

China Resources Enterprise, Limited

New CR Vanguard Management Team

30 April, 2003





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Opening Note

- The new management structure was formed two weeks ago
- The new team is more competent and open-minded with international exposure, local knowledge and solid management ability, both at the middle and senior levels
- They are strong team builders and innovators from different backgrounds with unique expertise in a specific area and are keen to achieve the same goals ahead together



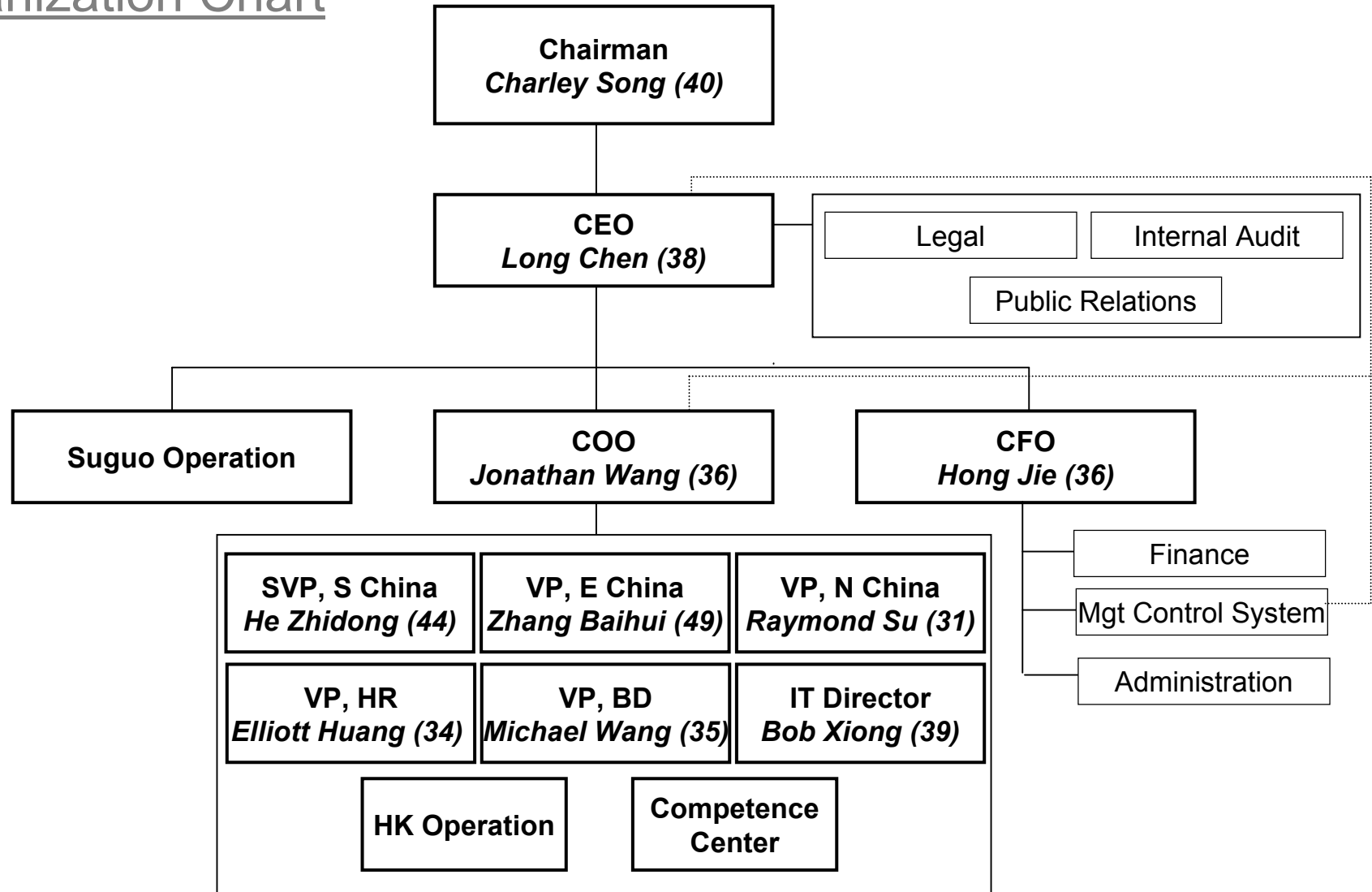
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Background of the Management Team

