



華潤勵致有限公司
China Resources Logic Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1193)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE, 2008

The Board of Directors (the “Board”) of China Resources Logic Limited (the “Company” or “CR Logic”) are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months period ended 30th June, 2008 with comparative figures for 2007 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30TH JUNE, 2008

		Six months ended 30th June,	
		2008	2007
		(unaudited)	(restated and unaudited)
	NOTES	HK\$'000	HK\$'000
Turnover	3		
Continuing operations		188,402	176,878
Discontinued operations	5	428,201	2,451,847
		<u>616,603</u>	<u>2,628,725</u>
Cost of sales		<u>(450,218)</u>	<u>(2,038,878)</u>
Gross profit		166,385	589,847
Other income		11,864	66,408
Selling and distribution expenses		(32,243)	(123,087)
Administrative expenses		(81,473)	(191,295)
Other expenses		(64,746)	(120,525)
Finance costs		(14,791)	(59,789)
Share of results of an associate		(2)	-
Profit (loss) before taxation		<u>36,086</u>	<u>(6,501)</u>
Continuing operations		36,086	(6,501)
Discontinued operations	5	(51,092)	168,060
		<u>(15,006)</u>	<u>161,559</u>

		Six months ended 30th June,	
		2008	2007
		(unaudited)	(restated and unaudited)
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Taxation	4		
Continuing operations		(7,651)	(5,600)
Discontinued operations	5	<u>(617)</u>	<u>(20,675)</u>
		<u>(8,268)</u>	<u>(26,275)</u>
Profit (loss) for the period	6		
Continuing operations		28,435	(12,101)
Discontinued operations	5	<u>(51,709)</u>	<u>147,385</u>
		<u>(23,274)</u>	<u>135,284</u>
Attributable to:			
Equity holders of the Company			
Continuing operations		28,435	(12,101)
Discontinued operations	5	<u>(45,635)</u>	<u>125,370</u>
		<u>(17,200)</u>	113,269
Minority interests		<u>(6,074)</u>	<u>22,015</u>
		<u>(23,274)</u>	<u>135,284</u>
Dividend paid		-	27,671
Distribution by way of dividend in specie	7	<u>2,731,463</u>	-
		<u>2,731,463</u>	<u>27,671</u>
Proposed interim dividend of nil (2007: 1.0 HK cent) per share	7	<u>-</u>	<u>27,937</u>
		<i>HK\$</i>	<i>HK\$</i>
(Loss) earnings per share	8		
From continuing and discontinued operations			
Basic		<u>(0.06)</u>	<u>0.41</u>
Diluted		<u>N/A</u>	<u>0.40</u>
From continuing operations			
Basic		<u>0.10</u>	<u>(0.04)</u>
Diluted		<u>N/A</u>	<u>N/A</u>

CONDENSED CONSOLIDATED BALANCE SHEET

AT 30TH JUNE, 2008

		At 30th June, 2008	At 31st December, 2007
		(unaudited)	(restated and audited)
	NOTES	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment	9	195,815	4,167,395
Prepaid lease payments		-	160,266
Investment properties	9	17,986	-
Interest in an associate		46	48
Available-for-sale investments		14,330	16,131
Goodwill		-	24,060
Technical know-how		-	35,678
Deferred tax assets		5,031	15,767
Deposit for acquisition of property, plant and equipment		-	17,011
		<u>233,208</u>	<u>4,436,356</u>
Current assets			
Inventories		1,958	815,876
Debtors, deposits and prepayments	10	68,153	1,097,640
Prepaid lease payments		-	3,928
Taxation recoverable		-	4,172
Pledged bank deposits		-	6,030
Bank balances and cash		86,736	883,543
		<u>156,847</u>	<u>2,811,189</u>
Assets classified as held for sale		52,969	46,708
		<u>209,816</u>	<u>2,857,897</u>
Current liabilities			
Creditors and accrued charges	11	60,437	1,363,655
Government grants		-	13,221
Bank borrowings		-	682,762
Provisions		-	42,183
Taxation payable		14,296	16,535
		<u>74,733</u>	<u>2,118,356</u>
Net current assets		<u>135,083</u>	<u>739,541</u>
Total assets less current liabilities		<u><u>368,291</u></u>	<u><u>5,175,897</u></u>

