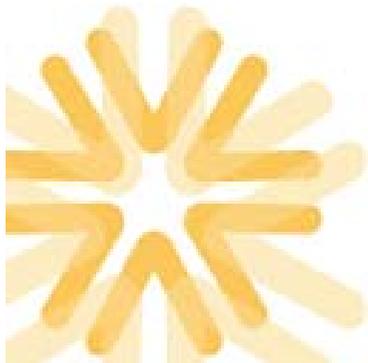


China Resources Enterprise, Limited
Financial and operational review
Q3 2011

Strong Sustainable Growth

17 November 2011



Various activities to improve transparency

- 1-day reverse roadshow – Guangdong and Shenzhen (tier-1 cities)
- 3-days reverse roadshow - Sichuan and Chongqing (tier-2 cities)
- Roadshows and conferences in:
 - Europe
 - Tokyo
 - Australia
 - Korea
 - Beijing



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Turnover Breakdown - by Divisions

	Q3 2011 HK\$m	Prop	Q3 2010 HK\$m	Prop	Change	Sep ytd 2011 HK\$m	Prop	Sep ytd 2010 HK\$m	Prop	change
<u>Core businesses</u>										
Retail	17,669	57%	13,916	57%	+27%	52,036	62%	40,808	62%	+28%
Beer	9,274	30%	7,773	31%	+19%	22,104	26%	17,816	27%	+24%
Food	2,883	9%	2,121	9%	+36%	7,738	9%	5,997	9%	+29%
Beverage	1,096	4%	754	3%	+45%	2,462	3%	1,650	2%	+49%
	30,922	100%	24,564	100%	+26%	84,340	100%	66,271	100%	+27%
Less: inter-co transactions	(127)		(117)			(315)		(254)		
Core businesses – total	30,795		24,447		+26%	84,025		66,017		+27%
<u>Other businesses</u>										
Discontinued operation (Brand-fashion distribution - Esprit)	-		-		-	-		410		N/A
Turnover – total	30,795		24,447		+26%	84,025		66,427		+26%

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Underlying Net Profit Breakdown - by Divisions

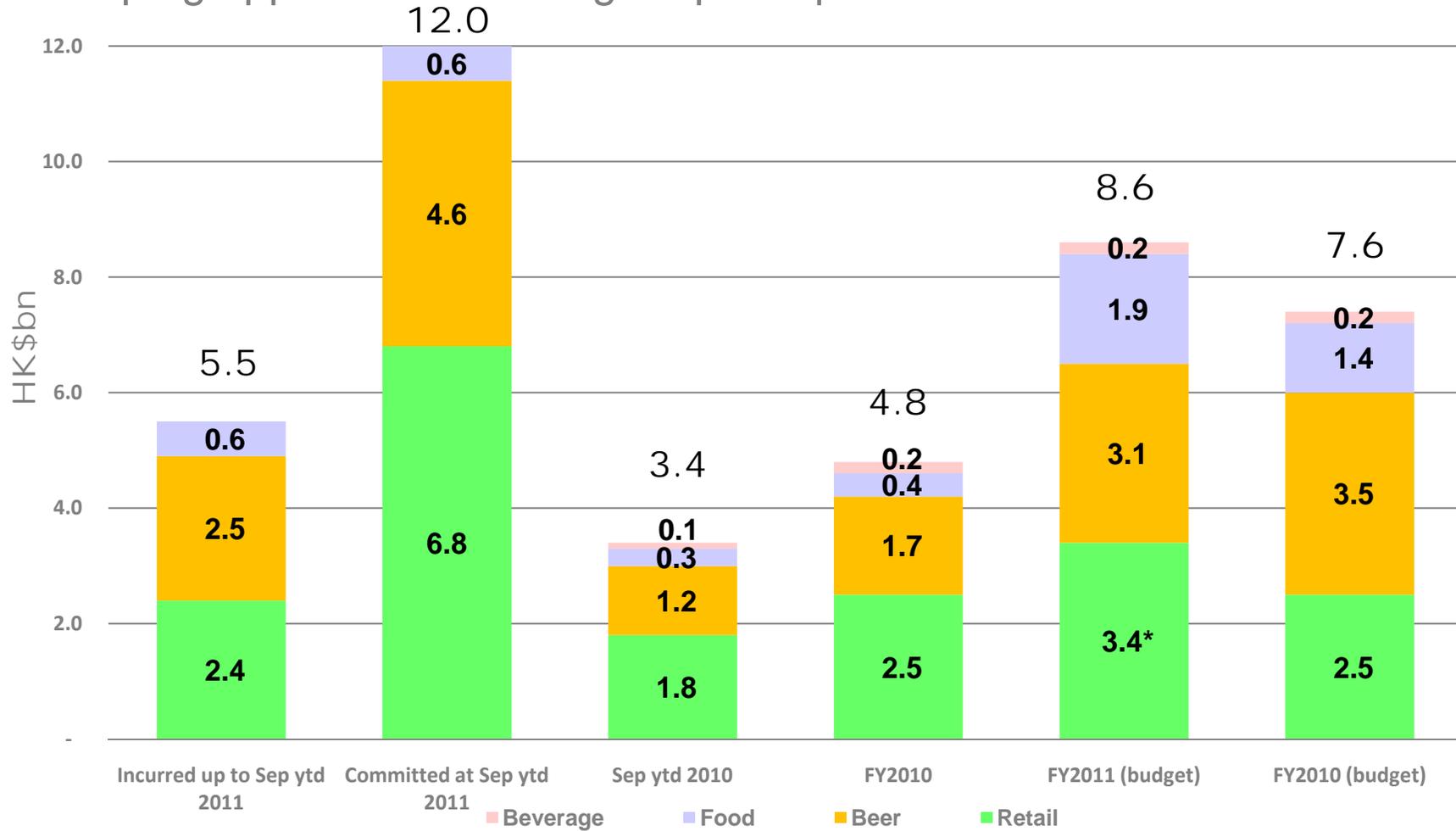
	Q3 2011 HK\$m	Prop	Q3 2010 HK\$m	Prop	change	Sep ytd 2011 HK\$m	Prop	Sep ytd 2010 HK\$m	Prop	change
Core businesses										
Retail	57	8%	168	20%	-66%	731	38%	714	38%	+2%
Beer	534	76%	526	64%	+2%	863	44%	784	41%	+10%
Food	52	7%	51	6%	+2%	239	12%	265	14%	-10%
Beverage	62	9%	84	10%	-26%	120	6%	137	7%	-12%
	705	100%	829	100%	-15%	1,953	100%	1,900	100%	+3%
Net corporate int. & expenses*	(23)		(22)			(64)		(72)		
Total – Core businesses	682		807		-15%	1,889		1,828		+3%
Other businesses										
Discontinued operation (Brand-fashion distribution - Esprit)	-		-		-	-		22		N/A
Underlying net profit - total	682		807		-15%	1,889		1,850		+2%
Adjustment										
Investment property revaluation	175		216		-19%	537		626		-14%
Gain on disposal of non-core business	-		-		-	-		2,979		N/A
Fair value adjustment on investment	-		-		-	-		(214)		N/A
Partial disposal of A-share investment	6		35		-83%	6		60		-90%
	181		251		-28%	543		3,451		-84%
Earnings - total	863		1,058		-18%	2,432		5,301		-54%

* Interest income was more than interest expense.

