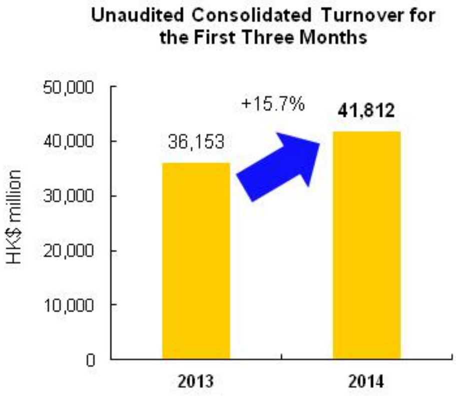
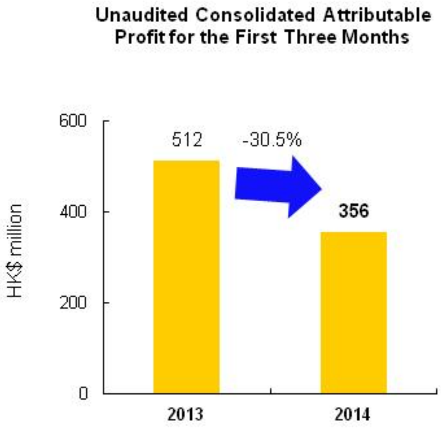
For Immediate Release

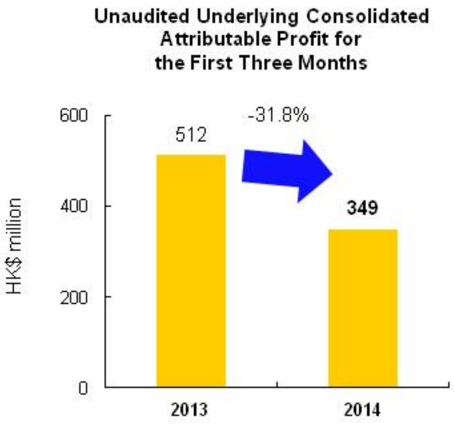
Press Release

China Resources Enterprise Announces Unaudited Review for the First Three Months of 2014

- **Unaudited consolidated turnover and profit attributable to shareholders amounted to approximately HK$41,812 million and HK$356 million, respectively, representing an increase of 15.7% and a decrease of 30.5% over the same period last year.**
- **Excluding asset revaluation, the unaudited underlying consolidated profit attributable to the shareholders decreased by 31.8%.**
- **Retail division reported turnover of HK$28,081 million, representing an increase of 8.3%, and attributable profit down 10.3% to HK$471 million.**
- **Beer division achieved turnover of HK$7,876 million, representing an increase of 20.3% year-on-year with attributable profit of HK$6 million, as compared to attributable loss of HK$23 million in the same period of last year.**
- **Food division reported turnover of HK$3,942 million, representing an increase of 62.0% year-on-year with attributable loss of HK$50 million, as compared to attributable profit of HK$57 million in the same period of last year. Overall performance of food division was mainly affected by business transition.**
- **Beverage division recorded robust growth with turnover and attributable profit of HK$2,259 million and HK$10 million, representing increases of 55.5% and 25.0%, respectively.**







[Hong Kong, 26 May 2014] **China Resources Enterprise, Limited** (HKEx: 00291) ('The Company', or together with its subsidiaries, 'The Group') today announced its unaudited financial and operational review of the three months ended 31 March 2014. Unaudited consolidated turnover and profit attributable to shareholders increased by 15.7% and decreased by 30.5% to HK$41,812 million and HK$356 million respectively. Excluding asset revaluation, unaudited underlying consolidated profit attributable to the Company's shareholders decreased by 31.8% to HK$349 million.

Mr. Hong Jie, Chief Executive Officer of the Company, said, "Despite slower economic growth in China, the Group, together with its experienced joint venture partners, will cautiously expand its business by consolidating its leading position and strengthening its long-term profitability."

The Group's retail division recorded turnover and attributable profit of HK$28,081 million and HK$471 million, representing an increase of 8.3% and a decrease of 10.3%, respectively. As at the end of March 2014, the Group operated over 4,600 stores in China, of which approximately 83% were self-operated while the rest were franchised.

During the period under review, the division recorded a decrease in same-store-sales growth of 0.4% year-on-year due to the slowdown in domestic macro-economic growth, lower sales of high-value commodities affected by the central government's strict enforcement of frugality and the rapid growth of e-commerce sales.

The increases in minimum wages and routine salary increments continued to exert pressure on the profitability of the retail division. As such, the Group implemented various initiatives to control operating costs in a comprehensive manner. To reinforce the national influence of the Group's retail business and to further enhance its market share, the division continued to extend its network into new regions. During the period under review, the Group debuted its hypermarkets in tier-three and tier-four cities such as Liaoyang in Liaoning Province and Gaozhou in Guangdong Province. "采活 VIVO" health and beauty stores and "太平洋咖啡 Pacific Coffee" shops sustained the scale of store openings in tier-one and tier-two cities.

