Financial and operational review
Q3 2014
Investor presentation
14 November 2014
## Results Summary

<table>
<thead>
<tr>
<th></th>
<th>Q3 2014 HK$m</th>
<th>Q3 2013 HK$m</th>
<th>change</th>
<th>Q3 YTD 2014 HK$m</th>
<th>Q3 YTD 2013 HK$m</th>
<th>change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>47,551</td>
<td>40,583</td>
<td>+17%</td>
<td>131,057</td>
<td>112,440</td>
<td>+17%</td>
</tr>
<tr>
<td>EBITDA - Basic</td>
<td>2,396</td>
<td>3,345</td>
<td>-28%</td>
<td>7,117</td>
<td>7,562</td>
<td>-6%</td>
</tr>
<tr>
<td>EBITDA - Underlying*</td>
<td>2,303</td>
<td>3,333</td>
<td>-31%</td>
<td>6,765</td>
<td>7,533</td>
<td>-10%</td>
</tr>
<tr>
<td>Earnings</td>
<td>(71)</td>
<td>920</td>
<td>-108%</td>
<td>858</td>
<td>1,938</td>
<td>-56%</td>
</tr>
<tr>
<td>Underlying net profit*</td>
<td>(101)</td>
<td>911</td>
<td>-111%</td>
<td>567</td>
<td>1,916</td>
<td>-70%</td>
</tr>
<tr>
<td>ROE (%) (based on earnings)</td>
<td></td>
<td></td>
<td></td>
<td>1.7</td>
<td>4.6</td>
<td>-63%</td>
</tr>
<tr>
<td>ROE (%) (based on underlying net profit*)</td>
<td></td>
<td></td>
<td></td>
<td>1.1</td>
<td>4.5</td>
<td>-76%</td>
</tr>
<tr>
<td>Net cash</td>
<td>2,342</td>
<td>2,575</td>
<td>-9%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* 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.

"Get Ready for the next journey"
### Turnover Breakdown - by Divisions

<table>
<thead>
<tr>
<th></th>
<th>Q3 2014</th>
<th>Prop</th>
<th>Q3 2013</th>
<th>Prop</th>
<th>change</th>
<th>Q3 YTD 2014</th>
<th>Prop</th>
<th>Q3 YTD 2013</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HK$m</td>
<td>%</td>
<td>HK$m</td>
<td>%</td>
<td></td>
<td>HK$m</td>
<td>%</td>
<td>HK$m</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td><strong>Core businesses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>29,582</td>
<td>62%</td>
<td>23,920</td>
<td>58%</td>
<td>+24%</td>
<td>82,171</td>
<td>62%</td>
<td>71,827</td>
<td>64%</td>
<td>+14%</td>
</tr>
<tr>
<td>Beer</td>
<td>10,911</td>
<td>23%</td>
<td>11,332</td>
<td>28%</td>
<td>-4%</td>
<td>29,386</td>
<td>22%</td>
<td>27,410</td>
<td>24%</td>
<td>+7%</td>
</tr>
<tr>
<td>Food</td>
<td>4,334</td>
<td>9%</td>
<td>3,171</td>
<td>8%</td>
<td>+37%</td>
<td>12,369</td>
<td>10%</td>
<td>8,175</td>
<td>7%</td>
<td>+51%</td>
</tr>
<tr>
<td>Beverage</td>
<td>3,162</td>
<td>6%</td>
<td>2,494</td>
<td>6%</td>
<td>+27%</td>
<td>8,219</td>
<td>6%</td>
<td>5,869</td>
<td>5%</td>
<td>+40%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>47,989</td>
<td>100%</td>
<td>40,917</td>
<td>100%</td>
<td>+17%</td>
<td>132,145</td>
<td>100%</td>
<td>113,281</td>
<td>100%</td>
<td>+17%</td>
</tr>
</tbody>
</table>

Less: inter-co transactions (438) (334) (1,088) (841)

