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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)

**CONNECTED TRANSACTION
ACQUISITION OF THE REMAINING 10% EQUITY INTEREST IN
A NON WHOLLY-OWNED SUBSIDIARY IN SHENYANG**

The directors of China Resources Enterprise, Limited announced that on 13 April 2009, CRSBI, an indirect 51% owned subsidiary of the Group, entered into an agreement with the Vendor for the acquisition of a 10% equity interest in CR Snow Shenyang, a 90% owned subsidiary of CRSBI. The sale and purchase have undergone a public auction process in which CRSBI succeeded to be the purchaser. The consideration is RMB70 million (approximately HK\$79.1 million) which will be satisfied by cash from internal resources.

As the Vendor is a substantial shareholder of CR Snow Shenyang 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:	13 April 2009
Vendor:	瀋陽市釀酒廠 (Shenyang Shi Niang Jiu Factory*), a state-owned enterprise established in the PRC
Purchaser:	CRSBI
Assets to be acquired:	10% equity interest in CR Snow Shenyang
Consideration:	RMB70 million (approximately HK\$79.1 million) which will be satisfied in cash from internal resources. The consideration will be paid in two installments after the business registration of CR

Snow Shenyang has been changed as a result of the equity transfer under the Agreement and subject to and in accordance with the terms of the Agreement. It is expected that RMB30 million (approximately HK\$33.9 million) and the balance of RMB40 million (approximately HK\$45.2 million) will be payable within 30 business days and 60 business days respectively after the foregoing change of business registration.

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 expansion and 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 sale and purchase have undergone a public auction process in which CRSBI succeeded to be the purchaser. The sale and purchase agreement was signed on 13 April 2009. The consideration of RMB70 million (approximately HK\$79.1 million) has been arrived at after the public auction process and has taken into account of the assets and the price per kiloliter production capacity of CR Snow Shenyang, the profitability and 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 Acquisition has been unanimously approved at a meeting of the board of directors of CR Snow attended by representatives from the Company and the other shareholder of CR Snow, SABMiller Asia Limited.

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 SNOW SHENYANG

CR Snow Shenyang was established by CRSBI and the Vendor in Shenyang, Liaoning Province in the PRC in 1996 and its principal business has been the production and sale of CR Snow’s “SNOW” brand beer in Shenyang and its neighboring regions. It had an annual production capacity of approximately 270,000 kiloliters in 2007 and its sales volume for

the years 2006 and 2007 amounted to approximately 202,000 kiloliters and 220,000 kiloliters respectively. In view of the fact that the new brewery facilities in Shenyang, which are wholly-owned by CRSBI, formally commenced production in September 2008 and they already have an annual production capacity of 600,000 kiloliters, the brewery owned by CR Snow Shenyang ceased operation in October 2008 and some of the equipment which was still usable for brewery operation has been relocated to the new production facilities in Shenyang and other breweries owned by CRSBI.

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

- (1) the net asset value attributable to the 10% equity interest in CR Snow Shenyang as at 31 December 2008 amounted to approximately RMB27.9 million (equivalent to approximately HK\$31.5 million);
- (2) the net profit attributable to the 10% equity interest in CR Snow Shenyang before and after taxation and extraordinary items for the year ended 31 December 2007 amounted to approximately RMB9.5 million (equivalent to approximately HK\$10.7 million) and approximately RMB7.7 million (equivalent to approximately HK\$8.7 million) respectively; and
- (3) the net profit attributable to the 10% equity interest in CR Snow Shenyang before and after taxation and extraordinary items for the year ended 31 December 2008 amounted to approximately RMB10.8 million (equivalent to approximately HK\$12.2 million) and approximately RMB8.4 million (equivalent to approximately HK\$9.5 million) respectively.

INFORMATION ABOUT THE COMPANY

The Company is a company listed on 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 Snow Shenyang 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 10% equity interest in CR Snow Shenyang by CRSBI
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“Agreement”	a sale and purchase agreement dated 13 April 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 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
“CR Snow Shenyang”	華潤雪花啤酒（瀋陽）有限公司 (China Resources Snow Breweries (Shenyang) Co., Ltd.), a company incorporated in the PRC, and a 90% owned subsidiary of CRSBI
“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 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”	瀋陽市釀酒廠 (Shenyang Shi Niang Jiu Factory*), a state-owned enterprise established in the PRC and is engaged in the provision of brewery technology consultancy services

Note: The figures in RMB are converted into HK\$ at the rate of RMB1:HK\$1.13 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
Kwong Man Him
Deputy Managing Director

Hong Kong, 14 April 2009

As at the date of this announcement, the executive directors of the Company are Mr. Song Lin (Chairman), Mr. Qiao Shibo (Executive Director), 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.