



Code Of Ethics And Securities Transactions

Last revised by the Board of Directors of the Company on 31 March 2009

We welcome your feedback. This Code will be reviewed and updated from time to time.

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INTRODUCTION

This Code of Ethics and Securities Transactions (“**Code**”) is adopted by the Company to regulate securities dealings by directors, management and certain employees of the Group, and to provide guidelines and procedures on conflict of interests of Directors.

Part I of this Code on securities dealings is based on the Model Code which sets the required standard against which directors must measure their conduct regarding transactions in securities of their listed issuers, and the SFO. Part II of this Code establishes guidelines and procedures regarding conflict of interests of Directors in order to protect the best interests of the Company.

In this Code, references have been made to various legislations and regulations, such as the SFO, the Companies Ordinance and the Listing Rules. Copies of these legislations and regulations can be inspected at the Legal & Secretarial Department of the Company or at the following websites:

SFO : <http://www.legislation.gov.hk/eng/home.htm>
Companies Ordinance : same as above
Listing Rules : <http://www.hkex.com.hk/rule/listrules/listrules.htm>

Unless otherwise stated, this Code takes immediate effect and applies to all Relevant Persons.

This Code has been prepared in English and Chinese, and both versions possess equal status and have the same effect.

DEFINITION

Unless the context otherwise requires:

- “associated corporation” has the meaning ascribed to it under s.308(1) of Part XV of the SFO, which generally includes:
- (i) a subsidiary or holding company of the Company or a subsidiary of the Company’s holding company; or
 - (ii) a corporation in which the Company has a shareholding interest exceeding in nominal value 20% of such corporation’s issued share capital;
- “associates” has the meaning ascribed to it under the Listing Rules;
- “beneficiary” includes any discretionary object of a discretionary trust (where the Relevant Person is aware of the arrangement) and any beneficiary of a non-discretionary trust;
- “Board” means the board of Directors of the Company from time to time;
- “business day” means a day in Hong Kong other than a public holiday and a day on which a black rainstorm warning, or a gale warning, is in force (i.e. it would exclude Saturdays and Sundays);
- “Companies Ordinance” means the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
- “Company” or “CRE” means China Resources Enterprise, Limited;
- “concert agreement” party has the meaning ascribed to it under s.317 of Part XV of the SFO;
- “dealing” includes any acquisition, disposal or transfer of, or offer to acquire, dispose of or transfer, or creation of pledge, charge or any other security interest in, any securities of the Company or any entity whose assets solely or substantially comprise securities of the Company, and the grant, acceptance, acquisition, disposal, transfer, exercise or discharge of any option (whether call, put or both) or other right or obligation, present or future, conditional or unconditional, to acquire, dispose of or transfer securities, or any interest in securities, of the Company or any such entity, in each case whether or not for consideration and

any agreements to do any of the foregoing; but the following would not be regarded as dealing in securities of the Company:

- (i) taking up of entitlements under a rights issue, bonus issue, capitalization issue or other offer made by the Company to holders of its securities (including an offer of shares in lieu of a cash dividend) but, for the avoidance of doubt, applying for excess shares in a rights issue or applying for shares in excess of an assured allotment in an open offer is a “dealing”;
- (ii) allowing entitlements to lapse under a rights issue or other offer made by the Company to holders of its securities (including an offer of shares in lieu of a cash dividend);
- (iii) undertakings to accept, or the acceptance of, a general offer for shares in the Company made to shareholders other than those that are concert parties (as defined under the Codes on Takeovers and Mergers and Share Repurchases) of the offeror;
- (iv) exercise of share options or warrants or acceptance of an offer for shares pursuant to an agreement entered into with the Company before a period during which dealing is prohibited under this Code at the pre-determined exercise price determined at the time of grant of the share option or warrant or acceptance of an offer for shares;
- (v) dealing where the beneficial interest or interests in the relevant security of the Company do not change;
- (vi) dealing where a Relevant Person places out his existing shares in a “top-up” placing where the number of new shares subscribed by him pursuant to an irrevocable, binding obligation equals the number of existing shares placed out and the subscription price (after expenses) is the same as the price at which the existing shares were placed out; and
- (vii) dealing where the beneficial ownership is transferred from another party by operation of law.

