

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Resources Enterprise, Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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華潤創業有限公司
China Resources Enterprise, Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 291)

MAJOR TRANSACTION

**DISPOSAL OF THE COMPANY'S PETROLEUM
DISTRIBUTION BUSINESS IN HONG KONG**

A notice convening an extraordinary general meeting of the Company to be held immediately after an annual general meeting of the Company to be convened at 3:30 p.m. on Thursday, May 31, 2007 (or at 4:30 p.m. on the same day if no such annual general meeting is held) at 50th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, is set out on pages 22 to 23 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed. Whether or not you are able to attend and vote at the extraordinary general meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's registered office at 39th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from subsequently attending and voting in person at the extraordinary general meeting or any adjourned meeting should you so wish.

May 11, 2007

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

“Agreement”	A sale and purchase agreement dated April 19, 2007 relating to the Disposal
“Associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	The board of directors of the Company
“Chinese Mainland”	The PRC excluding Hong Kong
“Circular”	A circular of the Company dated May 11, 2007
“Company”	China Resources Enterprise, Limited, a company incorporated in Hong Kong and listed on the Stock Exchange (Stock Code: 291)
“Completion”	Completion of the Agreement
“Completion Date”	Date of Completion
“Conditions”	The conditions precedent for the Completion
“CRH”	China Resources (Holdings) Company Limited, the immediate holding company of the Company interested in about 51.96% of the Company’s issued share capital as at the Latest Practicable Date, a company incorporated in Hong Kong with limited liability
“CRH Group”	CRH and its subsidiaries other than the Group
“CRPI”	China Resources Petrochems Investments Limited, a company incorporated under the laws of the British Virgin Islands and wholly owned by the Company. CRPI is the holding company of the Company’s petroleum distribution business in Hong Kong
“CRPI Group”	CRPI and its subsidiaries
“Disposal”	Disposal of the entire equity interest in CRPI by the Company under the Agreement
“Directors”	The directors of the Company

DEFINITIONS

“EGM”	An extraordinary general meeting of the Company to be held immediately after an annual general meeting of the Company to be convened at 3:30 p.m. on Thursday, May 31, 2007 (or at 4:30 p.m. on the same day if no such annual general meeting is held) at 50th floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong and any adjournment thereof
“Group”	the Company and its subsidiaries
“HK GAAP”	Accounting principles generally accepted in Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	The shareholder(s) of the Company other than CRH and its Associates as CRH considers itself having a material interest in the Disposal and hence decides that it and its Associates will abstain from voting at the EGM
“Latest Practicable Date”	May 7, 2007, being the latest practicable date for ascertaining certain information for inclusion in the Circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China
“SFO”	The Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Sinopec”	中國石油化工股份有限公司 (China Petroleum & Chemical Corporation), a company incorporated in the PRC and listed on the Stock Exchange (stock code: 386), the Shanghai Stock Exchange, the London Stock Exchange and the New York Stock Exchange and a constituent stock of the Hong Kong Hang Seng Index. Sinopec is an integrated energy and chemical company with upstream, midstream and downstream operations
“Share(s)”	Share(s) of HK\$1.00 each in the capital of the Company
“Shareholder(s)”	Holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Special Dividend”	A special dividend of HK\$0.6 per Share intended to be declared by the Company shortly after the Completion
“HK\$” and “cent(s)”	Hong Kong dollar(s) and cent(s), the lawful currency of Hong Kong



華潤創業有限公司
China Resources Enterprise, Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 291)

Executive directors:

Song Lin (Chairman)
Chen Shulin (Managing Director)
Keung Chi Wang, Ralph (Deputy Managing Director)
Wang Qun (Deputy Managing Director)
Lau Pak Shing (Deputy Managing Director)
Kwong Man Him (Deputy Managing Director)

*Registered office and
Head Office:*

39th Floor
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

Non-executive directors:

Qiao Shibo
Yan Biao
Jiang Wei
Wang Shuaiting
Xie Shengxi

Independent non-executive directors:

Chan Po Fun, Peter
Houang Tai Ninh
Li Ka Cheung, Eric
Cheng Mo Chi
Bernard Charnwut Chan
Siu Kwing Chue, Gordon

May 11, 2007

To the Shareholders

Dear Sir or Madam,

INTRODUCTION

In an announcement of the Company dated April 19, 2007, the Board announced that the Company has, on the same date, entered into a conditional agreement with Sinopec for the disposal of its 100% equity interest in CRPI at a cash consideration of HK\$4,000 million. Prior to the Completion, CRPI is a wholly owned subsidiary of the Company and the holding company of the Group's petroleum distribution business in Hong Kong.

LETTER FROM THE BOARD

The proceeds from the Disposal will be used by the Group for general working capital and the payment of the Special Dividend. Taking into account the current financial position and future funding needs of the Group, it is intended that the Special Dividend of HK\$0.6 per Share, being approximately HK\$1,424 million, based on the issued share capital of the Company as at the Latest Practicable Date, representing approximately 36% of the proceeds, will be declared by the Company shortly after the Completion and the remaining of the proceeds of approximately HK\$2,576 million will be used for general working capital for the further expansion and development of the core businesses of the Group. Details of the Special Dividend arrangement will be announced by the Company shortly after the Completion.

