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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)**

#### **FURTHER CLARIFICATION ANNOUNCEMENT**

Reference is made to the announcement dated 29 October 2009, the circular dated 12 November 2009, the clarification announcement dated 24 January 2011 and the press coverage relating to the disposal by the Company to China Resources (Holdings) Company Limited (“**CRH**”) and the subsequent disposal by CRH to Hutchison Whampoa Limited (“**Hutchison Whampoa**”) of a 10% minority interest and relating shareholder’s loan in each of HIT Investments Limited and Hutchison Ports Yantian Investments Limited, the investment holding companies that have interests in the operations of Hongkong International Terminals and Yantian International Container Terminals (collectively, the “**Port Interests**”). The disposal by CRH of the Port Interests and other assets were announced by Hutchison Whampoa on 3 January 2011 (the “**CRH Disposal**”).

The board of directors of the Company wishes to further clarify that:

- a. Under the asset swap agreement dated 29 October 2009 between the Company and CRH, if CRH disposes of or transfers all or part of the Port Interests beyond a prescribed value of HK\$3,300 million, CRH shall or shall procure the relevant member of the CRH group to pay to the Company 50% of any excess over such prescribed value after deduction of all direct costs and expenses reasonably and properly incurred by the CRH group (the “**Profit Sharing Arrangement**”).
- b. The Company, which was not a party to the CRH Disposal, after reviewing the announcement of the CRH Disposal, made enquiries with CRH and was informed by CRH that: through the CRH Disposal CRH sold a basket of assets (which included the Port Interests as well as certain other assets) at a gross overall consideration of HK\$5,700 million; and valuation(s) of each of the Port Interests and the other assets have been conducted in December 2010 by independent third party valuers commissioned by CRH. Upon review of the

basis of these independent valuations of the Port Interests (being a 10% minority interest and the related shareholder's loans) in connection with the disposal of the Port Interests, the Company has come to the view that it was not entitled to receive any payments under the Profit Sharing Arrangement as a result of the disposal of the Port Interests by CRH.

- c. In addition to the independent valuations commissioned by CRH, the Company has also appointed its own independent professional valuers to value the Port Interests (being a 10% minority interest and the related shareholder's loans) adopting the same valuation date. The appraised values of the Port Interests obtained by the Company are in line with the appraised values of the Port Interests obtained by CRH.
- d. The Company has considered an alternative method to ascertain whether the Company would have any entitlement under the Profit Sharing Arrangement. A notional value of each of the assets that are subject to the CRH Disposal was determined (by reference to their respective independent valuations) out of the gross overall consideration paid by Hutchison Whampoa to CRH for the CRH Disposal. Since the gross overall consideration includes the accrued but unpaid dividend on the Port Interests for the financial year ended 31 December 2009 and the financial year ended 31 December 2010 and accrued but unpaid interest for the 3 months ended 31 December 2010 as the outstanding quarterly interest payment on the shareholder's loans advanced by CRH to the Port Interests then due to CRH as shareholder of the Port Interests during the relevant periods, such unpaid dividend and unpaid interest were therefore deducted from the gross overall consideration for calculation of the notional value of the Port Interests. On this basis, the net overall consideration (taking into account CRH's direct costs and expenses, including PRC tax calculations of CRH) notionally attributable to the Port Interests was then calculated. The amount of PRC tax deducted as a transaction expense from the total proceeds of the CRH Disposal was the amount of PRC capital gains tax calculated to be due by CRH in respect of its disposal of the interest in Hutchison Ports Yantian Investments Limited (one of the Port Interests) by reference to the fair market value derived from publicly available information set out in the prospectus of Hutchison Port Holdings Trust (of which the Port Interests form part). Having reviewed the calculations and the respective independent valuations the Company is satisfied that it was not entitled to receive any payment under the Profit Sharing Arrangement as a result of the disposal of the Port Interests by CRH.
- e. All independent non-executive directors of the Company at the material time have reviewed, among other things, the valuation reports of the respective professional valuers, the relevant calculations and the bases for the conclusion that the Company is not entitled to any payment under the Profit Sharing Arrangement (including the bases set out in the foregoing paragraphs). The independent non-executive directors are satisfied with the conclusions drawn by the Company.

- f. The directors of the Company have been informed by CRH that it is bound by a confidentiality clause in the agreement between CRH and Hutchison Whampoa from disclosing the full particulars of the CRH Disposal but the directors of the Company have been given access to some of the details of the transaction and the above-mentioned calculations on condition that confidentiality is preserved.

By Order of the Board

**China Resources Enterprise, Limited**

**Lai Ni Hium, Frank**

*Chief Financial Officer, Executive Director  
and Company Secretary*

Hong Kong, 13 June, 2011

*As at the date of this announcement, the Executive Directors of the Company are Mr. Qiao Shibo (Chairman), Mr. Chen Lang (Chief Executive Officer), Mr. Lai Ni Hium, Frank (Chief Financial Officer). The Non-executive Directors are Mr. Yan Biao, Mr. Wei Bin, Mr. Du Wenmin, Mr. Shi Shanbo and Dr. Zhang Haipeng. The Independent Non-executive Directors are, Mr. Houang Tai Ninh, Dr. Li Ka Cheung, Eric, Dr. Cheng Mo Chi, Mr. Bernard Charnwut Chan and Mr. Siu Kwing Chue, Gordon.*