“debenture”

means debenture stock, bonds and other securities of a corporation, whether constituting a charge on the assets of the corporation or not;

“Directors”	means directors of the Company, including any alternate director, and “Director” means any of them;
“Group”	means the Company and its subsidiaries, and “Group Member” means any of them;
“insider dealing”	means any dealing which constitutes insider dealing under s.270 of Part XIII of the SFO, the key elements of which includes dealing (i.e. both buying and selling whether on or off the Stock Exchange, etc.) in the securities of the Company when in possession of specific information about the Company which is not generally known to those persons who are accustomed or would be likely to deal in those securities, but which would if it were generally known to them be likely to materially affect the price of and market activity in the securities;
“listed corporation”	has the meaning ascribed to it under s.245(1) of the SFO;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“long position”	means the position in which a person has an interest in shares themselves, or if he/she holds, writes or issues financial instruments under which, for example, he/she: <ul style="list-style-type: none"> (i) has a right to take the underlying shares; (ii) is under an obligation to take the underlying shares; (iii) has a right to receive money if the price of the underlying shares increases; or (iv) has a right to avoid or reduce a loss if the price of the underlying shares increases;
“Model Code”	means the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules;
“price-sensitive information”	means, in relation to a corporation, any information relating to that corporation or the group of which that corporation forms part (including information on any major new development in the sphere of activity of that corporation or group (as appropriate) which is not public knowledge) and which:

- (i) is necessary to enable the Stock Exchange, shareholders of that corporation or group (as appropriate), other holders of its listed securities and the public to appraise the position of that corporation or group (as appropriate);
- (ii) is necessary to avoid the establishment of a false market in its securities; or
- (iii) might be reasonably expected materially to affect market activity in and the price of its securities.

In the context of this Code, rule 13.09(1)(c) of the Listing Rules and its notes 9, 10 and 11 are of particular importance.

“Principal Subsidiary”	means a subsidiary of the Company whose results, assets or turnover the Company considers will materially affect the results or assets of the Group, a list of which shall be made available to the Directors and the Specified Persons from time to time;
“Relevant Persons”	means collectively, the Directors and the Specified Persons and “Relevant Person” means any of them;
“securities”	means listed securities and any unlisted securities that are convertible or exchangeable into listed securities and structured products (including derivative warrants), issued in respect of the Company;
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time;
“short position”	means the position in which a person: <ul style="list-style-type: none"> (i) borrows shares under a securities borrowing and lending agreement; or (ii) holds, writes or issues financial instruments under which, for example, he/she: <ul style="list-style-type: none"> (a) has a right to require another person to take the underlying shares; (b) is under an obligation to deliver the underlying shares;

(c) has a right to receive money if the price of the underlying shares declines; or

(d) has a right to avoid a loss if the price of the underlying shares declines; and

“Specified Persons” means all persons included in the list of specified persons as set out in Schedule 1 hereto;

“Stock Exchange” means The Stock Exchange of Hong Kong Limited; and

“subsidiary” means an entity in which the Company, directly or indirectly, holds more than half of the issued share capital or controls more than half of the voting power, or where the Company controls the composition of its board of directors or equivalent governing body.

PART I – SECURITIES DEALINGS BY RELEVANT PERSONS

A. APPLICATION OF THIS PART

Part I of this Code, which aligns with Part XV of the SFO and the required standard of the Model Code, applies to transactions by the Relevant Persons of securities of the Company. No dealings should occur in respect of such securities unless the notification and acknowledgement procedures under this Code are complied with.

Relevant Persons should note that securities also include derivatives of shares of the Company, if any, whether or not the derivative is itself listed and whether or not the derivative is issued by the Company or a third party. Derivatives are widely defined and can include subscription warrants and options (including covered or derivative warrants).