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CAPEX

■ Grasping opportunities through rapid expansion



* The CAPEX amount excluded the acquisition of Hongkelong of HK\$4.4bn announced in early August 2011.

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Notation:

Retail shop no. (no. of hypermarket) [addition in past 12 months]

Region

New region

Retail

■ Growth through: Multi-format with regional leadership

Geographical distribution of retail network

Having presence in 23 out of 34 regions/cities (incl. autonomous regions, municipalities and SAR) in China

Northern areas

2 (2) [2]	Inner Mongolia
3 (3) [2]	Ningxia
40 (34) [3]	Shaanxi
5 (5) [-]	Gansu
1 (1) [-]	Qinghai
17 (8) [-]	Henan
43 (10) [43]	Hubei

Southern areas

4 (1) [4]	Chongqing
3 (2) [3]	Hunan

Northern areas

4 (4) [1]	Jilin
15 (12) [5]	Liaoning
110 (24) [37]	Beijing
303 (22) [31]	Tianjin
6 (6) [-]	Hebei

Eastern areas

30 (2) [18]	Shandong
1,766 (194) [165]	Jiangsu
16 - [14]	Shanghai
408 (43) [96]	Anhui
102 (67) [27]	Zhejiang

Southern areas

557 (63) [144]	Guangdong
360 - [74]	Hong Kong
4 - [4]	Macau
2 (2) [1]	Guangxi

Movement in retail shop number:

	Self-operated	Franchised	Total
30 Sep 10	2,165	966	3,131
Opening	763	112	875
Closing	(133)	(219)	(352)
Acquired	155	-	155
30 Sep 11	2,950	859	3,809*

*Of which, 8 stores are located in Singapore and Malaysia.

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Retail

- Growth through: Multi-format with regional leadership

Business model

Winning market share by

- Multiple-format store approach
- Multiple distribution centres (more than 12 D.C.)
- Trade-up strategy
- Innovative in format
- Regional focus



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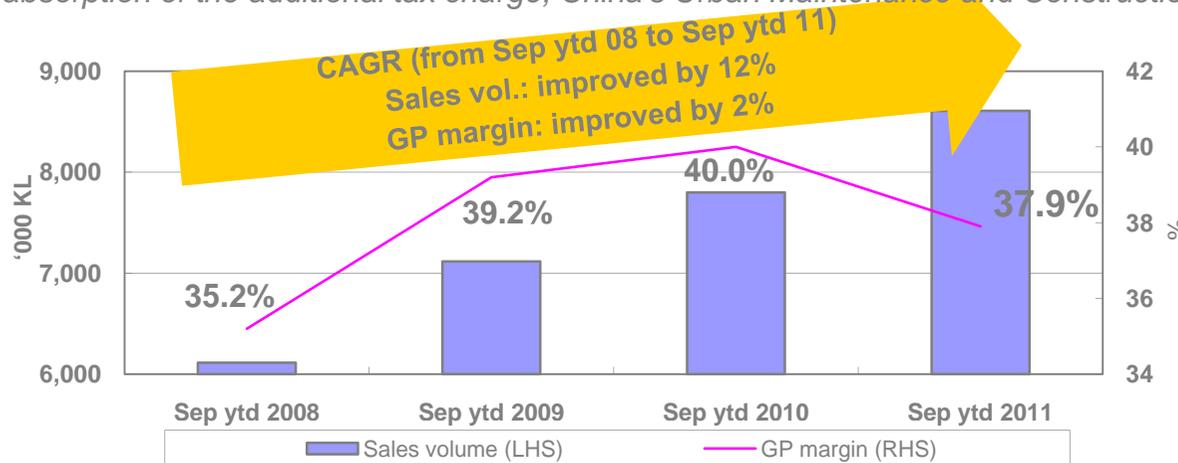


Beer (No.1 brand by volume in the world since 2008)

- Growth through: Solidifying market leader position

	Q3 2011 HK\$m	Q3 2010 HK\$m	change	Sep ytd 2011 HK\$m	Sep ytd 2010 HK\$m	change
Sales volume (million KL)	3.56	3.41	+4%	8.61	7.80	+10%
Turnover	9,274	7,773	+19%	22,104	17,816	+24%
EBITDA	1,718	1,693	+1%	3,427	3,028	+13%
Earnings (after 49% share to SABMiller)	534	526	+2%	863	784	+10%
EBITDA margin (%)	18.5	21.8	-15%	15.5	17.0	-9%
Net margin (%) (after MI)	5.8	6.8	-15%	3.9	4.4	-11%

Driven by increase in sales volume and rise in average selling price, the turnover and profitability have been improved amid the absorption of the additional tax charge, China's Urban Maintenance and Construction Tax and Education Surcharges.



Mainstream -----> Premium

Approximate selling price:

RMB3 RMB5 RMB8

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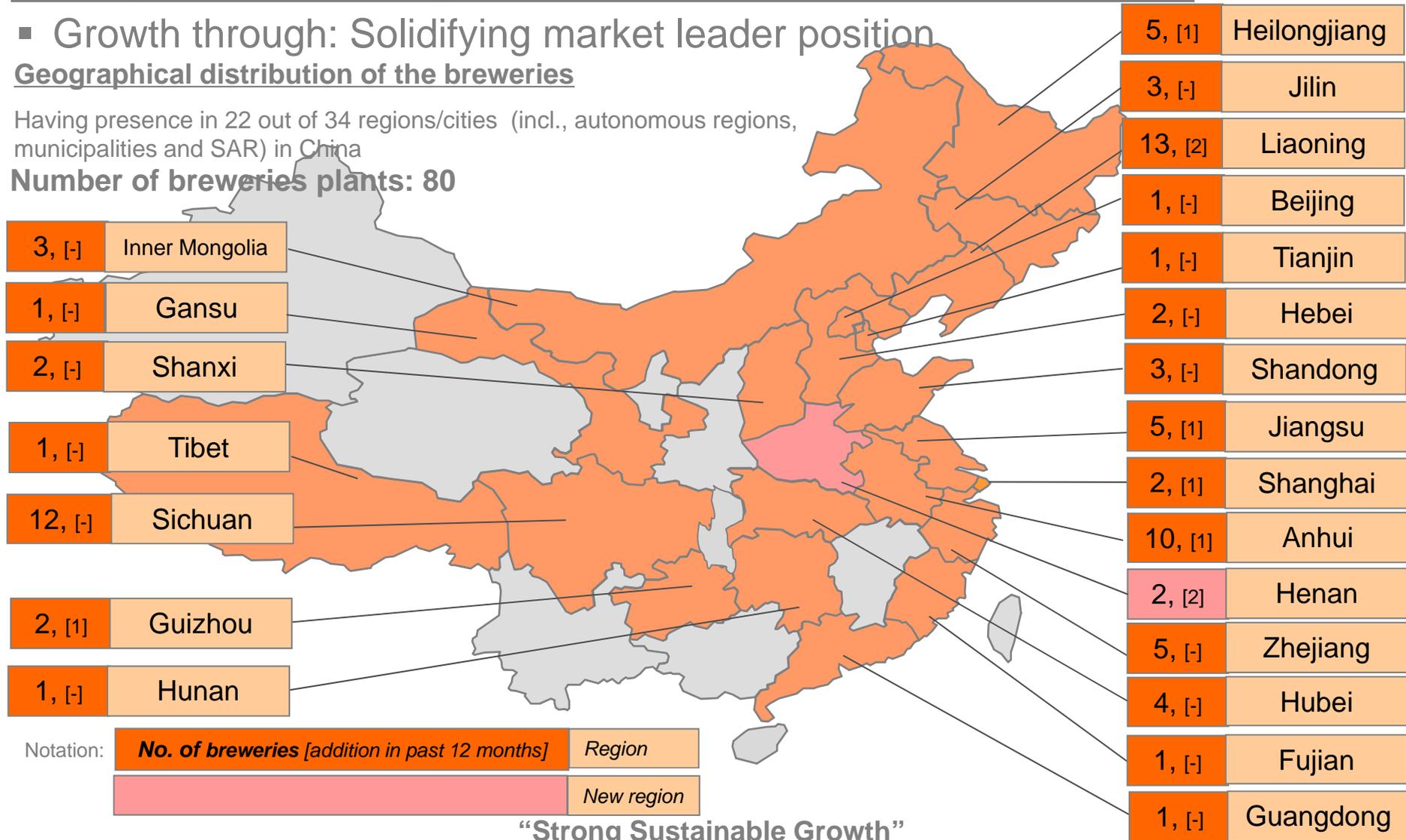
Beer (No.1 brand by volume in the world since 2008)

- Growth through: Solidifying market leader position

Geographical distribution of the breweries

Having presence in 22 out of 34 regions/cities (incl., autonomous regions, municipalities and SAR) in China

Number of breweries plants: 80



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■ Growth through: Quality premium products

	Q3 2011 HK\$m	Q3 2010 HK\$m	change	Sep ytd 2011 HK\$m	Sep ytd 2010 HK\$m	change
Turnover	2,883	2,121	+36%	7,738	5,997	+29%
Underlying EBITDA	155	151	+3%	548	613	-11%
Underlying net profit	52	51	+2%	239	265	-10%
Underlying EBITDA margin (%)	5.4	7.1	-24%	7.1	10.2	-30%
Underlying net profit margin (%)	1.8	2.4	-25%	3.1	4.4	-30%

The EBITDA and underlying net profit was mainly affected by higher input costs and lower consumers demands of meat.

Business Model

- One of the leading integrated food suppliers in China
- Increasing focus on China
- High food safety standard
- Product differentiation
- A variety of food supplies, including marine fishing in West Africa

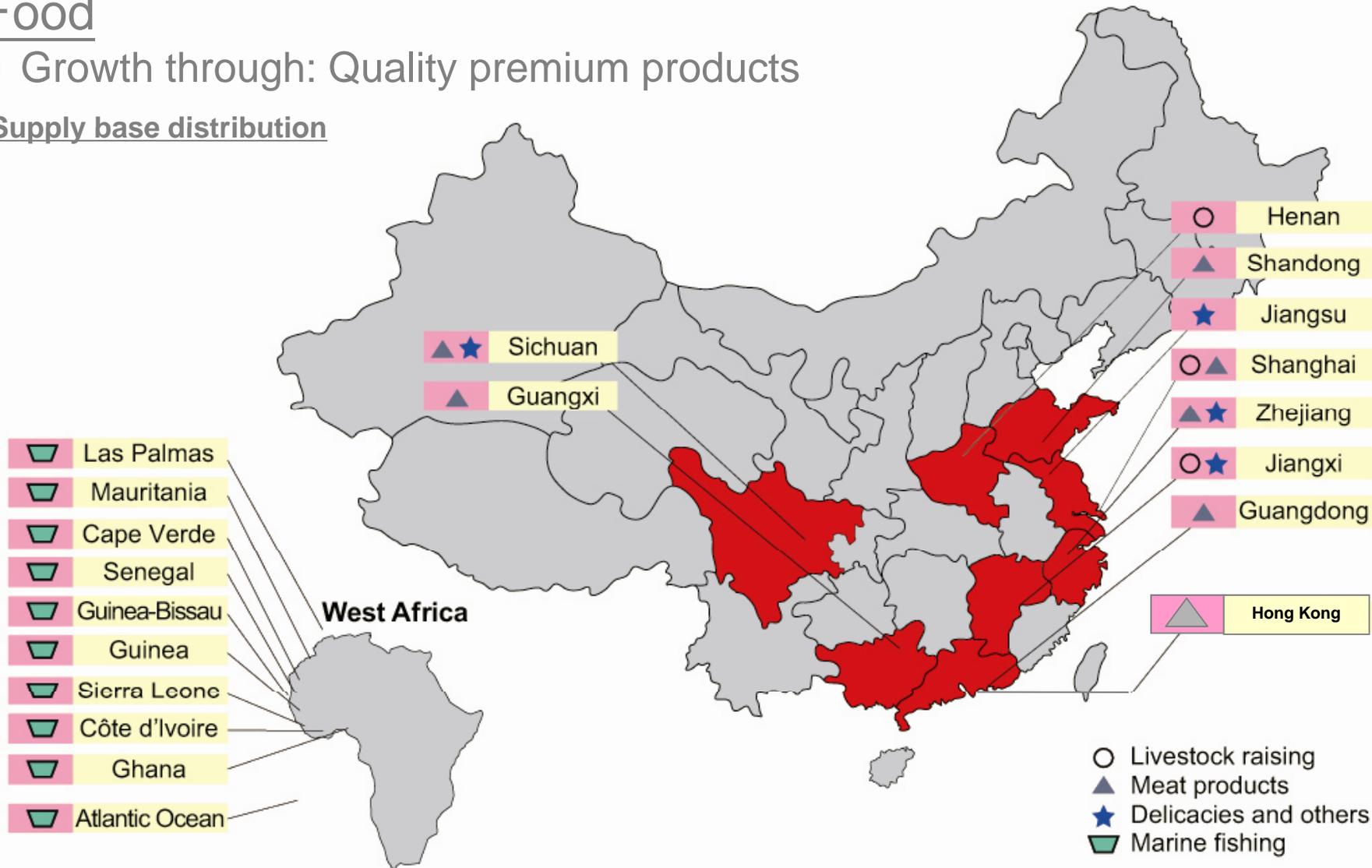


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Food

- Growth through: Quality premium products

Supply base distribution



Source: Company data

“Strong Sustainable Growth”

