

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



華潤創業有限公司
China Resources Enterprise, Limited
(Incorporated in Hong Kong with limited liability)

(Stock Code: 291)

CONNECTED TRANSACTION
ACQUISITION OF THE REMAINING 20% EQUITY INTEREST IN
A NON WHOLLY-OWNED SUBSIDIARY IN SHENYANG

The directors of China Resources Enterprise, Limited announced that on 15 July 2009, CRSBI, an indirect 51% owned subsidiary of the Group, entered into an agreement with the Vendor for the acquisition of a 20% equity interest in CR Shenyang Brewery, an 80% owned subsidiary of CRSBI. The consideration is RMB48 million (approximately HK\$54.7 million) which will be satisfied by cash.

As the Vendor is a substantial shareholder of CR Shenyang Brewery and is a connected person of the Company, the Acquisition constitutes a connected transaction of the Company under the Listing Rules. As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules is less than 2.5%, the Acquisition is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules.

THE AGREEMENT

Date:	15 July 2009
Vendor:	營口廣豐行飲品有限公司 (Yingkou Guangfeng Heng Beverage Co., Ltd.*), a company established in the PRC
Purchaser:	CRSBI
Assets to be acquired:	20% equity interest in CR Shenyang Brewery
Consideration:	RMB48 million (approximately HK\$54.7 million) which will be satisfied in cash. RMB24 million (approximately HK\$27.4 million) will be payable within one month after the Agreement has been approved by the relevant governmental authorities, and the balance of RMB24 million (approximately HK\$27.4 million) will be payable within one month after the business registration of CR Shenyang Brewery has been changed as a result of the

equity transfer under the Agreement.

Condition: Completion is subject to the approval of the Agreement by the relevant governmental authorities.

REASONS FOR THE ACQUISITION

Shenyang is the city where CR Snow founded its brewery operation in the PRC in 1993, and through years of efforts CR Snow has successfully established the “SNOW” brand as a popular brand not just in Shenyang but also in the whole country. As such, the Shenyang brewery operation has strategic importance for CR Snow. The Acquisition is believed to be instrumental to the consolidation of the production facilities of, and the Group’s consolidation and enhancement of ownership and control in, the Shenyang brewery operation. Given the performance and the strategic value of the Shenyang brewery operation to CR Snow, the Directors consider that the Acquisition would be beneficial for the Group.

BASIS OF CONSIDERATION

The consideration of RMB48 million (approximately HK\$54.7 million) has been arrived at after arm’s length negotiations between CRSBI and the Vendor after taking into account of the assets and the price per kiloliter production capacity of CR Shenyang Brewery (which is in line with previous comparable transactions conducted by CR Snow), the historical profitability of CR Snow’s entire brewery operation in Shenyang comprising CR Shenyang Brewery and two other breweries, the future prospects of CR Snow’s brewery operation in Shenyang, the strategic importance of the Shenyang brewery operation to CR Snow, and the prevailing commercial and business conditions in which CR Snow operates.

The directors (including the independent non-executive directors) of the Company consider the terms of the Agreement, which were reached based on arm’s length negotiations, to be on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON CR SHENYANG BREWERY

CR Shenyang Brewery was established in Shenyang, Liaoning Province in the PRC in 1999 and is principally engaged in the production and sale of CR Snow’s “SNOW” brand beer in Shenyang and its neighboring regions. It has an annual production capacity of 120,000 kiloliters and its sales volume for the years 2007 and 2008 amounted to approximately 135,000 kiloliters and 117,000 kiloliters respectively.

Based on the audited financial statements of CR Shenyang Brewery prepared under generally accepted accounting principles in the PRC:

- (1) the net asset value attributable to the 20% equity interest in CR Shenyang Brewery as at 31 December 2008 amounted to approximately RMB15.2 million (equivalent to approximately HK\$17.3 million);

- (2) the net profit attributable to the 20% equity interest in CR Shenyang Brewery before and after taxation and extraordinary items for the year ended 31 December 2007 amounted to approximately RMB0.8 million (equivalent to approximately HK\$0.9 million) and approximately RMB0.7 million (equivalent to approximately HK\$0.8 million) respectively; and
- (3) the net profit attributable to the 20% equity interest in CR Shenyang Brewery before and after taxation and extraordinary items for the year ended 31 December 2008 amounted to approximately RMB0.6 million (equivalent to approximately HK\$0.7 million) and approximately RMB0.5 million (equivalent to approximately HK\$0.6 million) respectively.

INFORMATION ABOUT THE COMPANY

The Company is a company listed on the Main Board of the Stock Exchange, with business emphasis on consumer businesses in the Chinese Mainland and Hong Kong. The Group's core activities are retail, beverage, food processing and distribution, textile and property investments.

GENERAL

As the Vendor is a substantial shareholder of CR Shenyang Brewery and is a connected person of the Company, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules is less than 2.5%, the Acquisition is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules.

DEFINITIONS

“Acquisition”	the acquisition of a 20% equity interest in CR Shenyang Brewery by CRSBI
“Agreement”	a sale and purchase agreement dated 15 July 2009 entered into between CRSBI and the Vendor relating to the Acquisition, details of which are set out in the section headed “The Agreement” of this announcement
“Company”	China Resources Enterprise, Limited (Stock Code: 291), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“CR Shenyang Brewery”	瀋陽華潤創業釀酒有限公司 (Shenyang Huarunchuangye Beer Co., Ltd.), a company incorporated in the PRC and an 80% owned subsidiary of CRSBI

“CR Snow”	China Resources Snow Breweries Limited, a company incorporated in the British Virgin Islands and a 51% owned subsidiary of the Company with the remaining 49% interest held by SABMiller Asia Limited
“CRSBI”	華潤雪花啤酒（中國）投資有限公司 (China Resources Snow Breweries (China) Investment Co., Ltd.), a company incorporated in the PRC and a wholly-owned subsidiary of CR Snow
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“PRC” or “Chinese Mainland”	People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	營口廣豐行飲品有限公司 (Yingkou Guangfeng Heng Beverage Co., Ltd.*), a company established in the PRC and is engaged in the trading of wine, water and beverages

Note: The figures in RMB are converted into HK\$ at the rate of RMB1:HK\$1.14 throughout this announcement for illustration purposes only.

** Name translated for reference purpose only in this announcement.*

By Order of the Board
China Resources Enterprise, Limited
Hui Leung Ching, Patricia
Company Secretary

Hong Kong, 15 July 2009

As at the date of this announcement, the executive directors of the Company are Mr. Qiao Shibo (Chairman), Mr. Chen Lang (Managing Director), Mr. Wang Qun (Deputy Managing Director), Mr. Lau Pak Shing (Deputy Managing Director) and Mr. Lai Ni Hium (Deputy Managing Director). The Non-Executive Directors are Mr. Jiang Wei, Mr. Wang Shuaiting, Mr. Yan Biao, Mr. Li Fuzuo and Mr. Du Wenmin. The Independent Non-Executive Directors are Dr. Chan Po Fun, Peter, Mr. Houang Tai Ninh, Dr. Li Ka Cheung, Eric, Dr. Cheng Mo Chi, Mr. Bernard Charnwut Chan and Mr. Siu Kwing Chue, Gordon.