

**For Immediate Release
Press Release**

**China Resources Enterprise announced disposal of its entire interests in
piped gas and chemical trading and distribution businesses in China**

[Hong Kong, 19 October 2006] China Resources Enterprise, Limited (HKEx: 0291) (or “The Company”) today announced that Preparis Limited, a wholly owned subsidiary of the Company, has entered into a conditional agreement to dispose of its entire 100% equity interest in China Resources Petrochems Holdings Limited (“CRPH”) to China Resources Petrochems Gas Group Limited (“CRPGC”) for a cash consideration of HK\$2,780 million. CRPGC is a wholly owned subsidiary of China Resources (Holdings) Company Limited, the Company’s immediate holding company. CRPH is principally engaged in all of the Company’s businesses of piped gas operations, chemicals trading and distribution, sale and distribution of lubricant oil and other petroleum related businesses in the Chinese Mainland.

The consideration represents a premium of approximately 23% over the unaudited adjusted consolidated net asset value of CRPH of approximately HK\$2,254 million as at 30 June 2006, based on which the Company would recognize a gain on disposal of about HK\$526 million. The ultimate gain on disposal will depend on the consolidated net asset value of CRPH at completion. The continuing operations of the assets subject to disposal recorded unaudited consolidated net profit of approximately HK\$59 million for the year ended 31 December 2005, which rose to HK\$91 million in the first half of this year. Completion is subject to the passing of a resolution at the EGM by the Company’s independent shareholders to approve the proposed transaction.

In view of the relative low gearing of the Company, it is intended that the Company will declare a special dividend of HK\$1 per share in the Company shortly after completion. Details of the special dividend arrangement will be announced by the Company upon completion. The remaining balance of the proceeds from the disposal after the payment of special dividend will be used by the Company for general working capital.

The disposal is part of the Company’s ongoing efforts in reorganizing its business portfolio via divestment of non-core assets to focus on the consumer sector. Upon completion of the transaction, the remaining business of the Company’s petroleum and related products distribution division will primarily comprise of the petroleum and related products distribution business in Hong Kong. The Company shall continue to explore various alternatives and to engage discussions with potential investors on divestment of such business.

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“This is a momentous move in delivering our undertaking of non-core assets divestment whilst building our presence in the consumer market of the Chinese Mainland and Hong Kong.” said Mr. Song Lin, Chairman of the Company. “The transaction also demonstrates the parent company’s stern support for our restructuring exercise. I believe this is a fair and reasonable transaction price for both parties and the parent company will continue to develop these acquired assets into one of its main businesses.”

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About China Resources Enterprise, Limited

China Resources Enterprise, Limited is listed on the Hong Kong Stock Exchange and is also traded on SEAQ International of the London Stock Exchange. It is also one of the constituent stocks of the Hang Seng Index in Hong Kong and Hang Seng London Reference Index. The Group focuses on the consumer businesses in both the Chinese Mainland and Hong Kong, with core activities being retail, beverage, food processing and distribution, textile and property investment.

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