

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**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** 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 to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 291)**

**PROPOSALS FOR GENERAL MANDATES TO REPURCHASE SHARES  
AND TO ISSUE SHARES  
AND  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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The notice convening the annual general meeting of China Resources Enterprise, Limited to be held at 50th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Thursday, 31 May 2007 at 3:30 p.m. is set out on pages 16 to 19 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting. Completion of the proxy form and its return will not preclude you from attending and voting at the annual general meeting if you so wish.

Hong Kong, 26 April 2007



## DEFINITIONS

*In this document, the following expressions have the following meanings unless the context requires otherwise:*

“Annual General Meeting”	the annual general meeting of the Company to be held at 50th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Thursday, 31 May 2007 at 3:30 p.m., notice of which is set out on pages 16 to 19 of this circular
“Articles of Association”	the articles of association of the Company
“Companies Ordinance”	the Companies Ordinance (Cap. 32 of the Laws of Hong Kong)
“Company”	China Resources Enterprise, Limited, a company incorporated in Hong Kong with limited liability whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 291)
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	18 April 2007, being the latest practicable date prior to the printing of this document for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to repurchase Shares during the period as set out in the Repurchase Resolution up to a maximum of 10% of the issued share capital of the Company at the date of the Repurchase Resolution
“Repurchase Resolution”	the ordinary resolution to be passed as referred to in item no.5 of the notice of the Annual General Meeting
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)



## DEFINITIONS

“Share(s)”	share(s) of HK\$1.00 each in the share capital of the Company
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing of their securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Repurchases
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong



## LETTER FROM THE CHAIRMAN



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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 291)

### Directors:

#### *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*)

#### *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

### Company Secretary:

LEE Yip Wah, Peter

### Registered Office:

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

Hong Kong, 26 April 2007

*To the shareholders,*

Dear Sir or Madam,

## PROPOSALS FOR GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES AND RE-ELECTION OF RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

### GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 2 June 2006, a general mandate was given to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. It is therefore proposed to seek your approval of the Repurchase Resolution at the Annual



## LETTER FROM THE CHAIRMAN

General Meeting to give a fresh general mandate to the Directors to exercise the powers of the Company to repurchase Shares. An explanatory statement as required under the Share Repurchase Rules to provide the requisite information of the Repurchase Proposal is set out in Appendix I to this circular.

### GENERAL MANDATE TO ISSUE SHARES

It will be proposed at the Annual General Meeting two ordinary resolutions respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company at the date of the resolution (i.e. not exceeding 473,823,224 Shares based on the issued share capital of the Company of 2,369,116,120 Shares as at the Latest Practicable Date and assuming that such issued share capital remains the same at the date of passing the resolution) and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the general mandate to repurchase up to 10% of the issued share capital of the Company at the date of the Repurchase Resolution.

### RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the executive Directors of the Company are Mr. SONG Lin, Mr. CHEN Shulin, Mr. KEUNG Chi Wang, Ralph, Mr. WANG Qun, Mr. LAU Pak Shing and Mr. KWONG Man Him; the non-executive Directors of the Company are Mr. QIAO Shibo, Mr. YAN Biao, Mr. JIANG Wei, Mr. WANG Shuaiting and Mr. XIE Shengxi and the independent non-executive Directors of the Company 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.

Pursuant to Article 110 of the Articles of Association, Mr. WANG Qun, Mr. LAU Pak Shing, Mr. QIAO Shibo, Mr. YAN Biao, Mr. JIANG Wei and Dr. CHAN Po Fun, Peter will retire from office at the Annual General Meeting and, being eligible, will offer themselves for re-election. Pursuant to Article 115 of the Articles of Association, The Hon. Bernard Charnwut CHAN and Mr. SIU Kwing Chue, Gordon will hold office only until the Annual General Meeting and, being eligible, will offer themselves for re-election at the Annual General Meeting. Details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

### ANNUAL GENERAL MEETING

Set out on pages 16 to 19 of this circular is the notice convening the Annual General Meeting.

At the Annual General Meeting, resolutions will be proposed to the shareholders in respect of ordinary business to be considered at the Annual General Meeting, including re-election of retiring Directors, and special business to be considered at the Annual General Meeting, being the Ordinary Resolutions proposed to approve the Repurchase Proposal, the general mandate for Directors to issue new Shares and the extension of the general mandate to issue new Shares.



## LETTER FROM THE CHAIRMAN

### ACTION TO BE TAKEN

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and delivery of the form of proxy will not prevent you from attending and voting at the meeting if you so wish.

