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(Incorporated in Hong Kong with limited liability)

(Stock Code: 291)



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1109)

**JOINT ANNOUNCEMENT
CONNECTED TRANSACTION
COOPERATION OF A PROPERTY PROJECT LOCATED IN HARBIN
BETWEEN CHINA RESOURCES ENTERPRISE, LIMITED
AND
CHINA RESOURCES LAND LIMITED**

Financial Adviser

ANGLO CHINESE
CORPORATE FINANCE, LIMITED



The Transaction

On 25 March 2011, CRE and CR Land entered into the Cooperation Agreement in relation to the Harbin Project to be developed by CR Land (Harbin), a project company of CR Land, on the basis that CRE Group will hold after completion of the project most of the commercial space in this development and to share the land cost on a pro rata basis which is estimated to amount to approximately RMB86.0million inclusive of related tax, equivalent to approximately HK\$102.1million. CRE Group will enter into the Project Management Agreement, which will form part of the Cooperation Agreement, to appoint CR Land (Harbin) as its project manager to develop the commercial space of the Harbin Project. It is estimated that the construction cost for the commercial space will be approximately RMB804.8million, equivalent to approximately HK\$954.7 million and the project management fee payable to CR Land (Harbin) by CRE Group will be approximately RMB14.1million, equivalent to approximately HK\$16.7 million. The aggregate estimated amount payable by CRE Group for the commercial space in the Harbin Project is approximately RMB904.9 million.

Upon completion of the Harbin Project, most of the commercial space in this development will be owned by CRE Group. It intends to operate the commercial space under the brand “Fun²” that focusing on household customers and with core

concept as being regional lifestyle shopping centre, and to use part of this space for its CR Vanguard supermarket operation. CR Land will retain the ownership to the remaining portion of the property which will comprise primarily residential space.

Listing Rules Implications

CRE and CR Land are owned as to 51.40% and 65.37% by CRH, respectively. CRH, is therefore, the controlling shareholder of both CRE and CR Land. As fellow subsidiaries, CRE and CR Land are each a connected person of the other under the Listing Rules. Based on the estimated cost of land together with the project management fee, the applicable percentage ratios for both CRE and CR Land are greater than 0.1% but less than 5%. Accordingly the transactions contemplated under the Cooperation Agreement and the Project Management Agreement constitute a connected transaction for each of CRE and CR Land, which is subject to reporting and announcement requirements but exempted from independent shareholders' approval requirements of the Listing Rules.

COOPERATION AGREEMENT

On 25 March 2011, CRE entered into the Cooperation Agreement with CR Land in relation to the Harbin Project to be developed by CR Land (Harbin), a project company of CR Land. Under the Cooperation Agreement CRE Group will own after completion most of the commercial space in this development and to share the land cost on a pro rata basis.

Date 25 March 2011

Parties (a) CR Land; and
(b) CRE

Subject Matter

The Harbin Project is a residential-commercial complex to be developed by CR Land (Harbin), which is located at Songbei Region, Harbin City, Heilongjiang Province, the PRC. The Harbin Project has a total site area of approximately 90,110 sq.m. with a permitted gross floor area of 298,250 sq.m. including the gross floor area of 100,000 sq. m. for the basement.

CRE Group has agreed to participate in the development of the Harbin Project with CR Land Group and in return will own after completion of the project most of the commercial space in this development with gross floor area of approximately 170,000 sq.m. including the gross floor area of 70,000 for the basement. CRE Group will share the land cost on a pro rata basis, being the total land cost together with related tax, multiplied by ratio of above ground floor area of the commercial portion to the total above ground floor area. This is equivalent to approximately 50.5% of the actual land cost paid by CR Land Group. CRE Group will also appoint CR Land (Harbin) as the project manager to develop the commercial space as further discussed below.

The commercial area of the Harbin Project will be operated under the name “Fun²”, a mid-market shopping centre focusing on household customers and will in this development comprise a supermarket operated by CR Vanguard, shops, game centres, restaurants and a multi-screen cinema.

Consideration and payment method

Under the Cooperation Agreement, the estimated land cost to be shared by CRE Group amount to approximately RMB 86.0million inclusive of related tax, equivalent to approximately HK\$102.0million, which is determined on a pro rata basis based on its commercial portion of the Harbin Project. The land was acquired by CR Land Group through auction on 18 January 2011 for a consideration of approximately RMB162.3million and will be injected into CR Land (Harbin) as its registered capital. CRE Group has also agreed to bear the tax expenses of CR Land (Harbin) arising from the transfer of commercial space in the Harbin Project to CRE Group. CRE Group’s payment of its proportion of the land cost will be made from its own internal resources within ten working days after signing of the Cooperation Agreement. CR Land Group will not recognise any gain or loss under the Cooperation Agreement.