B. BASIC PRINCIPLES AND RULES

1. This Code sets out the required standard against which the Relevant Persons should seek to secure that all dealings in the securities of the Company in which they are or are deemed to be interested be conducted in accordance with this Code. Any breach of such required standard by any Director may be regarded as a breach of the Listing Rules, which may subject the Director concerned and possibly the Company to sanctions by the Stock Exchange.
2. Any Director wishing to deal in securities must first have regard to the provisions of Parts XIII and XIV of the SFO with respect to insider dealing and market misconduct. The Specified Persons, who are considered most likely to be in possession of price-sensitive information, should pay attention to the terms of this Code and their requirement to comply with it as if they were Directors. It should be noted that there are occasions where, even though the Relevant Persons would not be expressly culpable under the statutory provisions, they should not be free to deal in the securities. If a Relevant Person is in doubt as to whether information is price-sensitive, he/she should contact the Corporate Planning and Development Department of the Company. A matter will remain price-sensitive until such time as it is made known to the general public.
3. The Relevant Persons who are aware of or privy to any negotiations or agreements related to intended acquisitions or disposals which are notifiable or connected transactions under Chapters 14 or 14A of the Listing Rules or any price-sensitive information must refrain from dealing in the securities of the Company as soon as they become aware of them or privy to them until proper disclosure of the information in accordance with the Listing Rules has been made. Directors who are privy to relevant negotiations or agreements or any price-sensitive information should caution those Directors who are not so privy that there may be unpublished price-sensitive information and that they must not deal in the securities of the Company for a similar period. Such

caution can be exercised by notification (“**Caution Notice**”) to the Managing Director and in his absence, his delegate who, in turn, will arrange for the circulation of the information to all Directors and other designated persons who will be signing the acknowledgements referred to in Part I Section C. paragraphs 3. and 5. of this Code.

4. A Relevant Person must not deal in the securities of the Company when he/she is in possession of unpublished price-sensitive information in relation to those securities, or when clearance to deal is not otherwise conferred upon him/her under this Code.
5. A Relevant Person should not deal in the securities of any other listed corporation when by virtue of his/her position as a director or alternate director of such listed corporation, he/she is in possession of unpublished price-sensitive information in relation to those securities.
6. The Relevant Persons must not make any unauthorized disclosure of confidential information, whether to the co-trustees or to any other person (even those to whom he owes a fiduciary duty) or make any use of such information for the advantage of himself/herself or others.
7. Where a Relevant Person is a sole trustee, the provisions of this Code will apply to all dealings of the trust as if he/she was dealing on his/her own account (unless the Relevant Person is a bare trustee and neither he/she nor any of his/her associates is a beneficiary of the trust, in which case the provisions of this Code will not apply).
8. Where a Relevant Person deals in the securities of the Company in his capacity as co-trustee and he has not participated in or influenced the decision to deal in the securities and is not, and none of his associates is, a beneficiary of the trust, dealings by the trust will not be regarded as his dealings.
9. The grant to a Relevant Person of an option to subscribe or purchase the securities of the Company shall be regarded as a dealing by him/her, if the price at which such option may be exercised is fixed at the time of such grant. If, however, an option is granted to a Relevant Person on terms whereby the price at which such option may be exercised is to be fixed at the time of exercise, the dealing is to be regarded as taking place at the time of exercise.
10. When a Relevant Person places investment funds comprising securities of the Company under professional management, even where discretion is given, the managers must nonetheless be made subject to the same restrictions and procedures as the Relevant Person himself/herself in respect of any proposed dealings in the securities of the Company.

11. During the period commencing one month immediately preceding the earlier of:
- (a) the date of the Board meeting for the approval of the Company's results for any year, half-year, quarterly (if any) or any other interim period (if any);
 - (b) the date of the Board meeting for the approval of the Company's financial highlights for the first and third quarters of each calendar year; and
 - (c) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly (if any) or any other interim period (if any),

and ending on the date of the results or financial highlights announcement (as the case may be), a Relevant Person must not deal in any securities of the Company unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met. The Company Secretary or his delegate will notify all Relevant Persons in advance of the dates of Board meetings of the Company and subsequent results announcement.

12. With effect from 1 April 2009, Part I Section B. paragraph 11. above shall cease to have effect, and with effect from that date, a Relevant Person must not deal in any securities of the Company on any day on which its financial results are published and:
- (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarter or half-year period up to the publication date of the results,

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met. In any event, the Relevant Person must comply with the procedures in Part I Section C. paragraphs 3. to 5. below.

The Company must notify the Stock Exchange in advance of the commencement of each period during which Relevant Persons are not allowed to deal under Part I Section B. paragraph 12 of this Code.

Note: Relevant Persons should note that the period during which they are not allowed to deal under Part I Section B. paragraph 12 of this Code will cover any period of delay in the publication of a results announcement.

