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, 2007

- Turnover increased by 50% to HK$2,452 million.
- Turnover of Semiconductor Business increased 72% reaching HK$1,330 million.
- Operating profit of Semiconductor Business increased 32% to HK$147 million.

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, 2007 with comparative figures for 2006 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30TH JUNE, 2007

		Six months ended 30th June,	
		2007	2006
		(unaudited)	(unaudited)
	NOTE	***HK$'000***	*HK$'000*
Turnover	*3*	2,451,847	1,637,411
Cost of sales		(1,933,749)	(1,221,882)
Gross profit		518,098	415,529
Other income		64,097	64,224
Distribution expenses		(103,718)	(53,611)
Administrative expenses		(174,171)	(128,301)
Other expenses		(112,513)	(58,921)
Profit from operations		191,793	238,920
Finance costs		(59,789)	(32,662)
Share of results of an associate		-	1,103
Gain on deemed disposal of an associate		-	1,590
Profit before taxation		132,004	208,951
Taxation	*4*	(20,675)	(24,514)
Profit for the period	*5*	111,329	184,437

Attributable to:			
Equity holders of the Company		89,314	142,177
Minority interests		22,015	42,260
		111,329	184,437
		HK Cents	HK Cents
Interim dividend per share	*6*	1.00	1.00
Earnings per share	*7*		
Basic		3.23	5.33
Diluted		3.18	5.28

CONDENSED CONSOLIDATED BALANCE SHEET

AT 30TH JUNE, 2007

	NOTE	**30th June, 2007 (unaudited)** ***HK$'000***	31st December, 2006 (audited) *HK$'000*
ASSETS			
Non-current Assets			
Property, plant and equipment		4,570,805	4,217,639
Prepaid lease payments		174,674	172,559
Available-for-sale investments		9,906	10,105
Goodwill		152,777	152,777
Technical know-how		52,287	53,663
Deferred tax assets		15,133	16,416
Deposit for acquisition of property, plant and equipment		10,715	63,205
		4,986,297	4,686,364
Current Assets			
Inventories		1,229,356	1,068,568
Debtors, deposits and prepayments	*8*	2,279,688	1,622,459
Prepaid lease payments		4,808	4,625
Amounts due from minority shareholders		14,380	2,164
Tax recoverable		490	10,057
Pledged bank deposits		5,999	7,642
Bank balances and cash		547,374	521,250
		4,082,095	3,236,765
Total Assets		9,068,392	7,923,129

EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		278,147	276,580
Share premium and reserves		2,671,552	2,478,511
Equity attributable to equity holders of the Company		2,949,699	2,755,091
Share option reserve of a listed subsidiary		8,531	5,805
Minority interests		1,076,652	1,048,727
Total Equity		4,034,882	3,809,623
Non-current Liabilities			
Borrowings		1,629,289	522,306
Long-term payables		66,698	66,025
		1,695,987	588,331
Current Liabilities			
Creditors and accrued charges	*9*	2,346,277	1,648,101
Amounts due to minority shareholders		106,895	85,213
Borrowings		824,172	1,706,617
Provisions		45,393	77,111
Taxation		14,786	8,133
		3,337,523	3,525,175
Total Liabilities		5,033,510	4,113,506
Total Equity and Liabilities		9,068,392	7,923,129

Net Current Assets (Liabilities)	744,572	(288,410)
Total Assets less Current Liabilities	5,730,869	4,397,954

Notes:

1. BASIS OF PREPARATION

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 Hong Kong Institute of Certified Public Accountants ("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, 2006.

In the current interim period, the Group has applied, for the first time, a new standard, an amendment, and certain interpretations ("new HKFRSs") issued by the HKICPA, which are effective for annual periods beginning on or after 1st January, 2007.