THE AGREEMENT

Date: April 19, 2007

Vendor: The Company

Purchaser: Sinopec or its designated wholly owned subsidiary

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Sinopec is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

Assets to be disposed: The entire equity interest in CRPI. Following the Completion, the Company will cease to have any interest in CRPI and CRPI will cease to be a subsidiary of the Company.

Consideration: HK\$4,000 million

Payment arrangement: The consideration for the Disposal shall be satisfied in cash, payable on Completion.

Conditions precedent: Completion is conditional upon the fulfillment of the following Conditions:

- i. the passing of a resolution by the Shareholders at the EGM; and
- ii. all necessary consents, confirmations and approvals (or waivers) in respect of the Disposal required by Sinopec from the following government departments of the PRC: (i) National Development and Reform Commission, (ii) Ministry of Commerce and (iii) State Administration of Foreign Exchange.

As at the Latest Practicable Date, none of the Conditions has been fulfilled.

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Completion: Subject to the terms of the Agreement and the fulfilment of the Conditions, Completion is expected to take place on June 29, 2007 (or, if earlier, on the 15th business day after the satisfaction of the Conditions).

Long Stop Date: If the Conditions are not satisfied on or before June 30, 2008 (or such other day as may be agreed between the Company and Sinopec), the Agreement shall lapse and be of no further effect and the parties thereto shall have no liability to the other, save for antecedent breaches.

INFORMATION ON CRPI

CRPI is the holding company of the CRPI Group in respect of the petroleum distribution business of the Group in Hong Kong and is principally engaged in the following businesses:

- the transportation, storage and marketing of petroleum products, including gas oil, fuel oil, kerosene, jet fuel, gasoline and lubricants, to both the wholesale and retail markets in Hong Kong, comprising petrol and LPG petrol filling stations, petrol filling stations, LPG gas filling stations;
- the distribution of LPG gas in Hong Kong;
- the ownership and operation of oil tankers, gas tanker and small to medium size vessels, which are employed exclusively by the oil distribution operation.

The audited consolidated net profits before taxation, extraordinary items and minority interests and the net profits attributable to shareholders of CRPI in respect of the two financial years ended December 31, 2006 prepared under HK GAAP are as follows:

CRPI HK\$ million	Year ended December 31	
	2005 <i>(audited)</i>	2006 <i>(audited)</i>
Consolidated net profits before taxation, extraordinary items and minority interests	671.1	388.8
Consolidated net profits attributable to shareholders	522.6	329.0

The CRPI Group used to be the holding company of the Group's entire petroleum and related products distribution businesses in both Hong Kong and Chinese Mainland but the CRPI Group disposed most of the petroleum and related products distribution businesses in Chinese Mainland in 2005 and 2006. Based on the group structure of the CRPI Group as of the date of the Circular, the unaudited net profits (both before and after taxation and extraordinary items) attributable to the assets subject to the Disposal (being

LETTER FROM THE BOARD

the Group's entire petroleum distribution businesses in Hong Kong) for the two financial years ended December 31, 2006 are as follows:

Attributable to the assets subject to the Disposal HK\$ million	Year ended December 31	
	2005 <i>(audited)</i>	2006 <i>(audited)</i>
Net profits before taxation, extraordinary items and minority interests	373.0	418.1
Net profits attributable to shareholders	314.3	359.4

The audited consolidated net asset of CRPI prepared under HK GAAP as of December 31, 2006 was approximately HK\$1,663.9 million.

BASIS OF CONSIDERATION

The consideration of HK\$4,000 million has been arrived at after arm's length negotiations between the Vendor and the Purchaser after taken into account, among others, the consolidated net profits of CRPI for the two years ended December 31, 2006 and the consolidated net asset value of CRPI as at the Completion Date, trading multiples of comparable companies in the oil and petroleum distribution industry in Hong Kong and the future prospects with reference to the prevailing commercial and business conditions in which the CRPI Group operates (including but not limited to the volatility of oil prices, intensified competition of the petroleum distribution industry in Hong Kong and the saturated market with limited growth opportunity).

The consideration is subject to a dollar for dollar adjustment after Completion if the audited consolidated net asset value of CRPI as at the Completion Date (prepared under HK GAAP) is less than or more than HK\$1,600 million.

The consideration represents 12.2 times of the audited consolidated net profit of CRPI for the year ended December 31, 2006 of approximately HK\$329 million and a premium of approximately 150.0% over the estimated audited consolidated net asset value of CRPI as at the date of Completion of approximately HK\$1,600 million.

Based on the price earnings multiple and premium to net asset value, the future prospects and the track record of the CRPI Group, the Directors (including the independent non-executive Directors) consider that the terms of the Agreement are on normal commercial terms and the terms thereof are fair and reasonable and the Disposal is in the interest of the Shareholders as a whole.

