



CHINA RESOURCES ENTERPRISE, LTD.

華潤創業有限公司

Press Release**VILLA ESPLANADA SITE MEETS GOVERNMENT STANDARDS**

(HONG KONG 2nd July 1998) In response to the Buildings Department's recent announcement of its investigation into the foundations of 15 construction sites, China Resources Enterprise Limited states that its project, Villa Esplanada, had received all relevant approvals from the relevant government departments including, the Occupation Permit from the Building Authority of Hong Kong in January 1998 and the Consent to Assign letter issued by the Lands Department in June 1998, certifying that the project has been duly completed.

Furthermore, after receiving a notice from the Building Authority dated 10th June 1998, the Company had commissioned an independent engineering company to conduct thorough checking on the foundation of Villa Esplanada. The findings showed that the foundation of Villa Esplanada Phase I is in compliance with the requirements of the Building Authority. The Company is confident that its project has met the safety requirements imposed by the relevant authorities.

Therefore, the Company intends to proceed with the completion of the sales and purchase agreements within this month.

Enclosed: Occupation Permit issued by Building Authority
Consent to Assign Letter issued by the Lands Department
Independent Engineering Company Letter of Findings addressed to
The Building Authority

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