The adoption of these new HKFRSs has 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 or interpretations that have been issued by the HKICPA but are not yet effective. The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

3. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into two operating divisions – semiconductor and compressor. These divisions are the basis 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

Compressor – manufacture of air-conditioner compressors

Results for the six months ended 30th June, 2007

	Semiconductor	Compressor	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
Turnover			
External sales	1,329,469	1,122,378	2,451,847
Result			
Segment results	147,255	56,312	203,567
Unallocated expenses			(11,774)
Profit from operations			191,793
Finance costs			(59,789)

Profit before taxation	132,004
Taxation	(20,675)
Profit for the period	111,329

Results for the six months ended 30th June, 2006

	Semiconductor	Compressor	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
Turnover			
External sales	770,784	866,627	1,637,411
Result			
Segment results	111,481	135,672	247,153
Unallocated expenses			(8,233)
Profit from operations			238,920
Finance costs			(32,662)
Share of results of an associate	1,103	-	1,103
Gain on deemed disposal of an associate	1,590	-	1,590
Profit before taxation			208,951
Taxation			(24,514)
Profit for the period			184,437

Geographical segments

The activities of the Semiconductor division are carried out in Hong Kong and other regions in the People's Republic of China (the "Mainland China"), while those of the Compressor division are carried out in the Mainland China.

The following table provides an analysis of the Group's sales by geographical market:

	Six months ended 30th June,	
	2007	2006
	HK$'000	*HK$'000*
Mainland China	2,124,288	1,440,780
Asia, other than PRC	174,851	120,830
Hong Kong	87,175	74,676
Others	65,533	1,125
	2,451,847	1,637,411

4. TAXATION

	Six months ended 30th June,	
	2007	2006
	HK$'000	*HK$'000*
Current tax		
Mainland China	19,366	24,156
Deferred tax	1,309	358
	20,675	24,514

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong in the period.

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

5. PROFIT FOR THE PERIOD

	Six months ended 30th June,	
	2007	2006
	HK$'000	*HK$'000*
Profit for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	233,485	121,808
Depreciation of investment properties	-	1,170
Amortisation of technical know-how	2,054	1,569
Amortisation of prepaid lease payments	2,403	2,190
Write down of inventories to net realizable value (included in other expenses)	26,155	3,613
Research, design and development expenses (included in other expenses)	63,329	34,292
Interest expenses on borrowings	59,789	32,662
Share of tax of an associate (included in share of results of an associate)	-	553
Write back of provisions included in other income	(25,858)	-
Bank interest income	(3,198)	(2,506)
Net gain on disposal of property, plant and equipment	(6,561)	(2,458)
Gain on disposal of available-for-sale investments	(1,924)	-

6. DIVIDENDS

On 12th June, 2006, a dividend of 2.0 HK cents per share, totalling HK$53,406,000, was paid to the shareholders as the final dividend for the year ended 31st December, 2005.

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

The Directors have resolved to declare an interim dividend of 1.0 HK cent per share (2006: interim dividend of 1.0 HK cent per share), totalling HK$27,815,000.

7. EARNINGS PER SHARE

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

	Six months ended 30th June,	
	2007	2006
	HK$'000	*HK$'000*
Earnings:		
Earnings for the purpose of basic earnings per share (Profit for the period attributable to equity holders of the Company)	89,314	142,177
Effect of dilutive potential shares of subsidiaries on their earnings attributable to the Group	(167)	-
Earnings for the purpose of dilutive earnings per share	89,147	142,177
Number of shares:		
Weighted average number of shares for the purpose of basic earnings per share	2,768,250,640	2,668,314,159
Effect of dilutive potential shares		
Share options	34,772,932	25,900,283
Weighted average number of shares for the purpose of diluted earnings per share	2,803,023,572	2,694,214,442

8. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group generally allows credit periods ranging from 30 to 90 days to its trade customers. The aged analysis of trade debtors, including notes receivable, net of impairment losses, is as follows:

	30th June, 2007	31st December, 2006
	HK$'000	*HK$'000*
0 - 60 days	1,413,037	802,195
61 - 90 days	360,896	176,328
91 – 180 days	345,255	396,316
Over 180 days	25,647	120,200
	2,144,835	1,495,039

Note: Included in debtors are trade and notes receivables totalling HK$169,437,000 (31st December, 2006: HK$109,156,000) due from related companies arising from transactions carried out in the ordinary course of business of the Group. These amounts are unsecured, interest-free and are repayable within the credit periods similar to those offered by the Group to its other major customers.