**Turnover – total** 47,551 40,583 131,057 112,440 +17%
## Underlying Net Profit Breakdown - by Divisions

<table>
<thead>
<tr>
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<th>Q3 2014 HK$m</th>
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<th>Prop</th>
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<td><strong>Core businesses</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>(732)</td>
<td>(1785%)</td>
<td>75</td>
<td>8%</td>
<td>-1076%</td>
<td>(293)</td>
<td>(36%)</td>
<td></td>
<td>699</td>
<td>34%</td>
<td>-142%</td>
</tr>
<tr>
<td>Beer#</td>
<td>625</td>
<td>1524%</td>
<td>749</td>
<td>79%</td>
<td>-17%</td>
<td>1,042</td>
<td>129%</td>
<td></td>
<td>1,107</td>
<td>55%</td>
<td>-6%</td>
</tr>
<tr>
<td>Food</td>
<td>(19)</td>
<td>(46%)</td>
<td>30</td>
<td>3%</td>
<td>-163%</td>
<td>(91)</td>
<td>(11%)</td>
<td></td>
<td>101</td>
<td>5%</td>
<td>-190%</td>
</tr>
<tr>
<td>Beverage##</td>
<td>85</td>
<td>207%</td>
<td>90</td>
<td>10%</td>
<td>-6%</td>
<td>151</td>
<td>18%</td>
<td></td>
<td>129</td>
<td>6%</td>
<td>+17%</td>
</tr>
<tr>
<td></td>
<td>(41)</td>
<td>(100%)</td>
<td>944</td>
<td>100%</td>
<td>-104%</td>
<td>809</td>
<td>100%</td>
<td></td>
<td>2,036</td>
<td>100%</td>
<td>-60%</td>
</tr>
<tr>
<td>Net corporate int. &amp; expenses</td>
<td>(60)</td>
<td></td>
<td>(33)</td>
<td></td>
<td></td>
<td>(242)</td>
<td></td>
<td></td>
<td>(120)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Underlying Net Profit</strong></td>
<td>(101)</td>
<td></td>
<td>911</td>
<td></td>
<td>-111%</td>
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<td></td>
<td></td>
<td>1,916</td>
<td></td>
<td>-70%</td>
</tr>
<tr>
<td><strong>Adjustment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net valuation surplus on investment properties</td>
<td>30</td>
<td></td>
<td>9</td>
<td></td>
<td>+233%</td>
<td>291</td>
<td></td>
<td></td>
<td>22</td>
<td></td>
<td>+1223%</td>
</tr>
<tr>
<td><strong>Earnings</strong></td>
<td>(71)</td>
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<td>920</td>
<td></td>
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<td></td>
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<td>1,938</td>
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<td>-56%</td>
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</table>

*# The above profit was 51% profit attributable to CRE.

**# The above profit was 60% profit attributable to CRE.*
Segment assets

- Unique with four consumer businesses complementing each other

Distribution of segment assets:

**Beer**
- 33%
- Assets: $59bn
- Liabilities: ($32bn)

**Retail**
- 55%
- Assets: $109bn
- Liabilities: ($55bn)

**Food**
- 7%

**Beverage**
- 2%

**Headquarter and others**
- 3%

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Movement in balance sheet items:

<table>
<thead>
<tr>
<th></th>
<th>30 Sep 14 HK$m</th>
<th>31 Dec 13 HK$m</th>
<th>change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>180,585</td>
<td>155,289</td>
<td>+16%</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>(108,278)</td>
<td>(95,678)</td>
<td>-13%</td>
</tr>
<tr>
<td>Total equity</td>
<td>72,307</td>
<td>59,611</td>
<td>+21%</td>
</tr>
</tbody>
</table>

"Get Ready for the next journey"
CAPEX

- Grasping opportunities through expansion

The CAPEX did not include CAPEX from Tesco JV of approximately $12.8bn at 28 May 2014.

The CAPEX did not include Kingway acquisition of approximately $6.1bn.

"Get Ready for the next journey"
Retail

- Growth through: Multi-format with regional leadership

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<td>+24%</td>
<td>82,171</td>
<td>71,827</td>
<td>+14%</td>
</tr>
<tr>
<td>Underlying EBITDA #</td>
<td>(84)</td>
<td>733</td>
<td>-111%</td>
<td>1,810</td>
<td>2,682</td>
<td>-33%</td>
</tr>
<tr>
<td>Underlying net profit #</td>
<td>(732)</td>
<td>75</td>
<td>-1076%</td>
<td>(293)</td>
<td>699</td>
<td>-142%</td>
</tr>
<tr>
<td>Underlying EBITDA margin (%) #</td>
<td>(0.3)</td>
<td>3.1</td>
<td>-110%</td>
<td>2.2</td>
<td>3.7</td>
<td>-41%</td>
</tr>
<tr>
<td>Underlying net profit margin (%) #</td>
<td>(2.5)</td>
<td>0.3</td>
<td>-933%</td>
<td>(0.4)</td>
<td>1.0</td>
<td>-140%</td>
</tr>
</tbody>
</table>

