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華潤集團(創業)有限公司
CRH (Enterprise) Limited

(Incorporated in BVI with limited liability)



華潤(集團)有限公司

China Resources (Holdings) Co., Ltd.

(Incorporated in Hong Kong with limited liability)



華潤創業有限公司

China Resources Enterprise, Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 291)

JOINT ANNOUNCEMENT

**(1) POSSIBLE VERY SUBSTANTIAL DISPOSAL AND
CONNECTED TRANSACTION IN RELATION TO
DISPOSAL OF ALL NON-BEER BUSINESSES**

(2) POSSIBLE CONDITIONAL CAPITAL REDUCTION

(3) POSSIBLE CONDITIONAL SPECIAL DIVIDEND

**(4) PRE-CONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY
MERRILL LYNCH (ASIA PACIFIC) LIMITED AND
MORGAN STANLEY ASIA LIMITED ON BEHALF OF
CRH (ENTERPRISE) LIMITED TO ACQUIRE UP TO 242,136,536 SHARES IN
THE CAPITAL OF THE COMPANY (REPRESENTING APPROXIMATELY
10 PER CENT. OF ITS ISSUED SHARE CAPITAL) FROM QUALIFYING
SHAREHOLDERS**

AND

(5) RESUMPTION OF TRADING

Financial advisors to CRH and the Offeror

BofA Merrill Lynch

Morgan Stanley

Financial advisor to the Company

 **UBS**

This announcement is made pursuant to Rule 3.5 of the Code, Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

THE POSSIBLE DISPOSAL

Reference is made to the announcement of the Company dated 8 April 2015 in respect of a trading halt pending the announcement of inside information. On 2 April 2015 (after trading hours), the Company received an initial non-binding proposal from CRH in relation to the Disposal. On 13 April 2015 (after trading hours), the Company received a binding proposal from CRH enclosing a form of the sale and purchase agreement in relation to the Disposal, pursuant to which CRH conditionally offers to purchase all the non-beer business segments of the Company (including but not limited to all the assets and rights relating to all the non-beer businesses held by the Company) for a total consideration of HK\$28,000,000,000. It is proposed that the consideration for the Disposal will be payable in cash as to HK\$13,582,036,690 and the balance by way of the Promissory Note.

According to the Binding Proposal, as soon as practicable after the completion of the Sale and Purchase Agreement and the Capital Reduction, the Company shall declare and pay a special cash dividend of HK\$11.50 per Share subject to Directors' fiduciary duties.

THE PRE-CONDITIONAL PARTIAL OFFER

CRH and the Company jointly announce that BofAML and Morgan Stanley, on behalf of the Offeror, will, subject to the satisfaction of the Pre-Conditions (including completion of the Sale and Purchase Agreement), make a voluntary cash partial offer to acquire up to 242,136,536 Shares (representing approximately 10 per cent. of the Shares in issue as at the date of this announcement) from the Qualifying Shareholders at an offer price of HK\$12.70 per Share. Assuming full acceptance of the Partial Offer, the aggregate cash consideration payable by the Offeror under the Partial Offer will be approximately HK\$3,075 million.

BofAML and Morgan Stanley are satisfied that sufficient financial resources are available for the Offeror to satisfy full acceptance of the Partial Offer.

It is intended that following closing of the Partial Offer, the Company will maintain its listing on the Stock Exchange.

It is expected that the Composite Document containing, among other things, (i) the full terms and details of the Partial Offer; (ii) the recommendation from the Independent Board Committee in respect of the Partial Offer; (iii) the letter from the independent financial advisor to the Independent Board Committee in respect of the Partial Offer; and (iv) the Form of Acceptance will be despatched to Shareholders within seven days after the satisfaction of the Pre-Conditions. The Offeror has applied to the Executive for its consent under Note 2 to Rule 8.2 of the Code to permit the Composite Document to be posted within the timeframe described above.

For the purpose of reference only, based on the Special Dividend and the Offer Price for the Shares:

	Cash proceeds for a Share tendered into and accepted in the Partial Offer
Special Dividend	HK\$11.50
Offer Price	HK\$12.70
Special Dividend plus Offer Price	HK\$24.20
Closing share price on the Last Trading Date	HK\$15.20
Implied premium of Special Dividend plus Offer Price to closing share price on the Last Trading Date	59.2 per cent.

Note: if the Shares are not tendered or the Shares are tendered but not accepted in full (since the Partial Offer is made for approximately 10 per cent. of the issued Shares), the above calculation of implied premium is not applicable and the value of the Shares will be subject to market fluctuation.

WARNING: SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD BE AWARE THAT AS THE MAKING OF THE PARTIAL OFFER IS SUBJECT TO THE SATISFACTION OF THE PRE-CONDITIONS (INCLUDING THE COMPLETION OF THE SALE AND PURCHASE AGREEMENT), THE PARTIAL OFFER MAY OR MAY NOT PROCEED. SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR OR OTHER PROFESSIONAL ADVISORS.

IMPLICATIONS OF THE POSSIBLE DISPOSAL UNDER THE LISTING RULES

The Offeror, a wholly-owned subsidiary of CRH, held the shares of the Company in the capacity of beneficial owner.

CRH indirectly holds (through the Offeror and Commotra Company Limited) approximately 51.78 per cent. equity interest in the Company as at the date of the Binding Proposal. The Offeror is a substantial shareholder of the Company and CRH is its associate. Thus, CRH is a connected person of the Company as at the date of the Binding Proposal. The Disposal would therefore constitute a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules if the Sale and Purchase Agreement is entered into and shall be subject to approval by the Independent Shareholders.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 75 per cent., the Disposal would constitute a very substantial disposal for the Company pursuant to Chapter 14 of the Listing Rules and would be subject to the reporting, announcement and the Shareholders' approval requirements if the Sale and Purchase Agreement is entered into.

A circular containing, among others, (i) further details of the Disposal, (ii) financial and other information of the Disposal Group, (iii) unaudited pro forma financial information of the Group upon Completion, (iv) a letter of recommendations from the Independent Board Committee to the Independent Shareholders; (v) a letter of advice from the independent financial advisor to the Independent Board Committee and the Independent Shareholders; and (vi) a notice of EGM, will be despatched to the Shareholders as soon as practicable after the entering into of the Sale and Purchase Agreement.