Long Chen, Vice Chairman & CEO of CR Vanguard



Organization Chart





Biographical Details

Long Chen (陳朗), Vice Chairman & Chief Executive Officer

Education Background

1990 - 1993	MBA, San Francisco University, US
1982 - 1986	B. Economics, Anhui University, China

Working Experience

2003 -	Vice Chairman & CEO, <i>CR Vanguard</i>
2001 - 2003	Vice Chairman & CEO, <i>CR Logic</i>
1999 - 2001	Managing Director, <i>All Seasons Property Co. Ltd.</i>
1998 - 2001	Deputy General Manager/General Manager, <i>CR Holdings, Enterprise Development Dept</i>
1994 - 1998	Vice President, <i>Maple Star Enterprise Co. Ltd.</i>
1989 - 1994	Project Manager/Finance Manager, <i>CR Holdings, Enterprise Development Dept</i>



Biographical Details

Jonathan Wang (王敬), Chief Operating Officer

Education Background

1993 - 1995	MBA, Foreign Trade and Economy University, China
1986 - 1990	B. Food Machinery, Heilongjiang Business School, China

Working Experience

2003 -	COO, <i>CR Vanguard</i>
2001 - 2003	Sr Project Mgr, VP, Partner, <i>Roland Berger Consulting China</i>
1999 - 2001	Chief Vice President, <i>Wu Mart Group</i>
1996 - 1999	China Merchandising Director, <i>PriceSmart</i>



Biographical Details

Hong Jie (洪杰), Chief Financial Officer

Education Background

1985 - 1989

B. Economics, Hangzhou Business School, China

Working Experience

2003 -

CFO, *CR Vanguard*

1999 – 2003

Assistant General Manager/Deputy General Manager, *Finance Dept, CR Holdings*

1992 - 1999

Manager, *Internal Audit Dept, CR Holdings*



Biographical Details

He Zhidong (何志東), Senior Vice President (Southern China)

Education Background

Institute in accounting

Working Experience

2002 -	Senior VP (Southern China), <i>CR Vanguard</i>
1995 - 2002	General Manager, <i>China Vanguard Supermarket Department Co. Ltd.</i>
1990 - 1995	Finance Manager/Deputy General Manager, <i>Shenzhen Vanke Trading Company</i>
1987 - 1990	Finance Manager, <i>Shenzhen Nan You Real Estate Company</i>



Biographical Details

Michael Wang (王宏琨), Vice President (Business Development)

Education Background

1990 - 1993	M. Biochemistry, Tianjin University, China
1986 - 1990	B. Biochemistry, Tianjin University, China

Working Experience

2002 -	VP, <i>CR Vanguard</i>
2000 - 2002	Deputy General Manager, <i>CR Holdings, Enterprise Development Dept</i>
1993 - 2000	Engineer/Manager, <i>CR PetroChemicals (Group) Co. Ltd.</i>



Biographical Details

Zhang Baihui (章百惠), Vice President (Eastern China)

Education Background

2001 – 2003	Postgraduate in Corporate Management Study, Hangzhou Business School, China
1995 - 1998	Laws, TV Broadcast University, Zhejiang, China
1984 - 1986	Statistics, Hangzhou Business School, China

Working Experience

2002 - 2003	VP (Eastern China), <i>CR Vanguard</i>
1996 - 2002	General Manager, <i>Hangzhou Huashang (Group) Jiayou Supermarket Co.</i>
1986 - 1996	Deputy General Manager, <i>Hangzhou Grocery Wholesale Co.</i>



Biographical Details

Raymond Su (蘇明), Vice President (Northern China)