	At 30th June, 2008	At 31st December, 2007 (restated and audited)
	(unaudited)	
	HK\$'000	HK\$'000
Capital and reserves		
Share capital	28,288	281,215
Share premium and reserves	310,313	2,999,305
Equity attributable to equity holders of the Company	338,601	3,280,520
Share option reserve of a listed subsidiary	-	10,840
Minority interests	-	515,041
Total equity	338,601	3,806,401
Non-current liabilities		
Bank borrowings	-	1,174,746
Long-term payables	-	66,026
Government grants	-	98,746
Deferred tax liabilities	29,690	29,978
	29,690	1,369,496
	368,291	5,175,897

Notes:

1. BASIS OF PREPARATION

During the six months ended 30th June, 2007 and 2008, the Company is the holding company of the companies now comprising the Group except for Redland Concrete Limited (“Redland Concrete”) and its subsidiaries. Under the group reorganisation (the “Group Reorganisation”) with details set out in the Company’s circular dated 16th January, 2008, Rich Team Resources Limited, a wholly-owned subsidiary of the Company which was incorporated on 30th October, 2007, acquired the entire equity interests in Redland Concrete from China Resources Concrete Limited, a fellow subsidiary of the Company, at a cash consideration of approximately HK\$217,757,000.

Both the Group and Redland Concrete are ultimately controlled by China Resources National Corp. before and after the Group Reorganisation, and that control is not transitory. The Group and Redland Concrete and its subsidiaries are regarded as a continuing entity and hence the acquisition has been accounted for as a combination of entities under common control by applying the principles of merger accounting in accordance with Accounting Guideline 5 “Merger Accounting under Common Control Combination” (“AG 5”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Accordingly, the condensed consolidated income statements, condensed consolidated statements of changes in equity and the condensed consolidated cash flow statements of the Group for the six months ended 30th June, 2007 and 2008 include the results of operations, changes in equity and cash flows of the companies now comprising

the Group as if the current group structure upon the completion of the Group Reorganisation had been in existence throughout the six months ended 30th June, 2007 and 2008, or since their respective dates of incorporation or establishment where this is a shorter period. The condensed consolidated balance sheet of the Group as at 31st December, 2007 has been prepared to present the assets and liabilities of the companies now comprising the Group as if current group structure had been in existence as at the respective date.

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the HKICPA.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31st December, 2007, except for the application of AG 5 as stated in Note 1. The condensed consolidated financial statements have been prepared as if Redland Concrete and its subsidiaries were the Group’s wholly-owned subsidiaries throughout the six months ended 30th June, 2007 and 2008, or since their respective dates of incorporation or establishment where this is a shorter period.

In addition, the Group has applied the following accounting policy for distribution in specie during the current interim period:

Distribution in specie is measure at the carrying value of the net assets of subsidiaries distributed.

In the current interim period, the Group has applied, for the first time, the new interpretations (“new Interpretations”) issued by the HKICPA, which are effective for the Group’s financial year beginning on 1st January, 2008. The adoption of these new Interpretations had no material effect on the results or financial position of the Group for the current or the prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the new and revised standards, amendments or interpretations that have been issued but are not yet effective.

The adoption of HKFRS 3 (revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July, 2009. HKAS 27 (revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other standards or interpretations will have no material impact on the results and the financial position of the Group.

3. TURNOVER AND SEGMENT INFORMATION

Business segments

For management purposes, the Group is currently organised into two operating divisions – semiconductor and concrete. These divisions are the bases on which the Group reports its primary segment information.

The activities of these divisions are as follows:-

Semiconductor – design, fabrication and packaging of integrated circuits and discrete devices

Concrete – manufacture and sale of concrete

During the six months ended 30th June, 2008, the Group disposed of all of its equity interests in its subsidiary, China Resources Microelectronics Limited (“CRM”), by way of a distribution in specie. Upon completion of the disposal, the Group is principally engaged in the concrete operation.

