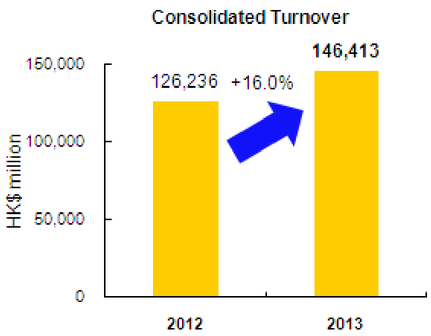
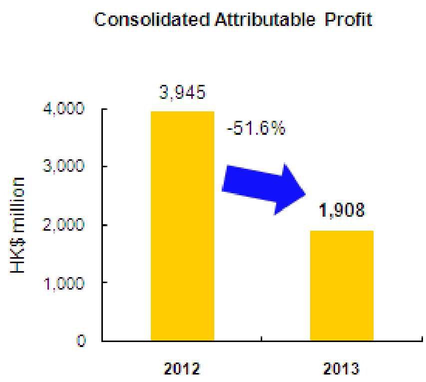
**For Immediate Release**

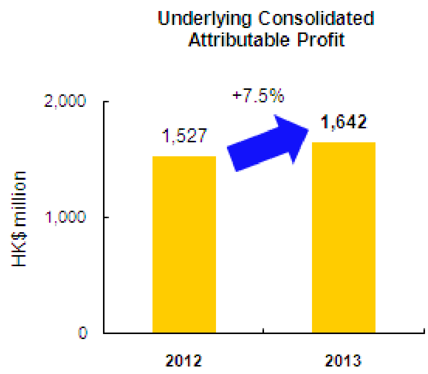
**Press Release**

# China Resources Enterprise Announces Annual Results for 2013
## "Get Ready for the Next Journey"

- **Consolidated turnover for the year under review increased by 16.0% to HK$146,413 million.**
- **Excluding after-tax effect of asset revaluation and major disposals, underlying consolidated profit attributable to the Company's shareholders would have increased by 7.5% to HK$1,642 million.**
- **Turnover of retail division increased by 14.0% year-on-year to HK$95,174 million, while attributable profit decreased by 65.2% to HK$1,000 million. Excluding the after-tax revaluation surplus and the disposal of non-core assets, the attributable profit would have increased by 39.8%.**
- **Turnover and attributable profit of beer division amounted to HK$32,994 million and HK$943 million, respectively, representing increases of 17.6% and 14.6%.**
- **Beverage division recorded robust growth with turnover and attributable profit up by 53.3% and 23.3%, respectively. Overall performance of food division mainly affected by business restructuring.**
- **The Board recommended a final dividend of HK$0.14 per share, bringing the total dividend for 2013 to HK$0.27 per share.**




[Hong Kong, 20 March 2014] **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 2013. The Group's consolidated turnover and profit attributable to shareholders increased by 16.0% and decreased by 51.6% year-on-year to HK$146,413 million and HK$1,908 million, respectively. The attributable profit reduction was mainly due to high asset revaluation in the previous year. Excluding the after-tax effect of asset revaluation and major disposals, the Group's underlying consolidated profit attributable to the Company's shareholders would have increased by 7.5% to HK$1,642 million. The Board recommended a final dividend of

HK$0.14 per share. Together with the interim dividend of HK$0.13 per share, the total dividend for 2013 will amount to HK$0.27 per share.

**Mr. Hong Jie, Chief Executive Officer of the Company**, said, "China's economy saw slower growth momentum and faced challenges throughout the year under review. In view of this, the Group continued to optimize its business strategies and to identify opportunities arising from the restructuring of China's economy. As a result, we not only managed to expand our businesses in a steady and sustainable manner, but also enhanced our core competitiveness and consolidated our leading position in the industry."

***Retail division*** reported turnover of HK$95,174 million and attributable profit of HK$1,000 million in 2013, representing an increase of 14.0% and a decrease of 65.2%, year-on-year, respectively. Excluding the after-tax revaluation surplus and the disposal of the non-core assets, the division's attributable profit for 2013 increased by 39.8% year-on-year. Same store sales growth increased by 4.7% year-on-year. As at the end of 2013, the Group operated over 4,600 stores in China, of which approximately 83% were self-operated while the rest were franchised. To reinforce the national influence of the Group's retail business, as well as to further enhance its market share, the division continued to extend its network into new regions and to review its product mix and operational strategy.

