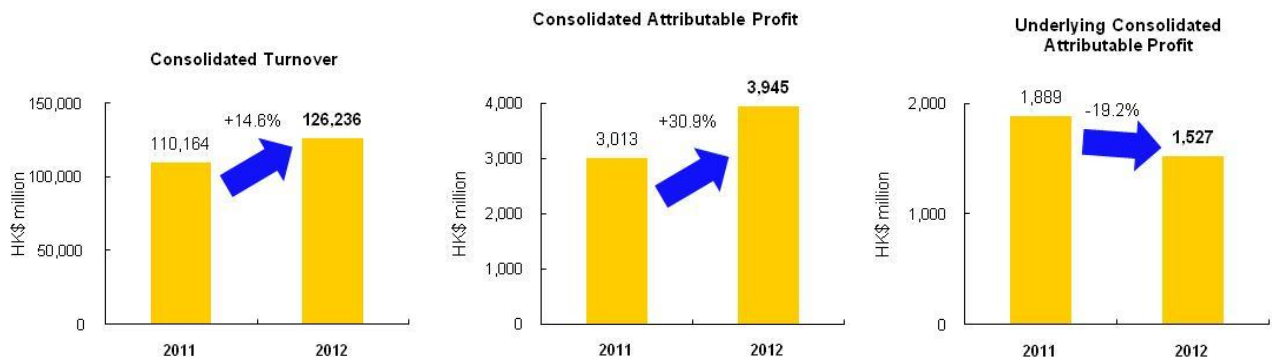


For Immediate Release

Press Release

China Resources Enterprise Announces Annual Results for 2012 Consolidated Profit Attributable to Shareholders Increases by 30.9% to 3,945 Million

- Consolidated turnover and profit attributable to shareholders increased by 14.6% and 30.9%, respectively, to HK\$126,236 million and HK\$3,945 million.
- Excluding after-tax effect of asset revaluation and major disposals, the Group's underlying consolidated profit attributable to the Company's shareholders would have decreased by 19.2%.
- Turnover of the retail division increased by 19.1% year-on-year to HK\$83,506 million, while attributable profit increased by 49.8% to HK\$2,871 million. Excluding the after-tax revaluation surplus and the disposal of non-core assets, the attributable profit would have decreased by 35.0% reflecting the impact of expansion expenses.
- Beer division reported turnover and attributable profit of HK\$28,064 million and HK\$823 million, respectively, representing increases of 5.2% and 4.8%.
- The Board recommended a final dividend of HK\$0.15 per share, bringing the total dividend for 2012 to HK\$0.30 per share.



[Hong Kong, 21 March 2013] **China Resources Enterprise, Limited** (HKEx: 00291) ('The Company', or together with its subsidiaries, 'The Group') today announced its audited final results for the year ended 31 December 2012. The Group's consolidated turnover and profit attributable to shareholders increased by 14.6% and 30.9% year-on-year to HK\$126,236 million and HK\$3,945 million, respectively. Excluding the after-tax effect of asset revaluation and major disposals of non-core assets or investments, the Group's underlying consolidated profit attributable to the Company's shareholders would have decreased by 19.2% to HK\$1,527 million. The Board recommended a final dividend of HK\$0.15 per share. Together with the interim dividend of HK\$0.15 per share, the total dividend for 2012 will amount to HK\$0.30 per share.

Mr. Hong Jie, Chief Executive Officer of the Company, said, "Despite market volatility in 2012, the Group continued to identify opportunities to further enhance its competitiveness. Following its development



strategy of national expansion emphasizing strong regional leadership and synergistic opportunities between its businesses, the Group further expanded and strengthened its leading position in China's consumer industry. This paved the way for the Group to weather any uncertainties and grasp opportunities when economy rebounds.”

The Group's **retail division** recorded turnover of HK\$83,506 million and attributable profit of HK\$2,871 million in 2012, representing year-on-year increases of 19.1% and 49.8%, respectively. Excluding the after-tax revaluation surplus and the disposal of the non-core assets, the division's attributable profit in 2012 would have decreased by 35.0% when compared to 2011. The division achieved same store sales growth of 4.1% year-on-year, mainly driven by the rising prices of consumer goods, new store openings and the contribution of the newly acquired Jiangxi Hongkelong Department Store Investment Company Limited. As at the end of 2012, the Group operated more than 4,400 stores in China, of which approximately 81% were self-operated and the rest were franchised.

In 2012, the division continued to establish coverage of its supermarkets in new regions such as Sichuan, Fujian and Hainan, and opened a number of convenience stores at metro stations in Hangzhou, Zhejiang Province. Apart from network expansion, the Group fostered cooperation with national mainland property developers to bring in its multi-format stores to high quality shopping malls. To further strengthen its competitive edge, the retail division will continue to relocate experienced staff to new regions, enrich its product mix and enhance the unique and sophisticated shopping experience for its customers.

Looking ahead, the division will further expand its market share by replicating its successful multi-format business model into third-to-fourth tier cities, as well as into counties, towns and villages, while establishing more retail stores in core cities.

During the year, the Group's **beer division** reported turnover and attributable profit of HK\$28,064 million and HK\$823 million, respectively, representing year-on-year increases of 5.2% and 4.8%. Total beer sales volume in 2012 increased by 4% year-on-year to approximately 10,639,000 kiloliters, of which sales volume of the Group's national “雪花 Snow” brand accounting for more than 90% of the Group's total. As at the end of 2012, the Group operated more than 80 breweries in China with an aggregate annual production capacity of approximately 18,000,000 kiloliters.

