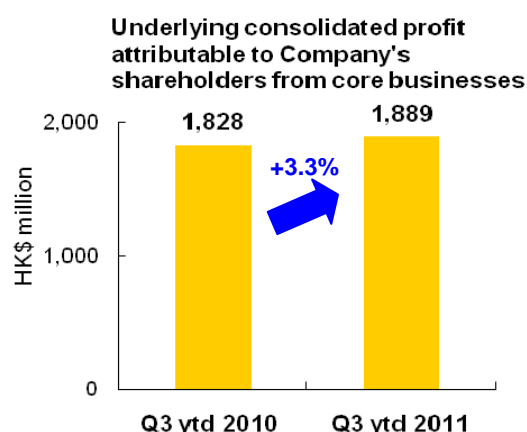
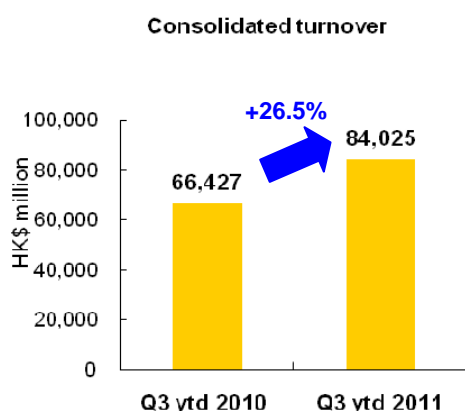


For Immediate Release

Press Release

**China Resources Enterprise Announces Unaudited Review for
the First Nine Months of 2011**

- In the first nine months of 2011, consolidated turnover rose by 26.5% to HK\$84,025 million. Excluding the after-tax effect of asset revaluation and major disposals, the underlying consolidated profit contributed by the core businesses rose by 3.3% to HK\$1,889 million. The consolidated attributable profit during the period amounted to approximately HK\$2,432 million, a decrease of 54.1%.
- Benefiting from the expansion of its extensive retail network and same store sales growth of 11.6% year-on-year, the Group's *retail division* recorded year-on-year increases of 27.5% in turnover to HK\$52,036 million and 2.4% in underlying attributable profit to HK\$731 million for the first nine months of 2011.
- Turnover of the beer division increased by 24.1% to HK\$22,104 million, while attributable profit increased by 10.1% to HK\$863 million for the first nine months of 2011.



[Hong Kong, 17 November 2011] China Resources Enterprise, Limited (HKEx: 00291) ('The Company' or together with its subsidiaries, 'The Group') today announced its unaudited financial and operational review for the nine months ended 30 September 2011. The Group generated consolidated turnover of HK\$84,025 million for the first nine months of 2011, representing corresponding increase of 26.5%. Excluding the after-tax effect of asset revaluation and major disposals, the Group's underlying consolidated profit contributed by the core businesses for the first nine months of 2011 would have increased by 3.3% to HK\$1,889 million. The consolidated attributable profit for the first nine months of 2011 amounted to approximately HK\$2,432 million, representing a decrease of 54.1% over the same period last year.

Mr. Chen Lang, Chief Executive Officer of the Company, said, "During the period under review, the Urban Maintenance and Construction Tax and Education Surcharges imposed on foreign enterprises since end of last year, the increase in labor costs and the acceleration of retail network



expansion in new regions have put greater pressure on costs and posted a short term impact to the Group's results. However, our core consumer business, including retail, beer, food and beverage businesses, further expanded through organic growth and new acquisitions, and enhanced the market-leading position of our consumer goods business in China."

The Group's **retail division** recorded a turnover of HK\$52,036 million for the first nine months of 2011, representing an increase of 27.5%. Excluding net revaluation surplus, the division's attributable profit would have increased by 2.4% to HK\$731 million. Since the beginning of this year, the increases in the minimum wage levels in different regions as well as the Urban Maintenance and Construction Tax and Education Surcharges imposed on foreign enterprises have increased the operating costs and affected the Group's short-term operating profit. However, the Group strives to enhance cost control and operating efficiency, such as improving operational flow and management system, leveraging economies of scale, establishing direct sourcing bases between farmers and supermarkets, as well as minimizing stock wastage.