During the year under review, the Group and Tesco PLC ("Tesco") signed an agreement to form a Joint Venture to consolidate the retail business in China. Completion of the agreement is subject to regulatory approval. Pursuant to the agreement, Tesco will inject 134 stores and 19 shopping malls it currently operates in mainland China into the Joint Venture. Tesco will inject these assets 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.

Nevertheless, the Group implemented various initiatives to control operating costs such as establishing an energy management system to optimize energy savings at its retail stores, enhancing bargaining power over leases by leveraging synergies arising from its multi-format business, as well as improving its labor structure and hiring system.

***Beer division*** reported turnover and attributable profit of HK$32,994 million and HK$943 million, respectively, in 2013, representing increases of 17.6% and 14.6% year-on-year, respectively. Thanks to its continuous efforts to enhance its production capacity, effective brand promotions, as well as the strengthening of its distribution network and enhancement of management services to points of sale, the Group's beer sales volume increased by 10% year-on-year to approximately 11,722,000 kiloliters in 2013, of which the sales volume of the Group's national "雪花 Snow" brand increased by 10% to approximately 10,620,000 kiloliters, accounting for more than 90% of the Group's total beer sales volume.

The Group's beer division completed the acquisition of Kingway Brewery Holdings Limited ("Kingway Brewery")'s seven breweries in relation to its beer production, distribution and sales businesses during the year under review. With the strong brand reputation of Kingway Brewery in China, especially in Guangdong Province, as well as its strong market share, extensive sales network and established manufacturing facilities, the acquisition will not only strengthen the division's market position in Guangdong Province, but will also further optimize the Group's sales network in China.

The division's newly-built breweries in Guangxi, Anhui, Hubei, Zhejiang and Guizhou commenced operation during the year under review. As at the end of 2013, the Group operated more than 95 breweries in China with an aggregate annual production capacity of over 19,000,000 kiloliters.

***Food division*** reported turnover of HK$12,069 million and attributable profit of HK$53 million in 2013, representing an increase of 16.3% and a decrease of 84.0% year-on-year, respectively. Excluding the after-tax revaluation surplus and the gain on the disposal of non-core investments, the division's attributable profit would have decreased by 79.5% year-on-year in 2013. The division is undergoing business transition, with the new businesses establishing its economies of scale, thus affecting the overall profitability of the division.

In 2013, the meat operation in China delivered satisfactory growth in both turnover and gross profit margin through the vigorous expansion of the division's meat wholesale business and carved meat business and increasing the number of specialized meat retail stores. Moreover, the division's assorted foodstuff operation in China increased awareness of the "五豐黎紅" brand through various initiatives such as promotional activities and inviting distributors to site visits, which in turn led to a significant improvement in profitability. The division also acquired rice distribution, production and processing businesses, as well as fruit processing and distribution businesses in the year under review. Leveraging its sales network and brand reputation, the rice business endeavoured to consolidate the reputation of "五豐 Ng Fung" branded rice products nationwide.

***Beverage division*** reported turnover of HK$7,305 million and attributable profit of HK$106 million in 2013, representing increases of 53.3% and 23.3% year-on-year, respectively. Riding on the remarkable growth in the sales volume of "怡寶 C'estbon" purified water, as well as the active promotion of beverage products, the division's total sales volume increased by 41% year-on-year to approximately 4,930,000 kiloliters in 2013.

By stepping up its marketing efforts, the purified water business contributed to the continuous sales growth for the division. Facing market competition in the industry as well as the early investment stage of the beverage products from "麒麟 Kirin", the division actively strengthened its marketing and promotional efforts for "麒麟 Kirin" beverage products during the year under review and focused on certain key cities to boost synergistic investment in sales channels with that of the packaged water.

**Mr. Chen Lang, Chairman of the Company**, concluded, "In 2014, we are ready to grow our four pillar consumer goods businesses by deepening penetration and expanding our market nationally. We will also leverage our economies of scale to enhance operational efficiency and strengthen our profitability as a whole. We will grow along with changes in the economy and society by exercising flexibility and efficiency, and, in turn, create greater value for our customers and investors."

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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

**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, Assistant 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. Ada Ho
Tel: +852 2894 6290
Mobile: +852 9240 8639
Email: ada.ho@hkstrategies.com


Full details of our 2013 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.