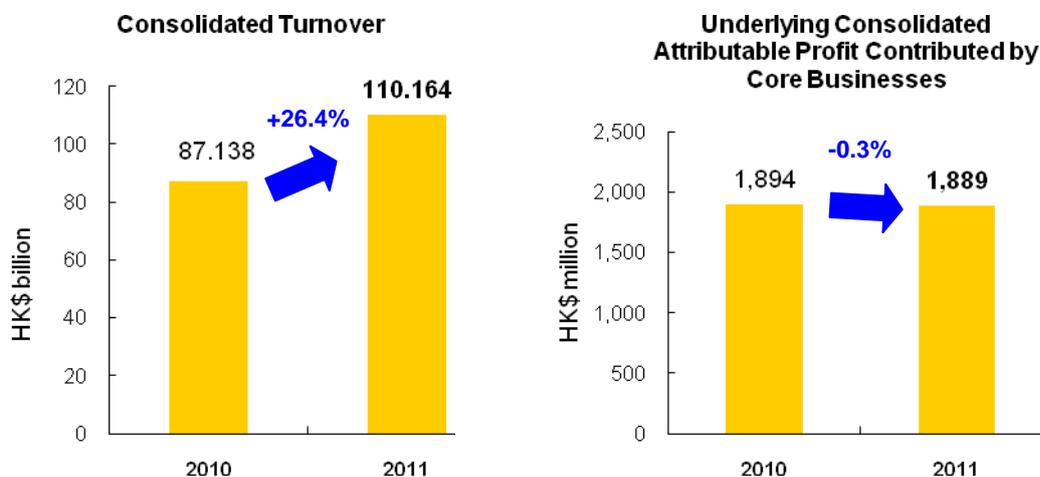


For Immediate Release

Press Release

China Resources Enterprise Announces Annual Results for 2011
Enhanced Platform for Long Term Growth

- For the year ended 31 December 2011, consolidated turnover rose by 26.4% to HK\$110,164 million, mainly driven by record high turnover of retail and beer businesses.
- Excluding the after-tax effect of asset revaluation and major disposals, underlying consolidated attributable profit contributed by the core businesses decreased by 0.3% to HK\$1,889 million.
- Including other businesses and exceptional adjustments, consolidated profit attributable to shareholders amounted to approximately HK\$2,832 million, representing a decrease of 50.1%.
- Beer division achieved annual sales volume of over 10 million kiloliters for the first time. It recorded turnover of HK\$26,689 million and attributable profit of HK\$785 million, representing increases of 23.9% and 14.6% respectively.
- Retail division expanded its market share with turnover of HK\$70,088 million, representing an increase of 27.1%. Excluding the revaluation surplus, the attributable profit decreased by 2.7%, reflecting both the impact of expenses and its efforts in absorbing them.
- The Board recommended a final dividend of HK\$0.32 per share, bringing the total dividend for 2011 to HK\$0.47 per share.



[Hong Kong, 21 March 2012] China Resources Enterprise, Limited (HKEx: 00291) ('The Company' or together with its subsidiaries, 'The Group') today announced its final results for the year ended 31 December 2011. The Group's consolidated turnover increased by 26.4% year-on-year to approximately HK\$110,164 million. Excluding the after-tax effect of asset revaluation and major disposals, its underlying attributable consolidated profit contributed by the core businesses would have slightly decreased by 0.3% to HK\$1,889 million for 2011. Including other businesses and exceptional adjustments, the consolidated attributable profit for 2011 amounted to HK\$2,832 million, representing a decrease of 50.1%. Basic earnings per share from the continuing



operations were HK\$1.18 (2010: HK\$1.12). The Board recommended a final dividend of HK\$0.32 per share. Together with the interim dividend of HK\$0.15 per share, the total dividend for 2011 will be HK\$0.47 per share.

Mr. Chen Lang, Chief Executive Officer of the Company, said, “During the year under review, the imposition of the Urban Maintenance and Construction Tax and Education Surcharges on foreign enterprises since the end of 2010, higher labour costs and the accelerated expansion of our retail network into new regions have raised cost pressures and affected the Group’s results. However, we continued to grow steadily in 2011 as we further expanded our core businesses through new acquisitions and organic growth, and strengthened our market-leading position in China. Beer sales volume reached its record high in particular, achieving economies of scale and improvement in average selling prices.”

