

For Immediate Press Release



華潤創業有限公司
China Resources Enterprise, Limited



其士泛亞控股有限公司
CHEVALIER PACIFIC HOLDINGS LIMITED

CRE Acquires 80% of Pacific Coffee from Chevalier Pacific
Great Taste of China with the Perfect Cup

CRE has acquired an 80% interest in Pacific Coffee from Chevalier Pacific for HK\$326.6 million, forging a strong partnership that will enable further successful expansion of Pacific Coffee's business in China:

- **Pacific Coffee will benefit from CRE's extensive retail network and deep understanding of China's market**
- **CRE will capture the growth potential of China's coffeehouse market through Pacific Coffee's robust business model**
- **Co-location of CRE's retail stores and Pacific Coffee stores will provide the customers with a more sophisticated lifestyle experience when they shop at its stores**
- **Chevalier Pacific will continue to benefit from the future growth of Pacific Coffee by retaining a 20% stake in the coffeehouse chain**

Hong Kong, 29 June 2010 -- China Resources Enterprise, Limited ("CRE", HKEx: 00291) and Chevalier Pacific Holdings Limited ("Chevalier Pacific", HKEx: 00508) announced today that they have entered into a sale and purchase agreement in relation to the acquisition by CRE of an 80% interest in Pacific Coffee (Holdings) Limited ("Pacific Coffee") from Chevalier Pacific for a cash consideration of HK\$326.6 million. Chevalier Pacific will retain a 20% stake in Pacific Coffee and continue to benefit from the continued growth of Pacific Coffee in partnership with CRE.

Pacific Coffee is a leading coffeehouse chain in Hong Kong and has established a strong brand in the market. The coffeehouse chain currently has 95 stores, including 90 owned stores, of which 83 are in Hong Kong, 3 are in the Chinese Mainland and 4 are in Singapore. 5 franchised stores are located across Malaysia, Macau, Foshan and Shenzhen.

Pacific Coffee will provide CRE with a new revenue stream with large growth potential. According to Euromonitor, retail coffee consumption in China is expected to grow by more than 35% over the next four years, to about 45,900 tonnes by 2014. CRE's network of around 2,900 retail stores in China will help drive Pacific Coffee's growth in this market by increasing foot traffic and revenue through co-location, creating a more sophisticated lifestyle experience for the customers when they shop at its stores. The coffeehouse chain will also have access to CRE's sourcing and logistical capabilities as well as its managerial and financial strength and retail expertise in securing more cost efficient rental arrangements for store expansion in China.

Mr. Chen Lang, Managing Director of CRE, said, "Pacific Coffee was founded in 1992 and acquired by Chevalier Pacific in 2005. Over the past 5 years, Chevalier Pacific has established Pacific Coffee as a leading coffeehouse chain which enjoys strong brand recognition. Coffee consumption is experiencing rapid growth in China, fuelled by a growing coffeehouse culture among Chinese consumers. Our acquisition of the 80% stake in Pacific Coffee will provide CRE with a strong foundation to capture this growth. Our goal is to build Pacific Coffee into the No. 1 coffeehouse brand in China."

Mr. Oscar Chow, Managing Director of Chevalier Pacific, said, "CRE is a clear leader in China's retail market. Through our partnership with CRE, Pacific Coffee will be in a strong position to strengthen its competitive edge, build consumer recognition, expand its retail network coverage in China and capture a bigger slice of the market more effectively. Shareholders of Chevalier Pacific will continue to benefit from the business growth of Pacific Coffee after the transaction."

Both CRE and Chevalier Pacific believe this is a win-win partnership to leverage the existing sophisticated management of Pacific Coffee to explore the huge potential of China's coffeehouse market.

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 consumer businesses in both the Chinese Mainland and Hong Kong, with core activities being retail, beverage, food processing and distribution.

About Chevalier Pacific Holdings Limited

Chevalier Pacific Holdings Limited is an investment holding company which is principally engaged in food and beverages, investments in securities and natural resources. Chevalier Pacific is also a member of Chevalier Group, a conglomerate in Hong Kong, which has been established for over 40 years.

About Pacific Coffee (Holdings) Limited

Founded in July 1992 by Tom Neir from Seattle, Pacific Coffee Company opened its first store in Central, Hong Kong. The company was acquired in May 2005 by Chevalier Pacific, and has since experienced rapid growth, developing into a well recognized brand with 95 coffeehouses in Hong Kong and across the Asia Pacific region.

For further information, please contact:

China Resources Enterprise, Limited

Ms. Joyce Chan
General Manager, Corporate Development Department
Tel: +852 2829 9829
Fax: +852 2598 8453
Email: joyce.chan@cre.com.hk

Chevalier Pacific Holdings Limited

Ms. Yvonne Hung
Corporate Communications Executive
Tel: +852 2331 5853
Fax: +852 2331 5606
Email: yvonne_hung@chevalier.com

Pacific Coffee (Holdings) Limited

Ms. Eugenie Kan
Regional Director, Marketing
Tel : +852 2290 6056
Fax : +852 2542 7719
Email : eugeniekan@pacificcoffee.com

Hill & Knowlton Asia Limited

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