9. CREDITORS AND ACCRUED CHARGES

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

	30th June, 2007	31st December, 2006
	HK$'000	*HK$'000*
0 - 60 days	1,108,911	729,403
61 - 90 days	344,952	207,704
91 – 180 days	482,529	411,069
Over 180 days	37,957	4,791
	1,974,349	1,352,967

10. EVENTS AFTER THE BALANCE SHEET DATE

On 21st June, 2007, the Company and CRT (BVI) Limited, a wholly owned subsidiary of the Company, entered into an agreement (the "Agreement") with Gradison Limited, a wholly owned subsidiary of China Resources (Holdings) Company Limited ("CRH"), for the sale of the entire issued share capital of China Resources Cooling Technology Co. Ltd., the holding company of the Group's compressor business (the "Disposal") for a consideration of HK$1,170,000,000. Upon completion, which will give rise to a gain on disposal to be recorded in the second half of the year, China Resources Cooling Technology Co. Ltd. and its subsidiaries will cease to be subsidiaries of the Company. Completion of the Agreement is conditional upon (i) the approval by independent shareholders of the Company and (ii) the written consent for the Disposal contemplated under the Agreement from the majority of lenders in the facility agreement entered into on 14th March, 2007 in which a 5-year revolving credit/term loan facility of up to HK$1,500,000,000 was made available to the Group (the "Bank Consent").

Subsequent to the balance sheet date, the Agreement was approved by the independent shareholders of the Company at the special general meeting of the Company held on 30th July, 2007, while the Bank Consent was obtained on 9th August, 2007. Accordingly, the Disposal was completed on 16th August, 2007.

REVIEW OF INTERIM RESULTS

The interim results for the six months ended 30th June, 2007 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.

INTERIM DIVIDEND

The Directors have resolved to declare the payment of an interim dividend of 1.00 HK cent per share for the six months ended 30th June, 2007 (six months ended 30th June, 2006: 1.00 HK cent per share), payable on 9th October, 2007 to shareholders on the register of members of the Company on 27th September, 2007.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 21st September, 2007 to 27th September, 2007, both days inclusive. In order to qualify for the proposed interim dividend payment, completed transfer forms accompanied by the relevant share certificates must be lodged with the Branch Registrar of the Company, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 20th September, 2007.

BUSINESS REVIEW

The Group's Semiconductor Business has continued to improve its performance during the first half of 2007 with revenue hitting HK$1,330 million, representing an increase of 72% over the previous corresponding period's HK$771 million. This provided the Group with a solid foundation to further tap into the huge and expanding semiconductor market in the People's Republic of China ("PRC").

The performance of the Group's Compressor Business for the period was less than satisfactory due to excess production capacity in the industry and rising raw material costs.

SEMICONDUCTOR BUSINESS

Since the IC's produced by Group's Semiconductor Business have relatively longer product life cycle and belong to the mature technology IC market segment targeting the PRC market, they are relatively immune to volatile price fluctuations found in high end market segments meant for global markets and thus contribute to the Semiconductor Business's stable gross profit margin. The Group will continuously enhance its technical expertise to produce higher value-added products within this stable-price yet high-growth IC market segment in the PRC. The Group will diligently apply its successful business model of using mature technology and hence relatively low capital expenditure in tapping profitably into the growing PRC's analogue IC and discrete device market.

The turnover of the Semiconductor Business increased to HK$1,330 million for the period ended 30th June, 2007 from the HK$771 million recorded in previous corresponding period, an increase of 72%. The increase in turnover was mainly due to the turnover contribution from the semiconductor open foundry operation acquired by the Group in July, 2006. The gross profit margin for the period was 27%, same as that of previous corresponding period. Gross margin is expected to improve when testing & packaging operations are further ramped up during the rest of 2007 and beyond. The Semiconductor Business achieved an operating profit of HK$147 million for the period ended 30th June, 2007 (2006: HK$111 million), an increase of 32%.

