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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)

Discloseable Transaction

J.P.Morgan

J.P. Morgan Securities (Asia Pacific) Limited

Exclusive Financial Advisor

The Master Agreement

The Board is pleased to announce that, after market close, on 5 February 2013, the Purchaser, a 51% owned subsidiary of the Company, and the Vendor entered into the Master Agreement, pursuant to which, among others, the Purchaser has agreed to purchase (and procure the purchase of) and the Vendor has agreed to sell (and procure the sale of), among other things, the Sale Shares, the Sale Shareholder's Loans and the Sale Debts. Completion of the transactions contemplated under the Master Agreement is subject to the satisfaction of the Conditions.

As the applicable percentage ratios, before the adjustments to Sale Consideration, (as defined in the Listing Rules) in respect of the Transactions are more than 5% but less than 25%, the Transactions constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements of the Listing Rules.

Shareholders and potential investors should note that the Transactions may or may not proceed, as they are subject to a number of conditions, which may or may not be fulfilled (or waived). Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

A. INTRODUCTION

The Board is pleased to announce that the Purchaser and the Vendor entered into the Master Agreement, pursuant to which, among others, the Purchaser has agreed to purchase (and procure the purchase of) and the Vendor has agreed to sell (and procure the sale of), among other things, the Sale Shares, the Sale Shareholder's Loans and the Sale Debts. The Company

holds approximately 51% of the entire issued share capital of the Purchaser as at the date of this announcement.

B. THE TRANSACTIONS

The Master Agreement

Date : 5 February 2013, after market close

Parties

Purchaser: CRSB

Vendor: Kingway Holdings

In order to implement the Sale and pursuant to the terms of the Master Agreement, the Vendor, the Intermediate Holdcos (being City Century, Ease Court, Harbour Bright, Morefit, Jade Shine and Silver Coin, each a wholly owned subsidiary of the Vendor), the Purchaser and the Purchaser PRC Co will enter into the Ancillary Agreements.

1. *Principal assets to be acquired*

Pursuant to the Master Agreement, the Purchaser has agreed to purchase (and procure the purchase of) and the Vendor has agreed to sell (and procure the sale of), among other things:

- (i) the Sale Shares, representing the entire equity capital of each of Kingway China, Kingway Chengdu, Kingway Dongguan, Kingway Foshan, Kingway Shantou, Kingway Tianjin, Kingway Xian, Plant 2 Co and Kingway Sales (all being wholly owned subsidiaries of the Vendor);
- (ii) the Sale Shareholder's Loans, comprising the shareholder's loans due from Kingway Chengdu, Kingway Foshan, Kingway Shantou, Kingway Tianjin and Kingway Xian;
- (iii) the Sale Debts, comprising the payables of each of Kingway China, Kingway Chengdu, Kingway Dongguan, Kingway Foshan, Kingway Shantou, Kingway Tianjin, Kingway Xian, Plant 2 Co and Kingway Sales, due to Plant 1 Co (a wholly owned subsidiary of Vendor).

2. *Consideration*

The Sale Consideration (as defined below) was arrived at after arm's length negotiations between the Vendor and the Purchaser.

The total consideration for the sale of the Sale Shares, the Sale Shareholder's Loans and the Sale Debts is the aggregate amount of RMB5,384.2 million (equivalent to approximately HK\$6,643.0 million) (together, the "**Sale Consideration**"), of which

- (i) approximately RMB4,800.5 million (equivalent to approximately HK\$5,922.8 million) is the aggregate consideration for the sale of the Sale Shares, without taking into account the cash and bank balance of the Sale Group as at 30 September 2012;
- (ii) approximately US\$33 million (equivalent to approximately RMB210.5 million and approximately HK\$259.7 million) is the aggregate consideration for the sale of the Sale Shareholder's Loans (which aggregate amount was outstanding as at 30 September 2012); and
- (iii) approximately RMB373.2 million (equivalent to approximately HK\$460.5 million) is the aggregate consideration for the sale of the Sale Debts (which aggregate amount was outstanding as at 30 September 2012).

Furthermore, the Purchaser will pay an amount of RMB218.5 million (equivalent to approximately HK\$269.6 million), representing the aggregate of the cash and bank balances of the Sale Group as at 30 September 2012, to the Vendor, in the manner described below, subject to adjustments as specified in the Master Agreement.

The above amounts are subject to adjustments (as detailed in the subsection headed "4. Completion, post Completion matters and adjustments" below).

