



華潤創業有限公司

China Resources Enterprise, Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 291)

**Framework agreement regarding the disposal of
the Company's petroleum distribution business in Hong Kong**

The Directors announce that the Company has entered into a framework agreement with Sinopec on 14 March, 2007 regarding the disposal of the Company's petroleum distribution business in Hong Kong. Under the Framework Agreement, subject to the signing of a formal agreement, the Company agreed to dispose 100% of the issued share capital of CRPI to Sinopec for a cash consideration of HK\$4,000 million. If any major contingent liabilities are found in the due diligence, the parties shall have the right to adjust the terms of the formal agreement.

Sinopec will conduct its due diligence on CRPI. The Company and Sinopec expect that the formal agreement will be signed in mid-April, 2007.

Further announcement will be made in accordance with the Listing Rules once the formal agreement is signed.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

Shareholders and potential investors of the Company should be aware that signing of the S&P Agreement is subject to, among other things, further negotiation between the Company and Sinopec and the due diligence on CRPI by Sinopec. Accordingly, they are advised to exercise caution when dealing in the shares of the Company.

PRINCIPAL TERMS OF THE FRAMEWORK AGREEMENT

Date: 14 March, 2007

Parties: (i) the Company
(ii) Sinopec

To the Directors' best knowledge, information and belief having made all reasonable enquiry, Sinopec and its ultimate shareholders are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

Proposed transaction: Subject to the signing of the S&P Agreement, a disposal of 100% of the issued share capital of CRPI by the Company to Sinopec.

The audited consolidated net asset value of CRPI (prepared under the accounting principles generally accepted in Hong Kong) upon completion of the Transaction will not be less than HK\$1,600 million.

Consideration: The consideration of HK\$4,000 million will be satisfied by cash. If any major contingent liabilities are found in the due diligence, the parties shall have the right to adjust the terms of the formal agreement.

Others: Sinopec will conduct its due diligence on CRPI. The Company and Sinopec expect that the S&P Agreement will be signed in mid-April, 2007.

INFORMATION ABOUT THE COMPANY

The Company is a company listed on the Hong Kong Stock Exchange, with business emphasis on the consumer business in Chinese Mainland and Hong Kong. The Group's core activities are retail, beverage, food processing and distribution, textile and property investments. It also has businesses in petroleum distribution as well as other investments.

The Company will comply with all applicable requirements under the Listing Rules once the S&P Agreement is signed. The transaction contemplated under the Framework Agreement is expected to constitute a notifiable transaction of the Company.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

Shareholders and potential investors of the Company should be aware that signing of the S&P Agreement is subject to, among other things, further negotiation between the Company and Sinopec and the due diligence on CRPI by Sinopec. Accordingly, they are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

"Company" China Resources Enterprise, Limited (Stock Code: 291), a company incorporated in Hong Kong with limited liability and listed on the Hong Kong Stock Exchange

"CRPI" China Resources Petrochemicals Investments Limited, a company incorporated under the laws of the British Virgin Islands and wholly-owned subsidiary of the Group. CRPI is the holding company of the Company's petroleum distribution business in Hong Kong

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| “Directors” | the directors of the Company |
| “Framework Agreement” | A framework agreement signed by the Company and Sinopec on 14 March, 2007 in relation to the disposal of the Company’s petroleum distribution business in Hong Kong |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Hong Kong Stock Exchange” | the Stock Exchange of Hong Kong Limited |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “PRC” | the People’s Republic of China |
| “S&P Agreement” | A legally-binding formal sale and purchase agreement to be negotiated and entered into between the Company and Sinopec pursuant to the Framework Agreement |
| “Sinopec” | China Petroleum & Chemical Corporation (Stock Code: 386) is an integrated energy and chemical company with upstream, midstream and downstream operations and listed on the Stock Exchange of Hong Kong Limited, the Shanghai Stock Exchange, the London Stock Exchange and New York Stock Exchange and a constituent stock of the Hong Kong Hang Seng Index |
| “Transaction” | the disposal of 100% of the issued share capital of CRPI by the Company to Sinopec as set out in the Framework Agreement |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |

By order of the Board
China Resources Enterprise, Limited
Lee Yip Wah, Peter
Company Secretary

Hong Kong, 14 March, 2007

As at the date of this announcement, the executive directors of the Company are Mr. Song Lin (Chairman), Mr. Chen Shulin (Managing Director), Mr. Keung Chi Wang, Ralph (Deputy Managing Director), Mr. Wang Qun (Deputy Managing Director), Mr. Lau Pak Shing (Deputy Managing Director) and Mr. Kwong Man Him (Deputy Managing Director). The non-executive directors are Mr. Qiao Shibo, Mr. Yan Biao, Mr. Jiang Wei, Mr. Wang Shuaiting and Mr. Xie Shengxi. The independent non-executive directors are Dr. Chan Po Fun, Peter, Mr. Houang Tai Ninh, Dr. Li Ka Cheung, Eric, Mr. Cheng Mo Chi, The Hon. Bernard Charnwut Chan and Mr. Siu Kwing Chue, Gordon.

“Please also refer to the published version of this announcement in The Standard.”