



\wedge	China
$-\triangle$	Resources
Battarl	ifa Togathar

Results Summary	Q4 2014 HK\$m	Q4 2013 HK\$m	change	FY 2014 HK\$m	FY 2013 HK\$m	change
Turnover	37,807	33,973	+11%	168,864	146,413	+15%
EBITDA - Basic	(617)	1,143	-154%	6,500	8,705	-25%
EBITDA - Underlying*	(1,022)	892	-215%	5,743	8,425	-32%
Earnings	(1,019)	(30)	-3297%	(161)	1,908	-108%
Underlying net profit*	(1,361)	(274)	-397%	(794)	1,642	-148%
EPS (HK¢) – Basic				(7)	79	-109%
DPS (HK¢)				27	27	-
– final				16	14	+14%
– interim				11	13	-15%
Dividend payout ratio (%)**				(82)	40	N/A
ROE (%) (based on earnings)				(0.3)	4.3	-107%
ROE (%) (based on underlying net profit*)				(1.7)	3.8	-145%
Net cash/(debt)				(8,063)	(1,167)	-591%

^{*} EBITDA/Earnings from core businesses excluding the after-tax effect of asset revaluation and major disposal of non-core assets/investments and after accounted for net corporate interest & expenses

Excluded the provision of stores closure, around HK\$640m (HK\$800m*80%) in retail business in Q414, the underlying net profit for FY14 was HK\$154m loss, declined by 109% as compared with FY13.

^{**} Dividend payout ratio is calculated based on total dividend divided by underlying net profit.

Total dividend per share in FY14 maintained at HK\$0.27 per share, even the Group's short-term performance has been affected.

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Turnover Breakdown - by Divisions

Turrover break	aovvii	Dy Divisions								
	Q4	Prop	Q4	Prop	change	FY 2014	Prop	FY 2013	Prop	change
	2014		2013							
	HK\$m		HK\$m			HK\$m		HK\$m		
Core businesses			_					_		
Retail	27,329	72%	23,347	68%	+17%	109,500	64%	95,174	65%	+15%
Beer	5,096	13%	5,584	16%	-9%	34,482	20%	32,994	22%	+5%
Food	4,117	11%	3,894	12%	+6%	16,486	10%	12,069	8%	+37%
Beverage	1,672	4%	1,436	4%	+16%	9,891	6%	7,305	5%	+35%
	38,214	100%	34,261	100%	+12%	170,359	100%	147,542	100%	+15%
Less: inter-co transactions	(407)		(288)			(1,495)		(1,129)		
Turnover – total	37,807		33,973		+11%	168,864		146,413		+15%













Underlying Net Profit Breakdown - by Divisions

	Q4 2014 HK\$m	Prop	Q4 2013 HK\$m	Prop	change	FY 2014 HK\$m	Prop	FY 2013 HK\$m	Prop	change
Core businesses			_							
Retail	(1,066)	(82%)	35	18%	-3146%	(1,359)	(275%)	734	40%	-285%
Beer#	(281)	(22%)	(164)	(82%)	-71%	761	154%	943	51%	-19%
Food	(43)	(3%)	(48)	(24%)	+10%	(134)	(27%)	53	3%	-353%
Beverage##	86	7%	(23)	(12%)	+474%	237	48%	106	6%	+124%
	(1,304)	(100%)	(200)	(100%)	-552%	(495)	(100%)	1,836	100%	-127%
Net corporate int. & expenses	(57)		(74)			(299)		(194)		
Underlying Net Profit	(1,361)		(274)		-397%	(794)		1,642		-148%
Adjustment										
Net valuation surplus on investment properties	195		244		-20%	486		266		+83%
Gain on disposal of non-core assets	147		-		N/A	147		-		N/A
Earnings	(1,019)		(30)		-3297%	(161)		1,908		-108%

[#] The above profit was after 51% profit attributable to CRE.

^{##} The above profit was after 60% profit attributable to CRE.





