

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your securities in China Resources Microelectronics Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**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**

**Financial adviser to the Company**



**Independent financial adviser to the Independent Board Committee and  
the independent shareholders of the Company**



---

A notice convening the extraordinary general meeting (the "EGM") of the Company to be held at China Resources Banquet Hall, 4/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on 12 October, 2009 at 10:00 a.m. is set out on pages 21 to 22 of this circular.

A form of proxy for use by the Shareholders at the EGM is enclosed. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting thereof should you so wish.

26 September, 2009

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	3
<b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE</b> .....	7
<b>LETTER FROM GUANGDONG SECURITIES</b> .....	8
<b>GENERAL INFORMATION</b> .....	15
<b>NOTICE OF EGM</b> .....	21

---

## DEFINITIONS

---

*In this circular, the following expressions shall have the following meanings unless the context otherwise requires:*

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“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;
“EGM”	an extraordinary general meeting of the Company to be held at China Resources Banquet Hall, 4/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on 12 October, 2009 at 10:00 a.m. to consider and vote on the proposed resolution regarding the provision of financial assistance to CSMC Asia Limited;
“Group”	the Company and its subsidiaries;
“Guangdong Securities” or “Independent Financial Adviser”	Guangdong Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO and the independent financial adviser to advise the Independent Board Committee and the independent shareholders of the Company in relation to the shareholders’ loan agreement dated 14 September 2009 and the transactions contemplated thereunder
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	the board committee appointed by the Board, comprising the independent non-executive Directors, to advise the independent shareholders in relation to the provision of financial assistance to CSMC Asia Limited;

---

## DEFINITIONS

---

“Latest Practicable Date”	24 September, 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information included herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“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.

---

LETTER FROM THE BOARD

---



華潤微電子有限公司

China Resources Microelectronics Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 597)

*Executive Directors:*

Song Lin (*Chairman*)

Peter Chen Cheng-yu (*Vice Chairman*)

Wang Guoping

*Registered Office:*

Scotia Centre, P.O. Box 2804 GT  
George Town, Grand Cayman  
Cayman Islands

*Non-Executive Directors:*

Zhu Jinkun (*Vice Chairman*)

Jiang Wei

Li Fuzuo

Du Wenmin

Frank Lai Ni Hium

*Principal Place of Business:*

No.14 Liangxi Road  
Wuxi, Jiangsu  
214061  
China

*Independent Non-Executive Directors:*

Oon Kum Loon

Ralph Sytze Ybema

Ko Ping Keung

*Principal Place of Business  
in Hong Kong*

Room 4003-4005, 40/F  
China Resources Building  
26 Harbour Road  
Wanchai, Hong Kong

26 September, 2009

*To the Shareholders*

Dear Sir or Madam,

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

**INTRODUCTION**

Reference is made to the announcement of the Company dated 14 September, 2009 in relation to the provision of financial assistance to CSMC Asia Limited under the shareholders' loan agreement dated 14 September, 2009.

---

## LETTER FROM THE BOARD

---

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 developing the 8-inch wafer operations in China. The total capital commitment under this joint venture was US\$500,000,000 which had been fully paid by the Company and China Resources Holdings as to 19% and 81% respectively. 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 purpose of this circular is to give the Shareholders further information on the terms of the shareholders’ loan agreement. This circular also contains a letter of advice from Guangdong Securities, the Independent Financial Adviser, to the Independent Board Committee in respect of the provision of financial assistance to CSMC Asia Limited under the shareholders’ loan agreement, a letter of advice containing the recommendation of the Independent Board Committee and the notice of EGM.

### 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

---

## LETTER FROM THE BOARD

---

### TERMS OF THE SHAREHOLDERS' LOAN AGREEMENT

Principal terms of shareholders' loan:	<p>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</p> <p>The loan is unsecured with interest referencing to normal commercial rate or a rate preferable to the Company</p>
Repayment:	<p>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</p>

### 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 are of the view that terms of the shareholders' loan agreement are not materially different from 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 under the shareholders' loan agreement is on normal commercial terms which are fair and reasonable, and is in the interests of the Company and the Shareholders as a whole.