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

SSSG of retail business:

```
<table>
<thead>
<tr>
<th></th>
<th>FY 2012</th>
<th>H1 2013</th>
<th>Q3 YTD 2013</th>
<th>FY 2013</th>
<th>H1 2014</th>
<th>Q3 YTD 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>4.1</td>
<td>5.6</td>
<td>5.9</td>
<td>4.7</td>
<td>2.3</td>
<td>-2.0</td>
</tr>
<tr>
<td>China CPI</td>
<td>2.6</td>
<td>2.4</td>
<td>2.5</td>
<td>2.6</td>
<td>2.3</td>
<td>+2.1</td>
</tr>
</tbody>
</table>
```

# excluded the revaluation of investment property

"Get Ready for the next journey"
Northern areas

Having presence in 30 out of 34 regions/cities (incl. autonomous regions, municipalities and SAR) in China.

- **Inner Mongolia**: 4 (4) [-]
- **Jilin**: 4 (4) [-]
- **Beijing**: 138 (12) [-5]
- **Hebei**: 13 (11) [5]
- **Tianjin**: 273 (28) [-24]
- **Liaoning**: 68 (43) [34]

Northern west areas

- **Ningxia**: 5 (5) [1]
- **Shaanxi**: 114 (45) [21]
- **Gansu**: 7 (7) [1]
- **Henan**: 18 (14) [2]
- **Xinjiang**: 1 (1) [1]
- **Qinghai**: 1 (1) [-]
- **Hubei**: 51 (6) [1]

Eastern areas

- **Shandong**: 53 (18) [3]
- **Jiangsu**: 1,907 (203) [51]
- **Anhui**: 512 (66) [13]
- **Shanghai**: 86 (24) [43]
- **Zhejiang**: 180 (84) [36]
- **Jiangxi**: 26 (24) [2]

Southern areas

- **Sichuan**: 29 (4) [9]
- **Chongqing**: 20 (7) [2]
- **Hunan**: 13 (6) [3]
- **Guizhou**: 1 (-) [-]

- **Yunnan**: 1 (-) [1]

- **Qinghai**: 512 (66) [13]
- **Guangdong**: 1 (0) [1]
- **Guangxi**: 864 (89) [78]
- **Hainan**: 2 (1) [-1]
- **Hainan**: 2 (1) [-1]

**Movement in retail shop number:**

- **Self-operated**
  - 30 Sep 13: 3,757
  - Opening: 630
  - Closing: (316)
  - 30 Sep 14: 4,071

- **Franchised**
  - 30 Sep 13: 794
  - Opening: 80
  - Closing: (120)
  - 30 Sep 14: 754

- **Total**
  - 30 Sep 13: 4,551
  - Opening: (436)
  - Closing: 4,825

**Tesco presence (with scale effect)**

Of which, 21 stores(2013: 17 stores) are located in Singapore, Malaysia and Cyprus.

"Get Ready for the next journey"
Retail

- Growth through: Multi-format with regional leadership

Synergy: Multi-format experience
Leveraging global and local expertise to extend multi-format strategy

- Hypermarket
- Standard supermarket
- Convenience store
- High-end supermarket
- Shopping mall
- Wine cellar

Global expertise in operating multiple retail formats

Tesco Extra
Tesco Superstore
Tesco Express
Tesco Metro

Outstanding track record in partnerships

Online retailing

"Get Ready for the next journey"
Retail
• Growth through: Multi-format with regional leadership

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

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

"Get Ready for the next journey"
Retail
- Growth through: Multi-format with regional leadership

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

"Get Ready for the next journey"
Retail

- Growth through: Multi-format with regional leadership

**In a shopping mall**

6 formats in Guangzhou
- Taikoo Hui (Swire properties):

5 formats in Beijing
- Galleria (CR Land):

**In a city**

5 formats in Nanjing:

"Get Ready for the next journey"
### Beer (No.1 brand by volume in the world since 2008)

