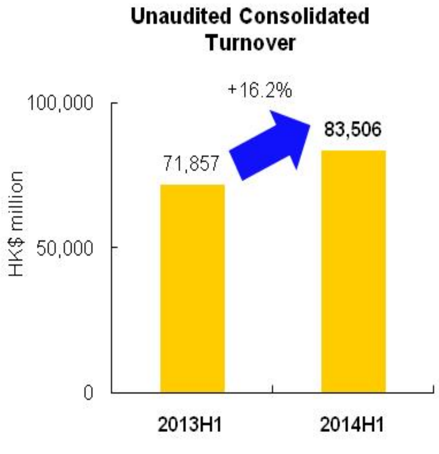
For Immediate Release

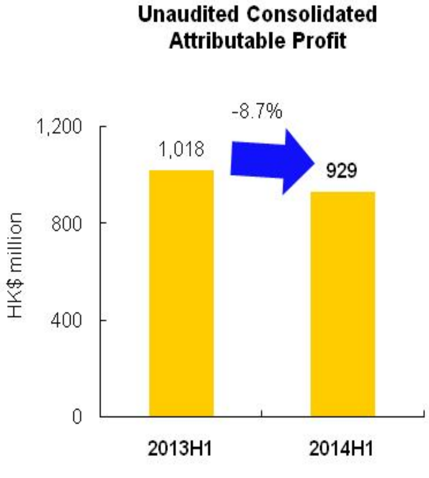
Press Release

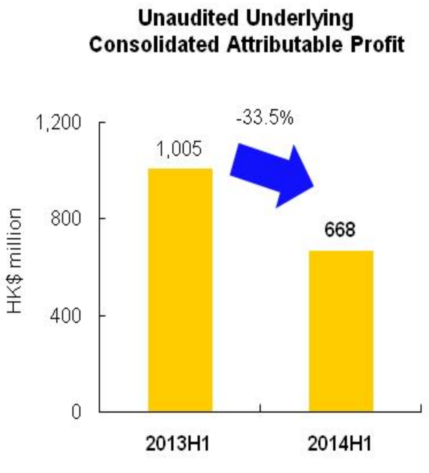
China Resources Enterprise Announces Interim Results for 2014

Gearing Up for Sustainable Development

- **Unaudited consolidated turnover increased by 16.2% to HK$83,506 million and profit attributable to the Company's shareholders decreased by 8.7% to HK$929 million.**
- **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 33.5%.**
- **Turnover and attributable profit of the retail division amounted to HK$52,589 million and HK$700 million, representing increases of 9.8% and 9.9%, respectively. Excluding the after-tax revaluation surplus, the division's attributable profit declined by 29.6% year-on-year. The formation of the Group's joint venture with Tesco PLC in May 2014 has diluted the profit contributable to the Group by the retail division.**
- **Beer division recorded turnover and attributable profit of HK$18,475 million and HK$417 million respectively, representing increases of 14.9% and 16.5%.**
- **Food division was undergoing business transition, reported turnover of HK$8,035 million, representing an increase of 60.6%; and attributable loss of HK$72 million for the first half of 2014, as compared to attributable profit of HK$71 million for the same period last year.**
- **Beverage division recorded robust growth with turnover and attributable profit of HK$5,057 million and HK$66 million, respectively, representing increases of 49.8% and 69.2% year-on-year, respectively.**
- **The Board recommended an interim dividend of HK$0.11 per share.**







[Hong Kong, 21 August 2014] **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 2014. Unaudited consolidated turnover and profit attributable to the Company's shareholders amounted to HK$83,506 million and HK$929 million, respectively, representing an increase of 16.2% and a decrease of 8.7%, respectively. 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 33.5% to HK$668 million. The Board recommended an interim dividend of HK$0.11 per share.

Mr. Hong Jie, Chief Executive Officer of the Company, said, "We are excited about the completion of the formation of our joint venture with Tesco PLC ('Tesco') though the Group continued to face with challenges from the slowdown of economic growth in China. The joint venture is set to boost our market leadership, brand value, e-commerce platform, global sourcing and operational standards which reinforce our confidence in seizing future growth opportunities."

The Group's ***retail division*** recorded turnover and attributable profit of HK$52,589 million and HK$700 million, representing increases of 9.8% and 9.9%, respectively. Excluding the after-tax revaluation surplus, the division's attributable profit for the first half of 2014 declined by 29.6% year-on-year. The formation of the Group's joint venture with Tesco on 28 May 2014 has diluted the profit contributed to the Group by the retail division.

During the period under review, the division recorded a decrease in same store sales of 1.4% year-on-year due to the slowdown in domestic macro-economic growth, lower sales of high-end commodities and store value cards affected by the central government's strict enforcement of frugality and the rapid growth in e-commerce sales.

