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**華潤微電子有限公司**

**China Resources Microelectronics Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 597)**

**DISCLOSEABLE AND CONNECTED TRANSACTION  
PROVISION OF FINANCIAL ASSISTANCE TO A JOINT VENTURE**

The Directors announce that on 14 September, 2009, Jolly China Investments Limited, a wholly owned subsidiary of the Company, together with Joyous China Investments Limited, a wholly owned subsidiary of China Resources Holdings, as lenders and CSMC Asia Limited as borrower entered into a shareholders' loan agreement pursuant to which the lenders have agreed to provide shareholders' loans in the aggregate amount of US\$202,000,000 to the borrower on a pro rata basis according their respective shareholdings in the borrower. CSMC Asia Limited is beneficially owned as to 19% by the Company and 81% by China Resources Holdings. CSMC Asia Limited is an associate of China Resources Holdings and thus is a connected person of the Company under the Listing Rules.

The provision of the financial assistance by the Company to CSMC Asia Limited constitutes a non-exempt connected transaction under of Chapter 14A of the Listing Rules. It also constitutes a discloseable transaction pursuant to Rule 14.06 of the Listing Rules and therefore subject to reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

A circular containing, amongst other things, further details of the financial assistance, the advice from the independent board committee, the advice from the independent financial adviser of the Company and a notice for convening an extraordinary general meeting of the Company to approve the connected transaction will be despatched to the shareholders as soon as practicable.

Pursuant to the circular of the Company dated 7 April, 2008, a joint venture namely CSMC Asia Limited (formerly known as “Asia Champion Investment Limited”) was formed between Jolly China Investments Limited, a wholly owned subsidiary of the Company, and Joyous China Investments Limited, a wholly owned subsidiary of China Resources Holdings, for the purpose of jointly develop the 8-inch wafer operations in China. To further finance the operations of CSMC Asia Limited, Jolly China Investments Limited and Joyous China Investments Limited as lenders and CSMC Asia Limited as borrower entered into a shareholders’ loan agreement pursuant to which the lenders have agreed to provide shareholders’ loans in the aggregate amount of US\$202,000,000 to CSMC Asia Limited on a pro rata basis according to their respective shareholdings. CSMC Asia Limited is beneficially owned as to 19% by the Company and 81% by China Resources Holdings. CSMC Asia Limited is an associate of China Resources Holdings and thus is a connected person of the Company under the Listing Rules.

#### **THE SHAREHOLDERS’ LOAN AGREEMENT**

Date: 14 September, 2009

Lenders: i) Jolly China Investments Limited, an indirect wholly-owned subsidiary of the Company; and  
ii) Joyous China Investments Limited, a wholly-owned subsidiary of China Resources Holdings

Borrower: CSMC Asia Limited, a joint venture held as to 19% by Jolly China Investments Limited and 81% by Joyous China Investments Limited

Aggregate loan amount: Shareholders’ loans of US\$202,000,000 which will be provided as to 19% or US\$38,380,000 by Jolly China Investments Limited and as to 81% or US\$163,620,000 by Joyous China Investments Limited

#### **TERMS OF THE SHAREHOLDERS’ LOAN AGREEMENT**

Principal terms of shareholders’ loan: 3 years commencing on the date on which the principal amount of the loan is made after the shareholders’ loan agreement has been approved by the independent shareholders of the Company in shareholders’ meeting pursuant to the Listing Rules

The loan is unsecured with interest referencing to normal commercial rate or a rate preferable to the Company

Repayment: The principal amount shall be repayable in full by CSMC Asia Limited in a lump sum payment, together with all accrued interest and other moneys then outstanding, on the date falling 3 years after the date on which the principal amount of the advance is made, or such other earlier date as requested by the lenders by serving to the borrower a 30-days written notice. The borrower has the option to repay the loan in full with all accrued interest before the loan maturity date by serving a 14-days written notice to the lenders

### **REASONS FOR THE SHAREHOLDERS' LOAN AGREEMENT**

The shareholders' loans are being provided to support the long term development of CSMC Asia Limited which will be used to refinance its borrowings and as working capital. Terms of the shareholders' loan agreement were determined after arm's length negotiations between the lenders and the borrower. The Directors, save for the independent non-executive directors whose view will be formed after considering the recommendation from the independent financial adviser of the Company, are of the view that terms of the shareholders' loan agreement are consistent with those offered by the commercial banks in Hong Kong and therefore consider that the provision of financial assistance to a joint venture of the Company is on normal commercial terms which are fair and reasonable, and is in the best interests of the Company and its shareholders as a whole.

The Company will finance its proportion of the shareholders' loans by its internal resources as well as the proceeds from the rights issue completed on 13 August, 2009.

### **INFORMATION ON THE COMPANY AND CSMC ASIA LIMITED**

The Company is an investment holding company which, through its subsidiary companies, is engaged in Integrated Circuit ("IC") open foundry operations as well as IC design, discrete devices and IC testing and packaging.

CSMC Asia Limited is a private company incorporated in Hong Kong with limited liability. It is a joint venture project between the Company and China Resources Holdings and indirectly owns the entire issued share capital of CSMC Technologies Fab2 Co., Ltd, an 8-inch wafer fabrication facility operator in Wuxi, Jiangsu Province, China.

## **IMPLICATIONS UNDER THE LISTING RULES**

The provision of the financial assistance by the Company to CSMC Asia Limited constitutes a non-exempt connected transaction under Chapter 14A of the Listing Rules, it also constitutes a discloseable transaction pursuant to Rule 14.06 of the Listing Rules and therefore subject to reporting, announcement and independent shareholders' approval requirements under the Listing Rules. China Resources Holdings and its associates are required to abstain from voting in the shareholders' meeting.

A circular containing, amongst other things, further details of the financial assistance, the advice from the independent board committee, the advice from the independent financial adviser of the Company and a notice for convening an extraordinary general meeting of the Company to approve the connected transactions will be despatched to the shareholders as soon as practicable.

## **DEFINITIONS**

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

“China Resources Holdings”	China Resources (Holdings) Company Limited, a company incorporated under the laws of Hong Kong and the controlling shareholder (as defined under the Listing Rules) of the Company;
“Company”	China Resources Microelectronics Limited, a company incorporated under the laws of the Cayman Islands whose shares are listed on the Stock Exchange;
“Directors”	the directors of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;

“Stock Exchange”                      The Stock Exchange of Hong Kong Limited

“US\$”                                      United States dollars, the lawful currency of the United States of America; and

“%”                                         per cent.

*As at the date of this announcement, the Executive Directors of the Company are Mr. Song Lin (Chairman), Dr. Peter Chen Cheng-yu (Vice Chairman) and Mr. Wang Guoping (Chief Executive Officer); the Non-Executive Directors are Mr. Zhu Jinkun (Vice Chairman), Mr. Jiang Wei, Mr. Li Fuzuo, Mr. Du Wenmin and Mr. Frank Lai Ni Hium; and the Independent Non-Executive Directors are Mrs. Oon Kum Loon, Mr. Ralph Sytze Ybema and Professor Ko Ping Keung.*

By Order of the Board  
**China Resources Microelectronics Limited**  
**Tim Ngan Siu Hung**  
*Company Secretary*

Hong Kong, 14 September, 2009