The Company will finance its proportion of the shareholders' loan by its internal resources as well as the proceeds from the rights issue completed on 13 August, 2009. The Company will in return receive interest from the shareholders loan at rate that will be not materially different from those offered by the commercial banks in Hong Kong.

### 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 between the Company and China Resources Holdings and indirectly owns the entire equity interest of CSMC Technologies Fab2 Co., Ltd, an 8-inch wafer fabrication facility operator in Wuxi, Jiangsu Province, China.

---

## LETTER FROM THE BOARD

---

### IMPLICATIONS UNDER THE LISTING RULES

The provision of the financial assistance by the Company to CSMC Asia Limited under the shareholders' loan agreement constitutes a non-exempt connected transaction under Chapter 14A of the Listing Rules as well as 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 with approximately 60.61% shareholding interest in the Company, and its associates are required to abstain from voting in the EGM.

### RECOMMENDATION

The Directors consider the terms of the shareholders' loan agreement are on normal commercial terms and such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed in the EGM.

Your attention is drawn to the letter of the Independent Board Committee as set out on page 7 of this circular and the letter from Guangdong Securities as set out on pages 8 to 14 of this circular.

By Order of the Board of  
**China Resources Microelectronics Limited**  
**Song Lin**  
*Chairman*



---

**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

---



**華潤微電子有限公司**

**China Resources Microelectronics Limited**

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

**(Stock Code: 597)**

26 September, 2009

*To the independent shareholders of the Company*

Dear Sirs,

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

We have been appointed as members of the Independent Board Committee to advise the independent shareholders of the Company in respect of a non-exempt connected transaction under the shareholders' loan agreement, details of which are set out in the letter from the Board in the circular dated 26 September, 2009 (the "Circular") to the Shareholders, of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this letter.

Your attention is drawn to the advice of Guangdong Securities, the Independent Financial Adviser appointed, in respect of the non-exempt connected transaction under the shareholders' loan agreement as set out in the Circular. Having taken into account the advice of Guangdong Securities, we consider that terms of the shareholders' loan agreement are fair and reasonable so far as the Company and the independent shareholders are concerned and in the interests of the Company and its Shareholders as a whole. We therefore recommend that you vote in favour of the resolution to be proposed at the EGM to approve the shareholders' loan agreement and the provision of financial assistance to CSMC Asia Limited contemplated thereunder.

Yours faithfully,

**Oon Kum Loon**

**Ralph Sytze Ybema**

**Ko Ping Keung**

*Independent Board Committee*

---

## LETTER FROM GUANGDONG SECURITIES

---

*Set out below is the text of a letter received from Guangdong Securities, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Shareholders' Loan Agreement and the transactions contemplated thereunder for the purpose of inclusion in this circular.*



**粵海證券有限公司**  
**GUANGDONG SECURITIES LIMITED**

Units 2505-06, 25/F.  
Low Block of Grand Millennium Plaza  
181 Queen's Road Central  
Hong Kong

26 September 2009

*To: The independent board committee and the independent shareholders  
of China Resources Microelectronics Limited*

Dear Sirs,

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

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the independent shareholders of the Company (the “**Independent Shareholders**”) in relation to the Shareholders' Loan Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 26 September 2009 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 14 September 2009, Jolly China Investments Limited (“**Jolly China**”), an indirect wholly-owned subsidiary of the Company, and Joyous China Investments Limited (“**Joyous China**”), a wholly owned subsidiary of China Resources Holdings (as lenders) entered into the shareholders' loan agreement with CSMC Asia Limited (“**CSMC Asia**”) (as borrower) in relation to the provision of an aggregate shareholders' loans of US\$202,000,000 (the “**Shareholders' Loan Agreement**”).