The Group was also involved in the following division in the prior period:

Compressor – manufacture and sale of compressor for air-conditioners (discontinued on 16th August, 2007)

Results for the six months ended 30th June, 2008

	<u>Continuing operations</u>	<u>Discontinued operations</u>	
	Concrete	Semiconductor	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover			
External sales	<u>188,402</u>	<u>428,201</u>	<u>616,603</u>
Result			
Segment results	<u>41,946</u>	<u>(39,067)</u>	2,879
Unallocated income			2,952
Unallocated expenses			(6,044)
Finance costs			(14,791)
Share of results of an associate			(2)
Loss before taxation			<u>(15,006)</u>
Taxation			(8,268)
Loss for the period			<u>(23,274)</u>

Results for the six months ended 30th June, 2007

	Continuing operations	Discontinued operations			Consolidated <i>HK\$'000</i>
	Concrete <i>HK\$'000</i>	Semiconductor <i>HK\$'000</i>	Compressor <i>HK\$'000</i>	Total <i>HK\$'000</i>	
Turnover					
External sales	<u>176,878</u>	<u>1,329,469</u>	<u>1,122,378</u>	<u>2,451,847</u>	<u>2,628,725</u>
Result					
Segment results	28,650	<u>151,372</u>	<u>56,312</u>	207,684	236,334
Unallocated income	950			3,152	4,102
Unallocated expenses	(15,730)			(3,358)	(19,088)
Finance costs	<u>(20,371)</u>			<u>(39,418)</u>	<u>(59,789)</u>
(Loss) profit before taxation	(6,501)			168,060	161,559
Taxation	<u>(5,600)</u>			<u>(20,675)</u>	<u>(26,275)</u>
(Loss) profit for the period	<u>(12,101)</u>			<u>147,385</u>	<u>135,284</u>

4. TAXATION

	Six months ended 30th June,	
	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Current tax		
PRC	1,537	19,366
Hong Kong	8,089	7,723
Overprovision in prior years	-	(11)
	<u>9,626</u>	<u>27,078</u>
Deferred tax	<u>(1,358)</u>	<u>(803)</u>
	<u>8,268</u>	<u>26,275</u>

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. On 26th June, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in corporate profit tax rate by 1% to 16.5% effective from the year of assessment 2008-2009. The effect of such decrease has been reflected in measuring the current and deferred tax for the six months ended 30th June, 2008. The estimated average annual tax rate used is 16.5% (2007: 17.5%) for the six months ended 30th June, 2008.

Profits tax arising in the PRC is calculated based on the applicable tax rates on assessable profits.

On 16th March, 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the “New Law”) by Order No. 63 of the President of the PRC. On 6th December, 2007, the State Council of the PRC issued Implementation Regulation of the New Law. The New Law and the Implementation Regulation have changed the tax rate from 33% to 25% for the Group's subsidiaries from 1st January, 2008, except for those subsidiaries regarded as advanced technology enterprises by the local tax bureau which are subject to a tax rate of 15%.

5. DISCONTINUED OPERATIONS

On 4th December, 2007, the Company entered into a conditional agreement with its subsidiary, CRM for the sale of the entire interests in certain of the Company's wholly-owned subsidiaries engaging principally in the manufacture of semiconductors and the shareholders' loans advanced to these subsidiaries to CRM, for an aggregate consideration of HK\$1,488,900,000 which was satisfied by the issue of 3,106,932,317 shares in CRM to the Company. The disposal of these subsidiaries was approved at a special general meeting held on 13th February, 2008 and was completed on 5th March, 2008.

Immediately after the disposal, the Company distributed all of its shares in CRM, by way of a dividend in specie on the basis of 180 shares in CRM for every 100 shares in the Company held. After the distribution of dividend in specie, the entire equity interests held in CRM by the Company were disposed of.

The disposal of subsidiaries and distribution of shares in CRM are part of the Group Reorganisation, and upon signing the above-mentioned conditional agreement with CRM, the management had the intention to dispose of the entire equity interests in China Resources Semiconductor Company Limited (“CRSC”), a wholly-owned subsidiary of the Company which is engaged in manufacture and sales of integrated circuit design and wafer packaging, so that the Group would principally engage in the concrete operations after acquisition of Redland Concrete. On 25th April, 2008, the Group entered into a non-legally binding letter of intent with independent third parties for the disposal of entire equity interests in CRSC. Accordingly, the semiconductor operation is presented as a discontinued operation and the assets of CRSC are classified as disposal group held for sale and are presented separately in the consolidated balance sheet as at 30th June, 2008 and 31st December, 2007. The estimated proceeds of disposal are expected to be lower than the net carrying amount of the relevant assets and accordingly, an impairment loss of HK\$8,000,000 has been recognised during the six months ended 30th June, 2008.

