

PRESS RELEASE

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CR MICRO ANNOUNCES 2008 INTERIM RESULTS

RESULTS HIGHLIGHTS:

- The Group accomplished the amalgamation with CR Logic's semiconductor businesses in March 2008.
- The Group's consolidated turnover and EBITDA increased by 25.9% and 19.7% to HK\$1,657.16 million and HK\$384.75 million respectively when compared with the same period of 2007.
- The Group recorded a net profit of HK\$96.12 million for the six months ended 30 June 2008, compared with HK\$106.97 million in the same period of 2007.
- Turnover generated from the analog business of the Group reached HK\$961.55 million or 58.0% of total turnover in the first half of the year.
- The Company formed a JV with CRH to establish an 8-inch wafer fabrication facility in Wuxi, Jiangsu Province of China.

China Resources Microelectronics Limited ("CR Micro", or the "Company", formerly known as CSMC Technologies Corporation, together with its subsidiaries known as the "Group", Hong Kong stock code: 597), announced today its unaudited results for the six months ended 30 June 2008 (the "Period"). During the Period, the Group benefited from the amalgamation with semiconductor businesses of China Resources Logic Limited ("CR Logic") and its initial synergy thereafter. The Group reported a 25.9% increase in its consolidated turnover to HK\$1,657.16 million from HK\$1,315.64 million in the same period of 2007 (Note 1). Such increase was mainly due to the increase in manufacturing capacity of open foundry, Integrated Circuits ("IC") testing and packaging and discrete devices businesses. The Group reported a net profit of HK\$96.12 million for the six months ended 30 June 2008 (inclusive of gain on disposal of subsidiaries as HK\$84.97 million), a reduction of 10.9% compared with HK\$106.97 million in the same period of 2007.

Gross profit increased by 4.1% to HK\$354.80 million, while gross profit margin for the Period was 21.4% as compared with 25.9% in the corresponding period of year 2007. Earnings before interest expenses, taxation, depreciation and amortization ("EBITDA") increased by 19.7% to HK\$384.75 million.

The Board of Directors does not recommend the payment of interim dividend for 2008.

"The improving turnover of the Group during the first half of the year provided concrete reasons for optimism in the long term development of the Group's business," said Mr. Song Lin, Chairman of CR Micro.

In March 2008, the Company and CR Logic completed the amalgamation of the semiconductor businesses of both companies under CR Micro. The name of the Company has changed to "China Resources

Microelectronics Limited” from “CSMC Technologies Corporation”. As a result, CR Micro has become sole listed holding company of semiconductor operations within the China Resources Group. Following the amalgamation, CR Micro has become one of the top five semiconductor producers in mainland China, whose businesses cover open foundry service, IC design, IC testing and packaging services and discrete device manufacturing. These businesses remain distinct from one another and operate independently.

“With the upstream and downstream synergy arising from the amalgamation, the Group is able to offer turnkey service to customers, which is valuable for the Group in maintaining its relationship with customers. As a result of the synergy from the amalgamation, the foundry business is not only able to take advantage of more stable orders from our upstream IC design and discrete device manufacturing businesses, but also better facilitated and supported by the downstream IC testing and packaging business. Through the amalgamation, the Group successfully distinguished itself from other semiconductor companies in China in terms of product portfolio as well as growth potential. We are optimistic that the amalgamation will broaden and strengthen the operating base of the Company and will further enhance our leading position as one of the largest domestic players in the China semiconductor industry,” added Mr. Song.

After the Group’s semiconductor businesses accomplished its amalgamation and restructuring, new board members and management team were appointed and the Group started to optimise the managerial processes to properly facilitate the synergy from the Group’s enlarged business scopes and industrial chain. The Group’s open foundry operation continuously expands its manufacturing capacity to average 104,300 6-inch wafers per month in the first half of the year, which enhance its turnover to HK\$639.96 million in the first half of the year from HK\$565.62 million in the same period of last year, or 13.1% increment. The Group’s testing and packaging subsidiary Wuxi CR Micro-Assemb Tech. Ltd. completed its equipment, process and business transfer from its joint-venture partner, STATS ChipPAC Ltd., one of the testing and packaging business leaders in the worldwide market. It also passed several reputable international companies’ third-party certifications which enable rapid growth of the testing and packaging business of the Group. The turnover of testing and packaging segment increased 60.9% to HK\$340.70 million comparing with the performance in the same period of last year. More importantly, it successfully formed a solid base for future development of the testing and packaging business of the Group.