Education Background

1998	MBA, Beijing University, China
1990 - 1994	Bachelor's degree, China Foreign Trade University, China

Working Experience

2003 -	VP (Northern China), <i>CR Vanguard</i>
2002 - 2003	General Manager, <i>Beijing CR Building Co. Ltd.</i>
2002	Vice President, <i>CR Vanguard</i>
1998 - 2001	Financial Controller/ Acting General Manager, <i>Beijing CRC Building Co. Ltd.</i>



Biographical Details

Elliott Huang (黄旭), Vice President (Human Resources)

Education Background

2003-	MBA, China Europe International Industrial Commercial Institute, China
1987 - 1990	B. Language, Guizhou Industry University, China

Working Experience

2003	VP (Human Resources), <i>CR Vanguard</i>
2001 - 2003	HR Director, <i>Vanji Group Company</i>
1999 - 2001	Training Manager/ Senior Training Manager, <i>Wal-Mart (China)</i>
1992 - 1999	Operation Supervisor/Training Supervisor/Deputy Manager/Manager, <i>McDonald's (Shenzhen)</i>



Biographical Details

Bob Xiong (熊杰), Information Technology Director

Education Background

1985 - 1988	M. System Engineering, Xian Communication University, China
1981 - 1985	B. Wireless Telecommunication, Xian Communication University, China

Working Experience

2003 -	IT Director, <i>CR Vanguard</i>
2002 - 2003	Assistant General Manager, <i>CR Vanguard</i>
1994 - 2001	Deputy General Manager/Assistant General Manager/Manager, IT Dept, <i>China Vanguard Supermarket Department Co. Ltd.</i>
1993 - 1994	General Manager, <i>Shenzhen Honghe Computer Consulting Company</i>
1988 - 1993	Supervisor, IT Section of General Manager Office, <i>Vanke Stock Co. Ltd.</i>



Latest Management Change

- Only 3 senior staff (Executive Committee members) left CR Vanguard since completion of the acquisition in July last year compared to the total number of senior staff of 12
 - Xu Gang, former CEO
 - Li Wei Dong, former GM of Human Resources Department
 - Jiang Yao Min, former Deputy GM of CR Vanguard and GM of Eastern China
- Middle management is more or less intact



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Jobs to be Accomplished in 2003 and 2004

COO, Jonathan Wang of CR Vanguard



Jobs to be Accomplished in 2003 and 2004

Mega trends:

1. Despite its rapid growth, the market share of modern retailing is estimated to be only about 10% in 2003 on the mainland and there is tremendous room for growth
2. No store format is mature
3. Increasing competition and regional concentration will affect profitability generally
4. Underdeveloped supply chain lowers operational efficiency
5. Retailers have increasing bargaining power over suppliers

Opportunities:

1. Innovation of store format will generate additional profitability for market leaders and create brand value
2. Economies of scale will reduce purchasing and operational costs
3. Optimization of supply chain can build up long term competence
4. Launch of private labels can enhance margins and develop consumer loyalty





Jobs to be Accomplished in 2003 and 2004

1. Develop a national brand and standardise store formats
 - model stores
 - marketing strategy mix
2. Improve store pre-opening management
 - project management tools
 - quality-orientation
3. Reduce indirect costs
 - wages and rentals
 - integration of offices in Shenzhen



Jobs to be Accomplished in 2003 and 2004

4. Enhance store efficiency

- productivity
- re-ordering process
- space management

5. Optimize supply chain

- bar-coding system and category definition
- assortment / price / supplier optimization
- logistics efficiency



Jobs to be Accomplished in 2003 and 2004

6. Maximise benefits from focused expansion strategy

- superstore development in second and third tier cities of Eastern China
- further consolidation in Southern China using the mature format
- strategic entrance into Northern China with superstore format

7. Establish a competence centre

- a concept development for consistent innovation
- product mix of each store format
- private labels
- supply chain development



Jobs to be Accomplished in 2003 and 2004





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Questions & Answers



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