The provision of the financial assistance of US\$38,380,000 (portion of the shareholders' loan on a pro rata basis according to shareholdings) by Jolly China to CSMC Asia (the “**Financial Assistance**”) constitutes a non-exempt connected transaction under Chapter 14A of the Listing Rules. Accordingly, the Shareholders' Loan Agreement and the transactions contemplated thereunder are subject to approval of the Independent Shareholders at the EGM by way of poll. China Resources Holdings and its associates are required to abstain from voting on the resolution(s) to approve the Shareholders' Loan Agreement and the transactions contemplated thereunder at the EGM.

---

## LETTER FROM GUANGDONG SECURITIES

---

An Independent Board Committee comprising Mrs. Oon Kum Loon, Mr. Ralph Sytze Ybema and Professor Ko Ping Keung (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Shareholders' Loan Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Shareholders' Loan Agreement is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Shareholders' Loan Agreement and the transactions contemplated thereunder at the EGM. We, Guangdong Securities Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### **BASIS OF OUR OPINION**

In formulating our advice and recommendation to the Independent Board Committee, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the management of the Company (the "**Management**"). We have assumed that all information and representations that have been provided by the Management, for which they are solely and wholly responsible, are true, complete and accurate in all material respects at the time when they were made and continue to be so as at the date of the despatch of the Circular. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiries and careful considerations. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Management, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our recommendation. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Group, Jolly China, CSMC Asia or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the provision of the Financial Assistance. In addition, we have no obligation to update this opinion to take into account events occurring after the issue of this letter. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any shares or any other securities of the Company.

---

## LETTER FROM GUANGDONG SECURITIES

---

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Shareholders' Loan Agreement and the transactions contemplated thereunder, we have taken into consideration the following principal factors and reasons:

#### (1) Background of the Shareholders' Loan Agreement

##### *Business overview of the Group*

As referred to in the Board Letter, 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.

Set out below are the financial results of the Group for the six months ended 30 June 2009 and the two years ended 31 December 2008 as extracted from the Company's interim report for the six months ended 30 June 2009 (the "Interim Report") and its annual report for the year ended 31 December 2008 (the "Annual Report") respectively:

	<b>For the six months ended 30 June 2009 (unaudited) HK\$'000</b>	<b>For the year ended 31 December 2008 (audited) HK\$'000</b>	<b>For the year ended 31 December 2007 (audited) HK\$'000</b>
Turnover	1,264,521	3,118,692	2,991,625
Gross profit	146,801	581,296	786,431
(Loss)/profit for the period/year attributable to equity holders of the Company	(83,348)	(371,535)	231,253
	<b>As at 30 June 2009 (unaudited) HK\$'000</b>	<b>As at 31 December 2008 (audited) HK\$'000</b>	<b>As at 31 December 2007 (audited) HK\$'000</b>
Total equity	2,990,471	3,083,818	3,253,494
Bank balances and cash	839,953	856,877	839,210
Net borrowings	1,504,464	1,572,604	938,792

---

## LETTER FROM GUANGDONG SECURITIES

---

From the above table, we note that the Group's turnover for the year ended 31 December 2008 had increased slightly as compared to the prior year. Nevertheless, with reference to the Annual Report, the Group turned into a loss making position for the year ended 31 December 2008 due to the global financial crisis which had negative impact on the Group's business and the one-off loss of approximately HK\$314.12 million arising from the closure of a manufacturing facility of the Group. With reference to the Interim Report, the Group continued to suffer from the economic turndown which affected the demands of the Group's products. However, mitigated by the domestic demand through the People's Republic of China (the "PRC") economic stimulation plan and overseas customers' inventory rebuilding, the manufacturing capacity utilisation rates were smoothly back into the normal track in the second quarter of 2009.

The Group had bank balances and cash of approximately HK\$839.95 million as at 30 June 2009. In addition, net proceeds of approximately HK\$437.6 million were raised from the rights issue by the Company as announced on 26 June 2009 and was completed on 13 August 2009 (the "Rights Issue"), of which (i) approximately HK\$150 million was intended to finance the operating and capital expenditure for CSMC Asia; (ii) approximately HK\$140 million was intended to finance the capital expenditure for new technology development and manufacturing capability enhancement; and (iii) approximately HK\$147.6 million was intended to be used as working capital. According to the Management, the bank balances and cash of the Group was approximately HK\$1,156.33 million as at 31 August 2009.