The Group is one of the largest players in the PRC semiconductor industry and the Group's Semiconductor Business includes:

IC Design Operation

Wuxi China Resources Semico Co., Ltd., one of the leading PRC fabless design houses in terms of technology and scale, uses digital and mixed-signal technologies to design and develop semiconductor IC products such as MCU and audio and video processing SoC applied in consumer electronics such as television, hi-fi, DVD and MP3 players, game consoles, telecommunication devices, voice synthesisers, etc.

The recently established CR PowTech (Shanghai) Limited and InPower Semiconductor (WuXi) Co., Ltd. are engaged in the development and design of power management IC and high power discrete devices, which have very promising market prospects. These two types of products have been launched since the second half of 2006, and the Company believes that the products will contribute positively to the growth of the design operations.

Foundry Operation

CSMC Technologies Corporation ("CSMC") is currently the largest 6-inch open foundry operator in the PRC. Together with the ramping up production of a 6 inch wafer fabrication line newly invested by the Group in 2004, the current total production capacity of 6 inch wafer of the Group has attained significant scale. The Company has three 6 inch wafer fabrication lines in total, with a production capacity of over 100,000 6-inch wafers per month and 0.35μm capability, providing various technical platforms such as MOS, bipolar and BICMOS and DMOS for customers. In future, the Group will focus on transforming its 6-inch open foundry operation into analogue foundry to achieve higher value-added operations.

IC Testing & Packaging Operation

The Group formed a joint venture called Wuxi CR Micro-Assemb Tech. Ltd., with STATS ChipPAC Ltd., a leading global IC assembly and testing foundry operator. The joint venture, one of the key enterprises focused in IC testing and packaging foundry operations in the PRC, mainly provided IC assembly and testing foundry services for internationally well-known semiconductor enterprises with its leading wire bond packaging testing technology in the PRC and a packaging capacity of 2.5 billion wires per month. The Company holds 75% equity interest of the joint venture.

Semicon Microelectronics (Shen Zhen) Co., Ltd. has become the largest wafer test open foundry operator in the PRC to support the Group's IC testing and packaging operation.

Discrete Device Manufacturing Operation

Wuxi China Resources Huajing Microelectronics Co., Ltd. is a leader in the development and manufacture of power semiconductor discrete devices in the PRC. With an annual capacity of 1.5 million 4-6 inch wafers for discrete devices, this company is a major supplier of discrete device wafers and finished products in the PRC. China Resources Semiconductor Company Limited, established by the Group in Hong Kong, is a major supplier of the phototransistor products in the PRC. The above discrete device products developed by the Company are applied in promising sectors including energy saving lightings, home appliances, industrial control devices and personal computers.

COMPRESSOR BUSINESS

The Group's Compressor Business, with Sanyo Electric Co., Ltd. of Japan as a joint-venture partner, is one of the leading suppliers of residential air-conditioner compressors in the PRC.

The PRC residential air-conditioner compressor market has softened in recent years with the increase in industry capacity in the PRC. This situation is further aggravated by the increase in cost of raw materials.

During the first half of 2007, turnover amounted to HK$1,122 million, which represents an increase of 30% over the HK$866 million turnover in the corresponding period of 2006. However, due to continue increase in raw material costs, gross profit margin deteriorated from 24% of previous corresponding period to 15%. Nevertheless, the Compressor Business has continued to make a positive albeit decreasing contribution to the Group's operating profit. Its operating margin was 5% (2006: 16%). An operating profit of HK$56 million was achieved during the period, a decrease of 58% over the HK$136 million for the same period in 2006.

SIGNIFICANT INVESTMENS, ACQUISITIONS AND DISPOSALS

On 21st June, 2007, the Company and the Company's wholly owned subsidiary, CRT (BVI) Limited, have entered into an agreement with Gradison Limited, a wholly owned subsidiary of CRH, both a substantial and controlling shareholder of the Company, for the sale of the entire issued share capital of China Resources Cooling Technology Co. Ltd. ("CR Cooling"), the holding company of the Group's Compressor Business (the "Disposal") for a consideration of HK$1,170,000,000 (the "Consideration"). The Consideration represents about 20 times the attributable unaudited consolidated after tax net profit of the Group's Compressor Business for the year ended 31st December, 2006 and about 10% premium over the attributable unaudited consolidated net asset value of the Group's Compressor Business as at 31st December, 2006. The Disposal was completed on 16th August, 2007.