PROJECT MANAGEMENT AGREEMENT

CR Vanguard (Liaoning) will enter into the Project Management Agreement with CR Land (Harbin) upon completion of establishment of the latter. The Project Management Agreement will form part of the Cooperation Agreement and under which CR Vanguard (Liaoning), as the principal, will appoint CR Land (Harbin) as its project manager to develop the commercial space of the Harbin Project. The construction contractor(s) for the Harbin Project will be selected through tendering process. If China Resources Construction Corp., a wholly-owned subsidiary of CR Land, is selected as the contractor for the Harbin Project, such construction services to be provided will be governed by the framework agreement entered into between China Resources Construction Corp. and CRE Group as announced on 6 July 2010 and covered by the corresponding annual cap.

Subject Matter

CR Land (Harbin) will be the project manager for the Harbin Project. CR Vanguard has agreed to appoint CR Land (Harbin) as its project manager to develop the commercial space with estimated area of 170,000 sq.m.. Under this arrangement CR Land (Harbin) will be responsible for obtaining all construction approvals and providing such services as architectural design, construction, project management and inspection. CR Vanguard (Liaoning) will appoint its own business consultant to design the layout of its commercial properties. CR Land (Harbin) is responsible for coordinating and designing the Harbin Project which will incorporate the layout design of the commercial portions provided by CRE Group.

Consideration and payment method

Under the Project Management Agreement, the total amount of construction cost and project management fee payable by CR Vanguard is 101.75% of the total construction cost incurred for the commercial portion of the Harbin Project, which is expected to

be about RMB818.9 million comprises an estimated construction cost of approximately RMB804.8 million and a project management fee of approximately RMB14.1 million. The construction cost has been based on an assessment of the likely costs to be incurred by CR Vanguard and project management fee is determined on an arm's length basis between CR Land (Harbin) and CR Vanguard.

The project management fee shall be paid from CRE Group's internal resources in four installments based on progress made on the construction of the commercial portion of the Harbin Project. Details of the payment schedule are stated as follows:

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| RMB4.2million which equals to 30% of the estimated project management fee: | After signing the Project Management Agreement and between 15 June 2011 and 20 June 2011; |
| RMB4.2million which equals to 30% of the estimated project management fee: | Payable within 10 working days upon completion of the construction work on the commercial area of the basement floor; |
| RMB4.2 million which equals to 30% of the estimated project management fee: | Payable within 10 working days after completion of the construction of the building structure and the installation of basic mechanical and electrical devices; and |
| RMB1.4 million which equals to 10% of the estimated project management fee adjusted with the actual construction fee | Payable within 10 working days after the construction cost has been finally determined. |

Payment of the construction cost shall be based on the progress of construction for the commercial portion of the Harbin Project. Details of the payment schedule are stated as follows:

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| RMB241.4million which equals to 30% of the estimated construction cost: | Payable within 10 working days after signing the Grant Contract of State Owned Land Use Right by CR Land (Harbin) and the corresponding local government department; |
| RMB241.4million which equals to 30% of the estimated construction cost: | Payable within 10 working days after the unutilised construction fee paid becomes less than RMB20 million; |
| RMB241.4million which equals to 30% of the estimated construction cost: | Payable within 10 working days after the unutilised construction fee paid becomes less than RMB20 million; and |
| RMB80.5million which equals to 10% of the estimated construction cost: | Payable within 10 working days after completion of the construction of building structure and the installation of basic mechanical and electrical devices, or payable within 10 working days after the unutilized construction fee paid becomes less |

than RMB10million, whichever is earlier.

Difference between the estimated construction cost and the actual cost incurred should be settled within 15 working days after the actual construction cost for the commercial space has been finalised.

REASONS FOR, AND BENEFITS OF, THE TRANSACTIONS

The arrangement under the Cooperation Agreement and the Project Management Agreement allows CRE to secure commercial space in a well located property for its target customer base in advance at a reasonable price, and to engage CR Land as the project manager, which has a record of successful property development in China. CRE Group will appoint its own business consultant during the development stage of the commercial property for the layout design so the commercial space will be designed and configured to its own requirements.

Through the Cooperation Agreement and the Project Management Agreement, CR Land is able to ensure that substantial portion of the commercial property will be owned and operated by CR Vanguard, a leading supermarket chain in China. The commercial property will be operated under the brand “Fun²” which is expected to enhance the value of the Harbin Project and support the pre-sale of its residential units. This arrangement will also result in CRE Group sharing part of the land and construction cost of the Harbin Project, thereby sharing both the risks and the financing of the project. CR Land will in return earn a management fee for its provision of construction and project management services to CRE Group.

FURTHER INFORMATION ON THE PARTIES

CRE and CR Vanguard (Liaoning)

CRE is a company with business emphasis on consumer businesses in China and Hong Kong. The core businesses of CRE are retailing, brewing, beverage and food processing, and distribution. CR Vanguard (Liaoning) is a wholly-owned subsidiary of CRE engaged in supermarket operations.