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

<table>
<thead>
<tr>
<th></th>
<th>Q3 2014 HK$m</th>
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<th>Q3 YTD 2013 HK$m</th>
<th>change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales volume (million KL)</td>
<td>3.82</td>
<td>4.07</td>
<td>-6%</td>
<td>10.12</td>
<td>9.83</td>
<td>+3%</td>
</tr>
<tr>
<td>Turnover</td>
<td>10,911</td>
<td>11,332</td>
<td>-4%</td>
<td>29,386</td>
<td>27,410</td>
<td>+7%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>2,118</td>
<td>2,290</td>
<td>-8%</td>
<td>4,409</td>
<td>4,218</td>
<td>+5%</td>
</tr>
<tr>
<td>Earnings (#)</td>
<td>1,225</td>
<td>1,468</td>
<td>-17%</td>
<td>2,044</td>
<td>2,171</td>
<td>-6%</td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>19.4</td>
<td>20.2</td>
<td>-4%</td>
<td>15.0</td>
<td>15.4</td>
<td>-3%</td>
</tr>
<tr>
<td>Net margin (%) (#)</td>
<td>11.2</td>
<td>13.0</td>
<td>-14%</td>
<td>7.0</td>
<td>7.9</td>
<td>-11%</td>
</tr>
</tbody>
</table>

Performance was mainly affected by bad weather situation in eastern China in contrast to hot summer in Q3 2013.

Approximate retail selling price:
- **Mainstream**: RMB3
- **Mid-end**: RMB5
- **Premium**: RMB8 to 9

> > 35% of total sales volume

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

"Get Ready for the next journey"
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

Having presence in 25 out of 34 regions/cities (incl., autonomous regions, municipalities and SAR) in China

Number of breweries plants: 98 (incl. Kingway)

- Heilongjiang: 5(1.1mkl)
- Jilin: 3(0.6mkl)
- Liaoning: 12(2.3mkl)
- Beijing: 1(0.2mkl)
- Tianjin: 2(0.5mkl)
- Hebei: 2(0.5mkl)
- Shandong: 3(0.7mkl)
- Jiangsu: 5(1.3mkl)
- Shanghai: 2(0.4mkl)
- Anhui: 10(1.9mkl)
- Henan: 4(0.4mkl)
- Zhejiang: 6(1.1mkl)
- Fujian: 1(0.2mkl)

Notation: No. of breweries (production capacity) [no. of breweries addition in past 12 months]

Incl. Kingway brewery plants

"Get Ready for the next journey"
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 61% in 2012, of which Snow has 22%.

Source: State Statistical Bureau and CR Snow

"Get Ready for the next journey"
Beer (No.1 brand by volume in the world since 2008)

- Strong robust growth in both turnover and profitability

**CAGR (from 1994 to 2013)**

Turnover: +28%; UNP: +26%

**CAGR (from 2001 to 2006)**

Turnover: +32%; UNP: +20%

**CAGR (from 2006 to 2013)**

Turnover: +21%; UNP: +23%

"Get Ready for the next journey"
Food

- Growth through: Quality premium products

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<td>12,369</td>
<td>8,175</td>
<td>+51%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>87</td>
<td>134</td>
<td>-35%</td>
<td>254</td>
<td>385</td>
<td>-34%</td>
</tr>
<tr>
<td>Earnings</td>
<td>(19)</td>
<td>30</td>
<td>-163%</td>
<td>(91)</td>
<td>101</td>
<td>-190%</td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>2.0</td>
<td>4.2</td>
<td>-52%</td>
<td>2.1</td>
<td>4.7</td>
<td>-55%</td>
</tr>
<tr>
<td>Net margin (%)</td>
<td>(0.4)</td>
<td>0.9</td>
<td>-144%</td>
<td>(0.7)</td>
<td>1.2</td>
<td>-158%</td>
</tr>
</tbody>
</table>

**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

"Get Ready for the next journey"
Food

- Growth through: Quality premium products

Supply base distribution

Having presence in 14 out of 34 regions/cities (incl. autonomous regions, municipalities and SAR) in China

Notation:
- Supply base: Rice, Fruit, Meat, Rearing, Assorted food, HK business
- Region
- New region