Segment assets

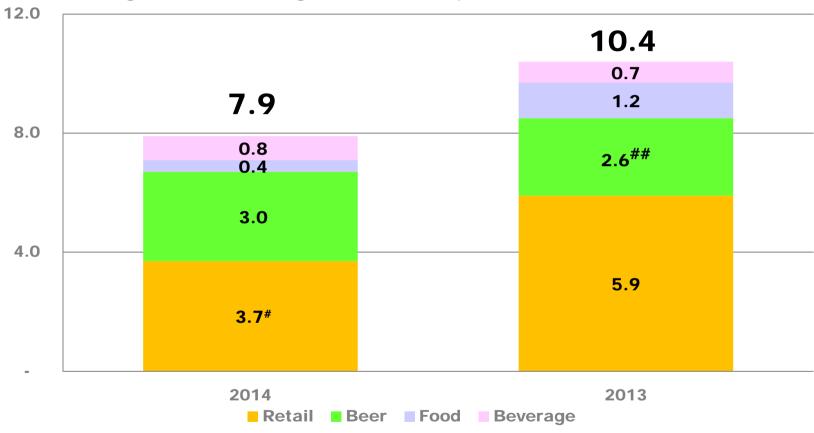
Asset allocation among four consumer businesses







Asset management for long-term development



^{*} The CAPEX did not include additions of fixed assets and intangible assets from Tesco JV of approximately \$12.8bn.

^{**} The CAPEX did not include Kingway acquisition of approximately \$6.1bn.





Vanguard*

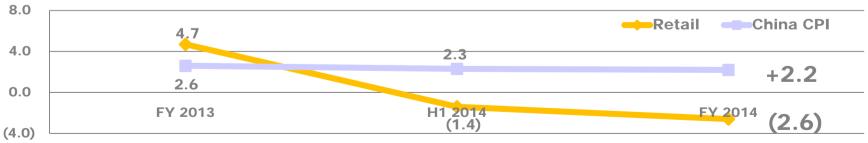
Growth through: Multi-format with operational balance and efficiency

	Q4 2014 HK\$m	Q4 2013 HK\$m	Change	FY 2014 HK\$m	FY 2013 HK\$m	change
Turnover	27,329	23,347	+17%	109,500	95,174	+15%
Underlying EBITDA #	(1,120)	764	-247%	690	3,446	-80%
Underlying net profit #	(1,066)	35	-3146%	(1,359)	734	-285%
Underlying EBITDA margin (%) #	(4.1)	3.3	-224%	0.6	3.6	-83%
Underlying net profit margin (%) #	(3.9)	0.1	-4000%	(1.2)	0.8	-250%

Slower economic growth, competition from e-commerce and integration with Tesco affected overall performance.

Turnover and underlying net profit contribution from Tesco China in FY 2014 was HK\$10,981m and HK\$(906)m, respectively. Besides, the underlying net loss in Q4 2014 and FY 2014 included the provision of stores closure, around HK\$640m (80%*HK\$800m).

SSSG of retail business:



[#] excluded the revaluation of investment property

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China Resources Retail shop no. (no. of hypermarket) [addition in past 12 months] Region Better Life Together Notation: Retail New region Growth through: Multi-format with operational balance and efficiency
 Geographical distribution of retail network Northern west areas Having presence in 31 out of 34 regions/cities (id 1 (1) [1] Shanxi autonomous regions, municipalities and SAR) in China Ningxia 5 (5) [1] **121 (46)** [16] Shaanxi Gansu 8 (8) [2] **18 (11)** [2] Henan Xinjiang 2 (2) [2] 1 (1) [-] Qinghai Hubei **52 (7)** [-1] Southern areas Sichuan 31 (4) [7] **21 (7)** [1] Chongging Hunan **15 (7)** [3] Guizhou 2 (1) [1] **2 (1)** [2] Yunnan √ Tesco presence Movement in retail shop number: (with scale effect) Self-operated Franchised Total *Of which, 15 stores(2013: 19 stores) are 4,614 31 Dec 13 3,813 801 located in Singapore, Malaysia and Cyprus. Opening 640 78 718 Closing (318)(148)(466)