### *Information on CSMC Asia*

According to the Board Letter, CSMC Asia is a private company incorporated in Hong Kong with limited liability. It is a joint venture project between the Company and China Resources Holdings. CSMC Asia is owned as to 19% by Jolly China and 81% by Joyous China. CSMC Asia indirectly owns the entire issued share capital of CSMC Technologies Fab2 Co., Ltd. ("Fab2"), an 8-inch wafer fabrication facility operator in Wuxi, Jiangsu Province, the PRC.

As advised by the Management, the Group's open foundry business principally focused on 6-inch wafer fabrication operation, which is well capable to serve the domestic mainstream market. As the market demands smoothly migrate to more advanced process technologies with higher geometry requirement and the Group's internal technologies development roadmap continues to improve, through Fab2, the Group is able to provide 8-inch open foundry services. Due to the aforesaid demand, the Management are of the view that the development of CSMC Asia and Fab2 is essential for the Group since it would (i) further consolidate and expand the Group's market position and customer base; (ii) increase the Group's access to more advanced process technologies and thus expand the Group's product and service chain; and (iii) increase the Group's productive capacity, in order to enhance the Group's competitiveness against other players in the industry and allow the Group to meet the growing demands from domestic market in the PRC and overseas customers as well.

---

## LETTER FROM GUANGDONG SECURITIES

---

### (2) Reasons for the Shareholder's Loan Agreement

With reference to the Board Letter, the shareholders' loans are being provided to support the long term development of CSMC Asia and to refinance its borrowings and working capital.

As mentioned under the section headed "Business overview of the Group" of this letter, the Group had bank balances and cash of approximately HK\$839.95 million as at 30 June 2009 and net proceeds of approximately HK\$437.6 million raised from the Rights Issue. In addition, the bank balances and cash of the Group was approximately HK\$1,156.33 million as at 31 August 2009 as provided by the Management. The Management had not considered applying such cash for early repayment of the Group's existing borrowings since the Management considered that the Group is maintaining a moderate gearing level.

Given that the development of CSMC Asia and Fab2 is essential for the Group as mentioned under the foregoing section, the Directors (excluding the independent non-executive Directors) consider that it is in the commercial interests of the Company to advance the relevant amount of unused cash (including part of the net proceeds from the Rights issue of HK\$150 million which was intended to finance the operating and capital expenditure for CSMC Asia) to CSMC Asia.

Having considered the aforesaid reasons for the Shareholders' Loan Agreement, we are of the view that although the Shareholders' Loan Agreement is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole.

### (3) Principal terms of the Shareholders' Loan Agreement

Set out below are the major terms of the Shareholders' Loan Agreement dated 14 September 2009:

<b>Lenders:</b>	i) Jolly China ii) Joyous China
<b>Borrower:</b>	CSMC Asia
<b>Aggregate amount:</b>	Unsecured shareholders' loans of US\$202,000,000 which will be provided as to 19% or US\$38,380,000 by Jolly China and as to 81% or US\$163,620,000 by Joyous China
<b>Term:</b>	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
<b>Interest:</b>	Interest is referenced to normal commercial rate or rate preferable to the Company

---

## LETTER FROM GUANGDONG SECURITIES

---

**Repayment:**

The principal amount shall be repayable in full by CSMC Asia 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 Jolly China and Joyous China by serving to CSMC Asia a 30-days written notice. CSMC Asia 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 Jolly China and Joyous China

