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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)

CONTINUING CONNECTED TRANSACTIONS

The Ng Fung Hong Group has been, during the ordinary and usual course of its businesses, purchasing hogs from Jiangxi Wufeng Stock-Raising and its associates. As these transactions will continue, the Framework Agreement has been entered into to govern these transactions for a period commencing from the date of the Framework Agreement to 31 December 2011.

As Jiangxi Food is the 49% shareholder of each of Jiangxi Wufeng Stock-Raising and Jiangxi Wu Feng Science, both being non wholly-owned subsidiaries of Ng Fung Hong, it is a connected person of the Company under the Listing Rules. As Jiangxi Wufeng Stock-Raising is an associate of Jiangxi Food, it is also a connected person of the Company under the Listing Rules. Accordingly, the Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.

The directors (including the independent non-executive directors) of the Company consider that the transactions to be carried out under the Framework Agreement are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of the Framework Agreement and the annual caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

As the annual caps of the above-mentioned continuing connected transactions do not exceed the applicable percentage ratios of the Company of 2.5% as referred to in Chapter 14A of the Listing Rules, the continuing connected transactions are only subject to the reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules.

BACKGROUND

The Ng Fung Hong Group has been, during the ordinary and usual course of its businesses, purchasing hogs from Jiangxi Wufeng Stock-Raising and its associates. As these transactions will continue, the Framework Agreement has been entered into to govern these transactions for a period commencing from the date of the Framework Agreement to 31 December 2011.

THE FRAMEWORK AGREEMENT

Date: 22 May 2009

Parties: Ng Fung Hong

Jiangxi Wufeng Stock-Raising

Pursuant to the Framework Agreement entered into by Ng Fung Hong and Jiangxi Wufeng Stock-Raising with a term commencing from the date of the agreement to 31 December 2011, when any member of the Ng Fung Hong Group enters into a transaction concerning hogs with Jiangxi Wufeng Stock-Raising or its associates, they should procure that the transactions will be on normal commercial terms. The prices of the transactions will be either at market prices or (if such prices are not available in the market, or if for any special reasons, the parties agree that the market prices cannot or should not be used) at such prices as the parties shall fairly and reasonably agree on the basis that each of them is dealing with the other party as an independent third party.

RELATIONSHIP BETWEEN JIANGXI WUFENG STOCK-RAISING AND THE COMPANY

As Jiangxi Food is the 49% shareholder of each of Jiangxi Wufeng Stock-Raising and Jiangxi Wu Feng Science, both being non wholly-owned subsidiaries of Ng Fung Hong, it is a connected person of the Company under the Listing Rules. As Jiangxi Wufeng Stock-Raising is an associate of Jiangxi Food, it is also a connected person of the Company under the Listing Rules. Accordingly, the Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.

REASONS FOR THE TRANSACTIONS

The Ng Fung Hong Group is principally engaged in the food processing and distribution businesses. Jiangxi Wufeng Stock-Raising is principally engaged in the farming and sales of pigs. The transactions contemplated under the Framework Agreement will enable the Ng Fung Hong Group to have better control over the quality of hogs purchased and to secure a stable and sufficient supply of hogs to the market.

The directors (including the independent non-executive directors) of the Company consider that the transactions to be carried out under the Framework Agreement are in the ordinary and usual course of business of the Group and on normal commercial terms and the terms of the Framework Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The purchases of hogs by the Ng Fung Hong Group from Jiangxi Wufeng Stock-Raising and its associates for the two years ended 31 December 2008 and for the three months ended 31 March 2009 were approximately HK\$15.5 million, HK\$59.9 million and HK\$16.3 million respectively.

The payment terms and the credit terms of the transactions contemplated under the Framework Agreement will be set by the parties in accordance with market norm from time to time.

There are no prior transactions between the Group and Jiangxi Wufeng Stock-Raising and its associates which require aggregation under Rule 14A.25 of the Listing Rules.

PROPOSED ANNUAL CAPS

The proposed annual caps for the purchases of hogs by the Ng Fung Hong Group from Jiangxi Wufeng Stock-Raising and its associates for the three years ending 31 December 2011 are HK\$130.0 million, HK\$156.0 million and HK\$171.0 million respectively.

The annual caps are determined by reference to (i) the historical value of the relevant transactions; (ii) the estimated demand for hogs for the period from the date of the Framework Agreement to 31 December 2011; (iii) the fluctuation in the price of hogs; (iv) the provision of buffer for possible further increases in business; and (v) the possible increase in export quota of hogs to Hong Kong. The directors (including the independent non-executive directors) of the Company consider that the annual caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ABOUT THE COMPANY

The Company is a company listed on the Stock Exchange, with business emphasis on the 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 annual caps of the above-mentioned continuing connected transactions do not exceed the applicable percentage ratios of the Company of 2.5% as referred to in Chapter 14A of the Listing Rules, the continuing connected transactions are only subject to the reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules.

DEFINITIONS

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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
“Framework Agreement”	the framework agreement dated 22 May 2009 entered into between Ng Fung Hong and Jiangxi Wufeng Stock-Raising relating to the supply of hogs
“Group”	the Company and its subsidiaries

“Jiangxi Food”	江西省糧油食品進出口公司 (Jiangxi Cereal Oil & Food Import & Export Company*), a state-owned company established in the PRC and is the 49% shareholder of each of Jiangxi Wu Feng Science and Jiangxi Wufeng Stock-Raising
“Jiangxi Wu Feng Science”	江西五豐畜牧科技有限公司 (Jiangxi Wu Feng Science & Technology of Livestock Raising Co., Ltd.), a sino-foreign equity joint venture incorporated in the PRC with limited liability, which is also a non wholly-owned subsidiary of Ng Fung Hong and an associate of Jiangxi Food
“Jiangxi Wufeng Stock-Raising”	江西五豐牧業有限公司 (Jiangxi Wufeng Stock-Raising Co., Ltd.), a sino-foreign equity joint venture incorporated in the PRC with limited liability, which is also a non wholly-owned subsidiary of Ng Fung Hong and an associate of Jiangxi Food
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Ng Fung Hong”	Ng Fung Hong Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Ng Fung Hong Group”	Ng Fung Hong and its subsidiaries
“PRC”	The People's Republic of China; for the purpose of this announcement, PRC refers to the Chinese Mainland excluding Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

By Order of the Board
China Resources Enterprise, Limited
LEE Yip Wah, Peter
Company Secretary

Hong Kong, 25 May 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. Kwong Man Him (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.