4,866*

731

4,135

30 Dec 14

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	Northe	n or	026									
	4 (4) [-]		er Mor	golia								
	4 (4) [-]		Jilin									
	134 (12) [-7]		Beijir	ng								
	11 (9) [3]		Hebe	ei								
	265 (26) [-21		Tianj	in								
	69 (44) [33]		Liaoni	ng								
	Eastern areas											
1	51 (16) [3]		Shandong									
	1,894 (204) [28]	Jian	gsu								
	523 (67) [15]		Anhui									
	92 (24) [49]		Shanghai									
_	184 (84) [32]		Zhejiang									
_	26 (23) [1]		Jiangxi									
	Southe	ern a										
-	16 (7) [7]		Fujia	n								
_	894 (94) [84]	(Guango	dong								
4	10 (4) [1]		Guan	gxi								
\	385 (-) [-9]		Hong Kong									
\	8 (-) [-]		Macau									
	2 (1) [-]		Haina	an								





Vanguard*

Growth through: Multi-format with operational balance and efficiency

Win-win strategy: Advanced knowledge with local network

Establishing a Joint Task Force

- ✓ The Joint Task Force comprising management from CRV and Tesco
- Facilitate smooth integration of the businesses
- Overseeing the continued development and expansion of the Joint Venture
- Implementing improvement of internal operations and systems

Key focus areas

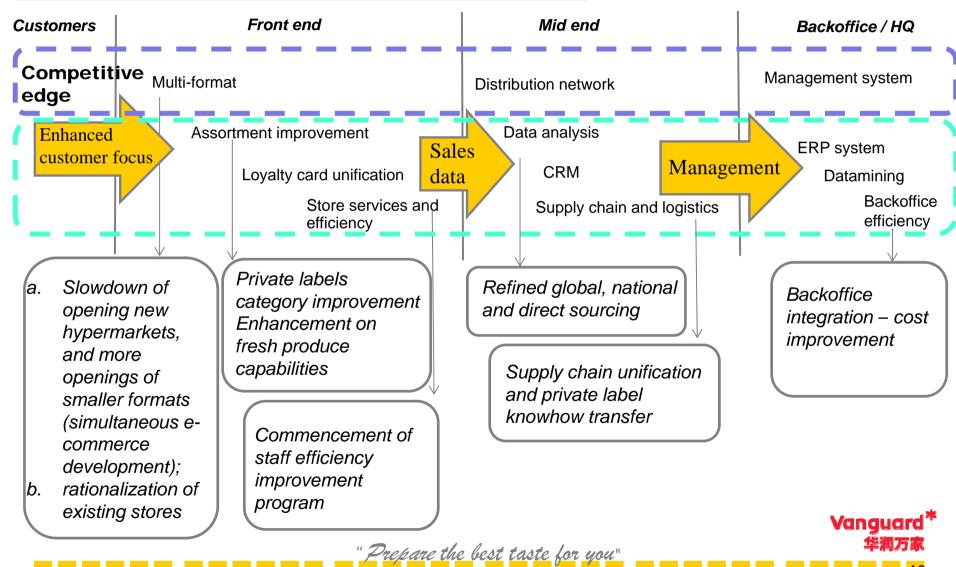
- Improving Tesco China
- **2** IT
- 3 Private label
- 4 Loyalty card and CRM
- Inventory management
- 6 E-commerce
- 7 Sourcing

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Steps on improvement of retail business







Retail

Vanguard*

Growth through: Multi-format with operational balance and efficiency

Business model

Winning market share by

- Multiple-format store approach
- Multiple distribution centres (more than 16 D.C.)
- Trade-up strategy
- Innovative in format
- Regional focus









































Vanguard*

Growth through: Multi-format with operational balance and efficiency

In a shopping mall

6 formats in Guangzhou Taikoo Hui (Swire properties):













5 formats in Nanjing:























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

Growth through: Solidifying market leader position and upgrade of product mix

	Q4 2014 HK\$m	Q4 2013 HK\$m	change	FY 2014 HK\$m	FY 2013 HK\$m	change
Sales volume (million KL)	1.72	1.89	-9%	11.84	11.72	+1%
Turnover	5,096	5,584	-9%	34,482	32,994	+5%
EBITDA	(56)	197	-128%	4,353	4,415	-1%
Earnings (#)	(551)	(321)	-72%	1,492	1,850	-19%
EBITDA margin (%)	(1.1)	3.5	-131%	12.6	13.4	-6%
Net margin (%) (#)	(10.8)	(5.7)	-89%	4.3	5.6	-23%

Performance was mainly affected by integration of Kingway and adverse weather in peak season.