LETTER FROM THE BOARD

FINANCIAL EFFECT OF THE DISPOSAL ON THE COMPANY

As the CRPI Group was profitable for the two financial years ended December 31, 2006, the loss of the profit contribution from the CRPI Group will lower the earnings of the Group in 2007. However, it is expected that the Group will recognise a gain on disposal upon completion of the Disposal for a year. Prior to Completion, the accounts of CRPI will continue to be consolidated in the accounts of the Group. Based on the consolidated net asset value of CRPI of approximately HK\$1,600 million as at the Completion Date, it is estimated that the Company will recognise a gain on the Disposal of approximately HK\$2,400 million in the consolidated accounts of the Company upon completion of the Disposal.

The consolidated assets and liabilities of the Group will be reduced by the assets and liabilities of the CRPI Group upon the Completion as CRPI is a wholly owned subsidiary of the Company and the Company will cease to have any interest in CRPI after the Completion. The consolidated net asset of the Group will initially be increased by the gain on disposal of CRPI of approximately HK\$2,400 million immediately after the Completion. With the Special Dividend, the consolidated net asset of the Group will be reduced accordingly. As at the Latest Practicable Date, the issued and fully paid share capital of the Company were approximately HK\$2,373 million. Based on such issued and fully paid share capital, the consolidated net asset of the Group will be reduced by some HK\$1,424 million after payment of the Special Dividend.

REASONS FOR THE DISPOSAL

With an objective of becoming the largest consumer company in China, the Group has been restructuring its non-core businesses so as to shift its focus to the core consumer business and to divest the non-core businesses. As part of such restructuring program, the Group has completed the disposal of its piped gas business, chemical business and other petroleum related businesses in the Chinese Mainland in November, 2006. The Group has further decided to divest its petroleum and related products distribution businesses in Hong Kong as the Disposal will substantially complete the strategy of the Group in relation to the transformation of the Group's business into the core consumer business. Following the Completion, the Group will cease to be engaged in the petroleum and related products distribution businesses in Hong Kong and Chinese Mainland.

The proceeds from the Disposal will be used by the Group for general working capital and the payment of the Special Dividend. Taking into account the current financial position and future funding needs of the Group, it is intended that the Special Dividend of HK\$0.6 per Share, being approximately HK\$1,424 million, based on the issued share capital of the Company as at the Latest Practicable Date, representing approximately 36% of the proceeds, will be declared by the Company shortly after the Completion and the remaining of the proceeds of approximately HK\$2,576 million will be used for general working capital for the further expansion and development of the core businesses of the Group. Details of the Special Dividend arrangement will be announced by the Company shortly after the Completion.

LETTER FROM THE BOARD

Shareholders and potential investors should be aware that payment of a special dividend by the Company is subject to the Completion. Accordingly, they are advised to exercise caution when dealing in the Shares.

INFORMATION ON THE COMPANY

The Company is a company listed on the Stock Exchange, with business emphasis on the consumer business in Chinese Mainland and Hong Kong. The Group's core activities are retail, beverage, food processing and distribution, textile and property investments. It also has businesses in petroleum and related products distribution as well as other investments.

In consistent with the Group's policy, the Group has been and will continue to review its business portfolio (including but not limited to businesses or assets which are outside the core portfolio or which lack critical mass). The Group currently does not have any definite plan or time table for the disposals of any business or asset which are outside the core portfolio or which lack critical mass.

LISTING RULES COMPLIANCE AND APPROVAL BY SHAREHOLDERS

The Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to, among other things, Shareholders' approval by majority vote at the EGM. Any Shareholder with a material interest in the Disposal and his Associates shall abstain from voting on resolution(s) approving the Disposal. The CRPI Group has been carrying on certain continuing transactions with the CRH Group in relation to the storage of petroleum and related products and the management of facilities at the oil depots at Tsing Yi and Chai Wan as set out in the circular of the Company dated November 1, 2000. The Company has been advised by CRH that CRH has entered into separate arrangements with Sinopec in relation to the oil depots. In light of the separate arrangements between CRH and Sinopec, CRH, as the controlling shareholder of the Company, considers itself having a material interest in the Disposal and hence decides that it and its Associates will abstain from voting at the EGM.

EXTRAORDINARY GENERAL MEETING

Notice of the EGM is set out on pages 22 to 23 of the Circular of which this letter forms part. A form of proxy for use at the EGM is enclosed with the Circular. Whether or not you are able to attend and vote at the EGM, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's registered office at 39th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from subsequently attending and voting in person at the EGM or any adjourned meeting should you so wish.

LETTER FROM THE BOARD

At any general meeting of the Company, resolutions put to the vote of the meeting shall be decided on a show of hands unless a poll is taken as may from time to time be required under the Listing rules and/or other applicable laws and regulations or unless a poll is (before or on the declaration of the result of the show of hands) demanded by (a) the chairman of the meeting; or (b) not less than five Shareholders present in person or by proxy and having the right to vote at the meeting; or (c) a Shareholder or Shareholders present in person or by proxy representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or (d) a Shareholder or Shareholders present in person or by proxy holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring the right.