Beverage



■ Growth through: strong partnership with Kirin

	Q3 2011 HK\$m	Q3 2010 HK\$m	change	Sep ytd 2011 HK\$m	Sep ytd 2010 HK\$m	change
Sales volume (million KL)	0.88	0.72	+22%	2.10	1.59	+32%
Turnover	1,096	754	+45%	2,462	1,650	+49%
EBITDA	119	111	+7%	216	194	+11%
Earnings (after 40% share to Kirin since Aug 2011)	62	84	-26%	120	137	-12%
EBITDA margin (%)	10.9	14.7	-26%	8.8	11.8	-25%
Net margin (%) (after MI)	5.7	11.1	-49%	4.9	8.3	-41%

Improvement in turnover was mainly supported by the increase in sales volume. Profitability was affected by the surge in raw material cost and initial loss of the JV.



- wide distribution network
- rich experience in China retails
- successful co-operation with foreign players
- competitive advantage with other CR group companies



- strong R&D capability
- rich experience in beverage business
- a variety of products sold
- high technology on manufacture of beverage products

“Strong Sustainable Growth”

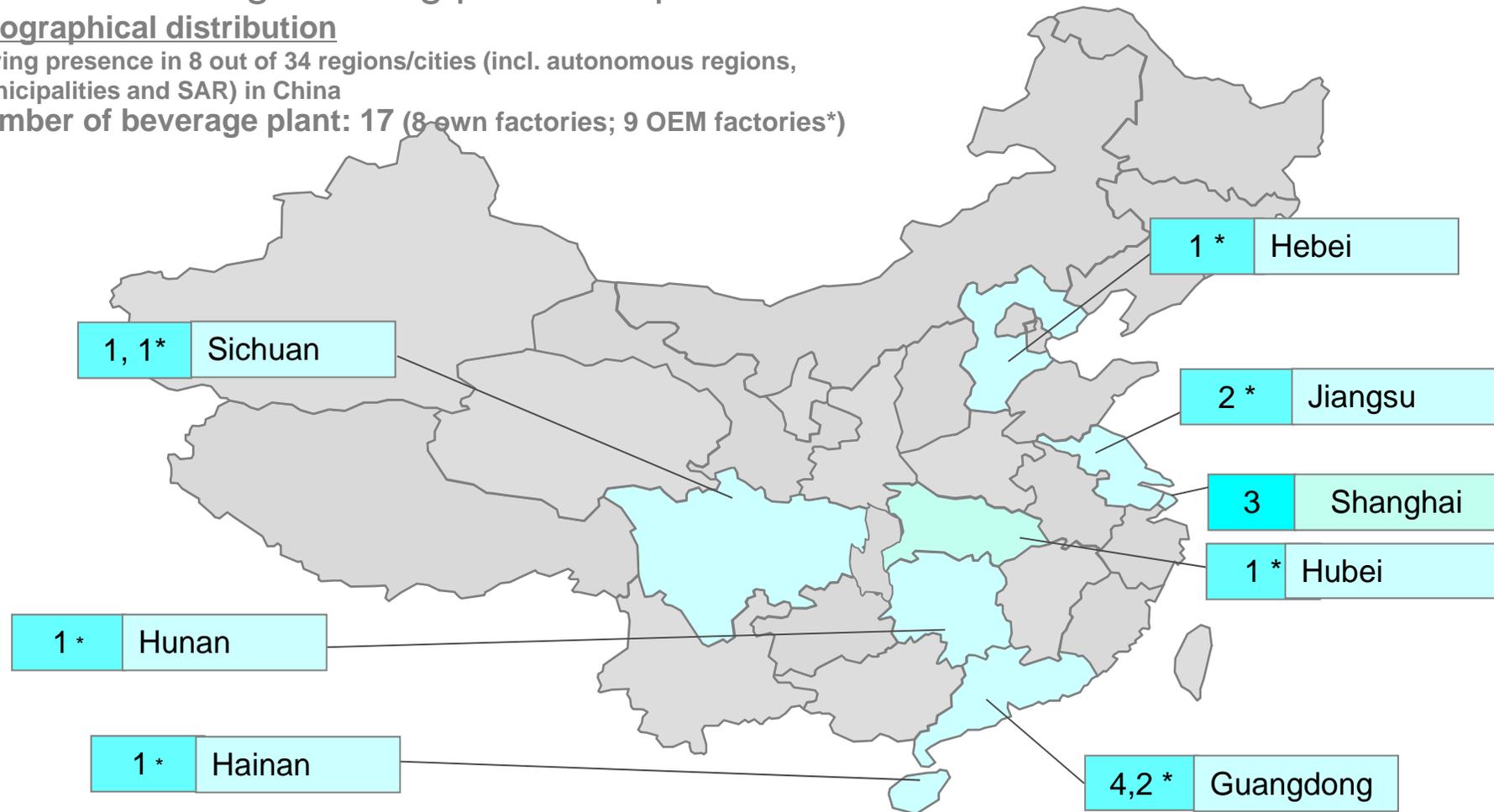
Beverage

- Growth through: strong partnership with Kirin

Geographical distribution

Having presence in 8 out of 34 regions/cities (incl. autonomous regions, municipalities and SAR) in China

Number of beverage plant: 17 (8 own factories; 9 OEM factories*)



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Appendix I – Details of Retail formats

Format	Major brands	Average areas (sq.m)	30 Sep 11				31 Dec 10		30 Sep 10	
			% of turnover	App. Average GP margin	Self-operated	Franchised	Self-operated	Franchised	Self-operated	Franchised
I. Hypermarket	  	over 5,000	app.80%	19%	480	25	451	25	427	25
II. Standard supermarket		500 - 800	app.11%	21%	1,139	784	1,004	828	964	919
III. Convenience stores		30 - 120	app.4%	21%	844	38	623	27	583	22
IV. Ole', blt	 	4,000	app.1%	more than 25%	26	-	19	-	17	-
V. Pacific coffee		120	app.1%	more than 50%	127	12	100	9	91	-
VI. CAC and CR Care	 	various	app.2%	more than 30%	138	-	96	-	81	-
VII. Wine cellar, Health and beauty stores and others	 	200	app.1%	more than 25%	196	-	7	-	2	-
Total					2,950	859	2,300	889	2,165	966
					3,809		3,189		3,131	