Mainstream RMB3



Mid-end RMB5



Premium
Over RMB8



Super Premium
Over RMB20

~ 40% of total sales volume

(#) Profit attributable to CRE was 51% share of the above earnings.

Approximate retail selling price:

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



Growth through: Solidifying market leader position and upgrade of product mix Geographical distribution of the breweries 5(1.1mkl) [-] Heilongjiang Having presence in 25 out of 34 regions/cities (incl., autonomous regions, municipalities and SAR) in China 3(0.6mkl) [-] Jilin Number of breweries plants: 98 12(2.3mkl) [-] Liaoning Inner Mongolia 4(0.4mkl) [-] 1(0.2mkl) [-] Beijing 1(0.2mkl) [-] Gansu 2(0.5mkl) [1] **Tianjin** 3(0.6mkl) [-] Shanxi Hebei 1(0.2mkl) [-] 2(0.5mkl) [-] Ningxia 3(0.7mkl) [-] Shandong 1(0.2mkl) [-] Shaanxi 5(1.3mkl) [-] Jiangsu Tibet 1(-) [-] 2(0.4mkl) [-] Shanghai Sichuan 13(2.6mkl) [-] K 10(2.0mkl) [-] Anhui Guizhou 4(0.6mkl) [1] Henan 1(0.2mkl) [-] Hunan 4(0.4mkl) [-] 7(2.6mkl) [1] Zhejiang 5(1.3mkl) [-] Guangdong 6(1.1mkl) [1] Hubei 1(0.1mkl) [-] Guangxi No. of breweries (production capacity)[no. of breweries addition in past 12 months] Region Notation: 1(0.2mkl) [-] Fujian "Prepare the best taste for you" Incl. Kingway brewery plants





08) 雪

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

Growth through: Solidifying market leader position and upgrade of product mix

Distribution of China beer market share:

Total market share of top 4 players was 63% in 2013, of which Snow has 23%.



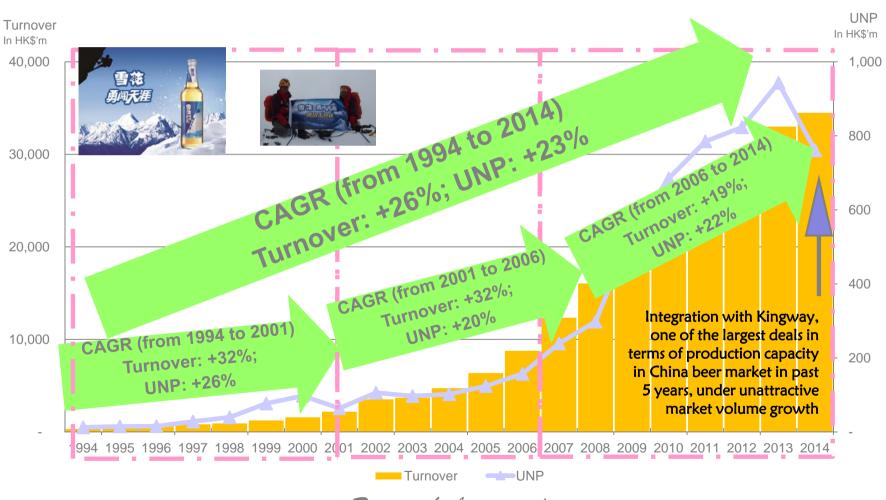






Beer (No.1 brand by volume in the world since 2008)

Growth through: Solidifying market leader position and upgrade of product mix









Growth through: Quality premium products

	Q4 2014 HK\$m	Q4 2013 HK\$m	change	FY 2014 HK\$m	FY 2013 HK\$m	change
Turnover	4,117	3,894	+6%	16,486	12,069	+37%
Underlying EBITDA#	3	24	-88%	257	409	-37%
Underlying net profit#	(43)	(48)	+10%	(134)	53	-353%
Underlying EBITDA margin (%)	0.1	0.6	-83%	1.6	3.4	-53%
Underlying net margin (%)	(1.0)	(1.2)	+17%	(8.0)	0.4	-300%

Profitability was mainly affected by initial investment on rice distribution business.