Pursuant to the Shareholders' Loan Agreement, the interest rate payable by CSMC Asia to the Company is referenced to normal commercial rate or rate preferable to the Company. Upon our further enquiry, the Management advised us that the existing bank facility of CSMC Asia is associated with an interest rate over the London Interbank Offered Rate (“**LIBOR**”), with guarantee provided by China Resources Holdings and the Company but without asset pledged. Recently, CSMC Asia has received loan quotations from commercial banks with borrowing rates over 6-month LIBOR and with guarantee from China Resources Holdings, but no asset pledged. We have requested for the quotations and the Management confirmed us that the interest rate of the Financial Assistance will be determined at a higher rate to those offered by the commercial banks over 6-month LIBOR, after taking into account the nature of the Financial Assistance and the absence of both corporate guarantee and asset pledged. With reference to Bloomberg, the “6-month LIBOR” for US\$ ranged from approximately 0.76% to 1.96% for the period from January 2009 to August 2009. As advised by the Management, it is a common practice for commercial banks to charge interest at a rate with reference to the LIBOR on corporate loans.

In light of all the foregoing, we consider the terms of the Shareholders' Loan Agreement to be on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

**(4) Financial effects of the provision of the Financial Assistance**

*Effect on net asset value (“NAV”)*

Based on the Interim Report, the consolidated NAV of the Group was approximately HK\$2,990.47 million as at 30 June 2009. As confirmed by the Management, the provision of the Financial Assistance would not have material impact on the NAV of the Group.

*Effect on earnings*

Since the Financial Assistance would (i) incur interest income for the Group; and (ii) support the long term development of CSMC Asia, the Management expected that the provision of the Financial Assistance would likely to have a positive impact on the future earnings of the Group.

---

## LETTER FROM GUANGDONG SECURITIES

---

### *Effect on gearing*

As at 30 June 2009, the Group's gearing level (being calculated as net borrowings over total equity) was approximately 50.31%. Since the provision of the Financial Assistance would reduce the bank balances and cash of the Group thus increase the net borrowings of the Group, the Management are of the view that the provision of the Financial Assistance would likely to increase the Group's gearing level.

### *Effect on working capital*

As advised by the Management, the provision of the Financial Assistance would reduce the working capital of the Group.

Taking into account the aforesaid possible financial effects of the provision of the Financial Assistance, to the Group, as balanced by the possible benefits of the provision of the Financial Assistance, we are of the view that the provision of the Financial Assistance is in the interests of the Company and the Shareholders as a whole.

It should be noted that the aforementioned analyses are for illustrative purpose only and does not purport to represent how the financial position of the Group will be upon the provision of the Financial Assistance.

### **RECOMMENDATION**

Having taken into account the above factors and reasons, we are of the opinion that (i) the terms of the Shareholders' Loan Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) although the Shareholders' Loan Agreement is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Shareholders' Loan Agreement and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,

For and on behalf of

**Guangdong Securities Limited**

**Huang Qiang**

*Responsible Officer*

**Frankie Yan**

*Responsible Officer*



---

## GENERAL INFORMATION

---

### 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

### 2. DIRECTORS' INTERESTS IN SECURITIES

Save as disclosed below, as at the Latest Practicable Date, none of the Directors had any interest and/or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) was required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules:

#### (a) Interests in the Shares

Name of Director	Capacity	Long/short position	Number of the Shares	Percentage of the issued share capital of the Company
Mr. Song Lin	Beneficial owner	Long	1,245,533	0.01%
Dr. Peter Chen Cheng-yu	Beneficial owner	Long	39,623,200	0.45%
Mr. Wang Guoping	Beneficial owner	Long	9,589,872	0.11%
Mr. Zhu Jinkun	Beneficial owner	Long	2,669,150	0.03%
Mr. Jiang Wei	Beneficial owner	Long	537,614	0.01%
Mr. Li Fuzuo	Beneficial owner	Long	918,000	0.01%
Mr. Du Wenmin	Beneficial owner	Long	1,458,000	0.02%
Mr. Frank Lai Ni Hium	Beneficial owner	Long	14,650,605	0.17%
Mr. Ralph Sytze Ybema	Beneficial owner	Long	4,000,000	0.05%
Prof. Ko Ping Keung	Beneficial owner	Long	2,173,458	0.02%