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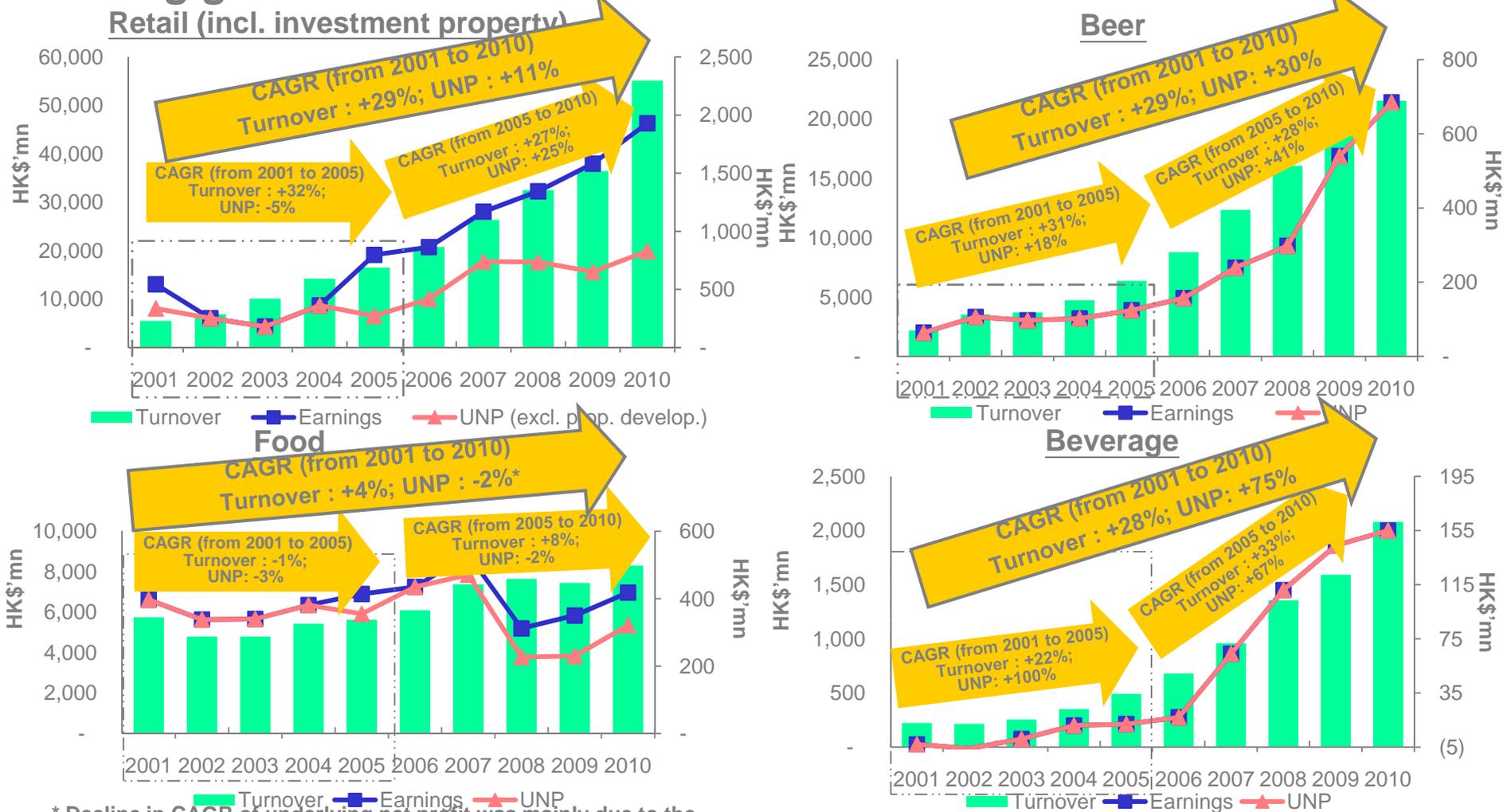
Appendix II - Summary of recent major investments

<i>Summary of major investments (up to now)</i>		
	<u>Asset acquired</u>	<u>HK\$bn (app.)</u>
Retail		
- Acquisition of Jiangxi Hongkelong Department Store	21 hypermarkets	4.4
- Co-operation of a property project in Harbin with CR Land	commercial space in the property	1.1
- Acquisition of "Sanjiu" drug retail chain	152 stores	0.1
Beer		
- Acquisition of 49% stake in Jiangsu Dafuhao Breweries and 100% stake in Shanghai Asia Pacific Brewery	Attributable capacity of 490,000kl	1.0
- Acquisition of remaining 55% stake in Hangzhou Xihu Beer and remaining 25% stake in Huzhou Brewery	Attributable capacity of 280,000kl	0.4
- Formation of JV in Guizhou Moutai Beer (70% stake)	Attributable capacity of 70,000kl	0.3
Beverage		
- Formation of JV with Kirin (60% stake; app. \$3bn will be injected to JV from Kirin)	3 factories will be injected; R&D capabilities	(1.8)
	Total	5.5

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Appendix III – Historical track record of CRE