According to Rule 13.39(4) of the Listing Rules, any vote taken at the EGM shall be taken by poll. The Company shall announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Board considers that the Agreement was entered on normal commercial terms and the terms of the Disposal are fair and reasonable and believes that the resolution to be proposed at the EGM are in the interests of the Company and the Shareholders as a whole and recommends the Independent Shareholders to vote in favour of the resolution as set out in the notice of the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the further information contained in the appendices to the Circular and the notice of the EGM.

Yours faithfully,
By Order of the Board
China Resources Enterprise, Limited
Song Lin
Chairman

Statement of Indebtedness

At the close of business on March 31, 2007, being the latest practicable date for the purpose of ascertaining information contained in this section headed “Statement of Indebtedness” prior to the printing of the Circular, the Group had secured bank borrowings of approximately HK\$201 million which were secured by fixed charges on certain fixed assets of the Group with an aggregate net book value of approximately HK\$83 million; unsecured borrowings of approximately HK\$9,418 million comprising bank loans of approximately HK\$9,275 million, and other loans substantially from minority shareholders of certain subsidiaries of the Group to these subsidiaries of approximately HK\$143 million; and obligations under finance leases of approximately HK\$2 million. In addition, the Group had at that date contingent liabilities in respect of a guarantee for bank loan effectively provided to an associate of approximately HK\$500 million.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have outstanding as at March 31, 2007 any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans, debt securities or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities.

Working Capital Statement

The Directors are of the opinion that after taking into account the present internal financial resources of the Group, the estimated net proceeds of the Disposal and the Special Dividend of HK\$0.60 per Share intended to be declared by the Company shortly after the Completion, the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of the Circular.

Financial and trading prospects of the Group

Since the beginning of the current financial year, the core activities of the Group have remained to be retail, beverage, food processing and distribution, textile and property investments. Following the Completion, the Group will cease to be engaged in the non-core petroleum and related products distribution businesses in Hong Kong and Chinese Mainland.

Looking forward, the future expansion of the supermarket business of the Group will be very focused in terms of location and store format to establish dominance within the target district in the most efficient way. Of the four store formats of the supermarket business of the Group, the Group will open mainly hypermarket and standard supermarket depending on the local demographics and economies. The beverage business will continue to promote its national beer brand, “SNOW”, and develop its beer distribution network along the coastal line and Yangtze River into the neighbouring areas to capitalize on the rising demand in the mainland beer market. The food processing and distribution business will continue to promote its “Ng Fung” brand as high quality fresh meat and develop a competent supply chain in the major cities of the Chinese Mainland from pig sourcing, slaughtering, meat production to retailing. Despite the challenging environment of the textile market, the Group will continue to establish its comparative advantage in high end yarn and nylon products to match strong overseas demand for high quality shirts and stockings and target denim casual wears to lead its garment export.

Responsibility Statement

The Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Disclosure of Interests

Directors

As at the Latest Practicable Date and in accordance with the records of the Company maintained in accordance with the SFO and the Listing Rules and the confirmation provided by each Director, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the SFO, which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors and chief executive of the Company are taken or deemed to have under such provisions of the SFO, or which are required to be entered in the register required to be kept pursuant to section 352 of the SFO or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, were as follows:

(a) *Interests in issued ordinary shares and underlying shares of the Company*

Name of Directors	Long position/ Short position	Number of Shares	Number of underlying Shares ¹	Aggregate percentage of interest ² (%)
Song Lin	Long position	1,800,000	–	0.08
Chen Shulin	Long position	2,412,000	–	0.10
Wang Qun	Long position	360,000	–	0.02
Lau Pak Shing	Long position	600,000	–	0.03
Kwong Man Him	Long position	1,194,000	–	0.05
Qiao Shibo	Long position	1,400,000	–	0.06
Yan Biao	Long position	1,000,000	–	0.04
Jiang Wei	Long position	240,000	–	0.01
Chan Po Fun, Peter	Long position	336,000	200,000	0.03
	Long position	170,000 ³		
Houang Tai Ninh	Long position	–	200,000	0.01
Li Ka Cheung, Eric	Long position	–	200,000	0.01

1. This refers to underlying Shares covered by share options granted, such options being unlisted physically settled equity derivatives.
2. This represents the percentage of the aggregate long positions in Shares and underlying Shares to the total issued share capital of the Company as at the Latest Practicable Date.
3. Such interest is held by a company of which Dr. Chan Po Fun, Peter is interested in 88.25% of its issued share capital.
4. Save as otherwise specified under note 3, interests disclosed hereunder are being held by each Director in his capacity as beneficial owner.