### RIGHT TO DEMAND A POLL

Pursuant to article 60 of the articles of association of the Company, at the Annual General Meeting, 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 any 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; 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 the 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 that right.

### RECOMMENDATION

The Directors believe that the Repurchase Proposal, the proposed general mandate for Directors to issue new Shares, the proposed extension of the general mandate to issue new Shares and the proposed re-election of retiring Directors are all in the interest of the Company and its shareholders. Accordingly, the Directors recommend that all shareholders should vote in favour of such resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
**SONG Lin**  
*Chairman*



This appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the Repurchase Resolution.

This appendix also constitutes the memorandum as required under Section 49BA(3)(b) of the Companies Ordinance.

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,369,116,120 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares will be issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Proposal to repurchase a maximum of 236,911,612 Shares representing not more than 10% of the issued share capital of the Company as at the Latest Practicable Date.

## **2. REASONS FOR REPURCHASE**

The Directors believe that the Repurchase Proposal is in the interest of the Company and its shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.

## **3. FUNDING OF REPURCHASE**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the Companies Ordinance. The Companies Ordinance provides that the amount of capital repaid in connection with a share repurchase may only be paid from the distributable profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the repurchase to such an extent allowable under the Companies Ordinance.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2006 in the event that the power to repurchase Shares pursuant to the Repurchase Proposal was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the power to repurchase Shares pursuant to the Repurchase Proposal to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.



#### 4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before, and the period from 1 April 2007 to, the Latest Practicable Date were as follows:

	Shares	
	Highest	Lowest
	HK\$	HK\$
April 2006	17.75	15.40
May 2006	18.00	14.90
June 2006	16.10	13.40
July 2006	17.60	15.05
August 2006	17.84	16.52
September 2006	17.98	16.00
October 2006	18.28	16.18
November 2006	21.50	17.96
December 2006	23.80	19.68
January 2007	25.30	22.00
February 2007	25.25	20.65
March 2007	26.10	19.40
April 2007 (up to the Latest Practicable Date)	30.15	25.30

#### 5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Resolution and in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Proposal if such is approved by the shareholders of the Company.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the shareholders of the Company.



**6. TAKEOVERS CODE**

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Proposal, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder or group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, China Resources National Corporation, the ultimate holding company of the Company, is interested in 1,232,764,380 Shares (representing approximately 52.03% of the total issued share capital of the Company as at the Latest Practicable Date). In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Proposal, then (if the present shareholdings remains the same) the attributable interest of China Resources National Corporation would be increased to approximately 57.82% of the issued share capital of the Company.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Proposal. In the event that the Repurchase Proposal is exercised in full, the number of Shares held by the public would not fall below 25%.

**7. SHARES REPURCHASE MADE BY THE COMPANY**

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.



The following are the particulars of the eight Directors proposed to be re-elected at the Annual General Meeting to be held on 31 May 2007:

**Mr. WANG Qun**

Mr. WANG Qun, Deputy Managing Director, aged 50, has been an executive Director of the Group since January 2000 and was appointed Deputy Managing Director in March 2006. He is a director of China Resources (Holdings) Company Limited and China Resources National Corporation. The former is the immediate holding company of the Company and the latter is the ultimate holding company of the Company. He is also an executive director of China Resources Snow Breweries Limited and is responsible for the entire operation of the Group's brewery business. Mr. WANG has a Bachelor of Finance degree from the People's University of China. He has previously worked in the China National Economic Committee and held key management position in a Shenzhen based conglomerate. Mr. WANG joined the Group in 1994. Save as disclosed above, Mr. WANG did not hold any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group. Save as disclosed above, Mr. WANG is and was not connected with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. WANG has no fixed term of service with the Company. He will be subject to rotational retirement and re-election requirements at annual general meetings pursuant to the Articles of Association. Mr. WANG is entitled to a monthly remuneration of HK\$102,600, an extra month's pay as fixed bonus, a discretionary bonus as approved by the compensation committee of the Board from time to time with reference to his duties and responsibility with the Company, the Company's performance and the current market situation and is entitled to the Directors' fee as determined by shareholders at its annual general meeting. At the Company's annual general meeting held on 2 June 2006, it was approved that the Directors' fee for the year ended 31 December 2006 be determined at HK\$50,000 per annum. As at the Latest Practicable Date, Mr. WANG has personal interest in 360,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. WANG has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2) of the Listing Rules.