On 10th June, 2008, the Group entered into an asset transfer agreement with Sean Trump Investments Limited, a wholly-owned subsidiary of CRM, to dispose of certain of its property, plant and equipment and inventories with the carrying amount of HK\$17,125,000 in aggregate. The disposal was completed on 1st July, 2008, accordingly, these assets are classified as disposal group held for sale and are presented separately in the consolidated balance sheet as at 30th June, 2008.

The results of the semiconductor operation for the six months ended 30th June, 2007 and 2008, which have been included in the consolidated income statement, were as follows:

	Six months ended 30th June,	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	428,201	1,329,469
Cost of sales	(333,832)	(976,534)
Gross profit	94,369	352,935
Other income	8,536	61,680
Selling and distribution expenses	(13,833)	(35,335)
Administrative expenses	(63,176)	(124,899)
Other expenses	(62,401)	(104,896)
Finance costs	(14,587)	(33,350)
(Loss) profit before taxation	(51,092)	116,135
Taxation	(617)	(14,336)
(Loss) profit for the period	(51,709)	101,799
Attributable to:		
Equity holders of the Company	(45,635)	96,309
Minority interests	(6,074)	5,490
	(51,709)	101,799

On 21st June, 2007, the Group entered into an agreement with Gradison Limited, a fellow subsidiary of the Company, to dispose of the entire issued share capital of China Resources Cooling Technology Co., Ltd. (“CR Cooling”), a wholly-owned subsidiary of the Company, at a consideration of HK\$1,170,000,000. CR Cooling was a holding company and was engaged principally in the compressor manufacture business, through its subsidiaries. The disposal was completed on 16th August, 2007.

The results of the compressor operation for the six months ended 30th June, 2007, which have been included in the consolidated income statement, were as follows:

	Six months ended 30th June,	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	-	1,122,378
Cost of sales	-	(957,214)
Gross profit	-	165,164
Other income	-	2,106
Selling and distribution expenses	-	(68,383)
Administrative expenses	-	(34,367)
Other expenses	-	(6,526)
Finance costs	-	(6,069)
Profit before taxation	-	51,925
Taxation	-	(6,339)
Profit for the period	-	45,586
Attributable to:		
Equity holders of the Company	-	29,061
Minority interests	-	16,525
	-	45,586

6. PROFIT (LOSS) FOR THE PERIOD

	Six months ended 30th June,	
	2008	2007
	HK\$'000	HK\$'000
Profit (loss) for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	71,376	240,567
Amortisation of technical know-how	657	2,054
Write down of inventories to net realizable value	11,963	26,155
Impairment loss on available-for-sale investments	2,376	1,175
Impairment loss on debtors	1,652	5,827
Impairment loss on goodwill (included in other expenses)	3,036	-
Impairment loss on property, plant and equipment included in assets classified as held for sale	8,000	-
Gain on disposal of available-for-sale investments	-	(1,924)
Net gain on disposal of property, plant and equipment	(445)	(6,561)
Interest on bank deposits	(2,952)	(4,102)
Write back of allowance for inventories	(1,494)	-

7. DIVIDENDS

On 5th June, 2007, a dividend of 1.0 HK cent per share, amounting to HK\$27,671,000 in total, was paid by the Company to its shareholders as the final dividend for the year ended 31st December, 2006.

The directors did not propose the payment of an interim dividend for the six months ended 30th June, 2008 (2007: an interim dividend of 1.0 HK cent per share was declared, amounting to HK\$27,937,000 in total).

Pursuant to an ordinary resolution passed at a special general meeting held on 13th February, 2008, the Company distributed all of its shares in its subsidiary, CRM, by way of a dividend in specie on the basis of 180 shares in CRM for every 100 shares in the Company held. A total of 5,091,900,165 shares in CRM with aggregate market value of approximately HK\$3,055,140,000 were distributed to the shareholders of the Company on 5th March, 2008.

8. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted (loss) earnings per share is based on the following data:

	Six months ended 30th June,	
	2008	2007
	HK\$'000	HK\$'000
(Loss) earnings:		
(Loss) earnings for the purpose of basic (loss) earnings per share ((Loss) profit for the period attributable to equity holders of the Company)	(17,200)	113,269
Effect of dilutive potential shares of subsidiaries on their (loss) earnings attributable to the Group's discontinued operations	-	(167)
(Loss) earnings for the purpose of diluted (loss) earnings per share	<u>(17,200)</u>	<u>113,102</u>
Number of shares:		
Weighted average number of shares for the purpose of basic (loss) earnings per share	282,649,279	276,825,064
Effect of dilutive potential shares		
Share options	-	3,477,293
Weighted average number of shares for the purpose of diluted (loss) earnings per share	<u>282,649,279</u>	<u>280,302,357</u>

For both periods, the weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted retrospectively for the capital reduction and share consolidation.