---

## GENERAL INFORMATION

---

(b) **Interests in issued ordinary shares and underlying shares of the associated corporations of the Company**

(i) *CHINA RESOURCES ENTERPRISE, LIMITED (“CRE”)*

Name of Director	Capacity	Number of issued ordinary shares	Long/short position	Percentage of the issued share capital of CRE
Mr. Song Lin	Beneficial owner	1,100,000	Long	0.046%
Mr. Zhu Jinkun	Interest of spouse	42,000	Long	0.002%
Mr. Jiang Wei	Beneficial owner	240,000	Long	0.010%
Mr. Du Wenmin	Beneficial owner	100,000	Long	0.004%

(ii) *CHINA RESOURCES LAND LIMITED (“CR Land”)*

Name of Director	Capacity	Number of issued ordinary shares	Long/short position	Percentage of the issued share capital of CR Land
Mr. Zhu Jinkun	Beneficial owner	100,000	Long	0.002%
Mr. Jiang Wei	Beneficial owner	892,000	Long	0.018%
Mr. Li Fuzuo	Beneficial owner	1,000,000	Long	0.020%
Mr. Du Wenmin	Beneficial owner	790,000	Long	0.016%

Name of Director	Capacity	Number of share options	Exercise price per share (HK\$)	Date of grant	Percentage of the issued share capital of CR Land
Mr. Song Lin	Beneficial owner	900,000	1.23	01/06/2005 <sup>(1)</sup>	0.018%
Mr. Du Wenmin	Beneficial owner	250,000	1.23	01/06/2005 <sup>(1)</sup>	0.005%

*Notes:*

1. The options are exercisable in four batches from 1 June 2006, 2007, 2008 and 2009 to 31 May 2015.
2. In each case, HK\$1.00 was paid upon acceptance of the share options granted.

---

## GENERAL INFORMATION

---

(iii) CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED (“CR Power”)

Name of Director	Capacity	Number of issued ordinary shares	Long/short position	Percentage of the issued share capital of CR Power
Mr. Song Lin	Beneficial owner	1,386,000	Long	0.030%
Mr. Zhu Jinkun	Beneficial owner	198,000	Long	0.004%
Mr. Wang Guoping	Beneficial owner	418,000	Long	0.009%
Mr. Jiang Wei	Beneficial owner	840,000	Long	0.018%
Mr. Li Fuzuo	Beneficial owner	741,780	Long	0.016%
Mr. Du Wenmin	Beneficial owner	297,000	Long	0.006%

Name of Director	Capacity	Number of share options	Exercise price per share (HK\$)	Date of grant	Percentage of the issued share capital of CR Power
Mr. Song Lin	Beneficial owner	814,400	2.750	12/11/2003 <sup>(1)</sup>	0.029%
		549,720	3.919	18/03/2005 <sup>(2)</sup>	
Mr. Zhu Jinkun	Beneficial owner	101,800	2.750	12/11/2003 <sup>(1)</sup>	0.002%
Mr. Jiang Wei	Beneficial owner	203,600	2.750	12/11/2003 <sup>(1)</sup>	0.012%
		366,480	3.919	18/03/2005 <sup>(2)</sup>	
Mr. Li Fuzuo	Beneficial owner	61,080	3.919	18/03/2005 <sup>(2)</sup>	0.001%
Mr. Du Wenmin	Beneficial owner	183,240	2.750	12/11/2003 <sup>(1)</sup>	0.004%

*Notes:*

1. The options granted on 12 November 2003 are exercisable in five batches from 6 October 2004, 2005, 2006, 2007 and 2008 to 5 October, 2013.
2. The options granted on 18 March 2005 are exercisable in five batches from 18 March 2006, 2007, 2008, 2009 and 2010 to 17 March 2015.
3. In each case, HK\$1.00 was paid upon acceptance of the share options granted.