**Mr. LAU Pak Shing**

Mr. LAU Pak Shing, Deputy Managing Director, aged 57, has been an executive Director of the Group since 1997 and was appointed Deputy Managing Director in March 2006. He graduated from the Hong Kong Baptist University (formerly known as Hong Kong Baptist College) and is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public



Accountants. Mr. LAU represented the Executive Committee of Hong Kong Cold Storage Merchants Association Limited as Chairman for many years. Mr. LAU has around 30 years of experience in auditing, accounting, corporate finance, property, godown and cold storage businesses and he is currently in charge of the Group's Hong Kong property division and logistics business. Mr. LAU joined the Group in January 1994. Save as disclosed above, Mr. LAU did not hold any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group. Save as disclosed above, Mr. LAU is and was not connected with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. LAU has no fixed term of service with the Company. He will be subject to rotational retirement and re-election requirements at annual general meetings pursuant to the Articles of Association. Mr. LAU is entitled to a monthly remuneration of HK\$230,000, an extra month's pay as fixed bonus, a discretionary bonus as approved by the compensation committee of the Board from time to time with reference to his duties and responsibility with the Company, the Company's performance and the current market situation and is entitled to the Directors' fee as determined by shareholders at its annual general meeting. At the Company's annual general meeting held on 2 June 2006, it was approved that the Directors' fee for the year ended 31 December 2006 be determined at HK\$50,000 per annum. As at the Latest Practicable Date, Mr. LAU has personal interest in 600,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. LAU has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2) of the Listing Rules.

#### **Mr. QIAO Shibo**

Mr. QIAO Shibo, Non-executive Director, aged 52, was appointed executive Director of the Group in July 2001 and had been a Deputy Managing Director since November 2001 until his re-designation as a non-executive Director in March 2006. He is also the director and Vice President of China Resources (Holdings) Company Limited and China Resources National Corporation. The former is the immediate holding company of the Company and the latter is the ultimate holding company of the Company. Mr. Qiao is currently the Chairman of a fellow subsidiary of the Company, China Resources Cement Holdings Limited, the listing of its shares on the Stock Exchange was withdrawn on 26 July 2006. At present, he is responsible for the operational management and strategic restructuring of China Worldbest Group Co. Ltd. Mr. QIAO holds a Bachelor's degree in Chinese language from Jilin University, China. Save as disclosed above, Mr. QIAO did not hold any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group. Save as disclosed above, Mr. QIAO is and was not connected with any directors, senior management or substantial or controlling shareholders of the Company.



Mr. QIAO has no fixed term of service with the Company. He will be subject to rotational retirement and re-election requirements at annual general meetings pursuant to the Articles of Association. As a Non-executive Director, Mr. QIAO is entitled to the Directors' fee as determined by shareholders at its annual general meeting. At the Company's annual general meeting held on 2 June 2006, it was approved that the Directors' fee for the year ended 31 December 2006 be determined at HK\$50,000 per annum. As at the Latest Practicable Date, Mr. QIAO has personal interest in 1,400,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. QIAO has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2) of the Listing Rules.

**Mr. YAN Biao**

Mr. YAN Biao, Non-executive Director, aged 45, was appointed executive Director of the Group in 1994 and was a Deputy Managing Director before his re-designation as a non-executive Director in March 2006. Mr. YAN is also a director of China Resources (Holdings) Company Limited and China Resources National Corporation. The former is the immediate holding company of the Company and the latter is the ultimate holding company of the Company. He is the Director of Legal Affairs of the China Resources Group and also a non-executive Director of a fellow subsidiary of the Company, China Resources Land Limited whose shares are listed on the Stock Exchange. Mr. YAN is currently responsible for the operational management and strategic restructuring of China Worldbest Group Co., Ltd. He has a Bachelor of Laws degree from the Peking University, China and an MBA degree from the University of San Francisco, USA. Save as disclosed above, Mr. YAN did not hold any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group. Save as disclosed above, Mr. YAN is and was not connected with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. YAN has no fixed term of service and is subject to rotational retirement at annual general meeting of the Company in accordance with the Articles of Association. As a Non-executive Director, Mr. YAN is entitled to the Directors' fee as determined by shareholders at its annual general meeting. At the Company's annual general meeting held on 2 June 2006, it was approved that the Directors' fee for the year ended 31 December 2006 be determined at HK\$50,000 per annum. As at the Latest Practicable Date, Mr. YAN has personal interest in 1,000,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. YAN has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2) of the Listing Rules.