CR Land and CR Land (Harbin)

The principal business activity of CR Land is property investment, development and management in the PRC. CR Land (Harbin) is in the process of establishment. It will be a wholly-owned subsidiary under CR Land Group engaged in development of the Harbin Project.

LISTING RULES IMPLICATIONS

CRE and CR Land are owned as to 51.40% and 65.37% by CRH, respectively. CRH is therefore the controlling shareholder of CRE and CR Land. As fellow subsidiaries, CRE and CR Land are each a connected person of the other under the Listing Rules.

Based on the estimated cost of land together with the project management fee, the applicable percentage ratios are greater than 0.1% but less than 5%. Accordingly the transactions contemplated under the Cooperation Agreement and the Project Management Agreement constitute a connected transaction for each of CRE and CR Land, which is subject to reporting and announcement requirements but exempted from independent shareholders' approval requirements of the Listing Rules.

The directors, including the independent non-executive directors, for each of CRE and CR Land are of the view that both the Cooperation Agreement and the Project Management Agreement are on normal commercial terms which are fair and reasonable and in the interests of each of the CRE Group and CR Land Group and their respective shareholders as a whole.

No director of CRE and CR Land has abstained from voting on the relevant resolutions of the board of directors of CRE and the board of directors of CR Land in relation to the approval of the Cooperation Agreement and the Project Management Agreement.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context indicates otherwise.

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| “connected person” | has the meaning ascribed to it under the Listing Rules; |
| “Cooperation Agreement” | the agreement dated 25 March 2011 entered into between CRE and CR Land for cooperation in development of the commercial space of the Harbin Project; |
| “CRE” | China Resources Enterprise, Limited, an indirect subsidiary of CRH, incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange; |
| “CRE Group” | CRE and its subsidiaries; |
| “CR Land” | China Resources Land Limited, an indirect subsidiary of CRH, incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange; |
| “CR Land Group” | CR Land and its subsidiaries; |
| “CR Land (Harbin)” | China Resources Land (Harbin) Property Limited *(华润置地（哈尔滨）房地产有限公司), a company which is in the process of establishment in the PRC and with limited liability and will be a wholly-owned subsidiary under CR Land Group; |

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| “CR Vanguard” | China Resources Vanguard Co., Ltd., a limited liability company established in the PRC and a wholly-owned subsidiary of CRE; |
| “CR Vanguard (Liaoning)” | China Resources Vanguard (Liaoning) Superstore Co. Ltd.* (辽宁华润万家生活超市有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary under CRE Group; |
| “CRH” | China Resources (Holdings) Company Limited, a limited liability company incorporated in Hong Kong and a controlling shareholder of both CRE and CR Land; |
| “Project Management Agreement” | the agreement to be entered into between CR Vanguard and CR Land (Harbin) under which CR Vanguard will appoint CR Land (Harbin) to construct the commercial space of the Harbin Project; |
| “Harbin Project” | a residential-commercial complex to be developed by CR Land Group which is located at Songbei Region, Harbin City, Heilongjiang Province, the PRC; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC; |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; |
| “PRC” or “China” | the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong and Macau Special Administrative Region); |
| “RMB” | Renminbi, the lawful currency of the PRC; and |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited. |

** For identification only*

For the purpose of this announcement, translations of RMB into HK\$ are made for illustration purposes only at the exchange rate of HK\$1.00 to RMB0.843.

By the order of the board of
China Resources Land Limited
Wang Yin
Chairman

By the order of the board of
China Resources
Enterprise, Limited
Chen Lang
Chief Executive Officer
and Executive Director

Hong Kong 25 March, 2011

As at the date of this announcement, the board of directors of CR Land comprises two executive directors, namely Mr. Wang Yin (Chairman) and Mr. Wu Xiangdong (Managing Director); six non-executive directors, namely Mr. Yan Biao, Mr. Du Wenmin, Mr. Ding Jiemin, Mr. Shi Shanbo, Mr. Wei Bin and Dr. Zhang Haipeng; and five independent non-executive directors, namely Mr. Wang Shi, Mr. Ho Hin Ngai, Bosco, Mr. Andrew Y. Yan, Mr. Wan Kam To, Peter and Mr. Frederick Ma Si Hang.

As at the date of this announcement the board of directors of CRE comprises three executive directors namely Mr. Qiao Shibo (Chairman), Mr. Chen Lang (Chief Executive Officer) and Mr. Lai Ni Hium (Chief Financial Officer); five non-executive Directors, namely Mr. Yan Biao, Mr. Du Wenmin, Mr. Shi Shanbo, Mr. Wei Bin and Dr. Zhang Haipeng; and six independent non-executive Directors, namely 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.