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華潤勵致有限公司
China Resources Logic Limited

(incorporated in Bermuda with limited liability)
(Stock Code: 1193)



華潤微電子有限公司
China Resources Microelectronics Limited

(formerly known as CSMC Technologies Corporation)
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 597)

CONNECTED TRANSACTION

Acquisition of certain fixed assets and inventories from a wholly owned subsidiary of China Resources Logic Limited by a wholly owned subsidiary of China Resources Microelectronics Limited

The board of directors of CR Micro and CR Logic are pleased to announce that CR Micro, through its wholly owned subsidiary incorporated in Hong Kong named STIL has on 10 June 2008 entered into an Assets Transfer Agreement with CRSI for the acquisition of certain fixed assets and inventories of CRSI for a consideration of HK\$19,680,276.86 (subject to adjustment). The Connected Transaction is only subject to reporting and announcement requirements pursuant to Rule 14A.32 of the Listing Rules as the applicable percentage ratios are below 2.5% for both CR Micro and CR Logic. The Connected Transaction is based on normal commercial terms.

A. ASSETS TRANSFER AGREEMENT

A summary of the terms of the Assets Transfer Agreement are as follows:-

- Date:* 10 June 2008
- Parties:*
1. CRSI, a wholly owned subsidiary of CR Logic
 2. STIL, a wholly owned subsidiary of CR Micro
- Nature of Transaction:* CRSI has agreed to sell and STIL has agreed to buy the Assets pursuant to the terms and conditions under the Assets Transfer Agreement.
- Assets:* The Assets constitute fixed assets (being some computer and office equipments and computer software) as set out in the Assets Transfer Agreement and inventories of CRSI as at the date of Completion.

Purchase Price:

The Parties agree that the Purchase Price for the Assets is HK\$19,680,276.86 based on the net book value of the Assets as at 30 April 2008. The Purchase Price shall be adjusted after Completion based on the completion statement of CRSI as of the date of Completion confirming the carrying value of such inventories of CRSI on such date. The Parties shall carry out a joint physical stock-take of the inventories for the preparation of the completion statement. The Purchase Price will be adjusted as follows:-

- (a) there shall be added an amount, if any, on a dollar for dollar basis, by which the value as shown in the completion statement for the Assets exceeds the Purchase Price; and
- (b) there shall be deducted an amount, if any, on a dollar for dollar basis, by which the value as shown in the completion statement for the Assets is less than the Purchase Price.

Such adjusted Purchase Price shall be agreeable between the Parties. CRSI will refund the difference if the adjusted Purchase Price is less than the original Purchase Price; and STIL will pay the difference if the adjusted Purchase Price exceeds the original Purchase Price but in any event, the adjusted Purchase Price shall not exceed HK\$25 million.

The Purchase Price shall be sourced from CR Micro's internal resources.

The original purchase cost of the Assets was approximately HK\$84 million. As CR Logic has made a provision in its books as at 31 December 2007 to cater for possible losses arising from the closing down of operations of CRSC, including the disposal of the Assets, CR Logic will recognize no gain or loss upon the disposal of the Assets as the purchase consideration is based on the unaudited net asset value of the Assets as at 30 April 2008 which was approximately HK\$19.7 million. Similarly, as the adjusted Purchase Price of the

Assets will take into consideration the unaudited net assets value of the Assets as at Completion without any re-appraisal in value of any of the Assets as a result of the change in ownership, CR Logic will recognize no gain or loss upon the disposal of the Assets.

Payment Terms:

STIL shall pay the initial Purchase Price in cash in one lump sum payment to CRSI on Completion and any adjustment to the Purchase Price based on the completion statement shall be paid by STIL to CRSI or refunded by CRSI to STIL in cash within 10 days after the finalisation of the completion statement.

Completion Date:

The Completion shall take place on a business day to be agreed between the parties and in any event no later than 30 days from the date of the Assets Transfer Agreement (or such longer period as the parties may otherwise agree).

B. RATIONALE FOR ENTERING INTO THE ASSETS TRANSFER AGREEMENT

Since the amalgamation of the semiconductor business of the China Resources group under CR Micro as announced by both CR Micro and CR Logic on 4 December 2007 and completed on 5 March 2008, CR Logic has been undergoing discussions with independent third parties for the disposal of its business carried on by CRSC in its facilities in Tai Po, the New Territories, Hong Kong, namely the business of IC design, discrete device manufacturing, IC foundry operations and IC testing. Subsequent to the amalgamation and to facilitate its divestment plan as regards CRSC's business, CR Logic has undertaken a restructuring, pursuant to which some of the assets that are expected not to be of interest to the third party purchaser were transferred from CSRC to CRSI, in order to allow CR Logic to dispose of CRSC to the prospective third party purchaser by way of equity transfer. The Connected Transaction is the result of such pre-disposal reorganisation of CRSC's business. After Completion, CRSC will be holding the Tai Po plant and certain other non operating assets. Such assets are expected to be sold to an independent third party. CRSI will be holding certain other non-operating assets and liabilities. CR Logic will comply with all Listing Rules requirements in respect of such disposal as and when applicable.

In light of the fact that CR Logic is principally engaged in the production and supply of ready mixed concrete and related activities in Hong Kong, the directors of CR Logic consider it reasonable and in the interests of CR Logic and its shareholders as a whole to dispose of its non-core assets. The proceeds arising out of the disposal of the Assets will be used as working capital of CR Logic.