The Directors have not made any decision in relation to accepting the Binding Proposal. As (i) the entering into of the Sale and Purchase Agreement is subject to the approval of the Board and (ii) Completion is subject to the conditions precedent as set out in the Sale and Purchase Agreement, including the approval of the Independent Shareholders, the Disposal may or may not proceed and the Special Dividend may or may not be declared. Shareholders and potential investors should exercise caution when dealing in the securities of the Company. Further announcement(s) will be made upon the acceptance of the Binding Proposal and the entering into of the Sale and Purchase Agreement, as required under the Listing Rules.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was halted and then suspended at the request of the Company with effect from 9:00 a.m. on 8 April 2015 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 21 April 2015.

NOTICE TO US HOLDERS OF COMPANY SHARES

The 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 announcement 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 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 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 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 independent professional advisor immediately regarding the tax consequences of acceptance of the 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, affiliates of BofAML and Morgan Stanley may continue to act as exempt principal traders in the Shares on the Stock Exchange.

This announcement is made pursuant to Rule 3.5 of the Code, Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

PRINCIPAL TERMS OF THE BINDING PROPOSAL

Reference is made to the announcement of the Company dated 8 April 2015 in respect of a trading halt pending the announcement of inside information. On 2 April 2015 (after trading hours), the Company received an initial non-binding proposal from CRH in relation to the Disposal. On 13 April 2015 (after trading hours), the Company received a binding proposal from CRH enclosing a form of the sale and purchase agreement in respect of the Disposal for a total consideration of HK\$28 billion.

The Directors have not made any decision in relation to accepting the Binding Proposal. As (i) the entering into of the Sale and Purchase Agreement is subject to the approval of the Board and (ii) Completion is subject to the conditions precedent as set out in the Sale and Purchase Agreement, including the approval of the Independent Shareholders, the Disposal may or may not proceed and the Special Dividend may or may not be declared. Shareholders and potential investors should exercise caution when dealing in the securities of the Company. Further announcement(s) will be made upon the acceptance of the Binding Proposal and the entering into of the Sale and Purchase Agreement, as required under the Listing Rules.

The principal terms of the Binding Proposal and the Sale and Purchase Agreement are set out as follows:

Parties

- (A) Vendor: the Company
- (B) Purchaser: CRH

Assets to be disposed of (the “Disposal Assets”)

CRH has conditionally offered to purchase all of the non-beer businesses of the Company pursuant to the Sale and Purchase Agreement comprising the following:

- (i) the direct (or, where applicable, indirect) interest in the entire issued share capital of the Target Companies, being subsidiaries of the Company;
- (ii) all the rights under all third party contracts relating to the non-beer businesses entered into by the Company or its subsidiaries (other than the Disposal Group), and such assets and rights relating to the non-beer businesses held by the Company and Purple Finance Limited (which is a direct wholly-owned subsidiary of the Company), and the Parking Lots (together with any utility deposits and prepayments less expenses in association therewith);
- (iii) the cash held by the Company attributable to its non-beer businesses; and
- (iv) the Shareholders Loans.

At Completion, CRH proposes to assume all obligations and liabilities of the Company unrelated to the beer business of the Company. It is proposed that the Company will release all financial guarantees relating to the non-beer businesses on or prior to Completion.

Information of the Target Companies

The Target Companies consist of the direct (or, where applicable, indirect) interest in the following companies:

- (i) Ondereel Ltd, a company incorporated under the laws of BVI and a direct wholly-owned subsidiary of the Company, it is principally engaged in investment holding;
- (ii) Best-Growth Resources Limited, a company incorporated under the laws of BVI and a direct wholly-owned subsidiary of the Company, it is principally engaged in investment holding;
- (iii) Havensbrook Investments Limited, a company incorporated under the laws of BVI and a direct wholly-owned subsidiary of the Company, it is principally engaged in investment holding;
- (iv) China Resources Enet Solutions Limited, a company incorporated under the laws of Cayman Islands and a direct wholly-owned subsidiary of the Company, it is principally engaged in investment holding;
- (v) CRE Finance (Hong Kong) Limited, a company incorporated under the laws of Hong Kong and a direct wholly-owned subsidiary of the Company, it is principally engaged in the provision of financial services to group companies;
- (vi) CRE (Nominees) Limited, a company incorporated under the laws of Hong Kong and a direct wholly-owned subsidiary of the Company, it is principally engaged in the provision of nominee services; and

- (vii) CRE Trading (Hong Kong) Limited, a company incorporated under the laws of Hong Kong and a direct wholly-owned subsidiary of the Company, it is principally engaged in investment holding.

Consideration

The proposed total consideration for the Disposal offered by CRH to the Company amounting to HK\$28,000,000,000 was determined by CRH 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 possible Partial Offer. It is proposed that the consideration for the Disposal will be payable in cash as to HK\$13,582,036,690 and the balance by way of the Promissory Note.

The cash consideration of HK\$13,582,036,690 is proposed to be paid by CRH to the Company within three Business Days from the date of Completion. The Promissory Note with no callable feature is proposed to be issued by CRH upon Completion as a part of the consideration for the Disposal, and will bear interest at the higher of (i) 0.94 per cent. per annum and (ii) the best 3-months bank deposit rate which the Company may obtain from banks which have existing business relationships with the Company under the prevailing market conditions about the time of Completion as notified in writing to CRH two Business Days before Completion for the period from the date of Completion to the date when the principal amount, together with the accrued interest, of the Promissory Note is to be fully paid against the Special Dividend. In the event that the amount of the Special Dividend is insufficient to redeem the amount due under the Promissory Note, CRH proposes to pay the shortfall to the Company in cash on the date of payment of the Special Dividend. To the extent that no Special Dividend is paid, CRH proposes to repay such outstanding amount under the Promissory Note (together with interest accrued on the principal amount of the Promissory Note up to repayment date) within five Business Days upon the Company's notification in writing to CRH that the Special Dividend is not capable of being paid. It is proposed that the Promissory Note is not transferable and has neither security nor maturity period.

