

For Immediate Release



**Formation of Joint Venture for the Non-Alcoholic Beverage Business
in Greater China
*Birth of China's New Beverage Leader***

- CRE and Kirin are pleased to announce the formation of a 60:40 joint venture to manufacture and distribute non-alcoholic beverages in Greater China to accelerate the development of their beverage business in the fast-growing sector;
- CRE and Kirin will each inject their respective existing non-alcoholic beverage operations in the Chinese Mainland into the joint venture. Kirin's investment amount in this transaction will be approximately US\$400 million;
- CRE will enable the joint venture to gain access to its extensive distribution network, strong local management expertise and a wealth of knowledge on the Greater China market. Further synergies between the joint venture and other business units of CRE are also expected;
- Kirin will bring to the venture its international expertise, an extensive product portfolio and established product development capabilities

Hong Kong, Tokyo, 24 January 2011 -- China Resources Enterprise, Limited ("CRE"; 291.HK) and Kirin Holdings Company, Limited ("Kirin"; 2503.JP) today jointly announced an agreement to form a joint venture ("JV") to manufacture and distribute non-alcoholic beverages in Greater China, covering the Chinese Mainland, Hong Kong and Macau but excluding Taiwan, with the Chinese Mainland being the primary focus. CRE and Kirin will each contribute their respective existing non-alcoholic beverage businesses in the Chinese Mainland to the JV, which will be 60%-owned by CRE and 40%-owned by Kirin.

The objective of the partnership is to capitalize on the complementary strengths of both companies to accelerate the growth of their combined non-alcoholic beverage business in the rapidly growing Greater China market. CRE brings to the partnership its extensive distribution capabilities and strong presence in the Chinese Mainland while Kirin offers an extensive product portfolio, operational and technical expertise as well as product development know-how.

Mr. Qiao Shibo, Chairman of CRE said, "CRE is delighted and extremely excited about this partnership with a company of Kirin's caliber. We believe this mutually beneficial cooperation, which brings together the distribution capabilities of CRE

and product portfolio of Kirin, is truly an alliance where the whole is larger than the sum of its parts, thus giving birth to a powerful contender in the non-alcoholic beverage market in Greater China to the ultimate benefits of consumers.”

“怡寶 C'estbon”, the non-alcoholic beverage business of CRE, is the largest packaged water provider in Guangdong Province by market share. Through “怡寶 C'estbon”, the joint venture will be able to gain access to an extensive distribution network, strong management expertise and a wealth of knowledge on the Greater China market. In addition, the JV is expected to benefit from additional synergies with other business units of CRE, such as “華潤萬家 Vanguard”, which is the largest supermarket chain in China. With its strong track record of forming successful joint ventures in the Chinese Mainland, CRE is confident that the partnership will prove to be a successful one.

As a leading Japanese brand in the global food and beverage market, Kirin will provide the JV with its diversified product portfolio, strong operational and technical expertise and superior product R&D capabilities. Kirin's expertise will ensure the JV is well-positioned to rapidly expand its product offerings and tap into the lucrative and growing consumer market in Greater China.

Mr. Senji Miyake, President and Chief Executive Officer of Kirin said, “The Greater China market is one of the most important growth markets in the world and we are honoured to team up with such a strong local partner as CRE to help accelerate the growth of our non-alcoholic product platform in China.”

Both companies are confident that the integration of their respective strengths will result in a much stronger entity that is well-positioned to capitalize on the rapid growth in the Chinese non-alcoholic beverage market. The formation of the JV will accelerate the operation's development into a powerful player in Greater China and provide a boost to the already strong presence of “怡寶 C'estbon” in Southern China and Kirin's stronghold in Eastern China.

CRE achieved great success for its beer joint venture which was established in 1994 and has become the largest brewer by sales volume in Greater China since 2005. CRE and Kirin believe that similar success can be achieved with this new joint venture and it will become the new beverage leader in Greater China.

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.

About Kirin Holdings Company, Limited

Kirin Holdings Company, Limited is listed on the Tokyo Stock Exchange. The Company is engaged in the manufacturing and sale of alcoholic beverages, soft drinks, food and pharmaceuticals in Japan, the Asia-Oceania region and other parts of the world.

For further information, please contact:

China Resources Enterprise, Limited

Mr. Vincent Tse

General Manager, Strategic Planning and Investor Relations Department

Mol: +852 9861 1983

Fax: +852 2598 8453

Email: vincent.tse@cre.com.hk

Kirin Holdings Company, Limited

Mr. Hiroshi Ogawa

Executive Officer General Manager, Corporate Communication Department

Tel: +813 5540 3455

Fax: +813 5540 3550

Email: ir@kirin.co.jp