Turnover contributions from analog business reached HK\$961.55 million or 58.0% of total turnover in the first half of year 2008. “We are confident that the analog products will account for a higher percentage of our future revenue, and accomplish the Group’s transition to a leading analog semiconductor company in China,” added Mr. Song.

In April 2008, the shareholders of the Company passed resolutions in the extraordinary general meeting to approve the formation of a joint venture with China Resources (Holdings) Company Limited (“CRH”) to establish an 8-inch wafer fabrication facility in Wuxi, Jiangsu Province of China, CR Micro indirectly holds 19% equity stake in the joint venture. Through such arrangement, the Company has an opportunity to increase very substantially capability and to increase its access to advance process technologies and productive capacity to compete with other players in the industry and supply the growing domestic market.

Despite a slight market softening for overseas market in relation to continuous economic downturn and slowdown in consumption worldwide, the Group is speeding up the ramping up of new processes and products to mitigate the overseas market impact. With the growing open foundry capacity, strong IC design ability, emerging testing and packaging capacity, together with the stable discrete devices demand and supply in Chinese market, the Group is well positioned to capture this continuing growth market opportunity in China and build a solid base to the successful transition to an analog semiconductor company.

Note 1 :The figures in 2007 were presented with respect to the restated and unaudited consolidated financial information according to Hong Kong Financial Reporting Standards.

About China Resources Microelectronics Limited

CR Micro, together with its subsidiaries, is a leading manufacturer in the development and operation of semiconductor business in China. Its activities cover open foundry, IC design, IC testing and packaging as well as discrete device manufacturing services. The Group has become a leading supplier of analog ICs for the Chinese consumer electronic manufacturing industry and positions itself as a leading analog semiconductor company in China.

Following the amalgamation of the semiconductor businesses of the Company and China Resources Logic Limited in 2008, CR Micro has become one of the top five semiconductor producers in China. CR Micro's subsidiaries, namely CSMC Technologies Corporation, Wuxi China Resources Semico Co., Ltd., Wuxi CR Micro-Assemb Tech. Ltd. and Wuxi China Resources Huajing Microelectronics Co., Ltd. are renowned enterprises in the microelectronics industry.

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China Resources Microelectronics Limited
(Stock Code: 597)
Unaudited Condensed Consolidated Income Statement
For the 6 Months Ended 30 June 2008

	Six months ended 30 June	
	<u>2008</u>	<u>2007</u>
	(unaudited)	(restated and unaudited)
	HK\$'000	HK\$'000
Turnover	1,657,160	1,315,640
Cost of sales	<u>(1,302,361)</u>	<u>(974,977)</u>
Gross profit	354,799	340,663
Other income	37,153	64,549
Operating expenses	(313,223)	(250,983)
Finance costs	(47,461)	(32,922)
Gain on disposal of subsidiaries	84,972	-
Profit before taxation	116,240	121,307
Taxation	<u>(20,119)</u>	<u>(14,336)</u>
Profit for the period	<u>96,121</u>	<u>106,971</u>
Attributable to:		
Equity holders of the Company	96,345	108,105
Minority interests	<u>(224)</u>	<u>(1,134)</u>
	<u>96,121</u>	<u>106,971</u>
Earnings before interest expense, taxation, depreciation and amortization ("EBITDA")	<u>384,750</u>	<u>321,421</u>
	HK Cents	HK Cents
Earnings per share		
Basic	<u>1.64</u>	<u>1.85</u>
Diluted	<u>1.63</u>	<u>1.84</u>