Strong growth momentum in each of core businesses



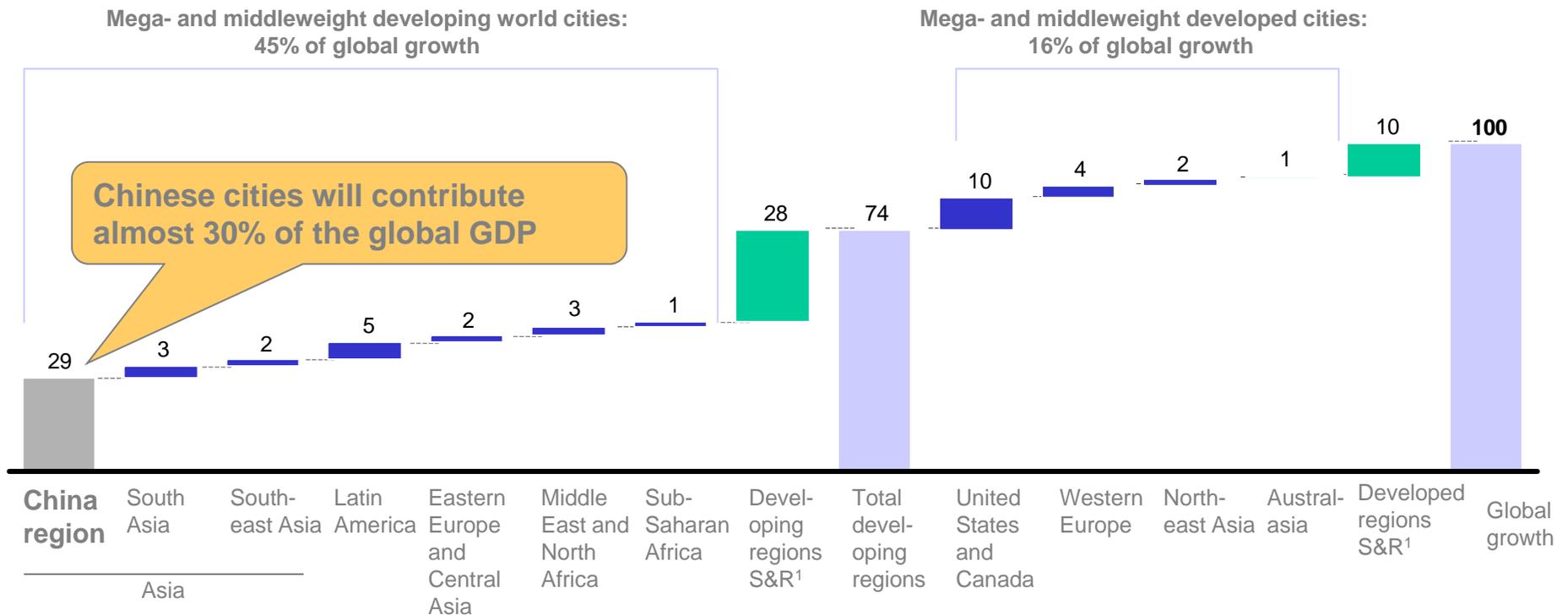
* Decline in CAGR of underlying net profit was mainly due to the open of HK live hogs market

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Appendix IV – Strong growth in China

■ Strong growth in China

According to McKinsey, top 225 cities of China will contribute app. 30% of global GDP growth in the next 10-15 years.



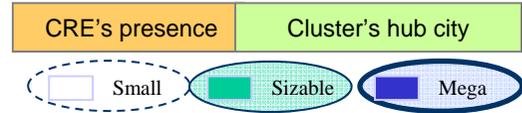
1 S&R = small cities and rural areas.

Source: McKinsey

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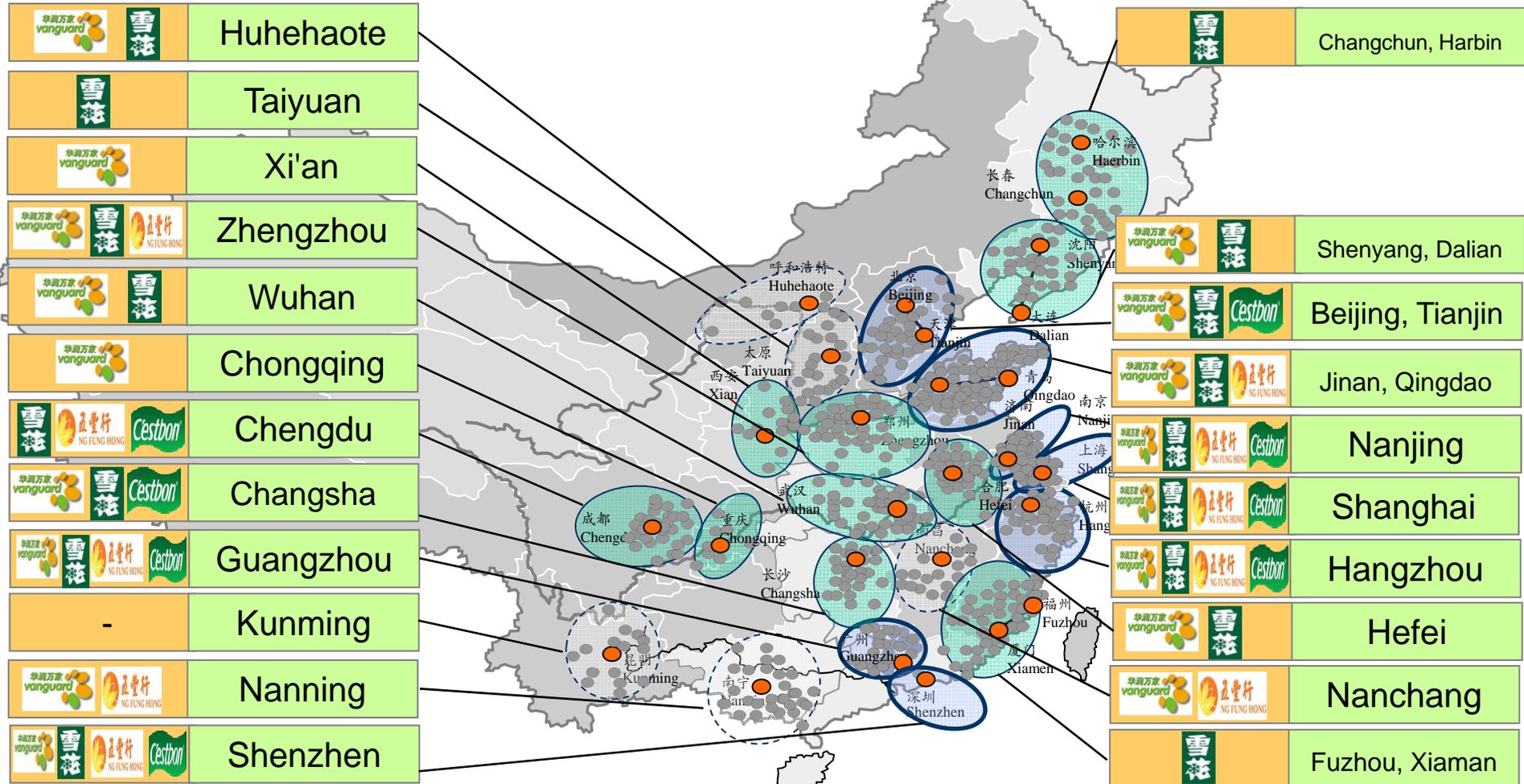
Appendix V – Better position for CRE

Notation:
Expected cluster size:



■ Better positioning to capture strong growth in China

According to McKinsey, more than 90% of China's urban GDP in 2015 will come from 22 clusters.



