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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
ENTERING INTO AN OPTION AGREEMENT (WITH PUT AND CALL OPTIONS)
IN RELATION TO THE ACQUISITION OF A 27% EQUITY INTEREST IN
A NON WHOLLY-OWNED SUBSIDIARY IN ZHEJIANG PROVINCE

The directors of China Resources Enterprise, Limited announced that on 13 April 2010, CRSBI, an indirect 51% owned subsidiary of the Group, entered into an option agreement with the Seller in relation to the acquisition of a 27% equity interest in CR Snow Zhejiang, a 70% owned subsidiary of CRSBI. Pursuant to the terms of the Option Agreement, (i) CRSBI has granted a put option to the Seller which entitles the Seller to require CRSBI to purchase the 27% equity interest from him at any time after entering into the Option Agreement; and (ii) the Seller has granted a call option to CRSBI which entitles CRSBI to require the Seller to sell the 27% equity interest to it at any time after 1 March 2013. The exercise price is RMB134,946,000 (approximately HK\$153,838,000) which will be satisfied in cash.

The Seller is a substantial shareholder and a director of CR Snow Zhejiang and is therefore a connected person of the Company. As such, entering into the Option Agreement 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 entering into the Option Agreement is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules.

THE OPTION AGREEMENT

Date:	13 April 2010
Seller:	孔飛躍 (Kong Fei Yue)*, an individual having a 27% equity interest in CR Snow Zhejiang and is one of its directors
Purchaser:	CRSBI
Underlying Asset:	a 27% equity interest in CR Snow Zhejiang, which has an attributable registered capital of CR Snow Zhejiang of

RMB32,400,000 and such registered capital has been fully paid up by the Seller.

- Put Option: CRSBI has granted a put option to the Seller which entitles the Seller to require CRSBI to purchase the 27% equity interest from him at any time after entering into the Option Agreement
- Call Option: The Seller has granted a call option to CRSBI which entitles CRSBI to require Seller to sell the 27% equity interest to it at any time after 1 March 2013.
- Exercise price: RMB134,946,000 (approximately HK\$153,838,000) which will be satisfied in cash and settled in US\$ to be converted at the middle exchange rate between RMB and US\$ as quoted by the People's Bank of China on the payment date.
- Profit distribution: The Seller is entitled to share the profit distribution of CR Snow Zhejiang up to the preceding financial year prior to transfer of the 27% equity interest in accordance with the Option Agreement. On the other hand, the Seller is not required to make good for any losses incurred by CR Snow Zhejiang prior to transfer of the 27% equity interest in accordance with the Option Agreement.

There is no premium paid by CRSBI or the Seller for the put option and the call option respectively.

REASONS FOR ENTERING INTO THE OPTION AGREEMENT

Zhejiang Province is one of CR Snow's major existing markets where it has a profitable and growing presence. CR Snow currently operates five breweries in Zhejiang Province. The entering into the Option Agreement 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 Zhejiang brewery operation. Given the performance of CR Snow Zhejiang and the strategic value of the Zhejiang brewery operation to CR Snow, the Directors consider that entering into the Option Agreement would be beneficial for the Group.

BASIS OF EXERCISE PRICE

The exercise price of RMB134,946,000 (approximately HK\$153,838,000) has been arrived at after arm's length negotiations between CRSBI and the Seller after taking into account of the assets and the price per kiloliter production capacity of CR Snow Zhejiang, the profitability and future prospects of CR Snow Zhejiang, the strategic importance of the Zhejiang 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) consider the terms of the Option 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 ZHEJIANG

CR Snow Zhejiang is principally engaged in the production and sale of CR Snow's "SNOW" brand beer as well as its "錢江" brand beer and "中華" brand beer in Zhejiang Province. It has an annual production capacity of 700,000 kiloliters and its sales volume for the years 2008 and 2009 amounted to approximately 501,000 kiloliters and 536,000 kiloliters respectively.

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

- (1) the net asset value attributable to the 27% equity interest in CR Snow Zhejiang as at 31 December 2009 amounted to approximately RMB84.2 million (equivalent to approximately HK\$96.0 million);
- (2) the net profit attributable to the 27% equity interest in CR Snow Zhejiang before and after taxation and extraordinary items for the year ended 31 December 2009 amounted to approximately RMB22.3 million (equivalent to approximately HK\$25.4 million) and RMB22.5 million (equivalent to approximately HK\$25.7 million) respectively; and
- (3) the net profit attributable to the 27% equity interest in CR Snow Zhejiang before and after taxation and extraordinary items for the year ended 31 December 2008 amounted to approximately RMB6.5 million (equivalent to approximately HK\$7.4 million) and RMB7.4 million (equivalent to approximately HK\$8.4 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 and property investments.

GENERAL

The Seller is a substantial shareholder and a director of CR Snow Zhejiang and is therefore a connected person of the Company. As such, entering into the Option Agreement 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

entering into the Option Agreement is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules.

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
“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 Zhejiang”	華潤雪花啤酒（浙江）股份有限公司 (China Resources Snow Breweries (Zhejiang) Co., Ltd.)*, a company incorporated in the PRC and a 70% 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
“Directors”	directors of the Company
“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
“Option Agreement”	an option agreement dated 13 April 2010 entered into between CRSBI and the Seller in relation to the acquisition of a 27% equity interest in CR Snow Zhejiang by CRSBI, details of which are set out in the section headed “The Option Agreement” of this announcement
“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
“Seller”	孔飛躍 (Kong Fei Yue)*, an individual having a 27% equity interest in CR Snow Zhejiang and is one of its directors
“US\$”	the lawful currency of the United States of America

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

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

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

Hong Kong, 13 April 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.