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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

**DISPOSAL OF THE ENTIRE INTEREST IN
CHINA RESOURCES VOGUE LIMITED
TO CHINA RESOURCES (HOLDINGS) COMPANY LIMITED**

Financial adviser

ANGLO CHINESE 英高
CORPORATE FINANCE, LIMITED

Summary

The board of directors of the Company is pleased to announce that on 24 September, 2010, the Company and CRH entered into a sale and purchase agreement pursuant to which the Company agreed to sell, and CRH agreed to acquire, the entire issued share capital of CR Vogue, a wholly-owned subsidiary of the Company.

Since CRH is the controlling shareholder of the Company, it is a connected person of the Company under the Listing Rules and the disposal contemplated under the sale and purchase agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios are more than 0.1% but less than 5%, the sale and purchase agreement is only subject to reporting and announcement requirements and exempted from the requirement of independent shareholders' approval pursuant to Rule 14A.32 of the Listing Rules.

On 24 September, 2010, the Company entered into a sale and purchase agreement with CRH pursuant to which the Company agreed to sell, and CRH agreed to acquire, the entire issued share capital of CR Vogue, a wholly-owned subsidiary of the Company.

The sale and purchase agreement

Date: 24 September, 2010

Vendor: the Company

Buyer: CRH or any parties nominated by it

Subject:

The entire issued share capital of CR Vogue, an investment holding company wholly-owned by the Company together with the shareholders loan advanced by the Group to CR Vogue Group. CR Vogue Group is principally engaged in apparel retail distribution. Two of the subsidiaries held under CR Vogue Group as at the date of this announcement will be beneficially retained by the Group, the principal assets of which are cash.

Consideration:

The consideration for the disposal is HK\$53.98 million payable in cash within ten business days upon completion of the sale and purchase agreement. The consideration was determined after arm's length negotiation with reference to the net book value of the subject assets and the face value of the shareholders loan which aggregated to approximately HK\$53.98 million according to the unaudited management accounts of CR Vogue Group as at 31 July, 2010.

For the two subsidiaries under CR Vogue Group that are not the subject assets under the disposal, CRH undertakes those shares will be transferred back to the Group by no later than 15 January, 2011.

Reasons for and benefits of the disposal

As explained in the latest annual report of the Company, the Group's strategy is to divest its non-core businesses and focus on reinforcing its market leadership in its core consumer businesses, namely retail, beer, beverage, food processing and distribution. The Company considers its current shareholding in CR Vogue Group, which is principally engaged in apparel retail distribution, as non-core, given its relative size and limited strategic fit with the Group's other businesses. Therefore, the directors of the Company view the disposal as a great opportunity for the Company to divest its interest in CR Vogue Group and redeploy its sale proceeds into its core businesses as general working capital. On completion of the disposal, CR Vogue will cease to be a subsidiary of the Company.

The directors of the Company, including the independent non-executive directors, believe that the disposal contemplated under the sale and purchase agreement is entered into on normal commercial terms and the terms of the disposal, which were determined after arm's length negotiations between the Company and CRH, are fair and reasonable and in the best interests of the Company and its shareholders as a whole.

Information about CR Vogue Group

CR Vogue Group is principally engaged in apparel retail distribution for the brand “ck Calvin Klein” in China, and with some other minor investments.

Set out below is the key financial information on CR Vogue Group based on the unaudited consolidated management accounts of CR Vogue:

	Year Ended 31 December,	
	2008	2009
	<i>(HK\$ million)</i>	
	<i>(unaudited)</i>	<i>(unaudited)</i>
Net (loss) / profit before taxation	(10.04)	6.45
Net (loss) / profit after taxation	(12.02)	5.91

Upon completion of the disposal, the Company is expected to record a book gain of around HK\$17.72 million attributed to the release of reserves of approximately HK\$17.72 million.

Information about the Company and CRH

The Company is a company listed on the Main Board of the Stock Exchange with business emphasis on consumer businesses in China and Hong Kong. The Group's core businesses, namely retail, beer, beverage and food processing and distribution.

CRH, the controlling shareholder of the Company, is interested in approximately 51.4% of the shares in the Company as at the date of this announcement, and is a connected person of the Company under the Listing Rules. Its principal business is investment holding.

Implication of the Listing Rules

The disposal contemplated under the sale and purchase agreement between the Company and CRH constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios are more than 0.1% but less than 5%, the sale and purchase agreement is only subject to reporting and announcement

requirements and exempted from the requirement of independent shareholders' approval pursuant to Rule 14A.32 of the Listing Rules. No director of the Company has any material interest in the disposal.

Definitions

“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
“connected person”	has the meaning ascribed to it under the Listing Rules
“Group”	the Company and its subsidiaries
“CRH”	China Resources (Holdings) Company Limited, the holding company of the Company interested in about 51.4% of the Company's issued share capital, a company incorporated in Hong Kong with limited liability and an investment holding company of its subsidiaries
“CR Vogue”	China Resources Vogue Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“CR Vogue Group”	CR Vogue 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”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“PRC” or “China”	The People's Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
China Resources Enterprise, Limited
Lai Ni Hium
Executive Director
and Company Secretary

Singapore, 24 September, 2010

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) and Mr. Lai Ni Hium (Deputy Managing Director). The Non-Executive Directors are Mr. Jiang Wei, 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.