The computation of diluted (loss) earnings per share for the six months ended 30th June, 2008 does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for shares for the period.

From continuing operations

The calculation of the basic earnings (loss) per share from continuing operations is based on the following data:

	Six months ended 30th June,	
	2008	2007
	HK\$'000	HK\$'000
Earnings (loss):		
(Loss) profit for the period attributable to equity holders of the Company	(17,200)	113,269
Less: Loss (profit) for the period from discontinued operations attributable to equity holders of the Company	45,635	(125,370)
Earnings (loss) for the purpose of basic earnings (loss) per share from continuing operations	<u>28,435</u>	<u>(12,101)</u>

The denominators used are the same as those detailed above for basic earnings (loss) per share from continuing operations.

No diluted loss per share in relation to continuing operations has been presented for the six months ended 30th June, 2007 because the potential ordinary shares in issue during the period would result in a decrease in loss per share.

From discontinued operations

	Six months ended 30th June,	
	2008	2007
	HK\$'000	HK\$'000
(Loss) profit for the period from discontinued operations attributable to equity holders of the Company	<u>(45,635)</u>	<u>125,370</u>
Basic (loss) earnings per share	<u>(0.16)</u>	<u>0.45</u>
Diluted earnings per share	<u>N/A</u>	<u>0.45</u>

The denominators used are the same as those detailed above for both basic and diluted (loss) earnings per share from discontinued operations.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30th June, 2008, the Group spent HK\$8,277,000 on machinery and equipment and HK\$202,382,000 on construction in progress. Property, plant and equipment of carrying value of HK\$4,087,244,000 was disposed of upon distribution of CRM shares.

During the six months ended 30 June 2008, the Group rented out certain of its leasehold properties to outsiders for rental income. These properties were reclassified from property, plant and equipment to investment properties. The Group's investment properties are measured using the cost model.

10. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group generally allows credit periods ranging from 30 to 90 days to its trade customers, which may be extended to 180 days for selected customers depending on their trade volume and settlement terms. The aged analysis of trade debtors, including notes receivable, net of allowance for doubtful debts, is as follows:

	At 30th June, 2008	At 31st December, 2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 - 90 days	47,485	770,084
91 – 180 days	6,282	187,450
Over 180 days	1,289	14,463
	55,056	971,997

Included in trade debtors as at 30th June, 2008 are trade receivables from fellow subsidiaries of HK\$2,297,000 (as at 31st December, 2007: HK\$3,589,000), which are due within 90 days (as at 31st December, 2007: within 90 days).

11. CREDITORS AND ACCRUED CHARGES

The aged analysis of trade creditors which are included in creditors and accrued charges is as follows:

	At 30th June, 2008	At 31st December, 2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 - 90 days	21,480	752,099
91 – 180 days	2,851	241,944
Over 180 days	263	19,746
	24,594	1,013,789

The average credit period on purchases of goods ranges from 7 to 180 days. Included in trade creditors as at 30th June, 2008 are trade payables to fellow subsidiaries of HK\$2,297,000 (as at 31st December, 2007: HK\$3,589,000), which are due within 90 days (as at 31st December, 2007: within 90 days).

12. POST BALANCE SHEET EVENTS

On 21st August, 2008, the Company entered into a share purchase agreement with China Resources (Holdings) Company Limited (“CRH”) to conditionally agree to acquire the entire issued share capital of China Resources Gas Limited (“CR Gas”), a wholly-owned subsidiary of CRH, for a consideration of HK\$3,814.8 million (the “Acquisition”). The Acquisition is subject to the approval of the independent shareholders of the Company at a special general meeting to be held on or around 29th September, 2008.

In order to finance the Acquisition, the Company proposed to raise an amount of approximately HK\$3,869.8 million before expenses by way of the rights issue of no less than 1,131,533,368 rights shares at a subscription price of HK\$3.42 per rights share on the basis of four rights shares for every existing share held on the record date. The rights issue is fully underwritten by Splendid Time Investments Inc., a wholly-owned subsidiary of CRH, and is conditional upon the fulfillment of the conditions set out in the underwriting agreement and the approval by the Company’s independent shareholders.