(b) *Interest in issued ordinary shares and underlying shares of associated corporations*

- (i) Interests in issued ordinary shares and underlying shares of an associated corporation, China Resources Land Limited (“CR Land”):

Name of Directors	Long position/ Short position	Number of Shares	Number of underlying Shares ¹	Aggregate percentage of interest ² (%)
Song Lin	Long position	–	900,000	0.03
Chen Shulin	Long position	700,000	–	0.02
Lau Pak Shing	Long position	–	500,000	0.01
Qiao Shibo	Long position	700,000	–	0.02
Yan Biao	Long position	1,992,000	–	0.06
Jiang Wei	Long position	892,000	–	0.03
Wang Shuaiting	Long position	200,000	540,000	0.02
Xie Shengxi	Long position	80,000	500,000	0.02

1. This refers to the number of underlying shares of CR Land covered by share options granted, such options being unlisted physically settled equity derivatives.
2. This represents the percentage of the aggregate long positions in shares and underlying shares of CR Land to the total issued share capital of CR Land as at the Latest Practicable Date.
3. All interests disclosed above are being held by each Director in his capacity as beneficial owner.

- (ii) Interests in issued ordinary shares and underlying shares of an associated corporation, China Resources Logic Limited (“CR Logic”):

Name of Directors	Long position/ Short position	Number of Shares	Number of underlying Shares ¹	Aggregate percentage of interest ² (%)
Song Lin	Long position	2,018,000	8,900,000	0.39
Yan Biao	Long position	–	6,000,000	0.22
Jiang Wei	Long position	–	720,000	0.03
Wang Shuaiting	Long position	–	540,000	0.02
Xie Shengxi	Long position	–	450,000	0.02
Lau Pak Shing	Long position	1,316,000	–	0.05

1. This refers to the number of underlying shares of CR Logic covered by share options granted, such options being unlisted physically settled equity derivatives.
2. This represents the percentage of the aggregate long positions in shares and underlying shares of CR Logic to the total issued share capital of CR Logic as at the Latest Practicable Date.
3. All interests disclosed above are being held by each Director in his capacity as beneficial owner.

- (iii) Interests in issued ordinary shares and underlying shares of an associated corporation, China Resources Power Holdings Company Limited (“CR Power”):

Name of Directors	Long position/ Short position	Number of Shares	Number of underlying Shares ¹	Aggregate percentage of interest ² (%)
Song Lin	Long position	–	2,900,000	0.08
Chen Shulin	Long position	–	640,000	0.02
Wang Qun	Long position	–	500,000	0.01
Lau Pak Shing	Long position	–	200,000	0.01
Qiao Shibo	Long position	200,000	900,000	0.03
		–	30,000 ³	
Yan Biao	Long position	–	560,000	0.01
Jiang Wei	Long position	–	1,600,000	0.04
Wang Shuaiting	Long position	2,000,000	3,250,000	0.14
Xie Shengxi	Long position	–	700,000	0.02

1. This refers to the number of underlying shares of CR Power covered by share options granted, such options being unlisted physically settled equity derivatives.
2. This represents the percentage of the aggregate long positions in shares and underlying shares of CR Power to the total issued share capital of CR Power as at the Latest Practicable Date.
3. Mr. Qiao Shibo was deemed to be interested in the 30,000 underlying shares through interests of his spouse.
4. Save as otherwise specified in note 3, interests disclosed hereunder are being held by each Director in his capacity as beneficial owner.

Shareholders with notifiable interests and Substantial Shareholders

The Company

As at the Latest Practicable Date, other than the interests and short positions as disclosed above, so far as is known to the Directors, the following persons have interests or short positions in the Shares and underlying Shares as fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company:

Name of interested party	Number of shares in which the interested party is deemed to have interests	Percentage of shareholding (%)
China Resources National Corporation ("CRNC") ¹	1,232,764,380	51.96
China Resources Co., Limited ¹	1,232,764,380	51.96
CRC Bluesky Limited ¹	1,232,764,380	51.96
CRH ¹	1,232,764,380	51.96
Commonwealth Bank of Australia ²	212,545,767	8.96
J.P. Morgan Chase & Co. ³	140,440,757	5.92

1. CRH is a 100% subsidiary of CRC Bluesky Limited, which is in turn owned as to 100% by China Resources Co., Limited, which is in turn held as to 99.98% by CRNC. The above reference to 1,232,764,380 Shares relate to the same block of Shares.
2. According to the information disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, these Shares were held by corporations controlled directly or indirectly as to 100% by Commonwealth Bank of Australia.
3. According to the information disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, these Shares were held by J.P. Morgan Chase & Co. and corporations controlled by it (note 4) in the respective following capacity:

Capacity	No. of Shares
Beneficial owner	4,496,700
Investment manager	48,502,000
Approved lending agent	87,442,057
4. According to the information disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, other than the following corporation which was held by J.P. Morgan Chase & Co. in the manner described below, all these corporations were controlled directly or indirectly as to 100% by J.P. Morgan Chase & Co.:	
Name of corporation	Percentage interest (direct or indirect) held by J.P. Morgan Chase & Co.
J.P. Morgan Securities Ltd.	98.95%

Substantial shareholders in other members of the Group

As at the Latest Practicable Date, so far as is known to, or can be ascertained after reasonable enquiry by, the Directors, the following persons were, directly or indirectly, interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