The Purchaser has paid an amount of HK\$611 million into an escrow account, which, pursuant to the terms of the Master Agreement, shall remain in the relevant escrow account, and the Purchaser shall pay an additional amount of HK\$53.3 million, to make up 10% of the Sale Consideration and as security money (the "**Security Money**") for the Transactions. Subject to Completion having taken place, the Security Money shall, at the Overall Completion Date, be applied in accordance with paragraphs (ii)(b) and (ii)(c) below, and thereafter, the amount remaining (if any) shall be released to the Purchaser (along with interest, if any).

The Sale Consideration shall be paid (or procure to be paid) by the Purchaser in cash in the following manner:

- (i) at the Completion Date:
 - (a) the aggregate sum of approximately RMB3,395.7 million (equivalent to approximately HK\$4,189.6 million), representing the part consideration for the registered capital of each of the PRC Sale Companies, shall be paid to the Vendor and the Intermediate Holdcos (as the case may be); and
 - (b) the sum of approximately RMB373.2 million (equivalent to approximately HK\$460.5 million), representing the consideration for the Sale Debts, shall be paid to Plant 1 Co;
- (ii) at the Overall Completion Date:
 - (a) the aggregate sum of approximately RMB46.4 million (equivalent to approximately HK\$57.3 million), representing the part consideration for the registered capital of one of the PRC Sale Companies, shall be paid to the Vendor and the Intermediate Holdcos (as the case may be);

- (b) the aggregate sum of approximately US\$33 million (equivalent to approximately RMB210.5 million and approximately HK\$259.7 million), together representing the consideration for the Sale Shareholder's Loans, shall, be satisfied by releasing an equivalent amount from the Security Money to the relevant Intermediate Holdcos; and
- (c) the sum of approximately RMB281.5 million (equivalent to approximately HK\$347.3 million), representing the consideration for the entire issued share capital of Kingway Sales, shall be satisfied by releasing an equivalent amount from the Security Money to the Vendor;
- (iii) after the issue of the Completion Accounts, an aggregate amount of the following shall be paid to the Vendor and the Intermediate Holdcos, as the case may be: an amount representing the Sale Consideration as adjusted by the amount of the NAV Adjustment Value (if any) and the Indebtedness Differentials (if any), minus an amount representing the cash and bank balances of the Sale Group as at 30 September 2012 (of approximately RMB218.5 million, equivalent to approximately HK\$269.6 million), as adjusted by the reduction of the aggregate amount of the third party deposits as at 30 September 2012, minus the amounts already paid under sub-paragraphs (i) and (ii) above and the amount payable under sub-paragraph (iv) below; and
- (iv) at 24 months after the Overall Completion Date, the aggregate sum of approximately RMB538.4 million (equivalent to approximately HK\$664.3 million), representing the remaining 10% of the Sale Consideration, shall, after deducting the relevant claim amounts (if any), shall be paid to the Vendor and the Intermediate Holdcos (as the case may be).

The Sale Consideration was arrived at after arm's length negotiations between the parties. The Sale Consideration shall be satisfied by the internal resources of the Group.

3. *Conditions precedent to Completion*

Completion of the Master Agreement is conditional upon the satisfaction (and/or waiver) of the certain conditions, a summary of the principal terms of which are set out below:

- (i) the Purchaser or the Purchaser PRC Co having obtained the Anti-Monopoly Review Notification for Anti-Monopoly Review for Concentrations of Undertakings (經營者集中反壟斷審查申報) in respect of the transactions contemplated under the Master Agreement (in the event that the relevant approval contains conditions or limitations, the Vendor and the Intermediate Holdcos (being the vendors of the PRC Sale Companies), and the Purchaser and the Purchaser PRC Co (being the purchasers of the PRC Sale Companies), may use their reasonable commercial judgement to decide whether to accept these conditions or limitations);
- (ii) the Vendor, having obtained, in addition to the Anti-Monopoly Review Notification for Anti-Monopoly Review for Concentrations of Undertakings mentioned in (i) above, all necessary approvals from or filings with the PRC authorities in respect of the transactions contemplated under the Master Agreement and each of the PRC Sale Shares Agreements in accordance with applicable PRC laws;