13. Where a Relevant Person intends to deal in the securities of the Company under exceptional circumstances during the period of prohibition to deal, he/she must, in addition to complying with the notification procedure in this Code, satisfy the designated Deputy Managing Director (or in his absence, the Head Legal Advisor) that the circumstances are exceptional and the proposed dealing is the only reasonable course of action available to the Relevant Person before he/she can deal in such securities. In the case of dealings by any Director of securities of the Company under the aforesaid exceptional circumstances, the Company shall notify the Stock Exchange as soon as practicable and publish an announcement of such dealing pursuant to the requirement of the Model Code.
14. The restrictions on dealing and notification requirements by a Relevant Person should be regarded as equally applicable to any dealings by any person in which for the purposes of Part XV of the SFO, such Relevant Person (in the case of a Specified Person, as if he is a Director of the Company and subject to the obligations under Part XV of the SFO) is or is to be treated as interested. These persons include:
- (a) the spouse and any child (natural or adopted) of the Relevant Person under the age of 18;
 - (b) a corporation which the Relevant Person controls (a corporation is a “controlled corporation” if the Relevant Person controls, directly or indirectly, one-third or more of the voting power at general meetings of the corporation, or if the corporation or its directors are accustomed to act in accordance with such Relevant Person’s directions);
 - (c) a trust, if the Relevant Person is a trustee of the trust (other than a trust where the Relevant Person is a bare trustee i.e. where the Relevant Person has no powers or duties except to transfer the shares according to the directions of the beneficial owner and neither the Relevant Person nor any of such Relevant Person’s associates is a beneficiary of the trust);
 - (d) a discretionary trust, if the Relevant Person is the “founder” of the trust (e.g. the Relevant Person had the trust set up or put assets into it), and can influence how the trustee exercises his discretion;
 - (e) a trust of which the Relevant Person is a beneficiary (discretionary interests may be ignored); and
 - (f) all persons who have agreed to act in concert to acquire interests in shares in the Company, if the Relevant Person is a party to the agreement;

but does not include a dealing where such person deals in the securities of the Company as a co-trustee in the manner as set out in Part I Section B.

paragraph 8. above. It is the duty of the Relevant Person to seek to avoid any of the above dealings at a time when he/she himself/herself is not free to deal.

C. DISCLOSURE/NOTIFICATION REQUIREMENTS

1. This Code requires the Relevant Persons to notify the Stock Exchange (in the case of Directors) and the Company of their interests, and short positions in the securities of the Company, subject to and in accordance with the notification procedures set out in Part I Section C. paragraphs 3. to 5. below. The objectives are to enable our investors to make informed investment decisions through disclosure of more complete and timely information and to help detect any insider dealing by the Relevant Persons when in possession of price-sensitive information under the SFO. There are certain exemptions specified in the SFO, but the burden of proof will be on the person accused of insider dealing to establish that the relevant exemption applies. One such exemption is where it can be established that the transaction was entered into by a person otherwise than with a view to the making of a profit or the avoiding of a loss (whether for himself/herself or for another) by the use of price-sensitive information.
2. The Relevant Persons must disclose their interests in the securities, and long/short positions in any shares, in the Company. These include, but not limited to, the following circumstances:
 - (a) a Relevant Person becomes interested in such securities;
 - (b) a Relevant Person ceases to be interested in such securities;
 - (c) a Relevant Person enters into a contract to sell any such securities;
 - (d) a Relevant Person assigns any rights granted to him/her by the Company to subscribe for such securities;
 - (e) the nature of a Relevant Person's interests in such securities changes (e.g. on exercise of an option);
 - (f) a Relevant Person has or ceases to have a long/short position in the shares of the Company;
 - (g) a Relevant Person has an interest in the securities, or a long/short position in the shares, of an associated corporation at the time when it becomes a listed corporation in Hong Kong;
 - (h) on commencement of the SFO if a Relevant Person has an interest in the securities, or a short position in the shares, of the Company which has not previously been disclosed;