Members of the Group	Name of substantial shareholding(s)	Percentage of shareholder (%)
Senica International Limited	(1) Cheung Kong Investment Company Limited	22.5
	(2) Crownmax Limited	22.5
China International Fisheries Corp (中國國際漁業公司)	中國水產總公司 (China National Fisheries Corp.)	49
C & G Fisheries Company Limited	Legon Fishing Company Limited	49
Chinese Wine Trading Company Limited 中國酒業貿易有限公司	Au Yeung Yik Fung 歐陽亦芹	10
Chung Kong Luen Livestock Company Limited 中港聯合生豬有限公司	(1) China Live Pigs Trading Limited 中國生豬貿易有限公司	15.59
	(2) Hong Kong Live Pigs Trading Limited 香港生豬貿易有限公司	15.59
	(3) Jointforce Trading Company Limited 聯能貿易有限公司	17.82

Members of the Group	Name of substantial shareholding(s)	Percentage of shareholder (%)
Fordex International Limited 和泰國際有限公司	Tai Kong Nam International Limited 大江南國際有限公司	49
五豐食品(深圳)有限公司 (Ng Fung Foods (Shenzhen) Co., Ltd.)	深圳市投資控股有限公司 (Shenzhen Investment Holding Co., Ltd.)	30
深圳市鹽海肉類綜合加工有限公司 (Shenzhen Yan Hai Meat Multi-Processing Co., Ltd.)	深圳市鹽田區果菜食品公司 (Shenzhen Yan Tian Vegetable & Foodstuffs Co.)	47
杭州五豐嘉興冷食有限公司 (Hangzhou NF Jiaying Refrigerated Food Co., Ltd.)	杭州冷氣製品廠 (Hangzhou Refrigerated Food Factory)	40
杭州五豐冷食有限公司 (Hangzhou NF Refrigerated Food Co., Ltd.)	杭州冷氣製品廠 (Hangzhou Refrigerated Food Factory)	40
浙江潤豐冷食有限公司 (Zhejiang RunFeng Refrigerated Foods Co., Ltd.)	杭州商業資產經營(有限)公司 (Hangzhou Commercial Assets Operation (Limited) Company)	40
湖州五豐冷食有限公司 (Huzhou NF Refrigerated Food Co., Ltd.)	杭州冷氣製品廠 (Hangzhou Refrigerated Food Factory)	40
江西五豐食品有限公司 (Jiangxi Ng Fung Foodstuffs Co., Ltd.)	會昌縣精製米食公司 (Huichang Country Refined Rice Products Company)	42
江西五豐牧業有限公司 (Jiangxi Wufeng Stock-Raising Co., Ltd.)	江西省糧油食品進出口公司 (Jiangxi Cereals, Oils & Foodstuffs Import & Export Corp.)	49
江西五豐畜牧科技有限公司 (Jiangxi Wu Feng Science & Technology of Livestock Raising Co., Ltd.)	江西省糧油食品進出口公司 (Jiangxi Cereals, Oils & Foodstuffs Import & Export Corp.)	49
Kowloon Live Cattle Trading Limited 九龍生牛貿易有限公司	(1) Ip Moon Tong 葉滿堂 (2) Keensky Company Limited 建天有限公司	20 20

Members of the Group	Name of substantial shareholding(s)	Percentage of shareholder (%)
Lian You Enterprise Company, Limited 聯友企業有限公司	四川新天地糧油食品進出口有限責任公司 (Sichuan NSL Cereals, Oils & Foodstuffs I/E Co., Ltd.)	49
Man Luen Hong Motor Company Limited 香港文聯運輸有限公司	中糧深圳糧油食品進出口公司 (Ceroilfood Shenzhen Cereals, Oils & Foodstuff Import & Export Company)	20
Ng Fung Slaughterhouse (Hong Kong) Company Limited 五豐屠房(香港)有限公司	Richgold Enterprises Limited 富高企業有限公司	30
上海五豐畜禽食品有限公司 (Shanghai Ng Fung Livestock Poultry & Foodstuff Co., Ltd.)	上海市食品進出口公司 (Shanghai Foodstuffs Import & Export Corp)	49
上海五豐上食畜牧有限公司 (Shanghai Ng Fung Shangshi Livestock Co., Ltd.)	錦江國際(集團)有限公司 (Jin Jiang International Holdings Co., Ltd.)	49
上海五豐上食食品有限公司 (Shanghai Ng Fung Shangshi Food Co., Ltd.)	錦江國際(集團)有限公司 (Jin Jiang International Holdings Co., Ltd.)	49
深圳南洋貨倉有限公司 (Shenzhen Nanyang Godown Co., Ltd.)	深圳市南洋貿易有限公司 (Shenzhen Nanyang Mao Yi Co., Ltd.)	10
蘇果超市有限公司 (Suguo Supermarket Co., Ltd)	江蘇省果品食雜總公司 (Jiangsu Foodstuffs Co., Ltd.)	15
蘇果超市(全椒)有限公司 (Suguo Supermarket (Quanjiao) Co., Ltd)	李維兵 (LI WEIBING)	10
蘇果超市(滁州)有限公司 (Suguo Supermarket (Chuzhou) Co., Ltd)	滁州市商貿超市有限公司 (Chuzhou Shi Shang Mao Supermarket Co., Ltd.)	12
蘇果超市(天長)有限公司 (Suguo Supermarket (TianChang) Co., Ltd)	天長市金猴商貿有限公司 (Tianchang Shi Jin Hou Shang Mou Co., Ltd.)	10
Lee Kun Chiu Kee Supermarket Limited 麗勤超記超級市場有限公司	Wong Kin Choy 黃建財	14.3
Wealthy Joy Limited 鴻正有限公司	(1) Cheung Yuk Kiang 張旭權 (2) Lui Hop Ming 呂合銘	20 20

