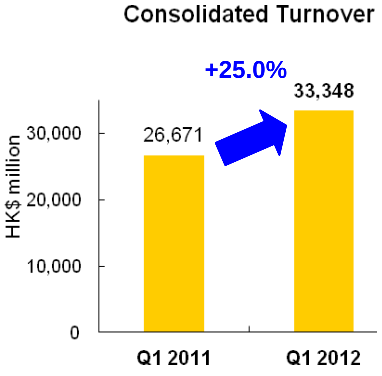
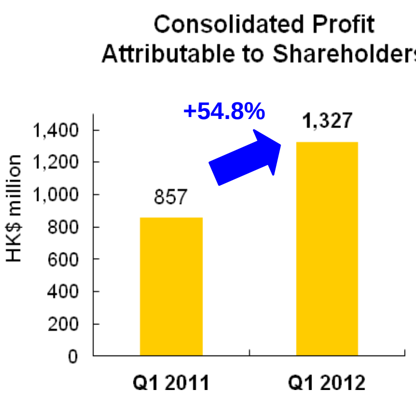
For Immediate Release

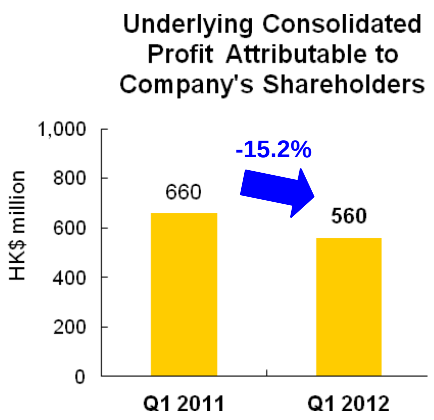
Press Release

China Resources Enterprise Announces Unaudited Review for the First Three Months of 2012

- **Consolidated turnover and profit attributable to shareholders rose by 25.0% and 54.8% respectively to HK$33,348 million and HK$1,327 million, respectively.**
- **Excluding the asset revaluation, underlying consolidated profit attributable to the Company's shareholders decreased by 15.2% to HK$560 million.**
- **Retail division reported turnover of HK$24,150 million and attributable profit of HK$1,327 million, representing increases of 27.0% and 82.8%, respectively.**
- **Beer division recorded turnover of HK$5,778 million, an increase of 17.9% over the corresponding period last year, and attributable loss of HK$33 million (last corresponding period: attributable profit of HK$20 million) due to unfavorable weather in Yangtze and other regions in China. There was also an increase in overall operating costs.**







[Hong Kong, 16 May 2012] **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 three months ended 31 March 2012. The Group's consolidated turnover increased by 25.0% year-on-year to HK$33,348 million and consolidated profit attributable to shareholders rose by 54.8% year-on-year to HK$1,327 million. Excluding the asset revaluation, the Group's underlying consolidated profit attributable to the Company's shareholders decreased by 15.2% to HK$560 million.

Mr. Chen Lang, Chief Executive Officer of the Company, said, "In the first quarter of 2012, we continued to achieve steady growth in turnover during the review period as we further expanded our business and enhanced the leading position of our consumer businesses in China. Over the short term, our increase in scale can only partially absorb the increase in labour costs and other costs. We are confident that these rises in costs can be absorbed over time as we further increase our presence."

The Group's ***retail division*** recorded a turnover of HK$24,150 million and attributable profit of 1,327 million for the first three months of 2012, representing increases of 27.0% and 82.8% respectively. Excluding the revaluation surplus, the division's attributable profit increased by 5.3% year-on-year. The slowdown in growth of the consumer price index in China, the stabilizing consumer confidence and the exemption of value added tax on trading and distribution of vegetable products since 1 January 2012, contributed to same store sales growth of 6.4% compared to the corresponding period last year. The opening of new stores and contributions from the newly acquired Jiangxi Hongkelong Department Store Investment Company Limited also contributed to overall growth. The factors partially offset the effects of the increase in labour costs and the urban maintenance and construction tax and education surcharge imposed on foreign enterprises since late 2010 on the Group's operating results.

To further control its operating costs, the Group actively carried out various measures such as leveraging the synergy derived from its multi-format business to enhance bargaining power for rental agreements, establishing an energy management system to promote energy savings in its retail stores and optimizing its labor structure and hiring system.

As at the end of March 2012, the Group operated over 4,000 stores in China, of which approximately 80% were self-operated and the rest were franchised. To further enhance its market share, the division will continue to build networks in new regions, review its product mix and operational strategy, optimize its supply chain management, and emphasize staff training and recruitment of new talent. The division will also focus on improving the operation of new stores and loss-making stores so as to enhance operational efficiency and effectiveness.