- (i) a Relevant Person has an interest in the securities, or short position in the shares, of the Company when he/she becomes a Director or chief executive of the Company;
 - (j) a Relevant Person has an interest in the securities, or a short position in the shares, of a corporation when it becomes an associated corporation of the Company; and
 - (k) a Relevant Person has a concert party agreement to deal in the shares of the Company.
3. Directors must not deal in any of the securities of the Company without first notifying in writing the designated Deputy Managing Director (or in his absence, the Head Legal Advisor) and receiving a dated written acknowledgement. In the case of the designated Deputy Managing Director, he should first notify at least one of the other Directors and receive a dated written acknowledgement before any dealing. It should be noted that any dealing in securities by a person in which for the purposes of Part XV of the SFO such Director is or is to be treated as interested shall be deemed to be dealing by such Director for the purpose of the notification. As a general rule, the acknowledgement by the designated Deputy Managing Director (or in his absence, the Head Legal Advisor) to a notification from a Director should be made within 2 business days of the notification being made, and the written acknowledgement must be valid for no longer than 5 business days of the written acknowledgement being received. The Form of Notification and Acknowledgement shall be in such form designated by the Executive Committee from time to time and is available from the Legal and Secretarial Department of the Company. For the avoidance of doubt, the restriction in Part I Section B. paragraph 4. of this Code applies in the event that price sensitive information develops following the grant of clearance.
4. Pursuant to Part XV of SFO, each of the Directors of the Company must notify the Stock Exchange and the Company (addressed to the designated Deputy Managing Director & the Head Legal Advisor) in writing of any interests that either they, their spouses, their children (natural or adopted) under the age of 18 or their personal holding companies hold in securities in the Company and/or its associated corporations. Such interests must be notified by the Director concerned to the Stock Exchange and the Company within 3 business days from the day the Director concerned knows about the securities transaction by completing the appropriate notice form produced by the Securities and Futures Commission and filing the completed form with the Stock Exchange and the Company. It should be noted that the SFO requires Directors to take every reasonably practicable step to ensure that the notice form is filed with the Stock Exchange and the Company at the same time or one immediately after the other. The details are to be entered into the Register of Directors' and Chief Executives' Interests and Short Positions in the Securities of the Company and its Associated Corporations, which is

available for inspection at any time during business hours by Directors upon request to the Company Secretary of the Company.

5. Any Specified Person who intends to deal in the securities of the Company should follow the notification procedure in this Code by notifying in writing the designated Deputy Managing Director (or in his absence, the Head Legal Advisor) and receiving a dated written acknowledgement before any dealing in the securities of the Company. Where requested by the designated Deputy Managing Director (or in his absence, the Head Legal Advisor), the Specified Person should also obtain a confirmation regarding his dealing from his/her immediate supervisor (where he/she is an employee of a business unit) or the department head (if he/she is an employee of the Company). It should be noted that any dealing in securities by a person in which for the purposes of Part XV of the SFO such Specified Person is or is to be treated as interested (as if such Specified Person was a Director) shall be deemed to be dealing by such Specified Person for the purpose of the notification. As a general rule, the acknowledgement by the designated Deputy Managing Director (or in his absence, the Head Legal Advisor) to a notification from a Specified Person should be made within 3 business days of the notification being made, and the written acknowledgement must be valid for no longer than 5 business days of the written acknowledgement being received. Once the deal has taken place, such Specified Person concerned should notify the designated Deputy Managing Director & the Head Legal Advisor in writing of the details of the dealing within 3 business days from the day the relevant Specified Person knows about the securities transaction. The details are to be entered into the Register of Specified Persons' Interests and Short Positions in the Securities of the Company and its Associated Corporations. The Stock Exchange has not required filing of notifications by persons other than Directors and substantial shareholders of the Company of their interests in the securities of the Company and its associated corporations. For the avoidance of doubt, the restriction in Part I Section B. paragraph 4. of this Code applies in the event that price sensitive information develops following the grant of clearance.
6. Any acknowledgement of notification given pursuant to Part I Section C. paragraphs 3. and 5. above is only good for a period of 5 business days of the written acknowledgement being received. The designated Deputy Managing Director or the Head Legal Advisor (as the case may be) is entitled to send a notice of revocation of the acknowledgement of notification to the relevant Director or Specified Person as soon as reasonably practicable on receipt of a Caution Notice sent out by the Managing Director or his delegate under Part I Section B. paragraph 3. of this Code.
7. The notifications and acknowledgements referred to in Part I Section B. paragraphs 3. and 5. above shall be in the form as set out in Schedule 2. In addition, a Register of Notifications and Acknowledgements of dealings notified by the Relevant Persons is kept by the designated Deputy Managing

Director or his delegate of the Company and is available for inspection at the Company's registered office.