Source: Company data

"Get Ready for the next journey"
Beverage

- Growth through: strong partnership with Kirin

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<td>Sales volume (million KL)</td>
<td>2.18</td>
<td>1.69</td>
<td>+29%</td>
<td>5.40</td>
<td>3.96</td>
<td>+37%</td>
</tr>
<tr>
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<td>2,494</td>
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<td>5,869</td>
<td>+40%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>233</td>
<td>218</td>
<td>+7%</td>
<td>446</td>
<td>352</td>
<td>+27%</td>
</tr>
<tr>
<td>Earnings (#)</td>
<td>142</td>
<td>151</td>
<td>-6%</td>
<td>253</td>
<td>217</td>
<td>+17%</td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>7.4</td>
<td>8.7</td>
<td>-15%</td>
<td>5.4</td>
<td>6.0</td>
<td>-10%</td>
</tr>
<tr>
<td>Net margin (%) (#)</td>
<td>4.5</td>
<td>6.1</td>
<td>-26%</td>
<td>3.1</td>
<td>3.7</td>
<td>-16%</td>
</tr>
</tbody>
</table>

Turnover growth was mainly driven by higher sales volume.

- 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
- high technology on manufacture of beverage products

(#) Profit attributable to CRE was 60% share of the above earnings since August 2011.

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Beverage

- Growth through: strong partnership with Kirin

Geographical distribution
Having presence in 13 out of 34 regions/cities (incl. autonomous regions, municipalities and SAR) in China

Number of beverage plant: 45 (10 own factories; 35 OEM factories*)
Appendix I – Details of Retail formats

<table>
<thead>
<tr>
<th>Format</th>
<th>Major brands</th>
<th>Average areas (sq.m)</th>
<th>30 Sep 14</th>
<th>31 Dec 13</th>
<th>30 Sep 13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>% of turnover</td>
<td>App. Average GP margin</td>
<td>Franchised</td>
</tr>
<tr>
<td>I. Hypermarket</td>
<td></td>
<td>Over 6,000</td>
<td>app.78%</td>
<td>20%</td>
<td>704</td>
</tr>
<tr>
<td>II. Standard supermarket</td>
<td></td>
<td>500 – 800</td>
<td>app.10%</td>
<td>21%</td>
<td>1,373</td>
</tr>
<tr>
<td>III. Convenience stores</td>
<td></td>
<td>30 – 120</td>
<td>app.4%</td>
<td>23%</td>
<td>1,253</td>
</tr>
<tr>
<td>IV. Ole‘, blt</td>
<td></td>
<td>4,000</td>
<td>app.3%</td>
<td>more than 25%</td>
<td>41</td>
</tr>
<tr>
<td>V. Pacific Coffee</td>
<td></td>
<td>120</td>
<td>app.1%</td>
<td>more than 50%</td>
<td>356</td>
</tr>
<tr>
<td>VI. CAC and CR Care</td>
<td></td>
<td>various</td>
<td>app.2%</td>
<td>more than 25%</td>
<td>157</td>
</tr>
<tr>
<td>VII. Health and beauty stores</td>
<td></td>
<td>200</td>
<td>less than 1%</td>
<td>more than 25%</td>
<td>161</td>
</tr>
<tr>
<td>VIII. Wine cellar and others</td>
<td></td>
<td>200</td>
<td>app. 2%</td>
<td>Various</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,071</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,825</td>
</tr>
</tbody>
</table>
Appendix II – Historical track record of CRE

- Strong growth momentum in each businesses
  Retail (incl. investment property, excl. non-core assets)
  Beer
  Food
  Beverage

Turnover: +28%; UNP: +7%
CAGR (from 2001 to 2013)

Turnover: +32%; UNP: +3%
CAGR (from 2001 to 2006)

Turnover: +26%; UNP: +9%
CAGR (from 2006 to 2013)

Turnover: +47%; UNP: +76%
CAGR (from 2001 to 2013)

Turnover: +34%; UNP: +47%
CAGR (from 2001 to 2013)

Decline of UNP in 2011 and 2012 was mainly due
 to 40% share to Kirin since August 2011.

*Decline of UNP in 2011 and 2012 was mainly due
 to 40% share to Kirin since August 2011.*
Appendix III – Historical operating summary

- Increasing market share and net asset without share dilution in past 4 years

CAGR (from 2010 to 2013)

- Turnover: 19%
- EBITDA (from core businesses): 11%
- Net asset per share (book value): 11%
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.**

![Graph showing the contribution of Chinese cities to global GDP growth](image)

Chinese cities will contribute almost 30% of the global GDP

<table>
<thead>
<tr>
<th>China region</th>
<th>South Asia</th>
<th>South-east Asia</th>
<th>Latin America</th>
<th>Eastern Europe and Central Asia</th>
<th>Middle East and North Africa</th>
<th>Sub-Saharan Africa</th>
<th>Developing regions S&amp;R</th>
<th>Total developing regions</th>
<th>United States and Canada</th>
<th>Western Europe</th>
<th>North-east Asia</th>
<th>Austral-Asia</th>
<th>Developed regions S&amp;R</th>
<th>Global growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>
| S&R = small cities and rural areas.

