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## **CHINA RESOURCES ENTERPRISE LIMITED**

*(incorporated in Hong Kong under the Companies Ordinance)*

### **Announcement**

The directors of China Resources Enterprise, Limited (the "Directors") announce that preliminary discussion is being held with the parent Company to acquire certain property-related assets.

This announcement is made at the request of the Stock Exchange of Hong Kong Limited (the "Exchange").

The Directors of China Resources Enterprise, Limited (the "Company") refer to various articles appearing on the press on 25th June 1999 regarding the possible acquisition by the Company from its parent company, certain property-related assets. The Directors would like to advise the public that preliminary discussion is being held with the parent company in respect of the proposed acquisition. There is no set timetable for such acquisition and both parties have not agreed on any terms and conditions. Therefore the Company has not made any funding plans in respect of this acquisition. If the proposed acquisition is concluded, it will constitute connected and discloseable transactions for the Company under the Listing Rules and would be subject to approvals by shareholders of the Company other than its controlling shareholder and its associates in the shareholder's meeting.

**Warning:**

The proposed acquisition is only a possibility, and it may or may not materialized. The investors are advised to exercise extreme caution when dealing in the securities of the Company.

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

Hong Kong, 28th June, 1999