Benefiting from the rising prices of consumer goods, the Group's retail division achieved same store sales growth of 11.6% during the period under review. By the end of September 2011, the division continued the expansion of its extensive retail network comprising more than 3,800 stores nationwide. In order to accelerate the improvement of operational performance in the new markets, the Group will continue to speed up the built-up of its network in those regions, review its product mix and operational strategy, optimize supply chain management, and uphold high standards of management and operational efficiency.

The Group's **beer division** recorded a turnover of HK\$22,104 million for the first nine months of 2011, representing corresponding increase of 24.1%. Attributable profit rose by 10.1% year-on-year to HK\$863 million. Beer sales volume for the period under review was up by 10% to 8,607,000 kiloliters. Benefiting from a series of marketing campaigns that further enhanced its brand image and market influence, the sales volume of the Group's national brand "雪花 Snow" beer increased by 9% to approximately 7,699,000 kiloliters, accounting for approximately 90% of the Group's total beer sales volume in the first nine months of 2011. As at the end of September 2011, the Group operated about 80 breweries in China with an aggregate annual production capacity of over 15,000,000 kiloliters.

During the first nine months of 2011, the Group's beer division has made several investments, including acquisition of 100% equity stake in Shanghai Asia Pacific Brewery Company Ltd. and 49% equity stake in Jiangsu Dafuhao Breweries Co., Ltd. The division also acquired the remaining 55% equity stake in Hangzhou Xihu Beer Asahi Co., Ltd. and the remaining 25% equity stake in Zhejiang Xihu Beer Asahi Co., Ltd., which subsequently became the wholly owned subsidiaries of the division. Besides, the division also formed a joint venture with China Kweichow Moutai Distillery Co. Ltd., in which the division owns a 70% equity stake. The investments have further propelled the growth of the division and reinforced the Group's leading position in China's beer



market.

Turnover of the Group's **food division** rose by 29.0% year-on-year to HK\$7,738 million for the first nine months of 2011, while attributable profit dropped by 22.9% year-on-year to HK\$252 million. During the review period, the rising cost of live pig procurement and other costs have affected the operation's profitability.

By enhancing the construction of its integrated quality supply system, the Group maintained its competitive edge in the food business. The Group also maintained its leadership position in the Hong Kong live pig market. Through the active promotion of the “五豐 Ng Fung” brand, the assorted foodstuff operation recorded a stable growth in operating result during the period under review. The Group made significant inroads into markets outside Zhejiang such as Jiangsu and Anhui, and enhanced its market share and brand reputation in Jiangsu.

The Group's **beverage division** recorded a turnover of HK\$2,462 million for the first nine months of 2011, representing an increase of 49.2% year-on-year. Attributable profit for the first nine months dropped by 12.4% year-on-year to HK\$120 million. With its flagship purified water brand “怡寶 C'estbon”, total sales volume of the division rose by approximately 32% to 2,096,000 kiloliters during the review period. The Group's strategy of focusing more resources on developing target markets paid off in Guangdong, Hunan, Sichuan and Jiangsu provinces, giving the Group a regional edge over its competitors. To further enhance the market awareness of the “怡寶 C'estbon” brand, the division entered into a strategic cooperation agreement with the Chinese National Table Tennis Team, in which “怡寶 C'estbon” was designated the team's exclusive official drinking water. As for the cooperation with Kirin Holdings Company, it is poised to make the division a powerful contender in the non-alcoholic beverage market in China riding on the complementary strengths of both companies.

Mr. Qiao Shibo, Chairman of the Company, concluded, “The uncertainties surrounding the global economy have affected consumer sentiment in China, which in turn has put pressure on the Group's consumer goods business in the near term. Over the next 12 months, we will strive to minimize the impact of higher costs with the implementation of stringent cost control measures while leveraging our economies of scale. Boosting domestic consumption and reforming its economic growth structure are held as key priorities of China's ‘12th Five-Year Plan’. As a consumer goods company, we are more resilient to the global economic fluctuation when compared to other industries. We are optimistic about the long-term development of China's consumer market. Looking ahead, we will try to enhance profitability further through organic growth. At the same time, we will also continue to seek out investment opportunities in a prudent manner so as to further expand our business and move closer to our goal of becoming the largest consumer goods company in 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 China. For further information, please contact:

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Full details of our review for the first nine months of 2011 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.