**Mr. JIANG Wei**

Mr. JIANG Wei, Non-executive Director, aged 44, has been a Director of the Group since 1995. He is currently the director and Chief Financial Officer of China Resources (Holdings) Company Limited and China Resources National Corporation. The former is the immediate holding company of the Company and the latter is the ultimate holding company of the Company. Mr. JIANG is also a non-executive director of fellow subsidiaries of the Company, China Resources Power Holdings Company Limited, China Resources Land Limited and China Resources Logic Limited, a non-executive director of China Assets (Holdings) Limited and an independent non-executive director of Greentown China Holdings Limited. The shares of the above five companies are listed on the Stock Exchange. Mr. JIANG is also a non-executive director of a fellow subsidiary of the Company, China Resources Cement Holdings Limited, the listing of its shares on the Stock Exchange was withdrawn on 26 July 2006. Mr. JIANG is also a director of China Vanke Co., Ltd., which is a listed company in China. Mr. JIANG obtained both his Bachelor's degree in International Trade and Master's degree in International Business and Finance from the University of International Business and Economics in Beijing, China. Save as disclosed above, Mr. JIANG did not hold any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group. Save as disclosed above, Mr. JIANG is and was not connected with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. JIANG has no fixed term of service and is subject to rotational retirement at annual general meeting of the Company in accordance with the Articles of Association. As a Non-executive Director, Mr. JIANG is entitled to the Directors' fee as determined by shareholders at its annual general meeting. At the Company's annual general meeting held on 2 June 2006, it was approved that the Directors' fee for the year ended 31 December 2006 be determined at HK\$50,000 per annum. As at the Latest Practicable Date, Mr. JIANG has personal interest in 240,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. JIANG has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2) of the Listing Rules.



**Dr. CHAN Po Fun, Peter**

Dr. CHAN Po Fun, Peter (BBS, MBE, JP, FCPA (Aust.)), Independent Non-executive Director, aged 85, has been a Director of the Group since 1973. He practiced accountancy in Hong Kong for 59 years. He has a doctorate in Offshore Petroleum Technology and Modern Chinese Law and is an honorary fellow of the Society for Underwater Technology. Dr. CHAN is a trustee of the Hong Kong Shue Yan University (also as its Research Professor) and the United College of Chinese University of Hong Kong. He was the Chairman of The Kowloon Stock Exchange, a founding director of The Hong Kong Stock Exchange Limited and has served three terms as the Chairman of the former Hong Kong Federation of Stock Exchanges. Save as disclosed above, Dr. CHAN did not hold any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group. Dr. CHAN is and was not connected with any directors, senior management or substantial or controlling shareholders of the Company.

Dr. CHAN has no fixed term of service with the Company and is subject to rotational retirement and re-election requirements at annual general meetings pursuant to the Articles of Association. The Director's fee payable to Dr. CHAN as independent non-executive Director is determined by shareholders of the Company in annual general meeting. At the annual general meeting of the Company held on 2 June 2006, it was approved that the Directors' fee for the year ended 31 December 2006 be determined at HK\$140,000 per annum. Dr. CHAN did not receive other emoluments for the year ended 31 December 2006. As at the Latest Practicable Date, Dr. CHAN has personal interests in 336,000 Shares and share options to subscribe for 200,000 Shares and is deemed to have corporate interest in 170,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Dr. CHAN has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2) of the Listing Rules.

**The Hon. Bernard Charnwut CHAN**

The Hon. Bernard Charnwut CHAN (GBS, JP), Independent Non-executive Director, aged 42, was appointed as independent non-executive Director of the Company on 30 November 2006. He is the executive director and President of Asia Financial Holdings Limited and Asia Insurance Company Limited. He also acts as an advisor of Bangkok Bank Public Company Limited, Hong Kong Branch. Apart from the roles in the business community, Mr. CHAN also serves as a member of the Legislative Council representing the insurance industry and a non-official member of the Executive Council of the Hong Kong SAR. In addition, Mr. CHAN holds directorship in a number of listed companies in Hong Kong, including Chen Hsong Holdings Limited, City e-Solutions Limited, New Heritage Holdings Limited, Kingboard Laminates Holdings Limited and Yau Lee Holdings Limited. Mr. CHAN



has been a director of Asia Financial (Assets Management) Limited (AFAM) since November 1992. On 2 April 2002, the Takeovers and Mergers Panel of the Securities and Futures Commission found that AFAM had breached rule 26.1 of the Takeovers Code and it was publicly reprimanded for the breach. AFAM is now under voluntary liquidation. Save as disclosed above, Mr. CHAN did not hold any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group. Mr. CHAN is and was not connected with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. CHAN has no fixed term of service with the Company and is subject to rotational retirement and re-election requirements at annual general meetings pursuant to the Articles of Association. The Director's fee payable to Mr. CHAN as independent non-executive Director is determined by shareholders of the Company in annual general meeting. At the annual general meeting of the Company held on 2 June 2006, it was approved that the Directors' fee for the year ended 31 December 2006 be determined at HK\$140,000 per annum. Such fee was paid to Mr. Chan on a pro-rata basis based on time of service with the Company in 2006. Mr. CHAN did not receive other emoluments for the year ended 31 December 2006. As at the Latest Practicable Date, Mr. CHAN does not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. CHAN has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2) of the Listing Rules.

