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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

Reference is made to the Company's announcement on 19 November 2010. The Group has been, in its ordinary and usual course of business, receiving the provision of decoration services by Uconia Group. As the decoration services will continue, the Framework Agreement has been entered into to govern these transactions for three years commencing from 1 January 2014 to 31 December 2016.

Uconia Group is engaged in the design, decoration and furnishing business in Hong Kong and the PRC. Uconia is a wholly owned subsidiary of CR Land. The ultimate holding company of each of the Company and CR Land is CRNC. Thus, Uconia is a connected person of the Company. Accordingly, the decoration services provided by Uconia Group 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.

As each of the applicable percentage ratios (other than the profits ratio) set out in Rule 14.07 of the Listing Rules in respect of each of the annual caps under the Framework Agreement is more than 0.1% but less than 5%, the continuing connected transactions under the Framework Agreement are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under the Listing Rules.

BACKGROUND

The Group has been, in its ordinary and usual course of business, receiving the provision of decoration services by Uconia Group. As the decoration services will continue, the Framework Agreement has been entered into to govern these transactions for three years commencing from 1 January 2014 to 31 December 2016.

THE FRAMEWORK AGREEMENT

Date: 13 December 2013

Parties: the Company

Uconia

For the three years ending 31 December 2016, 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 favorable 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 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.

RELATIONSHIP BETWEEN UCONIA AND THE COMPANY

Uconia is a wholly owned subsidiary of CR Land. The ultimate holding company of each of the Company and CR Land is CRNC. Thus, Uconia is a connected person of the Company. Accordingly, the decoration services provided by Uconia Group constitute continuing connected transactions of the Company under the Listing Rules.

REASONS FOR THE TRANSACTIONS

The Group is principally engaged in retail, beer, food and beverage businesses. The granting of contracts to Uconia Group for the design, decoration and furnishing of the retail outlets, supermarkets and offices are in the usual course and ordinary course of the Group's business. In view of the Group's emphasis on consumer businesses and the continuous expansion of its retail businesses in the PRC, it is anticipated that the Group will need more design, decoration and furnishing services for its new retail outlets and supermarkets as well as periodic renovation of its existing retail outlets and supermarkets.

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.

PROPOSED ANNUAL CAPS

The proposed annual caps for the decoration services by Uconia Group for each of the three years ending 31 December 2016 is HK\$100,000,000.

The annual caps are determined by reference to (i) the historical value of the relevant transactions (being approximately HK\$20,400,000 for nine months ending September 30 in 2013, approximately HK\$65,800,000 in 2012 and approximately HK\$74,700,000 in 2011); 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 (including the independent non-executive directors) of the Company consider that the proposed annual caps contemplated under the Framework Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ABOUT THE COMPANY AND UCONIA

The Company is a company listed on the Main Board of the Stock Exchange with business emphasis on consumer businesses in the PRC and Hong Kong. The core businesses are namely retail, beer, food and beverage. Uconia Group is engaged in design, decoration and furnishing businesses in Hong Kong and the PRC.

GENERAL

As each of the applicable percentage ratios (other than the profits ratio) set out in Rule 14.07 of the Listing Rules in respect of each of the annual caps under the Framework Agreement is more than 0.1% but less than 5%, the continuing connected transactions under the Framework Agreement are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under the Listing Rules.

It is noted that none of the directors of the Company has any material interest in the Framework Agreement, and none of them abstained from voting on the relevant board resolutions approving the Framework Agreement and the transactions contemplated thereunder.

DEFINITIONS

“Company”	means China Resources Enterprise, Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 291);
“CR Land”	means China Resources Land Limited (stock code: 1109), a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;

“CRNC”	means 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”	means the Framework Agreement dated 13 December 2013 entered into between the Company and Uconia related to the decoration services provided by Uconia Group for the three years ending 31 December 2016;
“Group”	means the Company and its subsidiaries;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“PRC”	means the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan);
“Uconia”	means Uconia Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CR Land; and
“Uconia Group”	means Uconia Company Limited and its subsidiaries.

** for identification purposes only*

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

Hong Kong, 13 December 2013

As at the date of this announcement, the Executive Directors of the Company are Mr. Chen Lang (Chairman), Mr. Hong Jie (Chief Executive Officer), Mr. Liu Hongji (Vice Chairman) and Mr. Lai Ni Hium, Frank (Chief Financial Officer). The Non-executive Directors are Mr. Du Wenmin, Mr. Wei Bin, Mr. Yan Biao, Mr. Huang Daoguo and Mr. Chen Ying. The Independent Non-executive Directors are Mr. Houang Tai Ninh, Dr. Li Ka Cheung, Eric, Dr. Cheng Mo Chi, Mr. Bernard Charnwut Chan and Mr. Siu Kwing Chue, Gordon.