Conditions precedent

It is proposed, under the Sale and Purchase Agreement, that Completion is conditional upon fulfillment of the following conditions:

- (i) the approval of Independent Shareholders of the Sale and Purchase Agreement and the transactions contemplated under the Sale and Purchase Agreement;
- (ii) the Company and CRH having obtained all relevant bank consents and third party consents in connection with the transactions contemplated in the Sale and Purchase Agreement in relation to the bank loans made to, and subsisting agreements made with, the Company or the Disposal Group; and
- (iii) the Company and CRH having obtained all consents, permits, approvals, authorisations and waivers from any competent governmental or regulatory authorities as may be necessary or desirable to give effect to the transactions contemplated under the Sale and Purchase Agreement. This does not include the implementation of Capital Reduction and Special Dividend distribution.

The Parties may, by mutual agreement, waive in whole or in part the conditions precedent (ii) and (iii). The condition precedent (i) shall not be waived in any event.

If the Sale and Purchase Agreement is entered into but the conditions precedent have not been satisfied or waived by the Long Stop Date, either Party may give notice in writing to the other Party to terminate the Sale and Purchase Agreement.

Completion

Assuming that the Sale and Purchase Agreement is entered into, Completion will take place on or before the second Business Day after the conditions precedent to the Sale and Purchase Agreement have been fulfilled or to the extent permitted, waived in accordance with the Sale and Purchase Agreement.

The Company is required under the Sale and Purchase Agreement to undertake to use its best endeavours to implement the Capital Reduction as soon as practicable after Completion if the Capital Reduction cannot be effected by Completion. The Company is also required under the Sale and Purchase Agreement to, following the implementation of Capital Reduction, convene a meeting of the board of directors of the Company to consider the approval of the declaration and payment of the Special Dividend of HK\$11.50 per share, subject to Directors' fiduciary duties.

Following Completion, the Target Companies will cease to be subsidiaries of the Company and the results of the Disposal Group will no longer be consolidated into the consolidated financial statements of the Group.

As at the date of this announcement, CRH has no current intention/plan to inject any assets or businesses into the Company.

UNAUDITED FINANCIAL INFORMATION OF THE DISPOSAL ASSETS

The unaudited financial information of the Disposal Assets as at 31 December 2014 and 2013 are set out below:

	As at 31 December	
	2014	2013
	(unaudited)	(unaudited)
	<i>HK\$' million</i>	<i>HK\$' million</i>
Total assets	123,594	97,156
Total liabilities	81,149	63,260
Net tangible assets	29,801	24,178
Minority interest	7,439	2,800

The unaudited financial information of the Disposal Assets for the years ended 31 December 2014 and 2013 are set out below:

	For the year ended	
	31 December	
	2014	2013
	(unaudited)	(unaudited)
	<i>HK\$' million</i>	<i>HK\$' million</i>
Turnover	134,488	113,578
Net (loss)/profit before tax	(444)	2,415
Net (loss)/profit after tax	(1,191)	1,285

Pursuant to Rule 10 of the Code, the above unaudited financial information relating to the Disposal Assets constitutes a profit forecast and should be reported on by the Company's financial advisers and reporting accountants (the "**Profit Forecast Reports**") under Rule 10.4 of the Code. Taking into account (i) the practical difficulties to include the Profit Forecast Reports in this announcement in terms of the additional time required for the preparation of the Profit Forecast Reports by the Company's financial advisers and reporting accountants; and (ii) the requirement under Rule 14.58 of the Listing Rules to disclose the above unaudited information in this announcement, the Profit Forecast Reports have not been prepared as required under Rule 10 of the Code. The Profit Forecast Reports will be contained in the circular to be despatched to the Shareholders in connection with the Disposal.

CRH, the Offeror and the Company would like to draw to the attention of the Shareholders and potential investors that the above unaudited financial information relating to the Disposal Assets does not meet the standard required by Rule 10 of the Code and are subject to review by the reporting accountants of the Company and therefore to change. Shareholders and potential investors should exercise caution in placing reliance on the above information in assessing the merits and demerits of the Disposal, the Partial Offer and other transactions disclosed in this announcement and/or when dealing in the Shares.

REASONS FOR THE BINDING PROPOSAL

As the controlling shareholder of the Company, CRH has continued to support the development of the Company throughout its history as a publicly listed company on the Stock Exchange.

In the last twelve months, CRH has observed that share price of the Company has continued to underperform the broader Hang Seng Index. Most notably, non-beer business segments of the Company has been confronted by macroeconomic headwinds as well as a challenging operating environment. These headwinds have materially impacted the financial performance of the Company overall. Furthermore, the business integration issues faced by the non-beer segments will require a significant amount of time and investment capital.

The Binding Proposal by CRH aims to deliver to Shareholders immediate and ongoing value, in the form of:

1. The Special Dividend of HK\$11.50 per share, which represents approximately 75.66 per cent. of the closing share price of the Shares prior to the trading halt;
2. CRH taking on all the execution risks of improving the business performance of the non-beer businesses of the Company; and
3. Post Completion, CRH envisages a strategic transformation of the Group into a beer focused business that owns the best selling beer brand in the world since 2008 by sales volume, unburdened from the previous conglomerate structure and associated capital constraints. Management of the Company will have the singular strategic focus in enhancing the competitive position of the beer business segment and delivering shareholder value. Furthermore, there will be greater market clarity for shareholders to evaluate the beer business segment on a standalone basis. The Offer Price of the Partial Offer reflects the base valuation of CRH for the beer business.

The Company will remain an integral constituent of CRH and CRH's continued support of the Company will not change irrespective of the outcome of the Binding Proposal.

FINANCIAL EFFECT OF THE DISPOSAL

It is estimated that the Company will realise an unaudited loss on the Disposal before taxation of approximately HK\$6.8 billion, which is calculated with reference to the consideration less (i) the net asset value (after the deduction of proposed 2014 dividend) of the Disposal Assets attributable to the Shareholders as at 28 February 2015; (ii) the estimated transaction costs and expenses attributable to the Disposal; and (iii) release of reserves as at 28 February 2015. The Disposal hereby represents a disposal of asset which will give rise to an unaudited loss to the remaining business of the Company. The above-mentioned estimation may be different from the actual financial effect of the Disposal.

USE OF PROCEEDS AND PROPOSED CONDITIONAL SPECIAL DIVIDEND DISTRIBUTED

Under the Binding Proposal, the Company is required under the Sale and Purchase Agreement to undertake to return most of the cash proceeds from the consideration to all Shareholders via the Special Dividend after the Completion and Capital Reduction.