- (iii) the Vendor and the Purchaser having completed the transfer of the Kingway Sales in accordance with the terms and conditions under the Kingway Sales SPA;
- (iv) the Purchaser having deposited the Security Money into the relevant escrow account;
- (v) the transactions contemplated under the Master Agreement having been approved at the SGM convened in accordance with the requirements of the Listing Rules;
- (vi) the Purchaser PRC Co having obtained from the relevant PRC authorities all the necessary approvals and filings in respect of the making of payment for the consideration in respect of the transfer of equity interest in the PRC Sale Companies;
- (vii) the Vendor, the Intermediate Holdcos and Plant 1 Co having performed and complied with all applicable undertakings and commitments in accordance with the Master Agreement and the relevant Ancillary Agreements on or before the Completion Date, and there being no occurrence of events of material adverse effect;
- (viii) the employment agreements with the transferred employees having been entered into and the relevant payments having been agreed in writing;
- (ix) the respective conditions of each of the PRC Sale Shares Agreements having been fulfilled;
- (x) the relevant representations and warranties in relation to the Vendor, the Intermediate Holdcos, and Plant 1 Co as set out in the Master Agreement and/or the relevant Ancillary Agreements remain true, accurate and not misleading on or before the respective dates of completion of the transfer of the respective Sale Companies, and there being no occurrence of events of material adverse effect, and

the delivery of certain documents and certificates relating to the above to the Purchaser.

The Vendor may in its sole discretion decide to waive Condition (iv), and the Purchaser may in its sole discretion decide to waive Conditions (vii), (viii), (ix), and (x). Neither parties may unilaterally waive Conditions (i), (ii), (iii), (v) and (vi).

If all of the Conditions have been fulfilled and/or waived, but Completion fails to take place by the reason of the Purchaser or the Purchaser PRC Co failing to pay the consideration for the Sale Shares or the Sale Debts, the Vendor shall have the right to terminate the Transactions, and the Security Money shall be forfeited.

If (1) the Conditions fail to be fulfilled and/or waived, or (2) the Conditions have been fulfilled and/or waived, but Completion fail to take place by the reason of the Vendor, the Intermediate Holdcos or Plant 1 Co, the Purchaser shall have the right to terminate the Transactions, and the Security Money shall be refunded to the Purchaser.

4. *Completion, post Completion matters and adjustments*

Completion shall take place on the Completion Date, on which, among other things, the completion of the transfer of the Sale Shares and the transfer of the Sale Debts shall take place.

Overall Completion shall take place on the Overall Completion Date, on which, among other things, the completion of the transfer of the Sale Shareholder's Loans shall take place.

If the Conditions have not been fulfilled (and/or waived) on or before the Long Stop Date, unless the parties otherwise agree, the Master Agreement and the Ancillary Agreements shall terminate.

After Completion, the Completion Accounts as at the Completion Date shall be prepared in respect of each of the Sale Companies, and, from the Completion Accounts, certain adjustment amounts (if any) are to be determined, by reference to (1) the increase or decrease (the “**NAV Adjustment Value**”) in the net asset value of the relevant Sale Company as at the Completion Date as compared against the net asset value of the relevant Sale Company as at 30 September 2012, and (2) the difference (the “**Indebtedness Differentials**”) between the actual amount of the Sale Debts and the Sale Shareholder's Loans as at the Completion Date and their respective value as at 30 September 2012. As a result, the Sale Consideration could be increased or reduced by (1) the amount of increase or decrease, if any, in the net asset value of each of the Sale Companies as at the Completion Date compared against the net asset value of each such Sale Company as at 30 September 2012, and (2) the amount of increase or decrease, if any, in the actual amount of the Sale Debts and the Sale Shareholder's Loans of the relevant Sale Company as at the Completion Date compared against their respective value as at 30 September 2012. Furthermore, a budget on the combined turnover for the Sale Group will be set, and, in the event that the decline in the combined turnover of the Sale Group for the Transitional Period is below the budgeted amount by more than 9%, the Purchaser is entitled to compensation in accordance with the terms of the Master Agreement. The Purchaser shall be entitled to terminate the Transactions in the event that the decline in the combined turnover of the Sale Group for the Transitional Period exceeds 20% of the said budget.

C. FINANCIAL INFORMATION RELATING TO THE SALE GROUP

The following table shows the unaudited consolidated net profit/loss before tax and net profit/loss after tax of the Sale Group (prepared in accordance with HK GAAP) for each of the two financial years ended 31 December 2010 and 31 December 2011 and for the six months ended 30 June 2012:

	Year ended 31 December		6 months ended 30 June
	2010	2011	2012
	(unaudited)	(unaudited)	(unaudited)
Net profit/(loss) before tax	HK\$60,410,000	HK\$54,136,000	HK\$(68,946,000)
Net profit/(loss) after tax	HK\$53,881,000	HK\$45,995,000	HK\$(69,735,000)

As at 31 December 2011, the unaudited consolidated net assets of the Sale Group, prepared in accordance with HK GAAP, was approximately HK\$1,939,734,000.

D. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group takes the view that:

- (1) the acquisition of the Vendor's brewery business and assets comprising the Sale Group will allow the Group to acquire an on-going business with established manufacturing infrastructures, a recognized brand and distribution networks with geographical coverage across the PRC; and
- (2) Kingway is a reputable beer brand in the PRC with particular brand recognition in the Guangdong province.

Based on the above, the Group believes that the acquisition would place it in a better position to capture any future growth in the PRC beer market.

The Directors believe that the terms of the Transactions are fair and reasonable and in the interests of the Company and its shareholders as a whole.

E. IMPLICATIONS UNDER LISTING RULES

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are third parties independent of the Company and its connected persons as at the date of this announcement.

As the applicable percentage ratios before the adjustments to the Sale Consideration (as defined in the Listing Rules) in respect of the Transactions are more than 5% but less than 25%, the Transactions constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements of the Listing Rules. The Company does not envisage the inclusion of the adjustments of the Sale Consideration will increase any of the applicable percentage ratios to above 25% but will still be subject to the prevailing reporting and announcement requirements of the Listing Rules, if applicable.

F. INFORMATION ON THE SALE GROUP

Kingway Chengdu, Kingway Dongguan, Kingway Foshan, Kingway Shantou, Kingway Tianjin, Kingway Xian and Plant 2 Co are principally engaged in the production, distribution and sale of beer.

Kingway China is principally engaged in beer information management.

Kingway Sales is principally engaged in the sale and marketing of beer.

The breweries in the Sale Group together have a combined current beer production capacity of 1.45 million tonnes.

G. INFORMATION ON THE VENDOR

The principal activity of the Vendor is investment holding and its subsidiaries are principally engaged in investment holding and in the production, distribution and sale of beer.

H. INFORMATION ON THE GROUP

The Group is principally engaged in the consumer businesses including retail, beer, food and beverage in both PRC and Hong Kong.

Shareholders and potential investors should note that the Transactions may or may not proceed, as they are subject to a number of conditions, which may or may not be fulfilled (or waived). Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

I. DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“Ancillary Agreements”	the Kingway Sales SPA, the PRC Sale Shares Agreements, the PRC Sale Shareholder’s Loans Assignments, the PRC Sale Debts Assignment, and certain other agreements in relation to transfer of certain contracts, inventories, staff, and the provision of certain licence
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and any day on which a tropical cyclone warning no. 8 or above is hoisted at any time between 9:00 a.m. and 5:00 p.m. or on which a “black” rainstorm warning is hoisted at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong and the PRC are open for business
“BVI”	the British Virgin Islands
“City Century”	City Century Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Vendor. City Century is the beneficial owner of 60% interest in the registered capital of Kingway Chengdu
“Company”	China Resources Enterprise, Limited, a limited liability company incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 291)
“Completion”	the completion of the transfer of the Sale Shares and the transfer of the Sale Debts in accordance with the terms and conditions of Master Agreement

“Completion Accounts”	the accounts and other financial information, as at the Completion Date, of each of the Sale Companies, as reviewed by the accountants to be jointly instructed by the Purchaser and the Vendor
“Completion Date”	the third Business Day after all the Conditions have been fulfilled or waived
“Conditions”	conditions precedent to Completion as set out in the Master Agreement
“Director(s)”	the director(s) of the Company
“Ease Court”	Ease Court Investment Limited (怡庭投資有限公司), a company incorporated in Hong Kong and a wholly-owned subsidiary of the Vendor. Ease Court is the beneficial owner of 35% interest in the registered capital of each of Kingway Donguan and Kingway Shantou, and 40% interest in the registered capital of each of Kingway Foshan and Kingway Tianjin
“Group”	the Company and its subsidiaries
“Harbour Bright”	Harbour Bright Enterprises Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Vendor. Harbour Bright is the beneficial owner of 65% interest in the registered capital of each of Kingway Donguan and Kingway Shantou, and 60% interest in the registered capital of each of Kingway Foshan and Kingway Tianjin
“HK GAAP”	the generally accepted accounting principles, standards and practices in Hong Kong (including all applicable Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indebtedness Differentials”	has the meaning ascribed to it in the sub-section headed “5. Completion and post Completion matters” in the section headed “B. The Transactions” in this announcement
“Intermediate Holdcos”	City Century, Ease Court, Harbour Bright, Morefit, Jade Shine and Silver Coin
“Jade Shine”	Jade Shine Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Vendor. Jade Shine is the beneficial owner of 40% interest in the registered capital of Kingway Chengdu
“Kingway Chengdu”	金威啤酒集團(成都)有限公司(Kingway Brewery Group (Chengdu) Co., Ltd [#]), a company incorporated in the PRC and a