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 products offered to customers







[#] excluded the profit on disposal of non-core assets and others





Food Growth through: Quality premium products Supply base distribution Heilongjiang Having presence in 14 out of 34 regions/cities (incl. autonomous regions, municipalities and SAR) in China Liaoning Shaanxi Henan Sichuan Jiangsu Hubei Guangxi Shanghai Zhejiang Jiangxi Fujian Rice Fruit Meat Rearing Assorted food HK business Supply base: Region Notation: Guangdong New region Hong Kong Source: Company data

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Beverage

Growth through: strong partnership with Kirin

	9	51	Q4 2014 HK\$m	Q4 2013 HK\$m	change	FY 2014 HK\$m	FY 2013 HK\$m
Sales volume (m	illion KL)		1.16	0.97	+20%	6.56	4.93
Turnover			1,672	1,436	+16%	9,891	7,305
EBITDA			227	(28)	+911%	673	324
Earnings (#)			142	(39)	+464%	395	178
EBITDA margin	(%)		13.6	(1.9)	+816%	6.8	4.4
Net margin (%) (#	#)		8.5	(2.7)	+415%	4.0	2.4

Higher sales volume generated turnover growth and profitability improvement.



- wide distribution network

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

KIRIN

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



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change

+33% +35% +108% +122%







+55%











Growth through: strong partnership with Kirin

No of beverage plant , OEM plant *

Geographical distribution Having presence in 15 out of 34 regions/cities (incl. automunicipalities and SAR) in China	onomous regions,			\wedge
Number of beverage plant: 44 (10 own factorie	es; 34 OEM factories*)		2 *	Beijing
2 * Chongqing		5	2 *	Liaoning
	5		2 *	Tianjin
1, 2 * Sichuan			5 *	Jiangsu
1, 4 * Hunan	3 12	The state of the s	1,1*	Anhui
	Ly Ly Land	The state of the s	3	Shanghai
1 * Guangxi	The state of the s	we was	1 *	Hubei
2 * Hainan		in I I	2 *	Jiangxi
	7	7	1 *	Fujian
No of beverage plant , OEM plant *	Region		4,7 *	Guangdong

New Region





Appendix I – Details of Retail formats



			31 Dec 14				30 Sep 14		31 Dec 13	
<u>Format</u>	<u>Major</u> brands	Average areas (sq.m)	% of turnover	App. average GP margin	Self- operated	Franchised	Self- operated	Franchised	Self- operated	Franchised
I. Hypermarket Yanguard* V #河方家	* 50新果	Over 6,000	App.79%	20%	711#	13	704	13	563	13
II. Standard supermarket	Vanguard [*] 华润万家	500 - 800	App.10%	21%	1,382	603	1,373	628	1,370	681
III. Convenience stores	VinG0	30 – 120	App.4%	23%	1,285#	74	1,253	71	1,174	70
IV. Ole', blt	blt*	4,000	App.3%	more than 25%	46	-	41	-	40	-
V. Pacific Coffee	Pacific	120	App.1%	more than 50%	377	41	356	42	328	37
VI. CAC and CR Care	ARTS & CRAFTS 華潤堂	various	App.2%	more than 30%	158	-	157	-	155	-
VII. Health and beauty stores	elVivo#8	200	less than 1%	30%	150	-	161	-	168	-
VIII. Wine cellar and others	Voi.la!	200	less than 1%	Various	26#	-	26	-	15	-
Total					4,135	731	4,071	754	3,813	801
			4,866		4,825		4,614			

^{*} As at 31 Dec 2014, 114 hypermarkets, 12 convenience stores and 14 other formats from Tesco China have been included.