The sale proceeds of the Disposal will be used partly to repay outstanding loans and also be used for investment in Semiconductor Business and as working capital requirement of the Group.

PROSPECTS

The Group will continue to expand its Semiconductor Business by organic growth, external acquisitions and by exploring the forming of strategic partnerships with both overseas and Chinese enterprises.

For the Semiconductor Business, the Group will continue to focus on and benefit from the rapidly increasing demand in the PRC for analogue IC's. The acquisition of a leading PRC semiconductor enterprise in 2002 and its subsequent successful restructuring and integration, provided the Group with a solid Chinese manufacturing platform. To further strengthen its semiconductor manufacturing platform and enhance its future competitiveness, the Company entered into a joint venture agreement in June, 2006 with STATS ChipPAC Ltd., one of the world's leading IC assembly and testing foundry service providers, to expand its test and assembly business.

The Group's fabless design operations are leading IC design houses in the PRC and have significantly increased its analogue IC's product portfolio during the year as well as enhancing their design capabilities. The Group has recruited high caliber semiconductor design experts from the United States in recent years and will continue to recruit overseas trained semiconductor experts to enhance the continuous development of its IC and discrete device design and manufacturing capabilities.

The restructuring, funding and the invitation of strategic partners carried out by the Group's open foundry associated company, CSMC and its subsequent listing on the Stock Exchange in 2004, paved the way for the rapid expansion of the Group's foundry business. The Group acquired a controlling interest in CSMC in July, 2006 and this catapulted the Group into one of the largest semiconductor entities in the PRC. The Group has become the market leader in the mature technology IC market segment of the PRC with dominant positions in manufacturing and packaging analogue IC's and discrete devices; operating fabless design house as well as providing open foundry service technology.

The Group's Semiconductor Business has become the key growth drivers of the Group, providing the Group with a solid platform to tap into the huge and expanding semiconductor market in the PRC. The Group foresees the revenue contribution from its Semiconductor Business will account for a very significant share of the Group's total revenue in 2007. The Group spent some HK$331 million of capital expenditure during the first half of 2007 to purchase additional semiconductor production equipment. The Group will strive to continually enhance its technical capability within the analogue IC and discrete device market segment via infusion of talents and forging strategic and technical alliances with foreign partners.

The Group's Semiconductor Business, riding on the double digit growth rate of the PRC's semiconductor market, has been growing rapidly in recent years. The trend is expected to continue in the foreseeable future. Conversely the performance of the Group's Compressor Business, due to excess industry capacity and escalating raw material costs, has seen rapid erosion in gross margin and profitability in recent years. The contribution of the Compressor Business to the Group has been reducing vis-à-vis the Semiconductor Business. The Group announced the disposal of its Compressor Business on 21st June, 2007 to focus on Semiconductor Business.

The Group, in its continuing effort to divest its non-core businesses, has disposed of its information technology and office furniture businesses in recent years. The disposal of the Compressor Business is part of the Group's continuing effort in this respect. By disposing of the Compressor Business, the Group will become a single business entity and can concentrate its resources for the development of its rapidly growing Semiconductor 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, 2007.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES AND MODEL CODE

The Company has throughout the period complied with the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules.

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 "Code"). Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in the Code.

INTERIM REPORT

The 2007 Interim Report will be dispatched to shareholders and published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.crlogic.com.hk) in due course.

On behalf of the Board
CHINA RESOURCES LOGIC LIMITED
ZHU JINKUN
CHAIRMAN

Hong Kong, 23rd August, 2007

As at the date of this announcement, the directors of the Company are as follows:

Executive Directors	:	Mr. ZHU Jinkun, Mr. WANG Guoping, Mr. ONG Thiam Kin, Ken and Mr. CHEN Cheng-yu, Peter
Non-executive Directors	:	Mr. JIANG Wei, Mr. LIU Yanjie and Mr. LI Fuzuo
Independent Non-executive Directors	:	Mr. WONG Tak Shing, Mr. LUK Chi Cheong, Mr. KO Ping Keung and Mr. YANG Chonghe, Howard