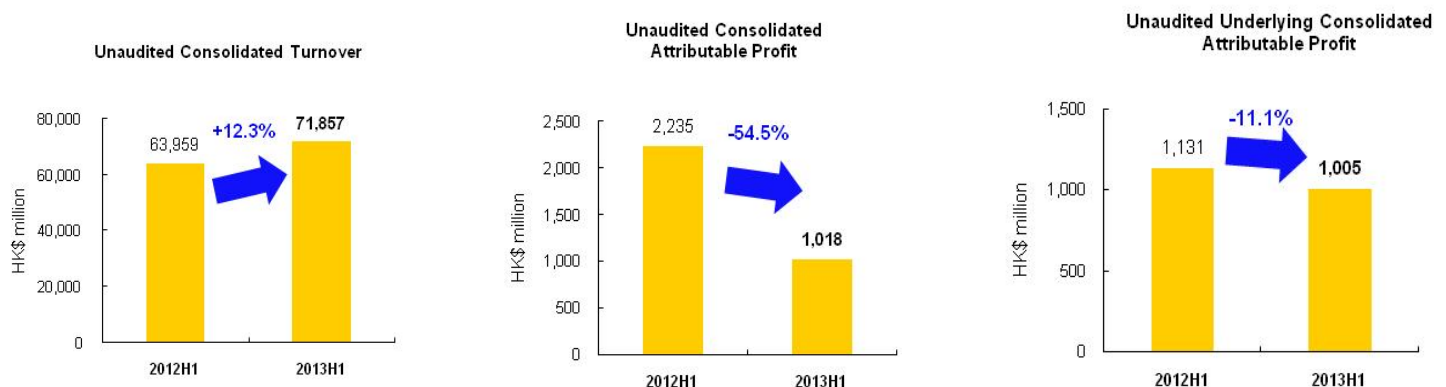


For Immediate Release

Press Release

China Resources Enterprise Announces Interim Results for 2013 Maintained Sustainable Growth Amidst Challenging Environment

- Unaudited consolidated turnover increased by 12.3% to HK\$71,857 million and profit attributable to the Company's shareholders decreased by 54.5% to HK\$1,018 million.
- The attributable profit reduction was mainly due to asset revaluation in the previous year, a non-recurring item this year.
- Excluding the after-tax effect of asset revaluation and major disposals, the Group's unaudited underlying consolidated profit attributable to the Company's shareholders would have decreased by 11.1%.
- Turnover and attributable profit of the retail division amounted to HK\$47,907 million and \$637 million, representing an increase of 13.7% and a decrease of 63.7%, respectively. Excluding the after-tax revaluation surplus and the disposal of the non-core assets, the division's attributable profit decreased by 4.0% year-on-year.
- Beer division recorded turnover and attributable profit of HK\$16,078 million and \$358 million respectively, representing an increase of 9.9% and a decrease of 4.5%.
- The beverage division recorded robust growth. Turnover and attributable profit were HK\$3,375 million and HK\$39 million, representing increases of 47.4 % and 30.0% respectively. The overall performance of the food division was mainly affected by macro-economic environment and restructuring.
- The Board recommended an interim dividend of HK\$0.13 per share.



[Hong Kong, 21 August 2013] **China Resources Enterprise, Limited** (HKEx: 00291) ('The Company', or together with its subsidiaries, 'The Group') today announced its interim results for the six months ended 30 June 2013. Unaudited consolidated turnover and profit attributable to the Company's shareholders amounted to HK\$71,857 million and HK\$1,018 million, respectively, representing an increase of 12.3% and a decrease of 54.5%. Excluding the after-tax effect of asset revaluation and major disposals, the Group's unaudited underlying consolidated profit attributable to the Company's shareholders decreased by 11.1% to HK\$1,005 million. The Board has resolved to declare an interim dividend of HK\$0.13 per share.



Mr. Hong Jie, Chief Executive Officer of the Company, said, “In the first half of 2013, ongoing fluctuations in the financial markets and moderate economic growth in China posted uncertainty to our operating environment. In response to the challenging situation, the Group remains steadfast in driving our sustainable development by evaluating the market situation and grasp opportunities that will benefit our retail, beer, food and beverage businesses.”

