

For Immediate Release

Press Release

China Resources Enterprise Announces Shareholder Support for Disposal of All Non-Beer Businesses and Capital Reduction

- **The Board is pleased to announce that the Company's shareholders, with over 98% voting 'for', approved the resolutions for the disposal of all non-beer businesses to CRH for HK\$30 billion and capital reduction by a sum equal to HK\$10 billion.**
- **A special dividend of HK\$12.30 per share is expected to be distributed by the end of October 2015, after implementation of the reduction of capital and completion of the relevant legal requirements.**
- **After payment of the special dividend, CRH will make a pre-conditional partial offer to CRE's shareholders to acquire up to a maximum of 484,273,072 shares (representing approximately 20% of the issued share capital of CRE) at HK\$12.70 per share.**
- **CRE will become a beer-focused company and aims to deliver outstanding value to shareholders.**

Hong Kong, 3 August 2015 – **China Resources Enterprise, Limited** ("CRE", "the Company", HKEx: 00291) announced that at its Extraordinary General Meeting ("EGM") held today, its shareholders approved the ordinary resolution for the disposal of all of CRE's non-beer businesses to China Resources (Holdings) Company Limited ("CRH") ("Revised Disposal") and the special resolution for capital reduction by a sum equal to HK\$10 billion. Upon the completion of the Revised Disposal, CRE will specialize in the beer business of which its subsidiary, China Resources Snow Breweries Limited, is the largest brewer by sales volume in China, the largest beer market by sales volume in the world.

The total consideration of the Revised Disposal is HK\$30 billion, and the special dividend expected to be paid by the end of October 2015 after the completion of the Revised Disposal will amount to HK\$12.30 per share. Under the pre-conditional partial offer ("Revised Partial Offer"), CRH will then make an offer to all shareholders to acquire up to 484,273,072 shares of the Company (representing approximately 20% of the issued share capital of CRE). Together with the special dividend, a total cash consideration of HK\$25.00 per share is to be received by shareholders for every share that is tendered into and accepted under the Revised Partial Offer, which represents a 64.5% premium over the closing share price on the last trading date on 2 April 2015 prior to the halt of trading of CRE shares. More details of the special dividend and the Revised Partial Offer arrangement will be announced later.

Moving forward, CRE will continue to seek profitable growth through premiumisation of its product mix to mid to high end products, increasing penetration into different tiers of cities and leveraging its close relationships with local distributors and retailers as well as collaboration with experienced international joint venture partner SABMiller PLC. Furthermore, CRE will continue its ongoing

efforts to improve quality and productivity through various initiatives, and will also seek greater value through synergies created from its mergers and acquisitions strategy. On the expansion front, CRE will continue to pursue organic growth together with acquisitions, utilizing the strong execution and integration capability it has built through more than 20 acquisitions since 2006. As at the end of March in 2015, CRE has a total of 98 breweries in 25 provinces with a total annual nominal production capacity of over 200,000,000 hectolitres.

Mr. Chen Lang, Chairman of the Company, said, “We have a deep sense of gratitude towards our shareholders who have shown their support for the proposals. CRE will transform into a beer-focused listed entity, allowing greater flexibility to execute its business plan and to lead further industry consolidation. We have full confidence in capitalizing on the opportunities in China’s beer industry and in delivering outstanding value to the shareholders.”

CRH currently holds an indirect stake of approximately 51.88% in CRE. UBS AG, acting through its Hong Kong branch, is the financial advisor to CRE on the transaction. Rothschild (Hong Kong) Limited is the independent financial advisor to the Independent Board Committee and the Independent Shareholders.

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 goods businesses in China.

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Poll results of the resolutions 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.

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The directors of CRE jointly and severally accept full responsibility for the accuracy of the information contained in the Announcement (some of which are extracted in this document) other than that relating to CRH, CRH Enterprise or parties acting in concert with them for which their responsibility is restricted to the correctness and fairness of the reproduction or the presentation of such information as published by CRH, CRH Enterprise or parties acting in concert with them, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Announcement and the Circular (some of which are extracted in this document) other than those expressed by CRH, CRH Enterprise or parties acting in concert with them have been arrived at after due and careful consideration and there are no facts not contained in the Announcement the omission of which would make any statement in the Announcement misleading.

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NOTICE TO US HOLDERS OF CRE SHARES

The Revised Partial Offer is being made for the securities of a Hong Kong company and is subject to Hong Kong disclosure requirements, which are different from those of the United States. The financial information included in this document has been prepared in accordance with Hong Kong Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Revised Partial Offer will be made in the United States pursuant to the applicable US tender offer rules and otherwise in accordance with the requirements of the SFO. Accordingly, the Revised Partial Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.

The receipt of cash pursuant to the Revised Partial Offer by a US holder of Shares may be a taxable transaction for US federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of Shares is urged to consult his/her/its independent professional advisor immediately regarding the tax consequences of acceptance of the Revised Partial Offer.

It may be difficult for US holders of Shares to enforce their rights and any claim arising out of the US federal securities laws, since CRH, the Offeror and the Company are located in a country outside the United States, and some or all of their officers and directors may be residents of a country other than the United States. US holders of Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

In accordance with the Code and Rule 14e-5(b) of the US Securities Exchange Act of 1934, BofAML, Morgan Stanley and their respective affiliates may continue to act as exempt principal traders in the Shares on the Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be reported to the SFC and, to the extent made public by the SFC, will be available on the website of the SFC at <http://www.sfc.hk>.