The proposed conditional Special Dividend distributed of HK\$11.50 per Share, which represents 75.66 per cent. of the closing share price of the Shares prior to the trading halt and 99.45 per cent. of the implied consideration for the Disposal per Share, is in line with the intention of CRH to provide a substantial and immediate cash realization to Shareholders as a part of the Binding Proposal.

For the avoidance of doubt, the acceptance by any Qualifying Shareholders of the Partial Offer will not affect their entitlement to the Special Dividend, which, if paid at all, will be paid before the Closing Date of the Partial Offer.

PROPOSED CAPITAL REDUCTION

Under the Binding Proposal, the Company is required under the Sale and Purchase Agreement to undertake to declare and pay the proposed Special Dividend as soon as practicable after Completion, subject to Directors' fiduciary duties.

As there will be insufficient distributable reserves to support the proposed distribution of the Special Dividend, the Company is required under the Sale and Purchase Agreement to undertake to implement the Capital Reduction as soon as practicable so that the capital of the Company will be reduced by a minimum of HK\$10 billion, which will be credited to the distributable reserves of the Company. If the Capital Reduction cannot be effected by Completion date, the Company is required under the Sale and Purchase Agreement to undertake to complete the Capital Reduction as soon as practicable after Completion. Upon the Capital Reduction becoming effective, the Special Dividend can then be made from the increased distributable reserves of the Company.

The Capital Reduction is subject to fulfillment of the following conditions:

- (a) the approval by the Independent Shareholders at the EGM of the Completion of the Sale and Purchase Agreement and the Disposal having occurred;
- (b) the passing by the Shareholders of a special resolution to approve the Capital Reduction at the EGM; and
- (c) if the Capital Reduction cannot be implemented through a court-free procedure, the confirmation of the Capital Reduction by the Court, the satisfaction of all conditions imposed by the Court and the registration of the Registrar of Companies in Hong Kong of a copy of the Court order confirming the Capital Reduction together with such other document as may be required under the Companies Ordinance.

The Capital Reduction will become effective upon fulfillment of the above conditions. The effective date of the Capital Reduction depends on when Completion of the Sale and Purchase Agreement takes place and, if the Capital Reduction cannot be implemented through a court-free procedure, the availability of Court for the necessary hearing dates which cannot be fixed until after the passing of the special resolution to approve the Capital Reduction.

CRH indicated in the Binding Proposal that, if the resolution to approve the Sale and Purchase Agreement and the Disposal has been passed by the Independent Shareholders at the EGM, the Offeror and Commotra Company Limited (wholly owned subsidiaries of CRH through which CRH holds approximately 51.78 per cent. interest in the Company) will vote in favour of the resolutions to approve the Capital Reduction.

THE PARTIAL OFFER

CRH and the Company jointly announce that BofAML and Morgan Stanley, on behalf of the Offeror, will, subject to the satisfaction of the Pre-Conditions, make a voluntary cash partial offer to acquire up to 242,136,536 Shares (representing approximately 10 per cent. of the Shares in issue as at the date of this announcement) from the Qualifying Shareholders on the following basis:

For each Share HK\$12.70 in cash

The Partial Offer will be made in compliance with the Code, unless otherwise waived by the Executive.

1. Pre-Conditions to the Partial Offer

The making of the Partial Offer will be subject to the satisfaction of the Pre-Conditions, being:

- (a) Completion having taken place;
- (b) the Capital Reduction having been completed;
- (c) the Special Dividend having been paid; and
- (d) consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Code.

The Pre-Conditions may not be waived by the Offeror. If the Pre-Conditions are not satisfied on or before the Long Stop Date, the Partial Offer will not be made.

The Offeror will issue a further announcement as soon as practicable after the Pre-Conditions have been satisfied.

WARNING: The Pre-Conditions must be satisfied before the making of the Partial Offer. The making of the Partial Offer is therefore a possibility only. Accordingly, Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Company.

2. Partial Offer Closing Date

The Partial Offer, once made, shall be unconditional in all respects (for the avoidance of doubt, the Partial Offer, once made, is not conditional on the level of acceptances).

The Partial Offer will remain open until the Closing Date.

Pursuant to Rule 28.4 of the Code, CRH will not extend the Partial Offer beyond the Closing Date.

3. Offer Price

Shareholders should note that Shares to be acquired under the Partial Offer are subject to and after Completion and payment of the Special Dividend. Therefore for the purpose of making comparisons with the price of Shares as quoted on the Stock Exchange, it is appropriate to aggregate with the Offer Price the amount of the Special Dividend.

The Offer Price plus the Special Dividend (being in aggregate HK\$24.20 per Share) represents:

- (a) a premium of approximately 59.2 per cent. to the closing price of HK\$15.20 per Share as quoted on the Stock Exchange on the Last Trading Date (2 April 2015, being one trading day immediately prior to the announcement of the trading halt by the Company) and a discount of 16.4 per cent. if not taking into account the payment of the Special Dividend;
- (b) a premium of approximately 47.5 per cent. to the average closing price of HK\$16.41 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 120 trading days immediately prior to and including the Last Trading Date and a discount of 22.6 per cent. if not taking into account the payment of the Special Dividend;
- (c) a premium of approximately 52.0 per cent. to the average closing price of HK\$15.92 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 90 trading days immediately prior to and including the Last Trading Date and a discount of 20.2 per cent. if not taking into account the payment of the Special Dividend;
- (d) a premium of approximately 52.2 per cent. over the average closing price of HK\$15.90 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 60 trading days immediately prior to and including the Last Trading Date and a discount of 20.1 per cent. if not taking into account the payment of the Special Dividend;
- (e) a premium of approximately 57.7 per cent. to the average closing price of HK\$15.35 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Trading Date and a discount of 17.3 per cent. if not taking into account the payment of the Special Dividend;
- (f) a premium of approximately 60.4 per cent. to the average closing price of HK\$15.09 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 10 trading days immediately prior to and including the Last Trading Date and a discount of 15.8 per cent. if not taking into account the payment of the Special Dividend; and

- (g) a premium of approximately 59.5 per cent. to the average closing price of HK\$15.17 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 5 trading days immediately prior to and including the Last Trading Date and a discount of 16.3 per cent. if not taking into account the payment of the Special Dividend.