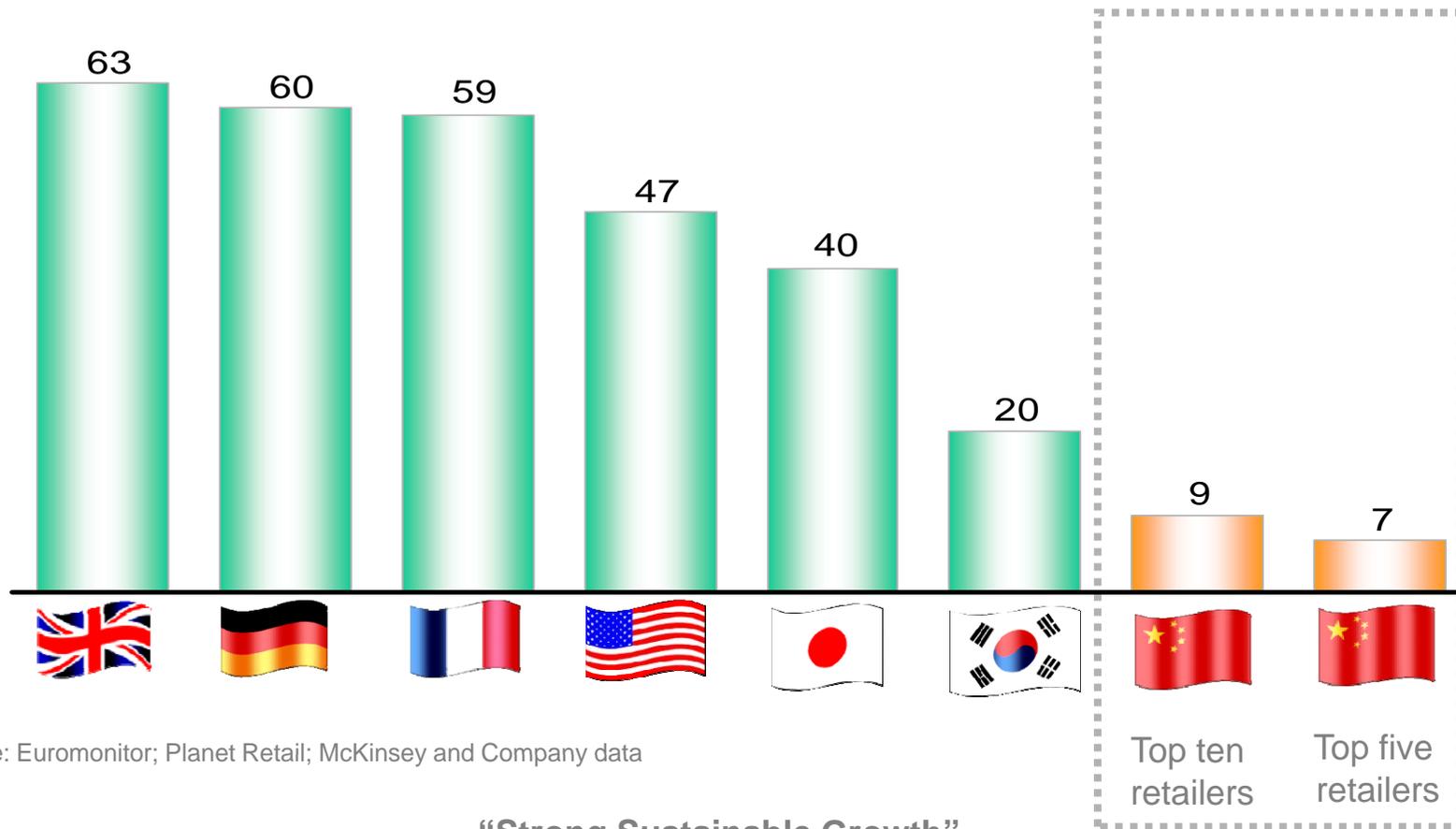
Source: McKinsey and Company data

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Appendix VI – Market share of Retail business

Lower market concentration in China than other developed countries:

Percentage of top 5 retailers to total grocery retail market share in the state:

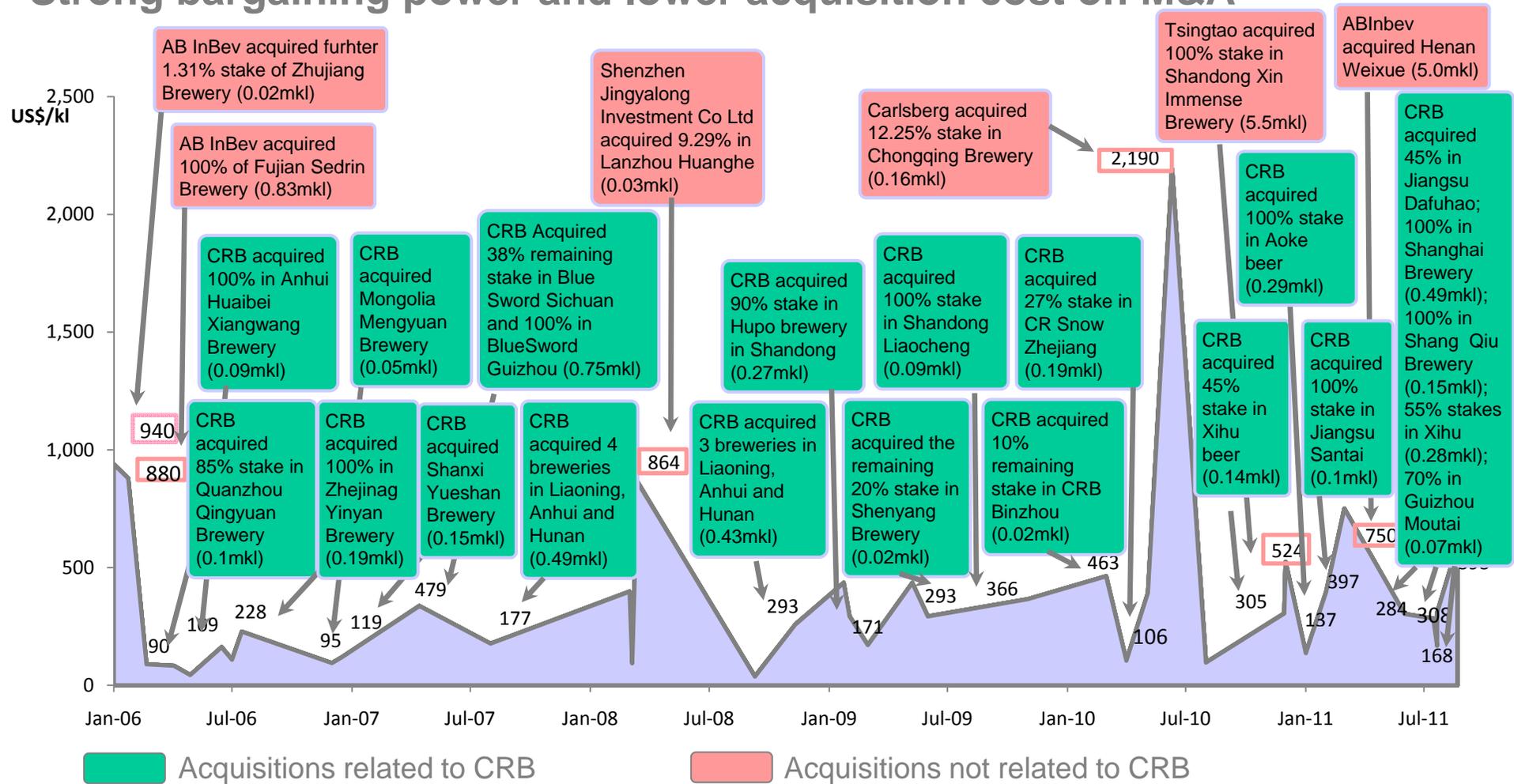


Source: Euromonitor; Planet Retail; McKinsey and Company data

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Appendix VII – Historical major M&As in beer business