#### **Mr. SIU Kwing Chue, Gordon**

Mr. SIU Kwing Chue, Gordon (GBS, CBE, JP), Independent Non-executive Director, aged 61, was appointed as independent non-executive Director of the Company on 30 November 2006. Mr. SIU had been a government official for over 36 years before his retirement from the civil service in 2002. Mr. SIU rose to the rank of Secretary, Government Secretariat in 1993 and served a number of high-ranking government positions, namely the Secretary for Economic Services, Secretary for Transport, Head of Central Policy Unit and eventually retired from his last posting as Secretary for Planning, Environment & Lands. Mr. SIU now serves an independent non-executive Director of a listed company in Hong Kong, Transport International Holdings Limited and two of its subsidiaries, as well as ICEA Finance Holdings Limited. Save as disclosed above, Mr. SIU did not hold any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group. Mr. SIU is and was not connected with any directors, senior management or substantial or controlling shareholders of the Company.



Mr. SIU has no fixed term of service with the Company and is subject to rotational retirement and re-election requirements at annual general meetings pursuant to the Articles of Association. The Director's fee payable to Mr. SIU as independent non-executive Director is determined by shareholders of the Company in annual general meeting. At the annual general meeting of the Company held on 2 June 2006, it was approved that the Directors' fee for the year ended 31 December 2006 be determined at HK\$140,000 per annum. Such fee was paid to Mr. SIU on a pro-rata basis based on time of service with the Company in 2006. Mr. SIU did not receive other emoluments for the year ended 31 December 2006. As at the Latest Practicable Date, Mr. SIU does not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. SIU has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2) of the Listing Rules.



# NOTICE OF ANNUAL 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 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting of the Company will be held at 50th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Thursday, 31 May 2007 at 3:30 p.m. for the following purposes:

1. To receive and consider the audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31 December 2006.
2. To declare a final dividend.
3. To re-elect retiring Directors and to fix the fees for all Directors.
4. To re-appoint Auditors and authorise the Directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

### ORDINARY RESOLUTION

**“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$1.00 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which the Directors of the Company are authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of this Resolution and the said approval shall be limited accordingly; and



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- (c) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
  - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”
- 6. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

### ORDINARY RESOLUTION

#### “THAT:

- (a) subject to paragraph (c) below and pursuant to Section 57B of the Companies Ordinance, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$1.00 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company; (iii) an issue of shares upon the exercise of the subscription or conversion rights under the terms of any warrants or any securities of the Company which are convertible into shares of the Company; or (iv) an issue of shares as scrip dividends pursuant to the Articles of Association of the



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Company from time to time, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

7. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

### ORDINARY RESOLUTION

“**THAT** subject to the passing of the resolution as proposed under items nos. 5 and 6 set out in the notice convening this meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to the resolution as proposed under item no. 6 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to the resolution as proposed under item no. 5 set out in the notice



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convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the said Resolution."

By Order of the Board  
**LEE Yip Wah, Peter**  
*Secretary*

Hong Kong, 26 April 2007

*Notes:*

1. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. 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 thereof, must be lodged with the registered office of the Company at 39th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting.
3. With regard to item no. 2 in this notice, the Board of Directors of the Company recommends a final dividend of HK\$0.26 per ordinary share payable on or about 15 June 2007. The register of members of the Company will be closed from Monday, 28 May 2007 to Thursday, 31 May 2007, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all share transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrar, Standard Registrars Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 25 May 2007.
4. With regard to item no. 3 in this notice, the Board of Directors of the Company proposes that eight retiring Directors, namely Mr. WANG Qun, Mr. LAU Pak Shing, Mr. QIAO Shibo, Mr. YAN Biao, Mr. JIANG Wei, Dr. CHAN Po Fun, Peter, The Hon. Bernard Charnwut CHAN and Mr. SIU Kwing Chue, Gordon who shall be eligible for re-election, be re-elected as Directors of the Company. Details of these Directors are set out in the appendix II to the circular to shareholders dated 26 April 2007. The Board of Directors of the Company recommends to the shareholders that the Directors' fee for the year ending 31 December 2007 shall be determined at HK\$80,000 per annum for each executive and non-executive Director and HK\$160,000 per annum for each independent non-executive Director, pro-rated, where appropriate, and payable in December 2007.