The Group's ***beer division*** recorded turnover of HK$5,778 million for the first quarter of 2012, an increase of 17.9% over the corresponding period last year. Despite the low temperatures recorded in most China regions in March this year, along with the prolonged rainy and cloudy periods in the mid- to downstream and southern part of Yangtze River, beer sales volume for the quarter under review rose by 4% to about 1,976,000 kiloliters due to active sales promotions and marketing campaigns. The Group's national brand "雪花 Snow" beer accounted for over 90% of the total sales volume.

The division's newly-built and acquired breweries in Henan and Zhejiang also commenced operation during the review period. As at the end of March 2012, the Group operated over 80 breweries in China with an aggregate annual production capacity of over 15,600,000 kiloliters.

In the quarter under review, the rise in overall operating costs and the increase in sales promotions and escalation in marketing campaigns launched in response to the intense market competition have affected the short-term operating results of the beer division. The division recorded an attributable loss of HK$33 million during the period under review versus an attributable profit of HK$20 million in the same period last year. By leveraging its economies of scale, the Group further enhanced its procurement, production and energy efficiency to relieve cost pressures. The Group also further stepped up its effort in optimizing product mix and raising sales of premium beer in order to raise average selling prices and stabilize profitability.

Turnover of the Group's ***food division*** increased by 14.1% year-on-year to HK$2,580 million for the first quarter of 2012, while attributable profit dropped by 51.3% year-on-year to HK$57 million. The Group maintained its leadership in Hong Kong live pig market through the synergy with its livestock raising business in China. However, although the price of live pigs slightly fell from its peak due to abundant supply during the review period, the higher operating costs, including costs for procurement of live pigs still exerted pressure to the short-term profitability of the Group's meat operation. To maintain its competitive edge, the Group continued to expand its sales channel, adjust its sales strategy and improve the synergy from the market distribution in Shanghai and Shandong.

For the assorted foodstuff operation, it made its first step in transforming its market strategy from a regional focus to a nationwide focus. Apart from expanding from its existing market in Zhejiang into neighboring markets such as Jiangsu and Anhui, annual promotional events for new products were also held in Yangzhou and Hangzhou, helping the division's turnover growth during the review period. The operation also enhanced its product mix to improve profitability, therefore alleviating most of the pressures from rising operating costs.

The Group's ***beverage division*** recorded a turnover of HK$929 million for the first three months of 2012, representing an increase of 63.8% year-on-year, while attributable profit decreased by 40.0% to HK$6 million. This mainly resulted from diluted earnings contribution due to initial start up expenses and the merging of operations from 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 30% to approximately 677,000 kiloliters in the first quarter of 2012. The packaged water operation sustained stable growth in sales volume. Rapid growth in sales volume and turnover was recorded in the markets outside Guangdong such as Hunan, Sichuan, Jiangxi and Fujian. The "麟 Kirin" brand operation has started to sell its existing products through the distribution channels of the packaged water operation in areas such as Guangdong, Hunan and Sichuan. It also made proactive effort in improving the operating situation by enhancing its product mix and rationalizing its pricing system. The decline in costs of major primary and secondary raw

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

materials such as packaging materials since the end of last year alleviated the pressure on gross profit margins driven by higher labour costs.

Mr. Qiao Shibo, Chairman of the Company, concluded, “We expect the operating environment in China to remain challenging in 2012 as consumer sentiment will be affected by volatility in the global economy. However, we believe that the consumer market in China will continue to demonstrate relatively stronger resilience to short term market fluctuations. Building on our strong consumer business platform and economies of scale, we will continue our strategy of national expansion and commitment in enhancing the operational efficiency of our businesses. We will also prudently seek and evaluate investment opportunities in order to strengthen the leading positions of our businesses. ”

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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:

China Resources Enterprise, Limited

Mr. Vincent Tse, General Manager
Strategic Planning and Investor Relations Dept.
Mobile: +852 9861 1983
Fax: +852 2598 8453
Email: vincent.tse@cre.com.hk

Ms. Jover Wong, Senior Public Relations Manager
Strategic Planning and Investor Relations Dept.
Tel: +852 2829 8412
Fax: +852 2598 8453
Email: jover.wong@cre.com.hk

Hill+Knowlton Strategies

Ms. Crystal Yip
Tel: +852 2894 6211
Fax: +852 2576 1990
Email: crystal.yip@hillandknowlton.com.hk

Full details of our review for the first three months of 2012 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.