Members of the Group	Name of substantial shareholding(s)	Percentage of shareholder (%)
寧波華潤萬家有限公司 (Ningbo China Resources Vanguard Co. Ltd.)	寧波富邦百家緣超市有限公司 (Ningbo Fu Bang Bai Jia Yuan Supermarket Co., Ltd.)	20
山東華潤厚木尼龍有限公司 (Shandong CRC Atsugi Nylon Co. Ltd.)	厚木株式會社 (Atsugi Co., Ltd.)	40
河北正定華潤紡織有限公司 (Hebei Zhengding China Resources Textile Co., Ltd.)	正定縣工業經濟開發中心 (Zhengding Xian Industrial Economy Development Centre)	10
濟南華豐紡織有限公司 (Jinan Hua Feng Textiles Co., Ltd.)	(1) 山東海川控股集團有限公司 (Shandong Hai Chuan Holding Company Limited)	20
	(2) 濟南仁豐紡織有限責任公司 (Jinan Renfeng Textile Co., Ltd.)	16
咸陽華潤紡織有限公司 (Xianyang China Resources Textiles Co., Ltd.)	陝西天王興業集團有限公司 (Shanxi Tian Wan Xing Ye Holding Co., Ltd.)	20
Upmarket Enterprises Limited	Splendid Approach Group Limited	45
Tactical Solutions Incorporated	Esprit China Distribution Limited	49
南京華潤東方投資管理有限責任公司 (Nanjing China Resources Dong Fang Investment Management Co., Ltd.)	南京東方商城有限責任公司 (Nanjing Dong Fang Shang Cheng Co., Ltd.)	10
China Resources Snow Breweries Limited 華潤雪花啤酒有限公司	SABMiller Asia Limited 南非釀酒集團(亞洲)有限公司	49
華潤雪花啤酒(哈爾濱)有限公司 (China Resources Snow Breweries (Harbin) Company Limited)	黑龍江新三星股份有限公司 (Heilongjian Xin San Xing Holding Stock Co., Ltd.)	30
華潤雪花啤酒(盤錦)有限公司 (China Resources Snowflake Brewery (Panjin) Company Limited)	盤錦遼河啤酒有限公司 (Panjin Liao He Brewery Co., Ltd.)	15
沈陽華潤創業釀酒有限公司 (Shenyang Huarunchuangye Beer Co., Ltd.)	沈陽市望花啤酒廠 (Shenyang Shi Wang Hua Brewery Factory)	20

Members of the Group	Name of substantial shareholding(s)	Percentage of shareholder (%)
華潤雪花啤酒(鞍山)有限公司 (China Resources Snowflake Brewery (Anshan) Company Limited)	鞍山啤酒廠 (Anshan Brewery Factory)	10
華潤雪花啤酒(沈陽)有限公司 (China Resources Snow Breweries (Shenyang) Company Limited)	瀋陽市釀酒廠 (Shenyang Shi Niang Jiu Factory)	10
華潤雪花啤酒(武漢)有限公司 (China Resources Snow Brewery (Wuhan) Co., Ltd.)	武漢東西湖啤酒集團股份有限公司 (Wuhan Dong Xi Hu Breweries Holding Stock Co., Ltd.)	10
華潤雪花啤酒(浙江)股份有限公司 (China Resources Snow Breweries (Zhejiang) Stock Co., Ltd.)	孔飛躍 (Kong Feiyue)	27
華潤雪花啤酒(秦皇島)有限公司 (China Resources Snow Breweries (Qinhuangdao) Co., Ltd.)	秦皇島燕山實業公司 (Qinhuangdao Yanshan Enterprise Company)	10
華潤雪花啤酒(福建)有限公司 (China Resources Snow Breweries (Fujian) Co., Ltd.)	泉州中僑(集團)股份有限公司 (Quanzhou Zhongqiao (Holding) Stock Company Limited)	15
華潤雪花啤酒(杭州)有限公司 (China Resources Snow Breweries (Hangzhou) Co., Ltd.)	浙江西冷啤酒有限公司 (Zhejiang Xileng Brewery Company Limited)	30
華潤雪花啤酒(淮北)有限公司 (China Resources Snow Breweries (Huaibei) Co., Ltd.)	安徽淮北相王啤酒有限責任公司 (Anhui Huaibei Xiangwang Brewery Company Limited)	10