4. Highest and lowest closing prices of the Shares

During the six-month period preceding the Last Trading Date, the highest closing price of Shares as quoted on the Stock Exchange was the closing price of HK\$19.20 per Share on 7 October 2014 (HK\$7.70 per Share after deduction of the Special Dividend), and the lowest closing price of Shares as quoted on the Stock Exchange was the closing price of HK\$14.22 per Share on 16 March 2015 (HK\$2.72 per Share after deduction of the Special Dividend).

5. Total consideration under the Partial Offer

As at the date of this announcement, there are 2,421,365,364 Shares in issue. The Partial Offer, based on the Offer Price of HK\$12.70 per Share, is valued at approximately HK\$3,075 million assuming valid acceptances of the Partial Offer are received in respect of 242,136,536 Shares.

As at the date of this announcement, the Company does not have in issue any outstanding options, warrants, derivatives or securities that carry a right to subscribe for or which are convertible into Shares.

6. Reasons for the Partial Offer

CRH intends, through the Offeror, to make the Partial Offer in conjunction with the Disposal, to reinforce its confidence, commitment and dedication to the Company. This confidence is evidenced by the fact that the Offer Price together with the payment of the Special Dividend is at a premium to the last trading price of the Shares.

At the same time, CRH recognises that the trading price of the Shares would likely undergo significant change should Completion take place. CRH also recognises that the Company would have undertaken a significant change in business direction and composition.

As such the Offer Price reflects CRH and the Offeror's view of the base value of the Company reflecting this change (being the beer business). In addition, the Partial Offer would offer an opportunity to those Shareholders who wish to realise part of their investment to do so at a premium to the share price (taking into account the Special Dividend) without having to incur certain brokerage fees, transaction levies and trading fees which are customarily payable when disposing of shares in the open market, whilst retaining the balance of their equity interest in the Company in order to participate in the future growth of the Company. Please refer to pages 12-14 of this announcement for a full comparison of the Offer Price.

7. Intention of the Offeror with regard to the Company

Beyond the effects of the Disposal, Capital Reduction and Special Dividend, CRH and the Offeror intend to continue the existing businesses of the Company and does not intend to introduce any major changes to the existing business strategies and operations of the Company. CRH and the Offeror also intend that the employment of the employees of the Group will be continued and there will be no material redeployment of financial resources not in the course of normal ordinary business.

CRH and the Offeror intend to maintain the listing status of the Company on the Stock Exchange upon the completion of the Partial Offer. As at the date of this announcement, the Company has a public float of approximately 48.13 per cent. of the entire issued share capital of the Company. Assuming full acceptances of the Partial Offer by all the Qualifying Shareholders, the Company will have a public float of approximately 38.13 per cent. of the entire issued share capital of the Company immediately following the completion of the Partial Offer and accordingly the number of Shares in public hands will continue to meet the public float requirement under Rule 8.08 of the Listing Rules.

8. Other terms of the Partial Offer

Qualifying Shareholders may accept the Partial Offer in respect of some or all of the Shares held by them. If (i) valid acceptances are received for 242,136,536 or fewer Shares, all Shares validly accepted will be taken up; and (ii) if valid acceptances are received for more than 242,136,536 Shares, the total number of Shares to be taken up by the Offeror from each Qualifying Shareholder will be determined in accordance with the following formula:

$$\frac{A \times C}{B}$$

Where:

- A: 242,136,536 Shares (being the number of Shares for which the Partial Offer is made)
- B: the total number of Shares tendered by all Qualifying Shareholders under the Partial Offer
- C: the number of Shares tendered by the relevant individual Qualifying Shareholder under the Partial Offer

As a result, it is possible that if a Qualifying Shareholder tenders all his/her Shares for acceptance under the Partial Offer, not all of such Shares will be taken up. Qualifying Shareholders can, however, be assured that a minimum of approximately 20.73 per cent. of Shares tendered for acceptance under the Partial Offer will be taken up.

Fractions of Shares will not be taken up under the Partial Offer and, accordingly, the number of Shares that the Offeror will take up from each Qualifying Shareholder in accordance with the above formula will be rounded up or down to the nearest whole number at the discretion of the Offeror. The full terms and conditions of the Partial Offer will be set out in the Composite Document and the Form of Acceptance.

9. Effect of accepting the Partial Offer

By validly accepting the Partial Offer, Qualifying Shareholders will sell to the Offeror their tendered Shares which are finally taken up by the Offeror in accordance with the above formula free from all encumbrances and together with all rights and benefits at any time accruing and attaching thereto including all rights to any dividend or other distributions declared, made or paid on or after the Closing Date. The Offeror will not be entitled to any dividends or other distributions declared, made or paid before the Closing Date in respect of Shares which are taken up by the Offeror under the Partial Offer. Any such dividends or other distributions will be paid to the Shareholders who are qualified for such dividends or distributions.

For the avoidance of doubt, the acceptance by any Qualifying Shareholders of the Partial Offer will not affect their entitlement to the Special Dividend, which, if paid at all, will be paid before the Closing Date of the Partial Offer.

10. Confirmation of financial resources

Assuming full acceptance of the Partial Offer in respect of 242,136,536 Shares, the financial resources required by the Offeror to satisfy its obligations under the Partial Offer will amount to approximately HK\$3,075 million. The funds required by the Offeror to satisfy the consideration of the Partial Offer will be financed from internal resources of CRH. Morgan Stanley and BofAML, financial advisors to CRH and the Offeror, are satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Partial Offer in respect of 242,136,536 Shares.

11. Hong Kong Stamp Duty

Seller's ad valorem stamp duty at the rate of 0.1 per cent. of the value of the consideration arising on acceptance of the Partial Offer will be payable by the Qualifying Shareholders who accept the Partial Offer. The relevant amount of stamp duty payable by the Qualifying Shareholders will be deducted from the consideration payable to the Qualifying Shareholders under the Partial Offer. The Offeror will bear its own portion of buyer's ad valorem stamp duty at the rate of 0.1 per cent. of the consideration payable in respect of acceptances of the Partial Offer and will be responsible to account to the Stamp Office of Hong Kong for all the stamp duty payable for the sale and purchase of Shares which are validly tendered for acceptance under the Partial Offer.