Source: McKinsey

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Appendix V – Better position for CRE

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.*

- **Huhehaote**
- **Taiyuan**
- **Xi’an**
- **Zhengzhou**
- **Wuhan**
- **Chongqing**
- **Chengdu**
- **Changsha**
- **Guangzhou**
- **Kunming**
- **Nanning**
- **Shenzhen**

Source: McKinsey and Company data

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Appendix VI – Experience in Homeworld’s turnaround

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

Net Profit (HKD mn)

2007: -563  
2008: -63  
2009: -38  
2010: 51

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Appendix VII – 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 VIII – Historical major M&As in beer business

Strong bargaining power and lower acquisition cost on M&A

**Acquisitions related to CRB**
- CRB acquired 100% in Anhui Huabei Xiangwang Brewery (0.09mlk)
- AB InBev acquired 100% in Fujian Sedrin Brewery (0.1mlk)
- CRB acquired 45% in Jiangsu Dafuhao; 100% in Shanghai Brewery (0.49mlk)
- CRB acquired 85% in Quanzhou Qingyuan Brewery (0.1mlk)
- CRB acquired 100% in Zhejiang Yinyan Brewery (0.19mlk)
- CRB acquired 38% remaining stake in Blue Sword Sichuan and 100% in BlueSword Guizhou (0.75mlk)
- CRB acquired 90% stake in Hupo brewery in Shandong (0.27mlk)
- CRB acquired 100% stake in Xihu (0.14mlk)
- CRB acquired 45% in Shandong Xin Immense Brewery (5.5mlk)
- CRB acquired 45% in Jiangsu Santai (0.1mlk)
- CRB acquired 100% in Shenyang Brewery (0.22mlk)
- CRB acquired 10% remaining stake in CRB Binzhou (0.02mlk)
- CRB acquired 20% stake in Shenyang Brewery (0.43mlk)

**Acquisitions not related to CRB**
- AB InBev acquired further 1.31% stake of Zhujiang Brewery (0.02mlk)
- CRB acquired 100% in Anhui Huaibei Xiangwang Brewery (0.09mlk)
- CRB acquired 90% stake in CRB Acquired 45% in Shandong Xin Immense Brewery (5.5mlk)
- CRB acquired 38% remaining stake in Blue Sword Sichuan and 100% in BlueSword Guizhou (0.75mlk)
- CRB acquired 90% stake in Aoke beer (0.29mlk)
- CRB acquired 27% stake in CR Snow Zhejiang (0.19mlk)
- CRB acquired 100% stake in Shandong Liaocheng (0.09mlk)
- CRB acquired 100% stake in Aoke beer (0.29mlk)
- CRB acquired 100% stake in Shandong Xin Immense Brewery (5.5mlk)

---

Source: Deutsche bank and Company data

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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

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## Appendix X – CRE awards

### Highlights of accolades received

<table>
<thead>
<tr>
<th>Year Range</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Since 2002</td>
<td>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.</td>
</tr>
<tr>
<td>2005-2014</td>
<td>Named one of outstanding enterprises among HK blue-chip companies by <em>Economic Digest</em>.</td>
</tr>
<tr>
<td>2006-2011</td>
<td>Selected as one of the recipients of the &quot;Recognition Awards - Asia's Best Companies for Corporate Governance&quot; by <em>Corporate Governance Asia</em>.</td>
</tr>
<tr>
<td>2006/2010</td>
<td>Honored as one of the awardees in the Board Category for &quot;Listed Companies (SEHK-Hang Seng Index Constituents)&quot; in &quot;Directors Of The Year Awards 2010&quot; by <em>Hong Kong Institute of Directors</em>.</td>
</tr>
<tr>
<td>2009-2014</td>
<td>Ranked one of the top three retail organizations (Gold award in 2013 and 2014) for China in Retail Asia-Pacific Top 500 Awards by <em>Retail Asia Publishing</em>.</td>
</tr>
<tr>
<td>2010-2012, 2014</td>
<td>Mr. Chen Lang (2010-2012), Mr. Hong Jie (2014) was selected as one of winners in China of Asian Corporate Director Recognition Awards by <em>Corporate Governance Asia</em>.</td>
</tr>
<tr>
<td>2010-2014</td>
<td>Received &quot;CAPITAL Outstanding China Enterprise Award-Consumer Goods&quot; in The CAPITAL Outstanding China Enterprise Awards from <em>CAPITAL</em>.</td>
</tr>
</tbody>
</table>

Please refer to our company website, [www.cre.com.hk](http://www.cre.com.hk), for further details of awards received prior to 2009.