---

## GENERAL INFORMATION

---

(iv) *CHINA RESOURCES GAS GROUP LIMITED* (“*CR Gas*”)

Name of Director	Capacity	Number of issued ordinary shares	Long/short position	Percentage of the issued share capital of CR Gas
Mr. Li Fuzuo	Beneficial owner	51,000	Long	0.004%
Mr. Du Wenmin	Beneficial owner	54,000	Long	0.004%
Mr. Zhu Jinkun	Beneficial owner	100,000	Long	0.007%

### 3. DIRECTORS' OTHER INTERESTS

- a. As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have since 31 December 2008 (being the date to which the latest published audited consolidated accounts of the Group were made up) been acquired or disposed of by or leased to or by the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by or leased to or by the Company or any of its subsidiaries.
- b. As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by the Company or any of its subsidiaries, which was subsisting and was significant in relation to the business of the Group.
- c. As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any of its subsidiaries which does not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).
- d. As at the Latest Practicable Date, the Directors were not aware that any of the Directors or their respective associates has interest in any business, which competes or is likely to compete, either directly or indirectly, with the business of the Group, other than those positions in other businesses which the Directors and/or such associates were appointed to represent the interests of the Company and/or the Group.

---

## GENERAL INFORMATION

---

### 4. SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any person (other than a Director or chief executive of the Company) who had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

(a) **The Company:**

Name of shareholders	Capacity	No. of Shares held	Long/short position	Approximate % of shareholding
China Resources National Corporation <i>(note)</i> (“CRNC”)	Interest of controlled companies	5,326,850,822	Long	60.61%
China Resources Co., Limited <i>(note)</i> (“CRCL”)	Interest of controlled companies	5,326,850,822	Long	60.61%
CRC Bluesky Limited <i>(note)</i>	Interest of controlled companies	5,326,850,822	Long	60.61%
China Resources Holdings <i>(note)</i>	Interest of controlled companies	5,326,850,822	Long	60.61%
Gold Touch Enterprises Inc. <i>(note)</i> (“Gold Touch”)	Beneficial owner	5,326,850,822	Long	60.61%

*Note:* Gold Touch directly held 5,326,850,822 Shares as at the Latest Practicable Date. Gold Touch is a wholly owned subsidiary of China Resources Holdings. CRNC is a state owned enterprise which is the parent company of CRCL, a company incorporated in the PRC, which in turn is the parent company of CRC Bluesky, a company incorporated in the British Virgin Islands, which is in turn the parent company of China Resources Holdings, a company incorporated in Hong Kong. Each of CRNC, CRCL, CRC Bluesky and China Resources Holdings is deemed to be interested in 5,326,850,822 Shares.

(b) **Other members of the Group:**

Other members of the CRM Group	Name of substantial shareholder	Percentage of shareholding
Micro Assembly Technologies Limited	STATS ChipPAC Ltd.	25%

---

## GENERAL INFORMATION

---

### 5. QUALIFICATION AND CONSENT OF EXPERT

Guangdong Securities, the Independent Financial Adviser, is a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO.

Guangdong Securities has given and has not withdrawn its written consent to the issue of this circular with copies of its letter and the references to its name included herein the form and context in which they respectively appear.

As at the Latest Practicable Date, Guangdong Securities was not interested in any Share or share in any member of the Group, nor does it have any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any Share or share in any member of the Group, and had not any direct or indirect interests in any assets which have since 31 December 2008 (being the date to which the latest published audited consolidated accounts of the Group were made up) been acquired or disposed of by or leased to or by the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by or leased to or by the Company or any of its subsidiaries.

### 6. MATERIAL ADVERSE CHANGE

Save as disclosed in the interim report 2009 of the Company published on 22 September, 2009 in respect of the interim financial information of the Group for the six months ended 30 June, 2009, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position or outlook of the Company since 31 December 2008, being the date of the latest published audited financial statements of the Company.

### 7. GENERAL

The English text of this circular and the accompanying form of proxy shall prevail over the Chinese text.