8. A Relevant Person who acts as trustee of a trust must ensure that his/her co-trustees are aware of the identity of any company of which he/she is a Relevant Person and must also ensure that the co-trustees are made subject to the same restrictions and procedures as the Relevant Person himself/herself in respect of proposed dealings in the securities of the Company. A Relevant Person having funds under management must likewise advise the investment manager.
9. A Relevant Person who is a beneficiary, but not a trustee, of a trust which deals in the securities of the Company must endeavour to ensure that the trustees notify him/her after they have dealt in such securities on behalf of the trust, in order that he/she, in turn, may notify the Company. For this purpose, he/she must ensure that the trustees are aware of his/her position as a Relevant Person in the Company.
10. The Directors must collectively and individually endeavour to ensure that any employee of the Company or director or employee of its Principal Subsidiaries who, because of his/her office or employment in the Company or its subsidiary, is likely to be in possession of unpublished price-sensitive information in relation to the securities of the Company does not deal in those securities at a time when he/she would be prohibited from dealing by this Code if he/she were a Director.
11. The Board has authorised the Executive Committee to consider, adopt and issue implementation procedures and regulations for this Code from time to time and to review and amend the list of Specified Persons from time to time to reflect changing circumstances.

D. DEALINGS IN SECURITIES OR THEIR DERIVATIVES OF OTHER RELATED COMPANIES

The SFO essentially applies to securities listed in Hong Kong, but the Company may come into contact with companies listed elsewhere which are subject to equivalent legislation in their home jurisdiction. These companies could be trading partners, actual or potential joint venture partners, or potential acquisition targets and it is possible that Directors or employees of the Company may receive price-sensitive information about these companies. Dealings in the shares or other securities of such companies could expose the Directors and employees to investigation and, if insider dealing is found to have taken place, to a wide range of civil sanctions and criminal prosecution such as disqualifying directors from directorship or management, ordering disgorgement of profits, imprisonment and imposition of fines. The Company's reputation could also suffer.

Accordingly, considerable care should be exercised to avoid dealing in the securities of any other company which could potentially be a trading or joint venture partner or an acquisition target and where the Company may have price-sensitive information.

If anyone is in doubt as to whether a particular company falls into this category they should seek guidance from the Corporate Planning and Development Department before dealing in the securities or their derivatives in that company.

In the event that a particular company actually does become a proposed or contemplated acquisition target, then no dealings of any kind in the securities or their derivatives of that company may take place. Also, Directors and employees should not encourage others to deal.

PART II – CONFLICT OF INTERESTS OF DIRECTORS

A. POLICY

A conflict of interest exists where a Director's outside interests, whether personal, family, financial, professional or otherwise, have an undue influence or may reasonably be perceived to have an undue influence on the Director's discharge of his/her responsibilities as a member of the Board. An undue influence is defined as the improper use of power or trust that deprives a person of free will and substitutes another's objectives. The Company expects and requires all Directors to be honest and ethical in the handling of actual or apparent conflicts of interest between personal and business relationships. The minimum standard is that required by applicable law and regulations, including without limitation, the Companies Ordinance and the Listing Rules, as well as the Articles of Association of the Company.

The circumstances in which a conflict of interest might arise are too numerous to list. However, a conflict of interest clearly exists in the following situations:

- (a) concurrent employment with any company outside the group of companies of which the Company forms part or any non-affiliated organisation;
- (b) equity interests in any non-affiliated commercial, financial or industrial organisation (not being a member of the Group); or
- (c) negotiation or transactions by one's self or family members for business with any member of the group of companies of which the Company forms part (other than with respect to one's employment contract or any retail purchase of services or goods provided by the group of companies of which the Company forms part).

B. DISCLOSURE OF INTERESTS

In accordance with the Companies Ordinance and the Company's Articles of Association, each Director must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. In particular, each Director should disclose to all the other Directors:

- (a) any personal interest which he may have in a matter which relates to the affairs of the Group; and
- (b) any other interest which the Director believes is appropriate to disclose in order to avoid an actual conflict of interest or the perception of a conflict of interest.

Such disclosure should be made as soon as practicable after the Director becomes aware of his interest and should be given at a meeting of the Board

or be brought up and read at the next meeting of the Board after it is given. Details of the disclosure must be recorded in the minutes of the relevant board meeting at which the disclosure is made or the meeting held following the disclosure. The Directors should disclose any changes to interests disclosed as soon as practicable in the same manner.

In addition, the Directors are reminded of their obligations under s.155B(3) of the Companies Ordinance pursuant to which any Director, who has any material interest in any matter to be dealt with by resolution at a general meeting so far as such resolution affects interests of such Director differently from the interests of other members of the Company, shall give notice to the Company to enable the Company to disclose such interests of the relevant Director in the notice of general meeting. Such notice shall be given by the interested Director prior to the issuing of the notice of general meeting by the Company and shall be of reasonable length under the prevailing circumstances.