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## Appendix X – CRE awards (Cont'd)

### Highlights of accolades received

<table>
<thead>
<tr>
<th>Year</th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-2014</td>
<td>Received awards for cover photo/design; printing and production; non-traditional in the categories of food distributors, processors &amp; wholesalers, manufacturing &amp; Distributing, Food &amp; Consumer Packaged Goods and Multi-Industry – Products &amp; Services, Retail – Supermarket, Food Processing, Retail – Convenience and Department Stores in International Annual Report Competition Awards from <em>MerComm, Inc.</em></td>
</tr>
<tr>
<td>2010/2013</td>
<td>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 <em>Corporate Governance Asia</em></td>
</tr>
<tr>
<td>2011</td>
<td>Received the Best Management Team Award in Golden Bauhinia Award by <em>Ta Kung Pao</em></td>
</tr>
<tr>
<td>2010/2012</td>
<td>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 <em>Asiamoney</em></td>
</tr>
<tr>
<td>2011-2014</td>
<td>Ranked number 981/861/800/1067 in Global 2000 from <em>Forbes</em></td>
</tr>
<tr>
<td>2011</td>
<td>Received &quot;The Largest Capiptalization Company Award&quot; in Mainland Enterprises Listed in Hong Kong Ranking 2010 by <em>Yazhou Zhoukan</em></td>
</tr>
</tbody>
</table>
## Appendix X – CRE awards (Cont'd)

### Highlights of accolades received

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-2014</td>
<td>Awarded as one of the companies receiving the commendation in Corporate Social Responsibility Award by CAPITAL and CAPITAL Weekly</td>
</tr>
<tr>
<td>2011-2013</td>
<td>Ranked number 39 /46/37 in Fortune China 500</td>
</tr>
<tr>
<td>2011</td>
<td>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 Asiamoney</td>
</tr>
<tr>
<td>2012/2013</td>
<td>Received Outstanding Corporate Social Responsibility Award by The Mirror Monthly Magazine</td>
</tr>
<tr>
<td>2012-2014</td>
<td>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 Corporate Governance Asia</td>
</tr>
<tr>
<td>2012/2013</td>
<td>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 Institutional Investor</td>
</tr>
<tr>
<td>2012/2013</td>
<td>Awarded as Best in Sector – Consumer Goods &amp; Services, Investor Relations by a Hong Kong Company (2012, 2013) and Investor Relations Officer (Hong Kong) (2012) by IR Magazine</td>
</tr>
<tr>
<td>2012</td>
<td>Ranked number 428 in Green Rankings – Global 500 List by Newsweek</td>
</tr>
</tbody>
</table>
## Appendix X – CRE awards (Cont'd)

### Highlights of accolades received

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-2014</td>
<td>Selected as one of the companies receiving &quot;Global Chinese Business 1000 – Outstanding Performance Award&quot; by Yazhou Zhoukan</td>
</tr>
<tr>
<td>2013</td>
<td>Mr. Frank Lai was selected as Asian Company Secretary of the Year by Corporate Governance Asia</td>
</tr>
<tr>
<td>2013</td>
<td>Received award as the Winner of Global Top Mid-Cap and ranked 19th in Global Top 50 Gold in IR Magazine</td>
</tr>
<tr>
<td>2013</td>
<td>Received award for Outstanding Listed Company of the Year by the Hong Kong Institute of Financial Analysts and Professional Commentators Limited</td>
</tr>
<tr>
<td>2013</td>
<td>Ranked 93th in Top 250 Global Retailers from Deloitte and STORES Media</td>
</tr>
<tr>
<td>2014</td>
<td>Ranked 3th in the Top 5 Best Employers (Retail – Department Stores Industry) from ChinaHR.com</td>
</tr>
<tr>
<td>2014</td>
<td>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 League of American Communications Professionals LLC</td>
</tr>
<tr>
<td>2014</td>
<td>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.</td>
</tr>
</tbody>
</table>

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