests in strategic investments, the underlying net profit from the food division would have increased by 39.6% year-on-year in 2010. Profit contribution from the meat business in China further increased as a result of the strong brand recognition of the Group's premium meat and its effective supply chain management. The Group has launched more than 120 self-owned retail stores and counters in Shanghai, Hangzhou, Nanning, Shenzhen and Ningbo, etc, and some of them are located in high-end supermarkets. The division has also raised the reputation of its branded meat products and was the preferred fresh pork supplier to the Expo 2010 Shanghai China. Through modifying its operational strategy, the Hong Kong livestock distribution operation achieved growth in sales volume, turnover and profit, together with a higher gross margin. The assorted foodstuff operation also attained notable growth in operating results by promoting the “五豐 Ng Fung” brand.

The **beverage division** reported a turnover of HK\$2,080 million and earnings of HK\$155 million for 2010, representing increases of 30.7% and 7.6% respectively over 2009. Total sales volume of the division increased by 23% year-on-year to approximately 1,964,000 kiloliters in 2010. Its flagship purified water brand “怡寶 C'estbon” continued to enjoy a leading market position in Guangdong, and achieved strong sales growth in Hunan and Sichuan due to enhanced marketing campaigns and distribution channel management. In order to diversify its beverage business, the Group rolled out its fruit-flavored nutritional drink “零帕 0 PA”, and expanded into the mineral water sector with the acquisition of the Jialinshan project during the year.

In January 2011, the Group announced that it teamed up with Kirin Holdings Company, Limited to form a 60:40 joint venture for the manufacture and distribution of non-alcoholic beverage products in China. With the complementary strengths of both companies, the partnership is set to capture new market opportunities in the beverage sector.

To create greater flexibility in the management of surplus cash resources, the Group initiated a proposal for intra-group lending between six listed companies under China Resources Group. The proposal was approved by independent shareholders of the Group in an Extraordinary General Meeting in December 2010.

Mr. Qiao Shibo, Chairman of the Company, concluded, “Our strong performance in 2010 has built a much stronger consumer business platform and paved the way for our quality growth in the years to come.



Looking ahead, we expect to see a robust retail market environment in China. We will continue to actively look for opportunities to develop and strengthen our core businesses through acquisitions and organic growth. ”

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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 China.

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Full details of our final results for 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.