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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

Ng Fung Hong Group has been, during the ordinary and usual course of its businesses, selling/purchasing hogs, pork and products of pork to/from Hangzhou United Meat 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 2012.

As Hangzhou Assets is the 35% shareholder of Hangzhou United Meat and the controlling shareholders in certain non wholly-owned subsidiaries of Ng Fung Hong, it is a connected person of the Company under the Listing Rules. As Hangzhou United Meat is an associate of Hangzhou Assets, 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.

Reference is made to the announcement of the Company dated 18 December 2007 where amongst others, the annual caps for the decoration services provided by Uconia Group to the Group were set for the three years ending 31 December 2010.

As the forecasted decoration services provided by Uconia Group to the Group for the year ending 31 December 2010 are adjusted upward, the Company proposes to revise such annual cap for the year ending 31 December 2010.

As the annual caps and the revised annual cap 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

Ng Fung Hong Group has been, during the ordinary and usual course of its businesses, selling/purchasing hogs, pork and products of pork to/from Hangzhou United Meat 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 2012.

THE FRAMEWORK AGREEMENT

Date: 30 March 2010

Parties: Ng Fung Hong

Hangzhou United Meat

Pursuant to the Framework Agreement entered into by Ng Fung Hong and Hangzhou United Meat with a term commencing from the date of the Framework Agreement to 31 December 2012, it was agreed, inter alia, that any transaction entered into by a member of Ng Fung Hong Group or its fellow subsidiaries of the Group concerning hogs, pork and products of pork with Hangzhou United Meat or its associates should be on normal commercial terms. Each transaction should be either conducted at market price or at such other prices (if market price is unascertainable, or if the parties agree that market price cannot or should not be used for any special reasons) as the parties may agree fairly and reasonably in the circumstances as if they were independent third party.

RELATIONSHIP BETWEEN HANGZHOU UNITED MEAT AND THE COMPANY

As Hangzhou Assets is the 35% shareholder of Hangzhou United Meat and the controlling shareholders in certain non wholly-owned subsidiaries of Ng Fung Hong, it is a connected person of the Company under the Listing Rules. As Hangzhou United Meat is an associate of Hangzhou Assets, 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

Ng Fung Hong Group is principally engaged in food processing and distribution businesses. Hangzhou United Meat is principally engaged in wholesale and retail of meat and meat products. The transactions contemplated under the Framework Agreement will enable Ng Fung Hong Group to have a better control over the quality of hogs, pork and products of pork purchased and to secure a stable and sufficient supply/demand of hogs, pork and products of pork.

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, pork and products of pork by Ng Fung Hong Group and its fellow subsidiaries of the Group from Hangzhou United Meat and its associates for the two years ended 31 December 2009 and for the one month ended 31 January 2010 were approximately HK\$59.3 million HK\$52.3 million and HK\$7.4 million respectively.

The sales of hogs, pork and products of pork by Ng Fung Hong Group and its fellow subsidiaries of the Group to Hangzhou United Meat and its associates for the two years ended 31 December 2009 and for the one month ended 31 January 2010 were approximately HK\$59.3 million HK\$52.2million and HK\$7.3 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 norms from time to time.

There is not any prior transactions between the Group and Hangzhou United Meat 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, pork and products of pork by Ng Fung Hong Group and its fellow subsidiaries of the Group from Hangzhou United Meat and its associates for the three years ending 31 December 2012 are HK\$171.0 million, HK\$185.0 million and HK\$193.0 million respectively.

The proposed annual caps for the sales of hogs, pork and products of pork by Ng Fung Hong Group and its fellow subsidiaries of the Group to Hangzhou United Meat and its associates for the three years ending 31 December 2012 are HK\$176.0 million, HK\$190.0 million and HK\$199.0 million respectively.

The annual caps are determined by reference to (i) the historical value of the relevant transactions; (ii) the estimated demand for hogs, pork and products of pork for the period from the date of the Framework Agreement to 31 December 2012; (iii) the fluctuation in prices of hogs, pork and products of pork; and (iv) the provision of buffer for possible further increases in businesses. 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.

REVISION OF THE ANNUAL CAP OF THE DECORATION SERVICES

Reference is made to the announcement of the Company dated 18 December 2007 where

amongst others, the annual caps for the decoration services provided by Uconia Group to the Group were set for the three years ending 31 December 2010.

Uconia Group is engaged in design, decoration and furnishing businesses in Hong Kong and the PRC. Uconia Company Limited is a connected person of the Company as it is a non-wholly owned subsidiary of CRNC. Accordingly, the decoration services provided by Uconia Group constitute continuing connected transactions of the Company under the Listing Rules.

As disclosed in the announcement dated 18 December 2007, for the three years ending 31 December 2010, the Group intends to continue to enter into new contracts with Uconia Group in the ordinary and usual course of business on the following terms:

- a. each provision of decoration services by Uconia Group to the members of the Group will be documented in a separate written agreement with duration not exceeding three years; and
- b. each contract of decoration services will be entered into on normal commercial terms and the prices will be either conducted at market prices or at prices no less favourable to the Group than those available from independent third parties.

The payment terms and the credit terms of the decoration transactions contemplated under the above framework terms will be set by the parties in accordance with market norms from time to time.

The granting of contracts to the Uconia Group for the design, decoration and furnishing of the retail outlets, supermarkets and offices are in the ordinary and usual course of business of the Group.

There is not any prior transactions between the Group and Uconia Group which require aggregation under Rule 14A.25 of the Listing Rules.

The aggregate annual amounts of the decoration services provided to the Group by Uconia Group for the two years ended 31 December 2009 and the one month ended 31 January 2010 were approximately HK\$82.9 million, HK\$72.5 million and HK\$3.0 million respectively. As the forecasted decoration services provided by Uconia Group to the Group for the year ending 31 December 2010 are adjusted upward, the Company proposes to revise the annual cap of the decoration services for the year ending 31 December 2010 from HK\$125 million as previously announced to HK\$158 million.

The annual caps are determined by reference to (i) the historical value of the relevant transactions; and (ii) the continuous expansion of the Group's retail operations in the PRC and Hong Kong and the future renovation of existing retail outlets and supermarkets regarding the decoration transactions. The directors of the Company (including the independent non-executive directors) consider that the revised annual cap is fair and reasonable as far as the Company and its shareholders as a whole are concerned.

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 and property investments.

GENERAL

As the annual caps and the revised annual cap 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
“CRNC”	中國華潤總公司 (China Resources National Corporation), a state-owned enterprise established in the PRC and the ultimate holding company of the Company
“Framework Agreement”	the framework agreement dated 30 March 2010 entered into between Ng Fung Hong and Hangzhou United Meat relating to the supply of hogs, pork and products of pork
“Group”	the Company and its subsidiaries
“Hangzhou Assets”	杭州商業資產經營（有限）公司 (Hangzhou Commercial Assets Operation Co., Ltd.*), a state-owned company established in the PRC which is the 35% shareholder of Hangzhou United Meat and the controlling shareholders in certain non wholly-owned subsidiaries of Ng Fung Hong
“ Hangzhou United Meat”	Hangzhou Ng Fung United Meat 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 Hangzhou Assets
“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, the PRC refers to the Chinese Mainland excluding Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Uconia Company Limited”	Uconia Company Limited, a company incorporated in Hong Kong with limited liability and a non wholly-owned subsidiary of CRNC
“Uconia Group”	Uconia Company Limited and its subsidiaries

**Name 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, 30 March 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.