REVIEW OF INTERIM RESULTS

The interim results for the six months ended 30th June, 2008 are unaudited and have been reviewed by the Company’s auditors and the Company’s Audit Committee. The auditors’ report on review of interim financial information is contained in the interim report to be dispatched to shareholders.

RESULTS

In March 2008, the Group completed the disposal of its entire Semiconductor Business (other than the remaining plant located in Tai Po, Hong Kong) and the acquisition of ready mixed concrete business in Hong Kong. The results of the acquired business are accounted for in the Group’s consolidated financial statements under the “Merger Accounting under Common Control Combination” accounting policy adopted by the Group.

The Group’s unaudited consolidated turnover for the period amounted to HK\$616.6 million (2007: HK\$2,628.7 million), out of which HK\$188.4 million was contributed from the profitable ready mixed concrete business with the remaining HK\$428.2 million from the discontinued semiconductor operation (2007: HK\$176.9 million and HK\$2,451.8 million respectively).

The continuing operation of ready mixed concrete business contributed an after tax profit of HK\$28.4 million (2007: loss of HK\$12.1 million) whereas the discontinued semiconductor operation contributed an after tax loss of HK\$51.7 million (2007: profit of HK\$147.4 million), resulting in an after tax net loss for the period of HK\$23.3 million (2007: profit of HK\$135.3 million).

DIVIDEND

On 5th June, 2007, a dividend of 1.0 HK cent per share, amounting to HK\$27,671,000 in total, was paid by the Company to its shareholders as the final dividend for the year ended 31st December, 2006.

The Directors has resolved that not to declare the payment of an interim dividend for the six months ended 30th June, 2008 (six months ended 30th June, 2007: 1.00 HK cent per share).

Pursuant to an ordinary resolution passed at a special general meeting held on 13th February, 2008, the Company distributed all of its shares in its subsidiary, China Resources Microelectronics Limited (“CRM”), by way of a dividend in specie on the basis of 180 shares in CRM for every 100 shares in the Company held. A total of 5,091,900,165 shares in CRM representing shareholders’ equity of HK\$2,731,463,000 were distributed to the shareholders of the Company on 5th March, 2008.

BUSINESS REVIEW AND PROSPECTS

The recently acquired ready mixed concrete business provided the Group with immediate profit and cash flow contributions, whereas the discontinued semiconductor operation registered loss for the period under review.

Since the announcement of the Company’s acquisition of Redland Concrete in December 2007, the global economic and capital market conditions have deteriorated significantly. During the same period, the Company’s share performance has also been subject to considerable volatility, despite the relatively stable and healthy business performance of Redland Concrete. In response to the above circumstances, the Company began to explore additional means to further accelerate its business expansion to a more optimal scale in order to promote a healthier capital market performance and to enhance the long term return of the shareholders. While pursuing this growth strategy, the Company is also conscious about the uncertain global economics outlook and hence it has adopted a prudent approach in selectively pursuing acquisition opportunities with stable cash flow and reasonable future growth potential. For the above reasons and with the support of CRH, the Company has therefore entered into the agreement to acquire CR Gas. The acquisition will allow the Company to transform itself from focusing on the building materials sector in Hong Kong, which is generally cyclical in nature and largely dependent on infrastructure projects available in Hong Kong, into a less cyclical city gas distribution business in China, which should provide for stable cash flows and a higher growth potential by capturing the increase in demand for natural gas in China and leveraging China Resources Group’s strong presence and brand name in China.

The corporate restructuring as noted above will be financed by a proposed rights issue to be underwritten by a wholly-owned subsidiary of CRH. The entire transactions, if approved eventually by the Company’s independent shareholders, will provide the Group with a sound foundation to tap into the burgeoning city gas distribution business in the PRC. This will deliver stable cash flow as well as excellent growth opportunity for the enhancement of shareholders’ value in the long term.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

Amalgamation of the Semiconductor Interests

On 4th December, 2007, the Company entered into a conditional agreement with China Resources Microelectronics Limited (formerly known as CSMC Technologies Corporation) (“CRM”) for the sale of the Semiconductor Business of the Group, being all its semiconductor operations other than China Resources Semiconductor Company Limited which operates a 4 inch wafer fab in Tai Po, Hong Kong, for a consideration of approximately of HK\$1,488,900,000 which has been satisfied by the issue of 3,106,932,317 new shares in CRM to the Company. The disposal consideration represents the aggregate net asset value of the Semiconductor Business being acquired based on its management accounts as at 30th June, 2007 adjusted for the payment of a dividend of approximately HK\$474.4 million.