12. Overseas Shareholders

The making of the Partial Offer to Qualifying Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdictions. Such Qualifying Shareholders may be prohibited or affected by the laws of the relevant jurisdictions and it is the responsibility of each such Qualifying Shareholder who wishes to accept the Partial Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents, or filing and registration requirements which may be required to comply with all necessary formalities or legal or regulatory requirements and the payment of any transfer or other taxes due from such Qualifying Shareholder in such relevant jurisdictions.

Any acceptance by any Qualifying Shareholder will be deemed to constitute a representation and warranty from such Qualifying Shareholder to the Offeror that all local laws and requirements have been complied with and that the Partial Offer can be accepted by such Qualifying Shareholder lawfully under the laws of the relevant jurisdiction. Qualifying Shareholders should consult their professional advisors if in doubt.

In the event that the despatch of the Composite Document to overseas Qualifying Shareholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that are unduly burdensome, subject to the Executive's waivers, the Composite Document will not be despatched to such overseas Qualifying Shareholders. The Offeror will apply for such waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Code at such time.

13. Settlement of consideration

Settlement of the consideration under the Partial Offer will be made as soon as possible, but in any event within seven business days (as defined in the Code) of the Closing Date.

14. Odd lots

Qualifying Shareholders should note that acceptance of the Partial Offer may result in their holding odd lots of Shares. Accordingly, it is intended that a designated broker will be appointed by the Offeror to match sales and purchases of odd lot holdings of Shares in the market for a reasonable time period following the closing of the Partial Offer to enable such Qualifying Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots. Details of such arrangement will be disclosed in the Composite Document.

15. Interests in Shares and derivatives

As at the date of this announcement:

- (a) the Offeror is interested in 1,247,971,700 Shares;
- (b) Commotra Company Limited (which is wholly-owned subsidiary of CRH and a fellow subsidiary of the Offeror) is interested in 5,764,240 Shares. The directors of CRH and the directors of the Offeror together are interested in 2,220,000 Shares. The Offeror and its concert parties together held 1,255,955,940 Shares (and no other relevant securities (as defined in Note 4 to Rule 22 of the Code)) representing approximately 51.87 per cent. of the existing issued share capital of the Company;
- (c) there is no existing holding of voting rights and rights over Shares in respect of which the Offeror and any person acting in concert with it has received an irrevocable commitment to accept the Partial Offer;
- (d) there is no existing holding of voting rights and rights over Shares in respect of which the Offeror or any person acting in concert with it holds convertible securities, warrants or options;
- (e) there is no outstanding derivative in respect of securities in the Company entered into by the Offeror or any person acting in concert with it;
- (f) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to Shares and which might be material to the Partial Offer;
- (g) there is no agreement or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke the Pre-Conditions; and
- (h) there are no relevant securities (as defined in Note 4 to Rule 22 of the Code) in the Company which the Offeror or any person acting in concert with it has borrowed or lent.

The Offeror has not and no party acting in concert with it has acquired any relevant securities (as defined in Note 4 to Rule 22 of the Code) during the six months prior to the date of this announcement, being the commencement of the Offer Period.

BofAML and Morgan Stanley are presumed to be acting in concert with the Offeror in accordance with class 5 of the definition of “acting in concert” in the Code. Details of holdings or borrowings or lendings of, and dealings in, the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Code) by other parts of the BofAML group or the Morgan Stanley group will be obtained as soon as possible after this announcement has been made in accordance with Note 1 to Rule 3.5 of the Code.

16. Effect of the Partial Offer on the shareholding structure of the Company

Set out below is the shareholding structure of the Company as at the date of this announcement and immediately upon closing of the Partial Offer (assuming that all Qualifying Shareholders tender all of their Shares for acceptance under the Partial Offer):

	As at the date of this announcement		Upon the closing of the Partial Offer (assuming full acceptance of the Partial Offer)	
	<i>Number of Shares</i>	<i>Approx per cent.</i>	<i>Number of Shares</i>	<i>Approx per cent.</i>
The Offeror, CRH and parties acting in concert with them	1,255,955,940	51.87	1,498,092,476	61.87
Public (as defined in the Listing Rules)	<u>1,165,409,424</u>	<u>48.13</u>	<u>923,272,888</u>	<u>38.13</u>
Total:	<u>2,421,365,364</u>	<u>100</u>	<u>2,421,365,364</u>	<u>100</u>

17. Composite Document

It is expected that the Composite Document containing, among other things, (i) the full terms and details of the Partial Offer; (ii) the recommendation from the Independent Board Committee in respect of the Partial Offer; (iii) the letter from the independent financial advisor to the Independent Board Committee in respect of the Partial Offer; and (iv) the Form of Acceptance will be despatched to Shareholders within seven days after the satisfaction of the Pre-Conditions. The Offeror has applied to the Executive for its consent under Note 2 to Rule 8.2 of the Code to permit the Composite Document to be posted within the timeframe described above.

For the purpose of reference only, based on the Special Dividend and the Offer Price for the Shares:

	Cash proceeds for a Share tendered into and accepted in the Partial Offer
Special Dividend	HK\$11.50
Offer Price	HK\$12.70
Special Dividend plus Offer Price	HK\$24.20
Closing share price on the Last Trading Date	HK\$15.20
Implied premium of Special Dividend plus Offer Price to closing share price on the Last Trading Date	59.2 per cent.

Note: if the Shares are not tendered or the Shares are tendered but not accepted in full (since the Partial Offer is made for approximately 10 per cent. of the issued Shares), the above calculation of implied premium is not applicable and the value of the Shares will be subject to market fluctuation.

WARNING: SHAREHOLDERS AND/OR POTENTIAL INVESTORS SHOULD BE AWARE THAT AS THE MAKING OF THE PARTIAL OFFER IS SUBJECT TO THE SATISFACTION OF THE PRE-CONDITIONS (INCLUDING BUT NOT LIMITED TO THE COMPLETION OF THE SALE AND PURCHASE AGREEMENT) AND THEREFORE THE PARTIAL OFFER MAY OR MAY NOT PROCEED. SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR OR OTHER PROFESSIONAL ADVISORS.

IMPLICATIONS OF THE POSSIBLE DISPOSAL UNDER THE LISTING RULES

The Offeror, a wholly-owned subsidiary of CRH, held the shares of the Company in the capacity of beneficial owner.

