
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional advisor.

If you have sold all your shares in China Resources Logic Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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China Resources Logic Limited

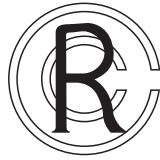
華潤勵致有限公司

(Incorporated in Bermuda with limited liability)

**GENERAL MANDATE TO REPURCHASE SHARES
GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening an annual general meeting of China Resources Logic Limited to be held at 50th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on 27th May, 2002 at 4:00 p.m. is set out on pages 7 to 9 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting.

25th April, 2002



China Resources Logic Limited

華潤勵致有限公司

(Incorporated in Bermuda with limited liability)

Directors:

Executive Directors:

SONG Lin (*Chairman*)

CHEN Lang

(*Deputy Chairman and*

Chief Executive Officer)

ONG Thiam Kin

ZHU Jinkun

DAI Zhenhua

YU Min

Non-executive Directors:

NING Gaoning

KO Ping Keung

Independent Non-executive Directors:

WONG Tak Shing

LUK Chi Cheong

Company Secretary:

Lee Yip Wah, Peter

Registered Office:

Cedar House

41 Cedar Avenue

Hamilton HM 12

Bermuda

Principal Place of Business:

Rooms 4001

China Resources Building

26 Harbour Road

Wanchai

Hong Kong

25th April, 2002

To the shareholders

Dear Sir or Madam,

**GENERAL MANDATE TO REPURCHASE SHARES
GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

On 25th May, 2001, the Directors were granted general mandates to:

- exercise all powers of the Company to repurchase issued shares of HK\$0.10 each of the Company (the “Share(s)”) not exceeding 10% of Shares then in issue; and

LETTER FROM THE CHAIRMAN

- to allot, issue and deal with additional Shares, provided that the aggregate nominal amount of the Shares issued does not exceed 20% the Shares then in issue.

In addition, a further ordinary resolution was passed to extend the general mandate to issue Shares by the addition of any Shares repurchased by the Company under the authority to repurchase Shares.

In accordance with the terms of the above general mandates and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), these general mandates will lapse at the conclusion of the forthcoming annual general meeting of the Company to be held on 27th May, 2002 at 4:00 p.m. (the “Annual General Meeting”). The Directors believe that renewal of the general mandates is in the interests of the Company and its shareholders as a whole.

Ordinary resolutions will therefore be proposed at the Annual General Meeting to approve new general mandates to repurchase Shares and to allot, issue and deal with Shares.

The purpose of this circular is to seek your approval as set out in the notice of Annual General Meeting of the relevant ordinary resolutions to be proposed at the Annual General Meeting and to provide you with information regarding the general mandates to repurchase Shares and to issue Shares.

GENERAL MANDATE TO REPURCHASE SHARES

Ordinary Resolution 4B set out in the notice of Annual General Meeting would grant a general mandate to the Directors to exercise the powers of the Company to repurchase, on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), Shares representing up to 10% of the issued share capital of the Company (the “Repurchase Mandate”). In accordance with the Listing Rules, the authority conferred on the Directors by Ordinary Resolution 4B would continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in paragraph (c) of such resolution.

An explanatory statement as required under the Listing Rules, giving certain information regarding the Repurchase Mandate is set out in the appendix to this circular.

GENERAL MANDATE TO ISSUE SHARES

Ordinary Resolution 4A set out in the notice of Annual General Meeting would grant a general mandate to the Directors to allot, issue and deal with Shares up to a limit of 20% of the existing issued share capital of the Company. Furthermore, Ordinary Resolution 4C set out in the notice of Annual General Meeting would enable the Directors to issue, under the general mandate contained in Ordinary Resolution 4A, an additional number of Shares representing that number of Shares repurchased under the Repurchase Mandate. In accordance with the Listing Rules, the authority conferred on the Directors by Ordinary Resolution 4A would continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in paragraph (d) of such resolution.

ANNUAL REPORT AND ANNUAL GENERAL MEETING

A copy of the annual report of the Company for the year ended 31st December, 2001 is enclosed for your review.

The notice convening the Annual General Meeting proposed to be held at 50th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong is set out on pages 7 to 9 of this circular. At the Annual General Meeting, ordinary resolutions mentioned above will be proposed to approve the general mandates to repurchase and to issue shares.

LETTER FROM THE CHAIRMAN

A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's principal place of business at Rooms 4001–06, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong as soon as possible and, in any event so as to be received not less than 48 hours before the time appointed for the holding of the Annual General Meeting. Completion and delivery of the form of proxy will not prevent you from attending and voting at the meeting if you so wish.

RECOMMENDATION

The Directors believe that the general mandate to issue Shares of the Company and the Repurchase Mandate are in the best interests of the Company as well as its shareholders as a whole. Accordingly, the Directors recommend that all shareholders vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

By Order of the Board
SONG Lin
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide information to you with regard to the Repurchase Mandate.

1. SHARE CAPITAL

As at 19th April, 2002 (being the latest practicable date prior to the printing of this circular) (the “Latest Practicable Date”), the issued share capital of the Company comprised 1,508,832,261 Shares. Subject to the passing of the relevant ordinary resolutions and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, exercise in full of the Repurchase Mandate could accordingly result in up to 150,883,226 Shares being repurchased by the Company during the course of the period prior to the next annual general meeting.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its shareholders.