### 8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any weekday (public holidays excepted) at the head office of the Company at Room 4003-4005, 40/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong up to and including, 12 October, 2009, being the date of the EGM:

- a. the shareholders' loan agreement dated 14 September, 2009 entered into among Jolly China Investments Limited and Joyous China Investments Limited as lenders and CSMC Asia Limited as borrower;
- b. letter from the Independent Board Committee as set out on page 7 to this circular;
- c. the letter from Guangdong Securities to the Independent Board Committee and the independent shareholders of the Company as set out on pages 8 to 14 of this circular; and
- d. the written consent referred to in paragraph 5 of the section headed "General Information".

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---



**華潤微電子有限公司**

**China Resources Microelectronics Limited**

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

**(Stock Code: 597)**

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of China Resources Microelectronics Limited (the “**Company**”) will be held at China Resources Banquet Hall, 4/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on 12 October, 2009 at 10:00 a.m. (the “**Extraordinary General Meeting**”) for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolution:

### AS ORDINARY RESOLUTION

“**THAT:**

- (a) the shareholders’ loan agreement (the “**Shareholders’ Loan Agreement**”) dated 14 September, 2009 entered into among Jolly China Investments Limited (“**Jolly China**”), an indirect wholly-owned subsidiary of China Resources Microelectronics Limited (the “**Company**”), and Joyous China Investments Limited (“**Joyous China**”) as lenders and CSMC Asia Limited, a joint venture held as to 19% by Jolly China and 81% by Joyous China, as borrower (a copy of which is produced to the meeting marked “A” and signed by the chairman of the meeting for the purposes of identification), pursuant to which Jolly China and Joyous China will provide shareholders’ loans in an aggregate amount of US\$202 million to CSMC Asia Limited on a pro rata basis according to their respective shareholdings, be and is hereby approved, confirmed and ratified in all respects and all the transactions contemplated pursuant to the Shareholders’ Loan Agreement be and are hereby approved, confirmed and ratified in all respects; and
- (b) any one director of the Company or any other person authorised by the board of directors of the Company from time to time be and are hereby authorised to sign, execute, perfect and deliver and where required, affix the common seal of the Company to, all such documents, instruments and deeds, and do all such actions which are in his opinion necessary, appropriate, desirable or expedient for the implementation of the Shareholders’ Loan Agreement, all other transactions contemplated under or incidental to the Shareholders’ Loan Agreement and all other matters incidental thereto or in connection therewith.”

By Order of the Board of Directors  
**China Resources Microelectronics Limited**  
**SONG Lin**  
*Chairman*

Hong Kong, 26 September, 2009

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

*Registered office:*

Scotia Centre  
P.O. Box 2804 GT, George Town  
Grand Cayman, Cayman Islands

*Head Office and principal place of business:*

No.14 Liangxi Road  
Wuxi, Jiangsu  
214061  
PRC

*Place of business in Hong Kong under  
Part XI of the Companies Ordinance:*

Room 4003-4005,  
China Resources Building,  
26 Harbour Road,  
Wanchai,  
Hong Kong

*Notes:*

1. Each Shareholder entitled to attend and vote at the Extraordinary General Meeting may, by completing the form of proxy of the Company, appoint one or more proxies (who must be an individual) to attend and vote at the Extraordinary General Meeting or any adjournment thereof (as the case maybe) on his behalf. A proxy need not be a shareholder of the Company.
2. Shareholders must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed under the hand of the appointer or of his attorney authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
3. To be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited (address: 1806-1807, 18/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong), not less than 48 hours before the time appointed for holding the Extraordinary General Meeting or any adjourned meeting thereof (as the case may be).
4. Completion and return of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Extraordinary General Meeting or any adjourned meeting thereof or poll concerned and, in such event, the form of proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any Share, any one of such persons may vote at the Extraordinary General Meeting or any adjournment thereof (as the case maybe), either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the Extraordinary General Meeting or any adjournment thereof (as the case maybe), personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members of the Company in respect of the relevant joint holding.