In view of the increasing raw material costs, unfavourable weather condition and intensified market competition, the division further enhanced its production efficiency by leveraging its economies of scale and centralized procurement while stepping up its marketing and promotions to boost beers sales and enhancing its product mix. Moreover, in February 2013, the division entered into an agreement to acquire assets of Kingway Brewery Holdings Limited (“Kingway Brewery”) in relation to its beer production, distribution and sales businesses. With the strong market share of Kingway Brewery in China, especially in Guangdong Province, as well as its extensive sales network and established manufacturing facilities, the acquisition will not only strengthen the division's production capacity and economies of scale, but also its



leading position in China's beer industry.

The Group's beer division will continue to carry out marketing campaigns for the “雪花 Snow” brand in order to strengthen the brand's reputation and customer loyalty. In addition, it will also continue to seek and evaluate investment opportunities in a prudent manner while pursuing organic growth so as to expand its market share and consolidate its leading market position.

Turnover of the Group's **food division** decreased by 3.1% year-on-year to HK\$10,379 million, while attributable profit increased by 19.1% to HK\$331 million. Excluding the after-tax revaluation surplus and the deemed gain on the disposal of non-core investments, the division's attributable profit would have decreased by 1.5% year-on-year in 2012.

In 2012, the division's meat operation in China recorded satisfactory growth in gross profit, which was mainly attributable to the decreasing procurement costs of live pigs and vigorous expansion of the division's carved meat business and increased number of its specialized meat retail stores. In view of the sluggish domestic consumption and unfavourable weather condition, the assorted foodstuff operation has modified its product mix and expanded into the downstream business of rice distribution by acquiring a rice distribution company in Shenzhen. Meanwhile, the frozen food distribution operation gradually stabilized its profitability by consolidating its sales channel and reinforcing communications with customers. The division also strategically disposed of its marine fishing and aquatic product processing operation to focus on its core businesses.

Looking ahead, the division will continue to focus on the domestic market and enhance its operational efficiency, while actively identify opportunities to expand its revenue stream and focus on the development of high potential businesses such as the sourcing and distribution of certain food and agricultural products. Moreover, more growth potential is expected to be explored through the synergy from the cooperation between the division's high growth potential businesses and the Group's retail business.

The Group's **beverage division** reported turnover of HK\$4,766 million and attributable profit of HK\$86 million in 2012, representing an increase of 53.1% and a decrease of 31.7% year-on-year, respectively. The decrease in attributable profit was mainly attributable to the accelerated marketing promotions for “麒麟 Kirin” beverage products and the diluted earnings contribution from the formation of a joint venture with Kirin Holdings Company, Limited.

With the remarkable growth in sales volume of “怡寶 C'estbon” purified water, coupled with the active promotion of the products of the “麒麟 Kirin” brand, total sales volume of the division amounted to 3,507,000 kiloliters, representing an increase of 33%. The purified water operation recorded a marked increase in both sales volume and turnover in Guangdong, Hunan, Sichuan, Jiangsu, Guangxi and Fujian, and has further consolidated its market lead in southern China. “麒麟 Kirin” products were sold through the distribution channels of the division's packaged water operation, and profitability was enhanced with the expansion of its



sales network, which boosted market coverage. Looking ahead, the division will continue to engage in research and development efforts on new products so as to optimize its product mix, and will implement strategic marketing plans to enhance its brand image and market share.

Mr. Chen Lang, Chairman of the Company, concluded, "Looking ahead to 2013, we expect the operational environment for the retail industry to remain challenging. However, we are optimistic about the long-term development of China's retail market as the central government's new urbanization strategies promulgated in its '18th National Congress' will drive domestic consumption. We will continue to look for opportunities to team up with other market leaders where circumstances allow us to create synergies, especially for our retail and food divisions. Meanwhile, to enhance our operational efficiency, management flow and cost effectiveness, we will also invest more than RMB2 billion in the coming 5 to 6 years to develop our IT systems such as the Enterprise Resource Planning ("ERP") system and the Customer Relationship Management ("CRM") system."

"We will adhere to our commitment to further developing market share for each of our consumer goods businesses while leveraging our economies of scale to enhance operational efficiency, so as to generate higher value to customers and investors over the longer term."

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:

China Resources Enterprise, Limited

Mr. Vincent Tse, General Manager
Strategic Planning and Investor Relations Dept.
Tel: +852 2829 8407
Mobile: +852 9861 1983
Email: vincent.tse@cre.com.hk

Ms. Jover Wong, Senior Public Relations Manager
Strategic Planning and Investor Relations Dept.
Tel: +852 2829 8412
Mobile: +852 9389 0851
Email: jover.wong@cre.com.hk

Hill + Knowlton Strategies Asia

Ms. Crystal Yip
Tel: +852 2894 6211
Mobile: +852 9720 6445
Email: crystal.yip@hkstrategies.com

Mr. Kevin Law
Tel: +852 2894 6219
Mobile: +852 6157 8289
Email: kevin.law@hkstrategies.com

Full details of our 2012 annual 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.

China Resources Enterprise, Limited

39/F China Resources Building, 26 Harbour Road, Wanchai, Hong Kong
Tel: (852) 2827 1028 Fax: (852) 2598 8453 Website: www.cre.com.hk