The Assets (which are mainly office equipment and are not of any specific nature) can generally be deployed for the operations of the CR Micro group. The directors of CR Micro believe that the acquisition of the Assets on the terms under the Assets Transfer Agreement is in the interest of CR Micro and its shareholders as a whole.

The respective directors of CR Logic and CR Micro (in each case, excluding Mr. Jiang Wei, Mr. Li Fuzuo and Mr. Du Wenmin) believe that the Connected Transaction is in the interests of both companies and the directors of both companies are of the view that the terms of the Connected Transaction are normal commercial terms and are fair and reasonable in so far as the interests of the respective shareholders of CR Logic and CR Micro are concerned. However, as Mr. Jiang Wei, Mr. Li Fuzuo and Mr. Du Wenmin are common directors of both CR Logic and CR Micro, they have abstained from voting from the relevant board meetings and hence withheld their views to the Connected Transaction.

In addition, the respective directors (including the independent non-executive directors but excluding Mr. Jiang Wei, Mr. Li Fuzuo and Mr. Du Wenmin) of CR Logic and CR Micro consider that the Assets Transfer Agreement was entered into on an arm's length basis and reflected normal commercial terms and that the terms of the Assets Transfer Agreement are fair and reasonable.

C. CONNECTED TRANSACTION

Both CR Logic and CR Micro are subsidiaries of China Resources Holdings. As at the date of this announcement, China Resources Holdings, together with its associates, is holding approximately 68.83% of the issued share capital of CR Logic and approximately 59.89% of the issued share capital of CR Micro. China Resources Holdings is therefore a substantial and controlling shareholder of each of CR Logic and CR Micro. Since each of CRSI and STIL is an indirect subsidiary of China Resources Holdings and hence an associate thereof, the Assets Transfer Agreement constitutes a connected transaction of both CR Logic and CR Micro.

Since each of the applicable percentage ratios of the Connected Transaction is less than 2.5%, the Connected Transaction is only subject to reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirements under the Listing Rules. There is no prior transaction between CR Logic group and CR Micro group that require aggregation under Rule 14A.25 of the Listing Rules.

CR Micro is an investment holding company which, through its subsidiary companies, is engaged in IC open foundry operations as well as, IC design, discrete device manufacture and IC testing and packaging. Its operations are located primarily in Wuxi, Shenzhen, Shanghai and Beijing.

CR Logic is an investment holding company which, through its subsidiary companies, is engaged in primarily the production and supply of ready mixed concrete and related activities in Hong Kong.

D. DEFINED TERMS USED IN THIS ANNOUNCEMENT

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Assets”	fixed assets (being some computer and office equipments and computer software) and inventories of CRSI to be acquired by STIL pursuant to the Assets Transfer Agreement
“Assets Transfer Agreement”	the agreement dated 10 June 2008 between CRSI and STIL in relation to the acquisition of the Assets
“Completion”	the completion of the acquisition of the Assets by STIL pursuant to the terms and conditions under the Assets Transfer Agreement
“CR Logic”	China Resources Logic Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“CR Micro”	China Resources Microelectronics Limited (formerly known as CSMC Technologies Corporation), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“China Resources Holdings”	China Resources (Holdings) Company Limited, the substantial and controlling shareholder of each of CR Logic and CR Micro
“Connected Transaction”	the acquisition of Assets pursuant to the Assets Transfer Agreement

“CRSC”	China Resources Semiconductor Company Limited, a company incorporated in Hong Kong and an indirect wholly owned subsidiary of CR Logic
“CRSI”	China Resources Semiconductor International Limited, a company incorporated in Hong Kong and an indirect wholly owned subsidiary of CR Logic
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules” or “Rule(s)”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	CRSI, a wholly owned subsidiary of CR Logic; and STIL, a wholly owned subsidiary of CR Micro
“percentage ratios”	shall have the meaning set out in Rule 14.04
“STIL”	Sean Trump Investments Limited, a company incorporated in Hong Kong and an indirect wholly owned subsidiary of CR Micro
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the board of
China Resources Logic Limited
Ong Thiam Kin
Executive Director and CFO

By order of the board of
China Resources Microelectronics Limited
Lai Ni Hium, Frank
Executive Director and Company Secretary

Hong Kong, 10 June 2008

As at the date of this announcement, the directors of CR Micro are Mr. Song Lin, Dr. Peter Chen Cheng-yu, Mr. Wang Guoping and Mr. Frank LAI Ni Hium, being Executive Directors; Mr. Zhu Jinkun, Mr. Jiang Wei, Mr. Li Fuzuo, and Mr. Du Wenmin being Non-executive Directors; and Mrs. Kum Loon Oon, Mr. Ralph Sytze Ybema and Professor Ko Ping Keung, being Independent Non-executive Directors.

As at the date of this announcement, the directors of CR Logic are Mr. Zhou Longshan and Mr. Ong Thiam Kin, being Executive Directors; Mr. Jiang Wei, Mr. Li Fuzuo and Mr. Du Wenmin, being Non-executive Directors; and Mr. Wong Tak Shing, Mr. Luk Chi Cheong and Mr. Yang Chonghe, Howard, being Independent Non-executive Directors.