The normal salary increment within the industry, increases in wage levels, as well as costs in relation to the integration with Tesco exerted pressure on the profitability of the division. Nevertheless, its joint venture with Tesco is set to strengthen the all-round capabilities of the Group's e-commerce operation and global sourcing, and to generate ample synergies in terms of workforce rationalization, purchasing power enhancement, IT and logistics optimization, etc. By actively pushing forward its integration with Tesco, the division continued to expand into new markets and optimized its product mix and operational strategy so as to further enhance its market share and to reinforce its national influence. As at the end of June 2014, the Group operated over 4,700 stores in China, of which approximately 84% were self-operated while the rest were franchised.

The Group's ***beer division*** reported turnover and attributable profit of HK$18,475 million and HK$417 million, respectively, in the first half of 2014, representing increases of 14.9% and 16.5% year-on-year, respectively. The division's sales volume increased by 9% year-on-year to approximately 6,301,000 kiloliters, of which the sales volume of its national "雪花 Snow" brand increased by 5% to approximately 5,520,000 kiloliters, accounting for approximately 90% of the Group's total beer sales volume.

The division maintained its overall growth momentum in sales volume benefitting from various initiatives, particularly the rapid growth of its premium beers and the successful integration of Kingway beer. The Group's strengthened production capacity utilization and brand promotions as well as targeted measures to optimize the efficiency of its distribution network also boosted the division's sales volume. As at the end of June 2014, the Group operated more than 95 breweries in China with aggregate annual production capacity of over 19,000,000 kiloliters.

During the period under review, the division ramped up investment in its promotions and marketing activities in a moderate manner in response to intensifying market competition. The division further enhanced its production efficiency and its product mix in order to lift the average selling prices of its products and to consolidate overall profitability.

The Group's ***food division*** reported turnover of HK$8,035 million for the first half of 2014, representing an increase of 60.6% year-on-year. The division reported attributable loss of HK$72 million as compared to attributable profit of HK$71 million for the same period last year.

During the period under review, the division was undergoing business transition, with the rice and other new businesses being established and incurring high marketing expenses, which affected the overall profitability of the division. The rice business achieved rapid sales growth year-on-year through acquisitions and increased investment in bolstering distribution channels. The division continued to grow its market share and achieve its economies of scale gradually.

The meat operation in China achieved significant growth in turnover through the expansion of its first-tier meat wholesale business and carved meat business and by opening more specialized meat retail stores in various cities. In addition, profitability was improved due to lower procurement costs as a result of the decline in domestic live pig prices in China. Meanwhile, the assorted foodstuffs operation continued with the aggressive promotion of condiment sales and continued to enhance overall profitability.

Looking ahead, the Group's food division will continue to focus on the domestic market and will enhance its operational efficiency to accommodate its development strategy through continuous expansion.

The Group's ***beverage division*** reported turnover and attributable profit of HK$5,057 million and HK$66 million, respectively, for the first half of 2014, representing increases of 49.8% and 69.2% year-on-year, respectively.

Thanks to the remarkable growth in the sales volume of its flagship product "怡寶 C'estbon" purified water, the division's total sales volume increased by 42% year-on-year to approximately

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

3,222,000 kiloliters in the first half of 2014. The division's purified water business solidified its market leadership in southern China by deepening its market penetration and reinforcing its competitive edge in Guangdong, Hunan, Sichuan provinces and their adjacent regions. The growth was also attributable to more aggressive marketing and promotional activities such as sponsorship of the "Transformers 4" movie.

Looking ahead, the division will reinforce its efforts in product research and development and will optimize its market strategy to improve its operational efficiency.

Mr. Chen Lang, Chairman of the Company, concluded, "Facing uncertainties in the operating environment and competition from the e-commerce industry, we remain optimistic about the long-term development of the Group after joining forces with Tesco. We believe the immense synergies presented by the joint venture have yet to be tapped. For each of our businesses, we will continue to optimize our development strategy, strengthen our national footprint and enhance our operating efficiency as a whole. We have confidence in our ability to capitalize on promising opportunities as they arise."

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

For further information, please contact:

China Resources Enterprise, Limited

Mr. Kevin Leung, Assistant General Manager
Investor Relations Department
Tel: +852 2829 9899
Mobile: +852 6906 2830
Email: kevin.leung@cre.com.hk

Ms. Kelly Lau, IR & PR Manager
Investor Relations Department
Tel: +852 2829 9897
Mobile: +852 9161 9377
Email: kelly.lau@cre.com.hk

Hill + Knowlton Strategies Asia

Ms. Agnes Suen
Tel: +852 2894 6258
Mobile: +852 9050 5406
Email: agnes.suen@hkstrategies.com

Ms. Anni Li
Tel: +852 2894 6259
Mobile: +852 5486 2852
Email: anni.li@hkstrategies.com

Full details of our 2014 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.