CRH indirectly holds (through the Offeror and Commotra Company Limited) approximately 51.78 per cent. equity interest in the Company as at the date of the Binding Proposal. The Offeror is a substantial shareholder of the Company and CRH is its associate. Thus, CRH is a connected person of the Company as at the date of the Binding Proposal. The Disposal would therefore constitute a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules if the Sale and Purchase Agreement is entered into and subject to approval by Independent Shareholders.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 75 per cent., the Disposal would constitute a very substantial disposal for the Company pursuant to Chapter 14 of the Listing Rules and would be subject to the reporting, announcement and the Shareholders' approval requirements if the Sale and Purchase Agreement is entered into.

GENERAL

The Directors have not made any decision in relation to accepting the Binding Proposal and will meet again to do so in due course. UBS has been appointed as the financial advisor of the Company to advise the Board on the Binding Proposal. An independent financial advisor will be appointed in due course to advise the Independent Board Committee and the Independent Shareholders on the Binding Proposal. **Further announcement(s) will be made upon the acceptance of the Binding Proposal and the entering into of the Sale and Purchase Agreement, as required under the Listing Rules.**

The Independent Board Committee comprising all independent non-executive Directors will be established by the Company to advise the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder and the Partial Offer. Mr. Du Wenmin and Mr. Wei Bin are directors of CRH. Mr. Wei Bin and Mr. Yan Biao are directors of the Offeror. In addition, Mr. Chen Ying is the chief strategy officer and general manager of the Strategy Management Department of CRH and Mr. Wang Yan is the deputy general manager of the Internal Audit Department of CRH. In view of their relationship with the Offeror and/or CRH, the non-executive Directors do not form part of the Independent Board Committee.

A circular containing, among others, (i) further details of the Disposal, Capital Reduction and Special Dividend, (ii) financial and other information of the Disposal Group, (iii) unaudited pro forma financial information of the Group upon Completion, (iv) a letter of recommendations from the Independent Board Committee to the Independent Shareholders; (v) a letter of advice from the independent financial advisor to the Independent Board Committee and the Independent Shareholders; and (vi) a notice of EGM, will be despatched to the Shareholders as soon as practicable after the entering into of the Sale and Purchase Agreement.

As (i) the entering into of the Sale and Purchase Agreement is subject to the approval by the Board and (ii) Completion is subject to the conditions precedent as set out in the Sale and Purchase Agreement, including approval by the Independent Shareholders, the Disposal may or may not proceed and the Special Dividend may or may not be declared. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

INFORMATION OF THE COMPANY, THE OFFEROR AND CRH

The Company is the flagship subsidiary of CRH (with CRH indirectly holding approximately 51.78 per cent. interest in the Company) focusing on retail and consumer business. The Group operates four principal businesses namely retail, beer, food and beverage. For retail business, the Group owns a portfolio of famous brand names including “華潤萬家 CR Vanguard”, “蘇果 Suguo”, “歡樂頌 Fun Square”, and “太平洋咖啡 Pacific Coffee”, which form an extensive retail network of over 4,600 stores across China. The Group’s beer division is a well-established market leader, with the “雪花 Snow” brand being the best-selling single beer brand in the world in terms of volume since 2008. The food division deals mainly in rice, fruit and vegetable, meat, frozen food and modern agricultural productions. The beverage division owns a portfolio of products including “怡寶 C’estbon”, one of the best selling purified water brands in China by volume, and “麒麟 Kirin” beverage products.

The Offeror is a wholly-owned subsidiary of CRH and is an investment holding company for CRH's Shares in the Company.

CRH is a multi-business holding enterprise group registered and operating in Hong Kong. It operates in seven major sectors, namely the consumables (retail, brewery, food and drinks), power supply, real estate, cement, gas, medicine and finance. CRH is equipped with about 2,000 business entities with a total employment of 450,000 people. The ultimate beneficial owner of CRH is China Resources National Corporation (中國華潤總公司) which is a company incorporated in the PRC.

DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Code, associates (including persons holding 5 per cent. or more of a class of relevant securities (as defined in Note 4 to Rule 22 to the Code)) of the Company and the Offeror are hereby reminded to disclose their dealings in Shares pursuant to the requirements of the Code.

In accordance with Rule 3.8 of the Code, the relevant securities (as defined in Note 4 to Rule 22 of Code) issued by the Company comprised 2,421,365,364 Shares in issue as at the date of this announcement.

In accordance with Rule 3.8 of the Code, reproduced below is the full text of Note 11 to Rule 22 of the Code:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any seven day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was halted and then suspended at the request of the Company with effect from 9:00 a.m. on 8 April 2015 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 21 April 2015.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

- “Binding Proposal”** means the binding proposal dated 13 April 2015 from CRH to the Company (enclosing a form of the sale and purchase agreement), the principal terms of which are described in the section headed “*Principal Terms of the Binding Proposal*” of this announcement;
- “Board”** means the board of Directors;
- “BofAML”** means Merrill Lynch (Asia Pacific) Limited, a licensed corporation under the SFO, registered to conduct Type 1 (dealing in securities), Type 4 (advising on securities), and Type 6 (advising on corporate finance) regulated activities under the SFO, one of the financial advisors to CRH and the Offeror;
- “Business Day”** means a day (excluding a Saturday or Sunday or public holiday) on which banks in Hong Kong and in the PRC are generally open for business;
- “BVI”** means the British Virgin Islands;
- “Capital Reduction”** means the capital reduction of the Company to reduce its capital and create an aggregate minimum of HK\$10 billion of distributable reserves;
- “Closing Date”** means the date stated in the Composite Document as the closing date of the Partial Offer, which will be 21 days following the date on which the Composite Document is posted;
- “Code”** means the Hong Kong Code on Takeovers and Mergers;
- “Companies Ordinance”** mean the Companies Ordinance (Cap. 622 of the Laws of Hong Kong);
- “Company”** means China Resources Enterprise, Limited (華潤創業有限公司);
- “Completion”** means the completion of the Disposal;