The Group’s **retail division** reported turnover and attributable profit of HK\$47,907 million and HK\$637 million, respectively in the first half of 2013, representing year-on-year an increase of 13.7% and a decrease of 63.7%. Excluding the after-tax revaluation surplus and the disposal of the non-core assets, the division’s attributable profit decreased by 4.0% year-on-year. As at the end of June 2013, the Group operated over 4,400 stores in China, of which approximately 82% were self-operated while the rest were franchised. With better event management and promotion, same store sales growth of the division grew by 5.6%. To reinforce its brand awareness, market share and influence across the country, the division continued to open new stores in both existing and new regions with appropriate adjustments in the timing and location of new shops opening, and reviewed its product mix and operational strategy.

Facing with the increases in minimum wage and normal salary increment, the division continued to increase its scale and implemented stringent operating cost control, such as enhancing bargaining power over leases and leveraging synergies from its multi-format business, establishing an energy management system to optimize energy savings at its retail stores, as well as rationalizing its labour structure and hiring system, to absorb costs over time.

The Group’s **beer division** recorded turnover and attributable profit of HK\$16,078 million and HK\$358 million, representing an increase of 9.9% and a decrease of 4.5% over the same period last year. Thanks to the Group’s unremitting efforts in enhancing its production capacity, its effective brand promotions, as well as the strengthening of its sales network and enhancement of customer services at points of sale, the Group’s beer sales volume increased by 7% year-on-year to approximately 5,759,000 kilolitres in the first half of 2013, of which sales volume of its national “雪花 Snow” brand increased by 8% to approximately 5,263,000 kilolitres, accounting for more than 90% of the Group’s total beer sales volume. As at the end of June 2013, the Group operated more than 80 breweries in China with an aggregate annual production capacity of more than 18,000,000 kiloliters.

To cope with the increasing overall operating costs, the division continued to enhance its product mix in hope to lift the average selling price of its product and to consolidate its overall profitability during the period under review. In addition, the acquisition of the beer business of Kingway Brewery Holdings Limited (“Kingway Brewery”) successfully equipped the Group with Kingway Brewery’s good reputation in China, especially in Guangdong province, as well as its strong market share, extensive sales network and established manufacturing facilities. As such, the acquisition will not only strengthen the division’s



production capacity and economies of scale, but also further optimize the sales network in China, thereby consolidating the Group's leading position in China's beer industry.

The Group's **food division** was affected by macro-economic environment and restructuring. New businesses were still at its embryonic stage and have yet to reach scale, thus affecting the overall performance. The division reported turnover of HK\$5,004 million and attributable profit of HK\$71 million in the first half of 2013, representing decreases of 2.2% and 50.7% year-on-year, respectively. During the period under review, the division reinforced communications with Hong Kong suppliers to improve the quality of products procured which alleviated the impact brought by the decline in selling prices on the profitability of the livestock distribution operation.

Businesses in mainland China have mixed performance with strong revenue growth from assorted food distribution. The division continued its active expansion in the China market by leveraging the reputation of the “五豐 Ng Fung” brand. The division also focused on identifying opportunities to expand its revenue stream. In addition to the acquisition of a distribution business in Shenzhen, the rice distribution business has acquired another distribution business in Shanghai during the period under review. Moreover, the division acquired a fruit processing and distribution business, laying a solid foundation for the formation of a vertically-integrated industry chain spanning from sources to retail channels.

The Group's **beverage division** achieved satisfactory turnover of HK\$3,375 million and attributable profit of HK\$39 million, representing increases of 47.4% and 30.0% respectively over the same period last year. Driven by the remarkable growth in sales volume of “怡寶 C'estbon” purified water, as well as the active promotion of beverage products, total sales volume surged by 34% year-on-year to approximately 2,268,000 kiloliters. The division focused on its core markets in Guangdong and Hunan and expanding its sales network in the adjacent provinces with the aim of deepening market penetration. Meanwhile, the purified water business implemented a set of lean management measures to enhance operation efficiency and maintain production capacity, which contributed to sustainable sales growth for the division.

The division stepped up its efforts in marketing and promotions for “麒麟 Kirin” beverage products and moderately localized the brand in the midst of market competition in the beverage industry to drive brand awareness in China so as to broaden its customer base and sharpen its competitive edge of the division.

Mr. Chen Lang, Chairman of the Company, concluded, "Despite the volatile global economy will continue to affect the consumer sentiment and cloud the outlook in the second half of 2013, we remain optimistic about the long-term development as the central government's new urbanization strategies highlighted at the '18th National Congress' will drive steady growth in domestic consumption. We will continue to pursue sustainable growth through steady expansion and strengthening our core competitiveness. Supported by our strong financial position and healthy cash flow, we are poised to capture promising opportunities that can complement our business when they arise."



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, including retail, beer, food and beverage in China.

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Full details of our 2013 interim results 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.