3. FUNDING OF REPURCHASES

Repurchasing of Shares will be funded entirely from funds legally available for the purpose in accordance with the Memorandum of Association and Bye-Laws and the applicable laws of Bermuda.

There might be adverse effect on the working capital or gearing of the Company upon the full exercise of the Repurchase Mandate when compared with the working capital and gearing position disclosed in the audited accounts contained in the annual report for the year ended 31st December, 2001. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels in the opinion of the Directors.

4. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate if the Repurchase Mandate is approved by shareholders of the Company.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by shareholders of the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

However, if as a result of a share repurchase pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the “Takeover Code”).

Accordingly, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, the following shareholders were interested in 10% or more of the issued share capital of the Company as recorded in the register of the Company kept under Section 16(1) of the Securities (Disclosure of Interests) Ordinance of Hong Kong:

Name	No. of shares held	Notes	% of shareholding
Gold Touch Enterprises Inc.	297,229,604		19.70%
Waterside Holdings Limited	825,347,743		54.70%
China Resources (Holdings) Company Limited	1,122,577,347	1	74.40%
China Resources National Corp.	1,122,577,347	2	74.40%

Notes:

1. Gold Touch Enterprises Inc. and Waterside Holdings Limited are wholly-owned subsidiaries of China Resources (Holdings) Company Limited. Therefore, China Resources (Holdings) Company Limited is deemed to have interest in the total number of 1,122,577,347 shares.
2. China Resources (Holdings) Company Limited is a wholly-owned subsidiary of China Resources National Corp. Therefore, China Resources National Corp. is deemed to have interest in 1,122,577,347 shares.

The Directors are not aware of any consequences which may arise under the Takeover Code as a result of any repurchases made under the Repurchase Mandate. In the event that the Directors exercise in full the power to repurchase shares which is proposed to be granted pursuant to the resolution referred to above, the interests of Gold Touch Enterprises Inc., Waterside Holdings Limited, China Resources (Holdings) Company Limited and China Resources National Corp. in the shares of the Company would be increased to approximately 21.89%, 60.78%, 82.67% and 82.67% respectively of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeover Code.

Any purchase of Shares which results in the amount of Shares held by the public being reduced to less than 25% could only be implemented with the agreement of the Stock Exchange. Except in extraordinary circumstances such agreement would not normally be given by the Stock Exchange. The Company has no present intention to exercise the Repurchase Mandate to such extent that the public shareholding in the Company would be reduced below 25% of the issued share capital of the Company.

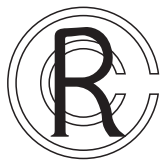
5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
April 2001	0.82	0.44
May 2001	1.04	0.70
June 2001	1.06	0.74
July 2001	0.78	0.60
August 2001	0.73	0.62
September 2001	0.71	0.42
October 2001	0.63	0.47
November 2001	0.81	0.56
December 2001	0.88	0.75
January 2002	0.83	0.72
February 2002	0.79	0.70
March 2002	0.88	0.74

6. SHARE REPURCHASES MADE BY THE COMPANY

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.



China Resources Logic Limited

華潤勵致有限公司

(Incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of the Company will be held at 50/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Monday, 27th May, 2002 at 4:00p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the Directors and the Auditors for the year ended 31st December, 2001.
2. To re-elect Directors and to authorise the Board of Directors to fix the remuneration of the Directors.
3. To re-appoint Auditors and to authorise the Board of Directors to fix the Auditors' remuneration.
4. As special business to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

A. "THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below) (ii) an issue of shares of the Company under any share option scheme or similar arrangement for the time being adopted by the Company for the grant or issue of shares of the Company or rights to acquire shares of the Company or (iii) an issue of shares of the Company as scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company, shall not exceed the aggregate of (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of

NOTICE OF ANNUAL GENERAL MEETING

passing this Resolution plus (bb) (if the Directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution), and the said approval shall be limited accordingly; and

- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law or the Bye-laws of the Company to be held; and
- (iii) the revocation or variation of the approval given by this Resolution by ordinary resolution of the members of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

B. “THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to repurchase shares of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares which may be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next Annual General Meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law or the Bye-laws of the Company to be held; and
- (iii) the revocation or variation of the approval given by this Resolution by ordinary resolution of the members of the Company in general meeting.”

C. “**THAT** conditional upon resolution 4A in the notice of the meeting of which this resolution forms a part being passed, the Directors of the Company be and they are hereby authorised to exercise the powers of the Company referred to in paragraph (a) of such resolution 4A in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

By Order of the Board
LEE Yip Wah, Peter
Secretary

Hong Kong, 25th March, 2002

Principal place of business:

Rooms 4001–06
China Resources Building
26 Harbour Road
Wanchai, Hong Kong

Registered Office:

Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

Notes:

1. Any member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the Company’s principal place of business not less than 48 hours before the time appointed for holding the meeting. Completion and return of a form of proxy will not preclude you from attending and voting in person if you are subsequently able to be present.
3. The register of members of the Company will be closed from Tuesday, 21st May, 2002 to Monday, 27th May, 2002, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for the attendance at the Annual General Meeting, all transfers accompanied by the relevant certificates must be lodged with the Company’s Hong Kong branch registrars, Secretaries Limited at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong not later than 4:00 p.m. on Friday, 17th May, 2002.