“Composite Document”	means the composite offer and response document to be issued, subject to satisfaction of the Pre-Conditions, by or on behalf of the Offeror and the Company to all Qualifying Shareholders in accordance with the Code containing, among other things, details of the Partial Offer and the acceptance and transfer forms in respect of the Partial Offer, as may be revised or supplemented as appropriate;
“Court”	the Court of First Instance of the High Court of Hong Kong;
“CRH”	means China Resources (Holdings) Company Limited (華潤(集團)有限公司);
“Director(s)”	the director(s) of the Company;
“Disposal”	means the proposed disposal of the Disposal Assets in accordance with the terms of the Sale and Purchase Agreement;
“Disposal Assets”	means the assets listed in the section “Assets to be disposed of” in this announcement;
“Disposal Group”	means the Target Companies and its subsidiaries (including any holding company thereof);
“EGM”	means the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder;
“Executive”	means the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director;
“Form of Acceptance”	means the form of acceptance and transfer in respect of the Partial Offer accompanying the Composite Document;
“Group”	means the Company and its subsidiaries;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;

“Independent Board Committee”	means the independent board committee of the Company comprising Mr. Houang Tai Ninh, Dr. Li Ka Cheung, Eric, Dr. Cheng Mo Chi, Moses, Mr. Bernard Charnwut Chan and Mr. Siu Kwing Chue, Gordon, being all the independent non-executive Directors, established to give recommendations to the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder and the Partial Offer;
“Independent Shareholders”	means the Shareholders other than the Offeror, CRH and their associates and parties acting in concert with them for the purpose of approving the Sale and Purchase Agreement and the transactions contemplated thereunder and the Partial Offer;
“Last Trading Date”	means 2 April 2015, being the last trading day prior to the halt in the trading of the Shares pending the publication of this announcement;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	means 30 September 2015 or such later date as the Parties may agree in writing;
“Morgan Stanley”	means Morgan Stanley Asia Limited, a licensed corporation licensed to carry on business in Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO; one of the financial advisors to CRH and the Offeror;
“Offer Period”	has the meaning ascribed to it in the Code;
“Offer Price”	means HK\$12.70 per Share;
“Offeror”	means CRH (Enterprise) Limited, formerly known as Globe Fame Investments Limited, a wholly-owned subsidiary of CRH;
“Parking Lots”	means certain parking spaces in CRE Centre in Lai Chi Kok, Kowloon and certain parking spaces in Riley House in Kwai Chung, New Territories;

“Partial Offer”	means the pre-conditional voluntary cash partial offer by BofAML and Morgan Stanley on behalf of the Offeror to the Qualifying Shareholders to acquire up to 242,136,536 Shares (representing approximately 10 per cent. of the issued share capital of the Company) at the Offer Price and any subsequent revision or extension of such offer;
“Party”	means either CRH or the Company, and the term “Parties” means both of them;
“PRC”	means the People’s Republic of China (which for the purpose of this announcement excludes Hong Kong, the Macao Special Administrative Region and Taiwan);
“Pre-Conditions”	means the pre-conditions to the making of the Partial Offer, as set out under the section headed “Pre-Conditions to the Partial Offer”;
“Promissory Note”	means a promissory note the principal terms of which are described in the section headed “Consideration” of this announcement, in a form to be agreed between the Parties and containing substantially the said terms, to be issued by CRH to the Company at Completion for settlement of part of the consideration for the Disposal;
“Qualifying Shareholders”	means the Shareholders other than the Offeror and parties acting in concert with it;
“Sale and Purchase Agreement”	means the sale and purchase agreement between the Company and CRH in respect of the Disposal (a form of which is enclosed to the Binding Proposal) with amendment, reflecting the discussions between CRH and the Company since the Binding Proposal;
“SFO”	means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Shareholders”	means the holder of the Shares;
“Shareholders Loans”	means the shareholders loans owed by the Disposal Group to the Company which are outstanding and not repaid as at Completion;
“Shares”	means the ordinary shares in the capital of the Company;

- “Special Dividend”** means a special dividend of HK\$11.50 per share in the aggregate amount of approximately HK\$27,846 million, representing most of the proceeds from the Disposal;
- “Stock Exchange”** means The Stock Exchange of Hong Kong Limited;
- “Target Companies”** are all engaged in the non-beer business and means: (i) Ondereel Ltd, a company incorporated under the laws of BVI and a direct wholly-owned subsidiary of the Company; (ii) Best-Growth Resources Limited, a company incorporated under the laws of BVI and a direct wholly-owned subsidiary of the Company; (iii) Havensbrook Investments Limited, a company incorporated under the laws of BVI and a direct wholly-owned subsidiary of the Company; (iv) China Resources Enet Solutions Limited, a company incorporated under the laws of Cayman Islands and a direct wholly-owned subsidiary of the Company; (v) CRE Finance (Hong Kong) Limited, a company incorporated under the laws of Hong Kong and a direct wholly-owned subsidiary of the Company; (vi) CRE (Nominees) Limited, a company incorporated under the laws of Hong Kong and a direct wholly-owned subsidiary of the Company; (vii) CRE Trading (Hong Kong) Limited, a company incorporated under the laws of Hong Kong and a direct wholly-owned subsidiary of the Company;
- “UBS”** means UBS AG, acting through its Hong Kong branch, an institution licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO and the financial adviser to the Company in relation to the Binding Proposal; and
- “United States” or “US”** means the United States of America.

By order of the board of directors of China Resources (Holdings) Company Limited

QIAO SHIBO

Director

By order of the board of directors of CRH (Enterprise) Limited

QIAO SHIBO

Director

By order of the board of directors of China Resources Enterprise, Limited

CHEN LANG

Chairman

Hong Kong, 20 April 2015

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. Chen Ying and Mr. Wang Yan. The Independent Non executive Directors are Mr. Houang Tai Ninh, Dr. Li Ka Cheung, Eric, Dr. Cheng Mo Chi, Moses, Mr. Bernard Charnwut Chan and Mr. Siu Kwing Chue, Gordon. The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information in relation to CRH, the Offeror or parties acting in concert with them) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than opinions expressed by CRH, the Offeror or parties acting in concert with them) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the directors of the Offeror are Dr. Fu Yuning, Mr. Qiao Shibo, Mr. Chen Lang, Mr. Wei Bin and Mr. Yan Biao. The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information in relation to the Company and its subsidiaries or CRH) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement by the Offeror and parties acting in concert with it have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the directors of CRH are Dr. Fu Yuning, Mr. Qiao Shibo, Mr. Wang Yin, Mr. Chen Lang, Mr. Du Wenmin, Mr. Wang Chuandong, Mr. An Guanghe and Mr. Wei Bin. The directors of CRH jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information in relation to Company and its subsidiaries) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement by CRH, the Offeror and parties acting in concert with them have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.