

**For Immediate Release**

**Press Release**

**China Resources Enterprise enters agreement with China Resources (Holdings) to revise terms for Proposed Disposal of Non-Beer Businesses**

*Demonstrates CRH's confidence, support and commitment to CRE*

- CRH to increase the total consideration for the acquisition of CRE's non-beer businesses from HK\$28 billion to HK\$30 billion.
- CRE to increase the amount of the special cash dividend from HK\$11.50 per share to HK\$12.30 per share, representing approximately 80.9% of the value of the Last Closing Price of HK\$15.20 per share prior to the trading halt on 8 April 2015.
- CRH to increase the maximum number of shares to be acquired under the pre-conditional partial offer from 10% to 20% of CRE's outstanding shares at HK\$12.70 per share.
- Total cash consideration received for each CRE share (to the extent tendered and fully accepted into the Revised Partial Offer) increased to HK\$25.00 per share, representing a premium of approximately 64.5% to Last Closing Price of HK\$15.20 per share.
- CRH to provide shareholder's loan(s) of up to HK\$10 billion for up to three years at prevailing market interest rate, if requested by CRE.

Hong Kong, 18 June 2015 --- China Resources Enterprise, Limited ("CRE", HKEX: 00291) today announced that it had entered into an agreement with China Resources (Holdings) Company Limited ("CRH") to revise the terms of its proposed acquisition of CRE's non-beer businesses (the "Revised Possible Disposal"). The consideration for the Revised Possible Disposal has been increased from HK\$28 billion to HK\$30 billion to enhance the attractiveness of the terms of the transaction, having considered changes in general market conditions and with reference to CRH's view of the value of the non-beer businesses and the terms of the transaction taken as a whole, including the pre-conditional partial offer. The Revised Possible Disposal remains subject to independent shareholders' approval and certain bank and third party consents.

The amount of the special dividend distributed from substantially all of the proceeds of the Revised Possible Disposal will increase from HK\$11.50 per share to HK\$12.30 per share, representing approximately 80.9% of the value of the closing price of HK\$15.20 per share prior to the trading halt on 8 April 2015 (the "Last Closing Price"), and will be paid after the completion of the Revised Possible Disposal ("Completion") and a capital reduction by CRE.

CRH, is making the Revised Partial Offer in conjunction with the Revised Possible Disposal, to reinforce its confidence, commitment and dedication to CRE. This is evidenced by the increase in the maximum number of shares it will acquire from qualifying shareholders under the proposed pre-conditional partial offer from 242,136,536 shares of CRE (representing approximately 10% of

CRE's total issued share capital), to 484,273,072 shares of CRE (representing approximately 20% of CRE's issued share capital) at an offer price of HK\$12.70 per share (the "Revised Partial Offer"). However, CRH intends to continue maintaining the listing status of the Company and welcomes Shareholders to retain their shareholding and remain fully invested in CRE.

Together with the revised special dividend of HK\$12.30, a total cash consideration of HK\$25.00 is proposed to be received by shareholders for every share that is tendered into and accepted under the Revised Partial Offer, representing approximately a 64.5% premium to the Last Closing Price of HK\$15.20 per share. Although CRH welcomes shareholders to retain their shareholding in CRE, the Revised Binding Proposal provides an opportunity to for shareholders to realise a greater part of their investment at a higher share price (taking into account the Revised Special Dividend).

As part of CRH's continued support and commitment to CRE, including potential future growth opportunities in its beer business, CRH has further agreed to provide, upon CRE's request after the completion, shareholder's loan(s) of up to a maximum aggregate amount of HK\$10 billion for a duration of not more than three years. This will be at an interest rate that CRH borrows for a loan of an equivalent amount in Hong Kong dollars for the relevant period. Such loan(s) will be available for drawdown by CRE for a period of three years from Completion.

Mr. Chen Lang, Chairman of CRE said, "We are pleased to receive the revised terms from CRH that provide more value to independent shareholders. On the back of the implementation of our national expansion strategy, and a long-term partnership with the world's second largest brewer SABMiller PLC, we have every confidence in bringing the Group's beer business to the next level of success with our market leading position and proven growth strategy."

CRH currently holds an indirect stake of approximately 51.78% in CRE. UBS AG is the financial advisor to CRE on the transaction. Rothschild (Hong Kong) Limited is the independent financial advisor to the Independent Board Committee and the Independent Shareholders.

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### **About China Resources Enterprise, Limited**

China Resources Enterprise, Limited is listed on the Hong Kong Stock Exchange and is one of the constituent stocks of the Hang Seng Index in Hong Kong. The Group focuses on the consumer goods businesses, including beer, retail, food and beverage in China.

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The directors of CRE jointly and severally accept full responsibility for the accuracy of the information contained in the Announcement (some of which are extracted in this document) other than that relating to CRH, CRH Enterprise or parties acting in concert with them for which their responsibility is restricted to the correctness and fairness of the reproduction or the presentation of such information as published by CRH, CRH Enterprise or parties acting in concert with them, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Announcement (some of which are extracted in this document) other than those expressed by CRH, CRH Enterprise or parties acting in concert with them have been arrived at after due and careful consideration and there are no facts not contained in the Announcement the omission of which would make any statement in the Announcement misleading.

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## **NOTICE TO US HOLDERS OF CRE SHARES**

The following is an extract from the Announcement:

The Revised Partial Offer is being made for the securities of a Hong Kong company and is subject to Hong Kong disclosure requirements, which are different from those of the United States. The financial information included in this document has been prepared in accordance with Hong Kong Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Revised Partial Offer will be made in the United States pursuant to the applicable US tender offer rules and otherwise in accordance with the requirements of the SFO. Accordingly, the Revised Partial Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.

The receipt of cash pursuant to the Revised Partial Offer by a US holder of Shares may be a taxable transaction for US federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of Shares is urged to consult his/her/its independent professional advisor immediately regarding the tax consequences of acceptance of the Revised Partial Offer.

It may be difficult for US holders of Shares to enforce their rights and any claim arising out of the US federal securities laws, since CRH, the Offeror and the Company are located in a country outside the United States, and some or all of their officers and directors may be residents of a country other than the United States. US holders of Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

In accordance with the Code and Rule 14e-5(b) of the US Securities Exchange Act of 1934, BofAML, Morgan Stanley and their respective affiliates may continue to act as exempt principal traders in the Shares on the Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be reported to the SFC and, to the extent made public by the SFC, will be available on the website of the SFC at <http://www.sfc.hk>.

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