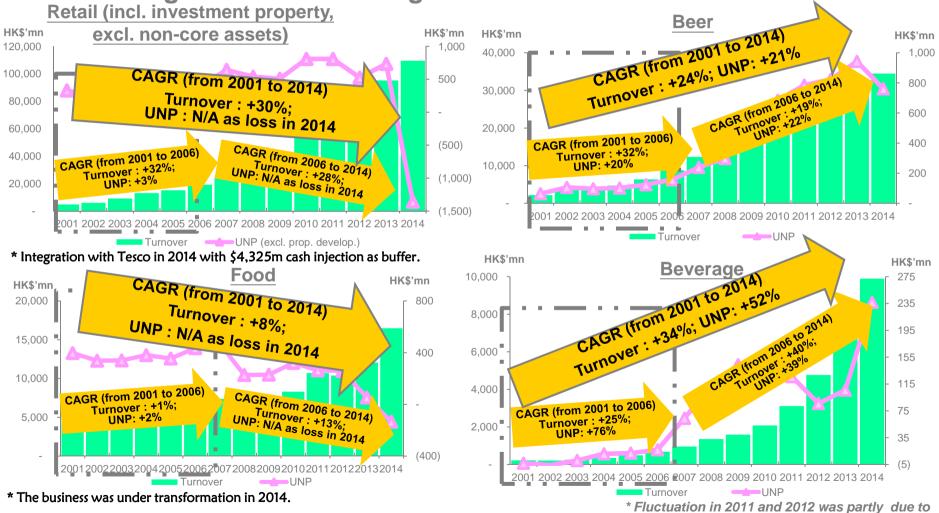


joint venture with Kirin (40%) since August 2011.



Appendix II - Historical track record of CRE

Secure long-term sustainable growth



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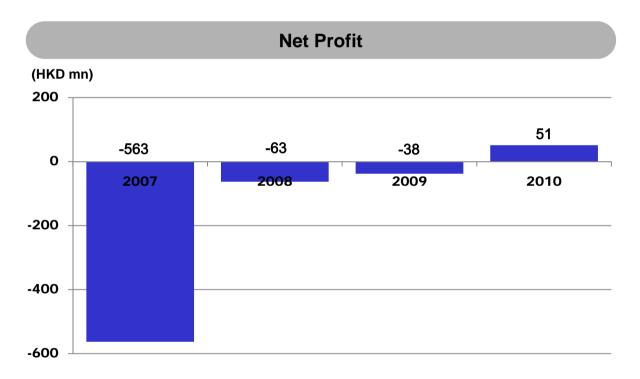




Appendix III – Experience in Homeworld's turnaround Vanguard*



Management with experience and abilities to turnaround of loss-making acquisition in retail business:

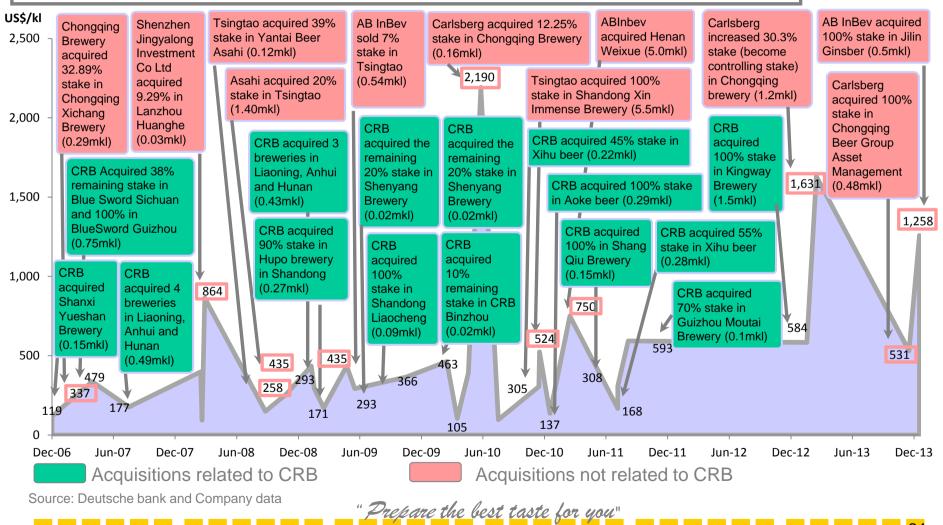






<u>Appendix IV – Historical major M&As in beer business</u>

Strong bargaining power and lower acquisition cost on M&A

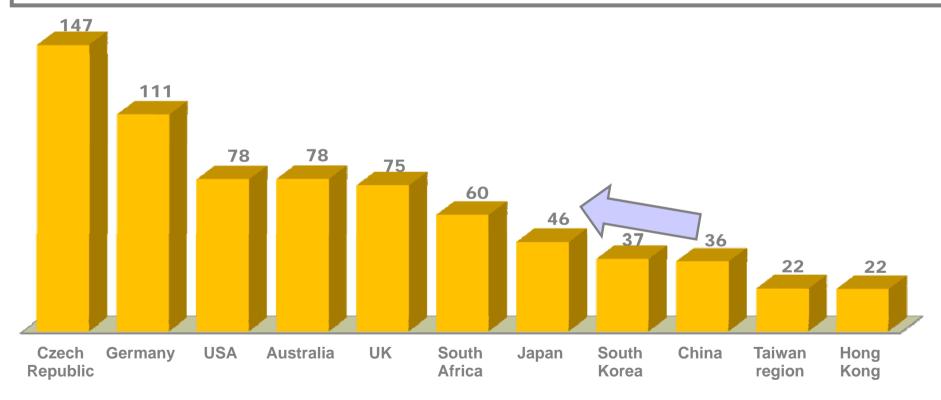






<u>Appendix V – Global beer consumption summary</u>

Beer consumption per capita in China increased double in past 10 years (from 18 litres in 2001 to 36 litres in 2011 (provisional)).



Source: Plato logic





Appendix VI – CRE awards



Highlights	of	accolades	received

<u> </u>	is 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
2005-2014	Named one of outstanding enterprises among HK blue-chip companies by Economic Digest
2006-2011	Selected as one of the recipients of the "Recognition Awards - Asia's Best Companies for Corporate Governance" by Corporate Governance Asia
2006/2010/ 2012/2014	Honored as one of the awardees in the Board Category for "Listed Companies (SEHK-Hang Seng Index Constituents)" in "Directors Of The Year Awards" by <i>Hong Kong Institute of Directors</i>
2009-2014	Ranked Top Retailer Awards (China) (Gold award in 2013, 2014), Best of the Best Retailers Award (Asia Pacific) (2014) in Retail Asia-Pacific Top 500 Awards by Retail Asia Publishing
2009/ 2010/2012/ 2013/2014	Received "The Platinum (2009/2010)/Gold (2012-2014) Award for All-Round Excellence in Financial Performance, Management, Corporate Governance, Social Responsibility, Environmental Responsibility and Investor Relations" by <i>The Asset</i>
2010-2012, 2014	Mr. Chen Lang (2010-2012), Mr. Hong Jie (2014) was selected as one of winners in China of Asian Corporate Director Recognition Awards by <i>Corporate Governance Asia</i>
2010- 2014	Received "CAPITAL Outstanding China Enterprise Award-Consumer Goods" in The CAPITAL Outstanding China Enterprise Awards from CAPITAL
2011-2014	Ranked number 981/861/800/1067 in Global 2000 from <i>Forbes</i>

Please refer to our company website, www.cre.com.hk, for further details of awards received prior to 2009.

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Appendix VI – CRE awards (Cont'd)

	<u> Vhheiligiv</u>	VI - CILL awards (Corred)
	Highlight 2010-2014	ts of accolades received Received awards for cover photo/design; printing and production; non-traditional in the categories of food distributors, processors & wholesalers, manufacturing & Distributing, Food & Consumer Packaged Goods and Multi-Industry – Products & Services, Retail – Supermarket, Food Processing, Retail – Convenience and Department Stores in International Annual Report Competition Awards from <i>MerComm, Inc.</i>
	2010/2013 /2014	Awarded as Asia's best CEO (Investor Relations) – Mr. Chen Lang/Mr. Hong Jie, Asia's best CFO (Investor Relations) – Mr. Frank Lai, Best Investor relations professional – Mr. Vincent Tse, Best Investor Relations Company, Best Environmental Responsibility (2010, 2013, 2014) and Asia's Best Corporate Social Responsibility (2013, 2014) by <i>Corporate Governance Asia</i>
	2011	Received the Best Management Team Award (2011), Best Corporate Governance for Listed Companies, Best Information Disclosure for Listed Companies (2014) in Golden Bauhinia Award by <i>Ta Kung Pao</i>
	2010/2012	Received Overall Best companies in Asia for Corporate Governance, best awards in Asia region (ex-Japan) for disclosure and transparency, responsibilities of management and the board of directors, shareholders' rights and equitable treatment, Best for Investor Relations (2012) and best awards in Hong Kong region 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 (2010) by <i>Asiamoney</i>
	2011	Received "The Largest Captialization Company Award" in Mainland Enterprises Listed in Hong Kong Ranking by Yazhou Zhoukan
	2012	Ranked number 428 in Green Rankings – Global 500 List by Newsweek