C. PROCEDURES FOR HANDLING CONFLICT OF INTERESTS

Any Director who has material personal interest in a matter which relates to the affairs of the Group or any other interest which the Director believes is appropriate to disclose in order to avoid an actual conflict of interest or the perception of a conflict of interest may not participate in discussions relating to nor vote on the matter unless the other Directors who do not have an interest in the matter pass a resolution that the relevant conflict of interest should not disqualify the Director from voting on the matter.

The minutes of the meeting should record the decision taken by the Directors who do not have an interest in the matter.

SCHEDULE 1

List of Specified Persons

1. All directors of the Principal Subsidiaries of the Company.
2. All general managers (總經理) of the Principal Subsidiaries of the Company.
3. All staff of the Finance Department of the Company.
4. Head and deputy head of the finance department of the Principal Subsidiaries of the Company.
5. Head Legal Advisor and other legal advisors of the Legal and Secretarial Department of the Company.
6. All staff of the Corporate Planning and Development Department of the Company.
7. Staff of subsidiaries of the Company performing similar duties as those persons set out in paragraphs 5. and 6. above.
8. Other persons within the categories set out above designated from time to time by the Managing Director, the Deputy Managing Directors and functional department heads named above.
9. Respective secretaries (if any) to the Directors and the persons set out in paragraphs 1. to 8. above.
10. Directors of China Resources (Holdings) Company Limited, China Resources Co., Limited and China Resources National Corporation.
11. Certain members of the finance department identified by the holding companies of the Company.
12. Any other Specified Persons identified by the Executive Committee from time to time.

SCHEDULE 2

Form of Notification and Acknowledgement

NOTIFICATION

To: China Resources Enterprise, Limited (the "Company")
(Attn: _____)

Dear Sirs,

Re : Notification of proposed dealing in securities and/or to exercise share options of the Company (note 1)

Please be notified that I intend to deal in securities (note 2) and/or to exercise share options of China Resources Enterprise, Limited (the "Company") as detailed below:

(1) Proposed date of dealing: from _____ to _____ (note 3)

Proposed date of exercise of share options: _____

(2) Nature of the proposed dealing (note 4) and/or exercise of share options:

- acceptance of grant of share options
- sale of securities
- purchase of securities
- exercise of share options
- grant of irrevocable authorisation to CRE (Nominees) Limited to sell securities of the Company in the stock market
- other (please state details) _____

(please tick ✓ the appropriate box)

(3) Capacity in which the proposed dealing is to be transacted:

- by myself
- by other persons whose dealings are deemed to be my own (note 5) (please give details of the relationship): _____
- other (note 6) (please state details): _____

(please tick ✓ the appropriate box)

(4) Particulars of securities in the Company involved in the proposed dealing:

(5) I confirm that I am not in possession of any unpublished price-sensitive information in relation to the securities of the Company.

Yours faithfully,

Name :

Date :

Confirmation by your immediate supervisor:
I do not expect the signatory to be aware
of any unpublished price-sensitive
information.

Name :
Date :

Notes:

- (1) The Company has on 8 April 2005 (amended on 31 March 2009) adopted the Code of Ethics and Securities Transactions ("Code") which applies to Directors of the Company, certain employees of the Company and its subsidiaries and directors and certain employees of its holding companies. Please read the Code carefully prior to completion of this notification and in case of doubt as to whether it is necessary or how to complete this notification, you are advised to seek legal advice. Unless otherwise defined herein, terms used in this notification shall have the same respective meanings as defined in the Code.
- (2) The word "securities" means listed securities and any unlisted securities that are convertible or exchangeable into listed securities and any structured products (including derivative warrants) issued in respect of the listed securities of the Company.
- (3) The latest date of the proposed dealing should not be more than 5 business days of the written acknowledgement being received.
- (4) The word "dealing" includes any acquisition, disposal or transfer of, or offer to acquire, dispose of or transfer, or creation of pledge, charge or any other security interest in, any securities of the Company or any entity whose assets solely or substantially comprise securities of the Company, and the grant, acceptance, acquisition, disposal, transfer, exercise or discharge of any option (whether call, put or both) or other right or obligation, present or future, conditional or unconditional, to acquire, dispose of or transfer securities, or any interest in securities, of the Company or any such entity, in each case whether or not for consideration and any agreements to do any of the foregoing; but the following would not be regarded as dealing in securities of the Company:
 - (i) taking up of entitlements under a rights issue, bonus issue, capitalization issue or other offer made by the Company to holders of its securities (including an offer of shares in lieu of a cash dividend) but, for the avoidance of doubt, applying for excess shares in a rights issue or applying for shares in excess of an assured allotment in an open offer is a "dealing";
 - (ii) allowing entitlements to lapse under a rights issue or other offer made by the Company to holders of its securities (including an offer of shares in lieu of a cash dividend);
 - (iii) undertakings to accept, or the acceptance of, a general offer for shares in the Company made to shareholders other than those that are concert parties (as defined under the Codes on Takeovers and Mergers and Share Repurchases) of the offeror;
 - (iv) exercise of share options or warrants or acceptance of an offer for shares pursuant to an agreement entered into with the Company before a period during which dealing is prohibited under the Code at the pre-determined exercise price determined at the time of grant of the share option or warrant or acceptance of an offer for shares;
 - (v) dealing where the beneficial interest or interests in the relevant security of the Company do not change;
 - (vi) dealing where a Relevant Person places out his existing shares in a "top-up" placing where the number of new shares subscribed by him pursuant to an irrevocable, binding obligation equals the number of existing shares placed out and the subscription price (after expenses) is the same as the price at which the existing shares were placed out; and
 - (vii) dealing where the beneficial ownership is transferred from another party by operation of law.
- (5) Any dealing in securities by any person in which for the purposes of Part XV of the Securities and Futures Ordinance you are or are to be treated as interested shall be deemed to be your dealing in securities for the purposes of this notification (where you are not a Director of the Company, as if you are a Director of the Company). These persons include:
 - (i) your spouse and any child (natural or adopted) of yours under the age of 18;
 - (ii) a corporation which you control (a corporation is a "controlled corporation" if you control, directly or indirectly, one-third or more of the voting power at general meetings of the corporation, or if the corporation or its directors are accustomed to act in accordance with your directions);
 - (iii) a trust, if you are a trustee of the trust (other than a trust where you are a bare trustee i.e. where you have no powers or duties except to transfer the shares according to the directions of the beneficial owner and neither you nor any of your associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) is a beneficiary of the trust;
 - (iv) a discretionary trust, if you are the "founder" of the trust (e.g. you had the trust set up or put assets into it), and can influence how the trustee exercises his discretion;
 - (v) a trust of which you are a beneficiary (discretionary interests may be ignored); and
 - (vi) all persons who have agreed to act in concert to acquire interests in shares in the Company, if you are a party to the agreement,but does not include a dealing where such person deals in the securities of the Company in the capacity as a co-trustee and such person has not participated in or influenced the decision to deal in the securities and is not, and none of his associates is, a beneficiary of the trust. For the purposes of this note (6), "beneficiary" includes any discretionary object of a discretionary trust (where you are aware of the arrangement) and any beneficiary of a non-discretionary trust.
- (6) Where you have placed investment funds comprising securities of the Company under professional management, discretionary or otherwise, the managers must also be made subject to the same restrictions and procedures under the Code in relation to any proposed dealings, and accordingly, you should also disclose any proposed dealings in the securities of the Company by such investment manager.

Acknowledgement

To: _____

I refer to your notification of proposed dealing in securities from _____ to _____ and/or exercise of share options on _____ of China Resources Enterprise, Limited (the “Company”) dated _____ (the “Notification”).

- On behalf of the Company, I hereby acknowledge receipt of the Notification.
- You are advised not to proceed with the proposed dealing as set out in the Notification for the following reasons:

- Other comments:

Please be reminded that (i) your obligation not to deal in any securities of the Company and its listed principal subsidiary(ies) while you are aware of or privy to any negotiations or agreements related to intended acquisitions or disposals which are notifiable transactions under Chapter 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited (“Listing Rules”) or connected transactions under Chapter 14A of the Listing Rules or while you are in possession of unpublished price sensitive information in relation to the securities of the Company and/or its listed principal subsidiary(ies), as the case may be; and (ii) your duty of disclosure of any dealings in securities of the Company and its associated corporations, where applicable, under the Securities and Futures Ordinance (Cap. 571), shall remain.

Date :