	wholly owned subsidiary of the Vendor. Kingway Chengdu is a Sale Company
“Kingway China”	金威啤酒(中國)有限公司 (Kingway Brewery (China) Co., Ltd. [#]), a company incorporated in the PRC and a wholly-owned subsidiary of the Vendor. Kingway China is a Sale Company
“Kingway Dongguan”	金威啤酒(東莞)有限公司(Kingway Brewery (Dongguan) Co., Ltd. [#]), a company incorporated in the PRC and a wholly owned subsidiary of the Vendor. Kingway Dongguan is a Sale Company
“Kingway Holdings” or “Vendor”	Kingway Brewery Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (with the stock code of 124)
“Kingway Foshan”	金威啤酒(佛山)有限公司(Kingway Brewery (Foshan) Co., Ltd. [#]), a company incorporated in the PRC and a wholly owned subsidiary of the Vendor. Kingway Foshan is a Sale Company
“Kingway Sales”	Guangdong Kingway Sales Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Vendor. Kingway Sales is a Sale Company
“Kingway Sales SPA”	the agreement to be entered into between the Purchaser and the Vendor and in relation to the sale of Kingway Sales
“Kingway Shantou”	金威啤酒(汕頭)有限公司(Kingway Brewery (Shantou) Co., Ltd. [#]), a company incorporated in the PRC and a wholly owned subsidiary of the Vendor. Kingway Shantou is a Sale Company
“Kingway Tianjin”	金威啤酒(天津)有限公司(Guangdong Brewery (Tianjian) Co., Ltd. [#]), a company incorporated in the PRC and a wholly owned subsidiary of the Vendor. Kingway Tianjin is a Sale Company
“Kingway Xian”	金威啤酒(西安)有限公司(Kingway Brewery (Xian) Co., Ltd. [#]), a company incorporated in the PRC and a wholly-owned subsidiary of the Vendor. Kingway Xian is a Sale Company and wholly owns 西安金啤物資回收有限公司 (a company established in the PRC)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	5 September 2013 (being the end of the seventh month after the date of the Master Agreement) or, if such day is not a Business Day, the next Business Day, or such other date as the Purchaser and the Vendor may agree in writing
“Master Agreement”	the agreement dated 5 September 2013 between the Purchaser and the Vendor and in relation to the Sale and, inter alia, the performance of the other obligations by the Vendor contemplated therein

“Morefit”	Morefit Limited, a company incorporated in the BVI and a wholly-owned subsidiary of the Vendor. Morefit is the beneficial owner of the entire registered capital of Plant 2 Co
“NAV Adjustment Value”	has the meaning ascribed to it in the sub-section headed “4. Completion, post Completion matters and adjustments” in the section headed “B. The Transactions” in this announcement
“Overall Completion”	the completion of the Sale in accordance with the terms and conditions of Master Agreement, including without limitation, the completion of the transfer of the Sale Shareholder’s Loans
“Overall Completion Date”	the third Business Day after Overall Completion has taken place
“Plant 1 Co”	深圳金威啤酒有限公司 (Shenzhen Kingway Brewery Co., Ltd. [#]), a company incorporated in the PRC and a wholly-owned subsidiary of the Vendor
“Plant 2 Co”	深圳金威啤酒釀造有限公司 (Shenzhen Kingway Brewing Co., Ltd. [#]), a company incorporated in the PRC and a wholly-owned subsidiary of the Vendor. Plant 2 Co is a Sale Company
“PRC”	the People’s Republic of China, for the purpose of this announcement, unless otherwise specified, does not include Hong Kong, the Macau Special Administrative Region and Taiwan region
“PRC Sale Companies”	(i) Kingway China (ii) Kingway Chengdu, (iii) Kingway Dongguan, (iv) Kingway Foshan, (v) Kingway Shantou, (vi) Kingway Tianjin, (vii) Kingway Xian and (viii) Plant 2 Co
“PRC Sale Debts Assignment”	the agreement to be entered into between Plant 1 Co, all of the Sale Companies and the Purchaser PRC Co and in relation to the sale of the Sale Debts in accordance with the terms of the Master Agreement
“PRC Sale Shareholder’s Loans Assignments”	the five agreements to be entered into between each of Harbour Bright, Ease Court, Silver Coin and Jade Shine and the Purchaser in relation to the sale of the Sale Shareholder’s Loans in accordance with the terms of the Master Agreement
“PRC Sale Shares Agreements”	the eight agreements to be entered into between the Vendor, each of the Intermediate Holdcos and the Purchaser PRC Co for the transfer of the registered capital of each of Kingway China, Kingway Chengdu, Kingway Dongguan, Kingway Foshan, Kingway Shantou, Kingway Tianjin, Kingway Xian and Plant 2 Co in accordance with the terms of the Master Agreement
“Purchaser” or “CRSB”	China Resources Snow Breweries Limited (華潤雪花啤酒有限公司), a company incorporated in the BVI, and 51% interest in its issued share capital is beneficially owned by the Company (a