Strong bargaining power and lower acquisition cost on M&A

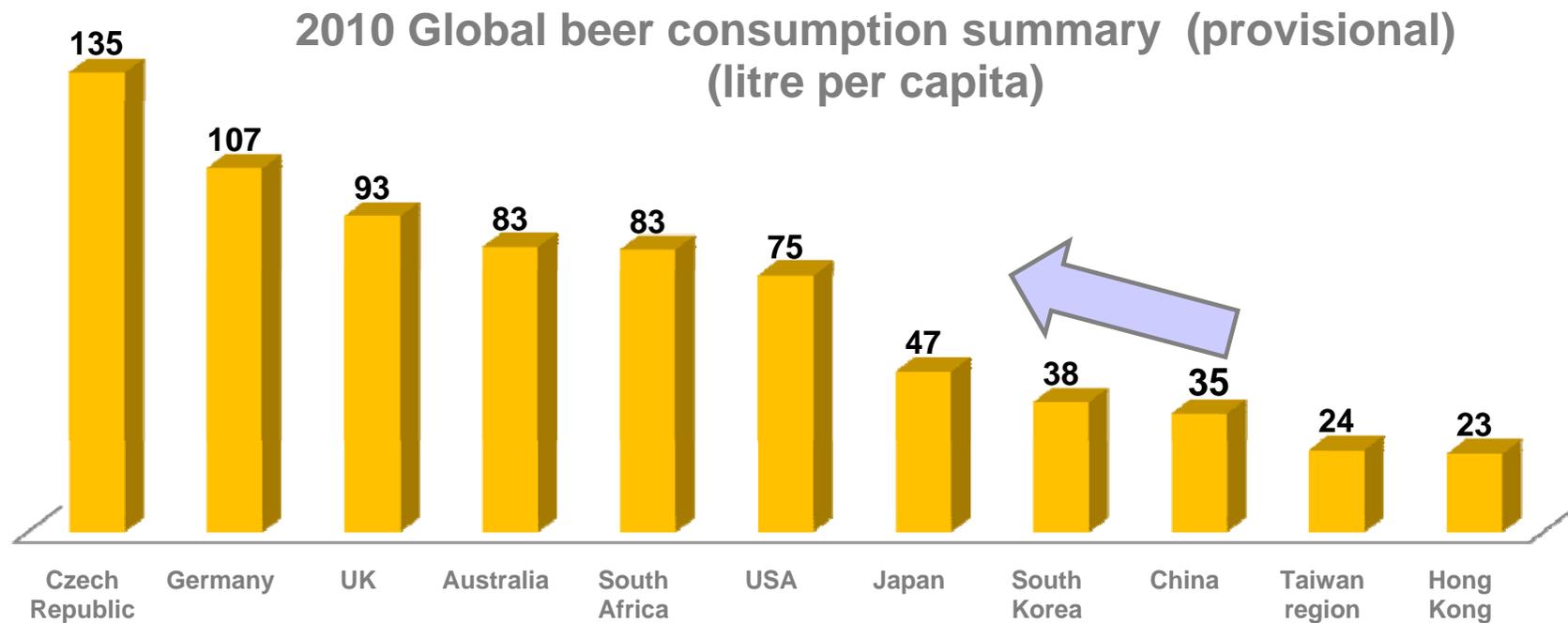


Source: Deutsche bank and Company data

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Appendix VIII – Global beer consumption summary

Beer consumption per capita in China increased from 16 litres in 1998 to 35 litres in 2010 (provisional).



Source: Canadean

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Appendix IX – CRE award



■ Highlights of accolades received

- | | |
|------------|--|
| Since 2002 | Produced quarterly financial and operational review on a voluntary basis. First conglomerate company among the constituent stocks in the Hang Seng Index to initiate such a move |
| 2005-2010 | Named one of the outstanding enterprises among blue-chip companies in Hong Kong by <i>Economic Digest</i> |
| 2005-2009 | Rated one of the companies with the best corporate governance in China by <i>FinanceAsia</i> |
| 2006-2010 | Selected as one of the recipients of the "Recognition Awards - Asia's Best Companies for Corporate Governance" by <i>Corporate Governance Asia</i> |
| 2009-2010 | Ranked the second largest retail organization for China in Retail Asia-Pacific Top 500 Awards by <i>Retail Asia Publishing</i> |
| 2009 | Received 6 best awards for overall corporate governance, disclosure and transparency, responsibilities of management and the board of directors, shareholders' rights and equitable treatment, investor relations and investor relations officer in Hong Kong region and 4 awards in Asia region by <i>Asiamoney</i> |
| 2009 | Selected as Most progress in investors relations and Best investor relations for a corporate transaction in IR Magazine Hong Kong and Taiwan Awards 2009 by <i>IR Magazine</i> |
| 2009 | Named one of top ten companies among 146 listed companies in Hong Kong in "The HKIoD Corporate Governance Score-card 2009" by <i>Hong Kong Institute of Directors</i> |

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Appendix IX – CRE award (Cont'd)

■ Highlights of accolades received

2009 -2010	Selected as one of the companies receiving "The Platinum Award for All-Round Excellence in Financial Performance, Management, Corporate Governance, Social Responsibility, Environmental Responsibility and Investor Relations" by <i>The Asset</i>
2010	Received the Caring Company Logo 2009/2010 from Caring Company Scheme organized by The Hong Kong Council of Social Service
2010 – 2011	Mr. Chen Lang was selected as one of winners in China of Asian Corporate Director Recognition Awards by <i>Corporate Governance Asia</i>
2010 - 2011	Received "CAPITAL Outstanding China Enterprise Award-Consumer Goods" in The CAPITAL Outstanding China Enterprise Awards from <i>CAPITAL</i>
2010	Received silver award for cover photo/design in the category of food distributors, processors & wholesalers in International Annual Report Competition Awards from MerComm, Inc.
2006/2010	Honored as one of the Awardees in the Board Category for "Listed Companies (SEHK-Hang Seng Index Constituents)" in the "Directors Of The Year Awards 2010" by the Hong Kong Institute of Directors
2010	Selected as one of the 13 listed companies receiving "The Excellence of Listed Enterprise Awards 2010" by <i>Capital Weekly</i>

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