The Group’s **retail division** recorded a turnover of HK\$70,088 million in 2011, representing a year-on-year increase of 27.1%. Excluding the after-tax revaluation surplus, the division’s attributable profit would have decreased by 2.7% to HK\$808 million. Including the after-tax revaluation surplus, the division recorded an attributable profit of HK\$1,736 million, a decrease of 10.1%. During the year under review, the increases in minimum wage levels in different regions as well as the Urban Maintenance and Construction Tax and Education Surcharges imposed on foreign enterprises have pushed up the operating costs and affected the Group’s short-term operating profit. The Group has carried out various measures to control costs such as leveraging its economies of scale, modifying operational flow, enhancing operational efficiency, as well as minimizing energy consumption and inventory wastage. Benefiting from the rising prices of consumer goods, the division achieved same store sales growth of 10.9% in 2011.

In 2011, the Group’s retail division continued the expansion of its extensive retail network comprising around 4,000 stores nationwide. The Group’s supermarkets and specialty stores have established their new stores in various new markets such as Hunan and Chongqing. In order to accelerate improvements in operational performance in the new markets, the Group will engage in a wide range of initiatives such as building networks in the new regions, reviewing product mix and operational strategy, optimizing supply chain management, upholding exemplary standards of management and operational efficiency, as well as fostering the synergies of different business formats.

Leveraging its economies of scale and the improvement in average selling prices, the **beer division** recorded a turnover of HK\$26,689 million and attributable profit of HK\$785 million in 2011, representing year-on-year increases of 23.9% and 14.6%, respectively. Beer sales volume in 2011 was up by 10% to 10,235,000 kiloliters, reaching over 10,000,000 kilolitres for the first time. The sales volume of the Group’s national “雪花 Snow” brand was approximately 9,172,000



kiloliters, accounting for approximately 90% of the Group's total beer sales volume. As China's largest brewer in terms of volume, the Group had a market share of over 20% in China's beer market as at the end of 2011, and operated about 80 breweries in China with an aggregate annual production capacity of over 15,300,000 kiloliters.

The Group's beer division continued to be a leader in the China market as the result of the establishment of new breweries, its concerted efforts in brand building and successful acquisitions. In 2011, the Group's beer division has made several investments, including the equity stake acquisitions of Hangzhou Xihu Beer Asahi Co., Ltd. (the remaining 55%) and Zhejiang Xihu Beer Asahi Co., Ltd. (the remaining 25%).

Turnover of the Group's **food division** rose by 28.9% year-on-year to HK\$10,706 million in 2011, while attributable profit decreased 33.5% to HK\$278 million. The division's operating profit was affected by the rising cost of live pig procurement and other costs during the year.

In 2011, the Group continued to enhance its integrated quality supply chain, as well as its product mix and value-added products in order to maintain its competitive edge. The Group also maintained its leadership position in the Hong Kong live pig market through the synergy with its livestock raising business in China. With the active promotion of the “五豐Ng Fung” brand, the assorted foodstuff operation recorded a satisfactory growth in 2011. The division's frozen food and ice-cream operation made further inroads into Zhejiang nearby markets of Jiangsu and Anhui, and enhanced its market share and brand reputation in Jiangsu.

The Group's **beverage division** recorded a turnover of HK\$3,112 million in 2011, representing an increase of 49.6% year-on-year, while attributable profit dropped by 18.7% year-on-year to HK\$126 million. This was mainly resulted from the diluted earnings contribution due to the formation of a joint venture with Kirin Holdings Company, Limited in mid-August 2011.

With its flagship purified water brand “怡寶 C'estbon”, total sales volume of the division rose by approximately 34.5% to 2,642,000 kiloliters in 2011. Thanks to its strategy of focusing resources on developing target markets, the Group's beverage network now covers all of Sichuan, while Hunan has become its second largest market after Guangdong. To further enhance the brand awareness of the “怡寶 C'estbon”, the division entered into a strategic cooperation agreement with the Chinese National Table Tennis Team, for which “怡寶 C'estbon” was made the exclusive official drinking water for the team. Pursuant to the establishment of the joint venture with Kirin Holdings Company, Limited, the existing products of “麒麟 Kirin” operation have started to be sold in China through the division's extensive distribution channels. Riding on the complementary strengths of both companies, the cooperation is poised to make the division a powerful contender in the non-alcoholic beverage market in China.



Mr. Qiao Shibo, Chairman of the Company, concluded, “We expect the operating environment in China to remain challenging in the coming year, as the volatility in the global economy continues to affect consumer sentiment. However, with the rising disposable income per capita and the Central Government’s initiatives to promote consumer spending in its ‘12th Five-Year Plan’, we believe that the consumer market in China will continue to demonstrate relatively stronger resilience to short term market fluctuations. Therefore, we remain optimistic about the long-term development of China’s retail market. Building on the strong consumer business platform that we have created over the years and our proven strategy of market expansion, we will continue to reinforce our market leading position in China and seek out investment opportunities in a prudent manner so as to further expand our business.”

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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. For further information, please contact:

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Full details of our final results for 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.