Furthermore, in October 2013, the Group and Tesco PLC ("Tesco") signed an agreement to form a joint venture ("Joint Venture") to consolidate the retail business in China. The agreement will be completed in due course. Pursuant to the agreement, Tesco will inject the 134 stores and 19 shopping malls it currently operates in mainland China into the Joint Venture and allocate an aggregate cash sum of HK$4,325 million to subscribe for the new shares of the Joint Venture, so that the Group and Tesco will hold interests in the Joint Venture amounting to 80% and 20%, respectively. The Joint Venture will be the exclusive platform for the Group and Tesco to engage in the business of multi-category retailing through hypermarkets, supermarkets, convenience stores, cash and carry business and liquor stores (as well as the online/internet equivalent of any of the foregoing businesses) in Greater China. The Joint Venture aims to become the leading multi-format retailer in Greater China, and targets faster growth and enhanced profitability. It is also a compelling combination of local expertise and international best practices. The Joint Venture is set to improve retail services for consumers in China while securing significant cost and operational synergies from the combination of the two operations.

The beer division reported turnover of HK$7,876 million, representing an increase of 20.3% over the corresponding period of last year. The division reported attributable profit of HK6 million for the first quarter of 2014, compared with attributable loss of HK$23 million in the same period last year.

Beer sales volume increased by 12% year-on-year to approximately 2,575,000 kiloliters, of which sales volume of the Group’s national “雪花 Snow” brand increased by 8% to approximately 2,271,000 kiloliters, accounting for approximately 90% of the Group’s total beer sales volume.

The growth momentum in beer sales volume was mainly attributable to the Group’s continuous efforts to enhance its production capacity, effective brand promotions, as well as the strengthening of its distribution network and the establishment of new points of sale. Other factors included the growth of overall capacity in the beer market accelerated by higher-than-usual temperatures nationwide and rapid growth in the sales volume of premium beers. As at the end of March 2014, the Group operated more than 95 breweries in China with aggregate annual production capacity of over 19,000,000 kiloliters.

With intensifying competition in the market, the division ramped up investment in some of its promotions and marketing activities in a moderate manner. It further enhanced its production efficiency by leveraging its economies of scale and centralized procurement to relieve cost pressures. Meanwhile, the division continued to enrich its product mix to raise its products’ average selling prices and to consolidate overall profitability.

The ***food division*** reported turnover of HK$3,942 million for the first quarter of 2014, representing an increase of 62.0%. The division reported attributable loss of HK$50 million for the first quarter of 2014, compared with attributable profit of HK$57 million in the same period last year. The division is undergoing business transition, with rice distribution and other new businesses incurring more marketing expenses, thus affecting overall profitability.

Hong Kong operation of the division was affected by the sluggish live pigs market which has been facing abundant supply and low selling prices of live pigs. Moreover, the costs of raw materials such as feeds remained at high levels, putting pressure on the profitability of the livestock rearing operations.

The meat operation achieved significant growth in turnover, through the vigorous expansion of its meat wholesale business and carved meat business, as well as the increase in number of specialized meat retail stores in various cities. In addition, the division’s overall profitability improved due to lower procurement costs as a result of falling domestic live pig prices in China.

As for the division’s assorted foodstuff operation, sales of condiments targeting ordinary restaurants and family consumption remained strong. Meanwhile, the rice distribution business achieved rapid development through acquisitions, and the division endeavoured to consolidate the reputation of “五豐 Ng Fung” branded rice products nationwide by leveraging the platform and brand reputation of the Group’s retail division. In addition, the domestic fresh produce business enhanced the competitiveness of the products and the stability of its distribution channels, by attracting different consumer groups with a rich offering of fresh produce and a diversified product mix.

The ***beverage division*** recorded turnover and attributable profit of HK$2,259 million and HK$10 million for the first quarter of 2014, representing increases of 55.5% and 25.0% year-on-year respectively. Thanks to the remarkable growth in the sales volume of "怡寶 C'estbon" purified water, the division's total sales volume increased by 44% year-on-year to approximately 1,402,000 kiloliters in the first quarter of 2014.

The purified water business deepened its market penetration and reinforced its market-leading position in Southern China by focusing on its core markets in Guangdong, Hunan, and Sichuan provinces, and expanding its sales network in their adjacent regions. The division strengthened its marketing and promotional efforts for beverage products and focused on certain key cities to boost synergistic investments in sales channels with those of the Company's packaged water products. It also engaged in a moderate degree of brand localization to broaden its customer base.

Mr. Chen Lang, Chairman of the Company, concluded, "The slower economic growth and transformation of consumption habits in China will continue to be the challenges for the industry players. Nevertheless, we are well-equipped with comprehensive strategies to seize the opportunities. After negotiation with Tesco for more than two years, we believe the formation of the Joint Venture is a milestone for our business development. Looking ahead, we will continue to execute our expansion plan, and along the way improve our operational efficiency and enhance our profitability, as well as our leading position in China's consumer goods industry."

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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 goods businesses in China.

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Full details of our 2014 first quarter 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.