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Appendix VI – CRE awards (Cont'd)

 Highlights of accolades received 	Highl	iahts	\circ f	acco	2Ahc	received
	HIGH	141113	UI	acco	lauts	ICCCIVCU

Highligh	its of accolades received					
2011-2014	Awarded as one of the companies receiving the commendation in Corporate Social Responsibility Award by CAPITAL and CAPITAL Weekly					
2011-2013	Ranked number 39 /46/37 in Fortune China 500					
2011	Received 2 best awards for investor relations and investor relations officer and 4 awards of ranked second in Best for overall for corporate governance, disclosure and transparency, responsibilities of management and the board of directors and shareholders' rights and equitable treatment in Hong Kong region by <i>Asiamoney</i>					
2012/2013	Received Outstanding Corporate Social Responsibility Award by The Mirror Monthly Magazine					
2012-2014	Awarded as Class of 2012/2013 - The Best of Asia (China), Asian Corporate Director (China) – Mr. Chen Lang in 2013, Asia's icon on Corporate Governance in Corporate Governance Asia Recognition Awards by <i>Corporate Governance Asia</i>					
2012/2013	Received Best IR Companies (Both Buy (2013) and Sell Side (2012/2013) – Consumer), Best CEO – Hong Jie (Sell Side – Consumer) in 2013, ranked second for Best CEO – Chen Lang (Sell Side – Consumer) in 2012, Best CFO – Frank Lai (Sell Side – Consumer), Best Investor Relations Professional – Mr. Vincent Tse (Both Buy and Sell Side – Consumer), ranked second for Best Investor Relations Professional – Mr. Kevin Leung (Sell Side – Consumer) in 2013 in The All-Asia Executive Team Survey by <i>Institutional Investor</i>					
2012-2014	Awarded as Best in Sector – Consumer Goods & Services, Investor Relations by a Hong Kong Company (2012, 2013) and Investor Relations Officer (Hong Kong) (2012) by <i>IR Magazine</i>					
2013	Ranked 93 th in Top 250 Global Retailers from <i>Deloitte and STORES Media</i> " <i>Prepare the best taste for you</i> "					

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Appendix VI – CRE awards (Cont'd)

Highlights of accolades received

2010-2014	Selected as one of the companies receiving "Global Chinese Business 1000 – Outstanding Performance Award" by Yazhou Zhoukan
2013/2014	Frank Lai was selected as Asian Company Secretary of the Year by Corporate Governance Asia
2013/2014	Received award as the Winner of Global Top Mid-Cap (2013) and ranked 19 th in Global Top 50 Gold (2013), Global Top 50 Silver (2014) in <i>IR Magazine</i>
2013/2014	Received award for Outstanding Listed Company of the Year by the Hong Kong Institute of Financial Analysts and Professional Commentators Limited
2014	Ranked 3 th in the Top 5 Best Employers (Retail – Department Stores Industry) from <i>ChinaHR.com</i>
2014	Received Gold award in Consumer –Food/Beverages/Tobacco category; Gold award in Retailing – Multi-line Retail category; and Silver award from Retailing – Food and Specialty category in 2013 Vision Awards Annual Report Competition from <i>League of American Communications Professionals LLC</i>
2014	Received Silver award in Annual reports overall presentation – Food and Consumer Packaged Goods; Bronze award in Annual Reports overall presentation – retail (Other and General) and
	Honors award in Annual Report Covers (Special Treatment) from MerComm, Inc.
2014	Honors award in Annual Report Covers (Special Treatment) from <i>MerComm, Inc.</i> Received The Most Promising Employer in China Best Employer Award from <i>Zhaopin.com</i>

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