	company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (with the stock code of 291))
“Purchaser PRC Co”	華潤雪花啤酒（中國）投資有限公司 (China Resources Snow Breweries Investment Limited), a company established in the PRC and is a wholly owned subsidiary of the Purchaser
“RMB”	Renminbi, the lawful currency of the PRC
“Sale”	the sale of the Sale Shares, the Sale Shareholder’s Loans and the Sale Debts
“Sale Companies”	(i) Kingway China (ii) Kingway Chengdu, (iii) Kingway Dongguan, (iv) Kingway Foshan, (v) Kingway Shantou, (vi) Kingway Tianjin, (vii) Kingway Xian, (viii) Plant 2 Co and (ix) Kingway Sales, and a "Sale Company" means any one of them
“Sale Consideration”	the total consideration for the Sale
“Sale Debts”	the payables of each of Kingway China, Kingway Chengdu, Kingway Dongguan, Kingway Foshan, Kingway Sales, Kingway Shantou, Kingway Tianjin, Kingway Xian and Plant 2 Co, to Plant 1 Co
“Sale Group”	the Sale Companies together
“Sale Shareholder’s Loans”	the respective shareholder’s loans in relation to Kingway Chengdu, Kingway Foshan, Kingway Shantou, Kingway Tianjin and Kingway Xian
“Sale Shares”	the entire equity capital of each of Kingway China, Kingway Chengdu, Kingway Dongguan, Kingway Foshan, Kingway Shantou, Kingway Tianjin, Kingway Xian, Plant 2 Co and Kingway Sales
“Security Money”	an amount paid by the Purchaser into an escrow account, which is to be held and applied in accordance with the terms of the Master Agreement and the relevant Ancillary Agreements
“SGM”	the special general meeting to be convened by the Vendor for the purpose of, among others, approving the Transactions, the proposed special dividend and the change of name and adoption of the secondary name of the Vendor
“Shares”	share(s) of the Company
“Shareholders”	holder of Share(s)
“Silver Coin”	Silver Coin Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Vendor. Silver Coin is the beneficial owner of the entire registered capital of Kingway Xian

“ Stock Exchange ”	The Stock Exchange of Hong Kong Limited
“ Transactions ”	the purchase of the Sale Shares, the Sale Shareholder’s Loans and the Sale Debts and the other transactions contemplated under the Master Agreement and the Ancillary Agreements
“ Transitional Period ”	the period between the date of the Master Agreement and the Completion Date
“ US\$ ”	United States dollars, the lawful currency of the United States of America
“ Vendor Group ”	the Vendor and its subsidiaries
“ % ”	per cent

For use in this announcement and for illustration purpose only, conversion of RMB into HK\$ is based on either the relevant historical exchange rate or the approximate exchange rate of RMB0.8105 to HK\$1 as at 5 February 2013. No representation is made that any amount in HK\$ and RMB could be converted at such rate.

The English translation of the Chinese name of the relevant company, entity or law included in this announcement is prepared by the Company for reference only, and such translation may not be accurate and such company, entity or law may not have an official English translation/version of its Chinese name.

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

Hong Kong, 5 February 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. Yan Biao, Mr. Wei Bin, 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.