On 4th December, 2007, the Company also entered into a conditional agreement with China Resources Concrete Limited, a subsidiary of CRH, the substantial and controlling shareholder of the Company, for the purchase of the entire issued voting share capital of Redland Concrete for a cash consideration of approximately HK\$217,757,000. The consideration was determined by referencing to the unaudited consolidated net asset value of Redland Concrete as at 31st October, 2007 and its financial results in recent years. Redland Concrete is principally engaged in the production and sale of ready mixed concrete within Hong Kong. It also engaged in the production and sale of ready mixed mortars.

On 4th December, 2007, the board of directors of the Company proposed that a distribution in specie be made to the shareholders of the Company, being shares in CRM on the basis of 180 shares in CRM for every 100 shares held in the Company, a total of 5,091,900,165 shares in CRM were distributed (comprising 1,984,967,848 shares in CRM held by the Company and 3,106,932,317 CRM shares issued to the Company as consideration under the conditional agreement with CRM). CRM will cease to be a subsidiary of the Company and the accounts of CRM will no longer be consolidated into the financial statements of the Company once the distribution described above has been effected, and with the exception of the Tai Po 4 inch wafer fab which will be sold and/or closed down, the Company will cease to be engaged in the Semiconductor Business and will instead be engaged in the supply of ready mixed concrete and related products to the Hong Kong and Macau markets and will maintain its listing on the Stock Exchange.

The above transactions have been completed on 5th March, 2008 upon obtaining necessary shareholders’ approval and the fulfilment of all necessary conditions.

Acquisition of CR Gas

On 21st August, 2008, the Company entered into a share purchase agreement with CRH to conditionally agree to acquire the entire issued share capital of CR Gas, a wholly-owned subsidiary of CRH, for a consideration of HK\$3,814.8 million (the “Acquisition”). The Acquisition is subject to the approval of the independent shareholders of the Company at a special general meeting to be held on or around 29th, September, 2008.

In order to finance the Acquisition, the Company proposed to raise approximately HK\$3,869.8 million before expenses by way of the rights issue of no less than 1,131,533,368 rights shares at a subscription price of HK\$3.42 per rights share on the basis of four rights shares for every one existing share held on the record date. The rights issue is fully underwritten by Splendid Time Investments Inc., a wholly-owned subsidiary of CRH, and is conditional upon the fulfillment of the conditions set out in the underwriting agreement and the approval by the Company's independent shareholders.

The Company believes that the latest proposed acquisition of CR Gas, if approved by its shareholders, will provide a solid platform for the Company to tap into the burgeoning city gas distribution business in the PRC thereby enhancing the long term return of the shareholders. The name of the Company, if approved by its shareholders, will also be changed to China Resources Gas Group Limited to reflect its primary focus on the new city gas distribution business.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the period ended 30th June, 2008.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES AND MODEL CODE

During the period, the Company has complied with the mandatory provisions of the Code on Corporate Governance Practices (the "CG Code") set out in Appendix 14 to the Listing Rules except for the provision A2.1 of the CG Code which provides that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Zhou Longshan was appointed as Chairman and Chief Executive Officer of the Company with effect from 21st March, 2008 in place of Mr. Zhu Jinkun, the former Chairman, and Mr. Wang Guoping, the former Chief Executive Officer. The Board is of the view that the combination of the roles of the chairman and chief executive officer is a short term transitional measure and these roles will be separated to comply with the code provision of the Code as soon as practicable.

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the directors (the "Model Code"). Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in the Model Code.

INTERIM REPORT

The 2008 Interim Report will be dispatched to shareholders and published on the Stock Exchange's designated website (www.hkexnews.hk) and the Company's website (www.crlogic.com.hk) in due course.

On behalf of the Board
CHINA RESOURCES LOGIC LIMITED
ZHOU Longshan
Chairman

Hong Kong, 25th August, 2008

As at the date of this announcement, the directors of the Company 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 Dr. Yang Chonghe, Howard, being Independent Non-executive Directors.