Service contracts

No director has an unexpired service contract which is not terminable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

Competing interests

As at the Latest Practicable Date, none of the Directors and their Associates was interested in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Material contracts

The following are contracts (not being contracts entered into in the ordinary course of business) entered into by the Group within the two years preceding the date of the Circular up to the Latest Practicable Date and which are or may be material:

- (a) the Agreement;
- (b) a sale and purchase agreement dated October 18, 2006 entered into between Preparis Limited, a wholly owned subsidiary of the Company, and China Resources Petrochem Gas Group Limited for the disposal of a 100% equity interest in China Resources Petrochems Holdings Limited by Preparis Limited to China Resources Petrochem Gas Group Limited.

Miscellaneous

- There is no contract or arrangement entered into by any member of the Group in which any Director is materially interested and which is significant in relation to the business of the Group.
- None of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired, disposed of or leased to, or which are proposed to be acquired, disposed of or leased to, the Company or any of its subsidiaries since December 31, 2006, the date to which the latest published audited financial statements of the Group were made up.
- The Directors are not aware of any litigation or claims of material importance pending or threatened against any member of the Group.
- The secretary of the Company is Lee Yip Wah, Peter, who is a practising solicitor, a consultant of Messrs. Woo, Kwan, Lee & Lo, Solicitors and Notaries and a China appointed attesting officer.
- The qualified accountant of the Company appointed pursuant to Rule 3.24 of the Listing Rules is Keung Chi Wang, Ralph, who is a fellow member of the Association of Chartered Certified Accountant and a member of the Hong Kong Institute of Certified Public Accountants.
- The share registrars of the Company are Standard Registrars Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- The English texts of the Circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

Documents available for inspection

Copies of the following documents will be available for inspection during business hours at the registered office of the Company from the date of the Circular up to and including the date of the EGM:–

- the memorandum of association and articles of association of the Company;
- the annual reports of the Company for each of the years ended December 31, 2005 and 2006;
- the material contracts referred to in the paragraph headed “Material contracts” of this appendix; and
- the Circular.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING



華潤創業有限公司

China Resources Enterprise, Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 291)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of China Resources Enterprise, Limited (the “Company”) will be held immediately after an annual general meeting of the Company to be convened at 3:30 p.m. on Thursday, May 31, 2007 (or at 4:30 p.m. on the same day if no such annual general meeting is held) at 50th floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments as ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT a conditional share sale and purchase agreement dated April 19, 2007 (“Agreement”) made between (i) the Company (as vendor), and (ii) China Petrochem & Chemical Corporation (“Sinopec”) and (iii) Sinopec (Hong Kong) Limited, a wholly-owned subsidiary of Sinopec (a copy of which marked “A” is produced to the meeting and signed by the Chairman for the purpose of identification) relating to the acquisition by Sinopec of the entire issued share capital of China Resources Petrochemicals Investments Limited at a consideration of HK\$4,000,000,000 to be satisfied by cash and the transactions contemplated therein be and are hereby approved and the managing director of the Company or any director as delegated by him be and is hereby authorized on behalf of the Company to sign seal execute perfect and deliver all such documents and to implement and take all steps and do any other and all acts and things as they may in their discretion consider to be desirable and/or necessary in the interests of the Company for the purpose of, or in connection with, the implementation and/or enforcement of the provisions of the Agreement.”

By order of the Board
China Resources Enterprise, Limited
Lee Yip Wah, Peter
Company Secretary

Hong Kong, May 11, 2007

Registered office:
39th Floor, China Resources Building
26 Harbour Road
Wanchai
Hong Kong

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notes:

1. Every member entitled to attend and vote at the extraordinary general meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy together with any power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited to the Company's registered office at 39th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the extraordinary general meeting.
3. According to Rule 13.39(4) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), any vote taken at the extraordinary general meeting shall be taken by poll. The Company shall announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.
4. A circular of the Company dated May 11, 2007 in relation to the disposal of the entire equity interest in China Resources Petrochems Investments Limited by the Company under the Agreement can be viewed and downloaded from the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.
5. The executive directors of the Company are Mr. Song Lin (Chairman), Mr. Chen Shulin (Managing Director), Mr. Keung Chi Wang, Ralph (Deputy Managing Director), Mr. Wang Qun (Deputy Managing Director), Mr. Lau Pak Shing (Deputy Managing Director) and Mr. Kwong Man Him (Deputy Managing Director). The non-executive directors are Mr. Qiao Shibo, Mr. Yan Biao, Mr. Jiang Wei, Mr. Wang Shuaiting and Mr. Xie Shengxi. The independent non-executive directors are Dr. Chan Po Fun, Peter, Mr. Houang Tai Ninh, Dr. Li Ka Cheung, Eric, Mr. Cheng Mo Chi, The Hon. Bernard Charnwut Chan and Mr. Siu Kwing Chue, Gordon.