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CONNECTED TRANSACTION

The Board announces that on 13 January 2011, Fab 5, a wholly owned subsidiary of the Company, entered into an asset transfer agreement in relation to purchase certain equipment from Fab 2. Fab 2 is an 8-inch wafer fabrication facility indirectly owned as to 81% by CRH and 19% by the Company, and therefore is a connected person of the Company under the Listing Rules.

The transaction contemplated under the asset transfer agreement therefore constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios are below 5%, the transaction will only be subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under the Listing Rules.

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A summary of the terms of the asset transfer agreement are as follows:-

Date:	13 January 2011
Parties:	Fab 5, a wholly-owned subsidiary of the Company, and Fab 2, an 8-inch fabrication facility indirectly owned as to 81% by CRH and 19% by the Company
Nature of transactions:	Fab 5 has agreed to purchase from Fab 2 certain equipment at a consideration of

approximately RMB3.8 million, using its internal resources.

Purchase Price:	The purchase price was arrived after arm's length negotiation between the parties with reference to the net book value of the equipment as at 31 December 2010 plus certain de-installation costs as well as to the market value. The net book value of the equipment as at 31 December 2010 was US\$560,000, which was also the original acquisition cost of Fab 2.
Payment Terms:	The considerations shall be paid in cash in one lump sum payment within 10 business days after delivery orders made by the purchaser are confirmed.
Completion Date:	Completion shall take place on the day on which the asset has been transferred to the purchaser.

Rationale for entering into the asset transfer agreement

Fab 5, being a 6-inch wafer foundry operator in China, plans to maintain its manufacturing capacity by acquiring excess equipment from Fab 2 to enhance its bottle-neck capability and replace certain outmoded equipment. This acquisition will also improve Fab 5's manufacturing precision into a higher level.

The Directors believe that the transaction contemplated under the asset transfer agreement can enhance the manufacturing capability of the existing foundry in a more efficient manner and is in the interests of the Company and its Shareholders as a whole. The Directors are of the view that the terms of the asset transfer agreement are entered into on an arm's length basis, on normal commercial terms and are fair and reasonable in so far as the interests of the Shareholders are concerned.

Listing Rules implications

Fab 5 is a wholly-owned subsidiary of the Company principally engaged in 6-inch wafer fabrication. Fab 2 is an 8-inch wafer fabrication facility indirectly owned as to 81% by CRH and 19% by the Company, and therefore a connected person of the Company under the Listing Rules. The transaction contemplated under the asset transfer agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios of the transaction under the asset transfer agreement are less than 5%, the transaction is only subject to reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempted from the independent shareholders' approval requirements under the Listing Rules.

No Directors have material interest under the asset transfer agreement.

General

Information on the Group and Fab 2

The Group, through its subsidiary companies, is principally engaged in Integrated Circuit ("IC") open foundry operations as well as IC design, discrete devices and IC testing and packaging. Its operations are located primarily in Wuxi, Shenzhen, Shanghai, Beijing and Hong Kong.

Fab 2 is an 8-inch open foundry principally engaged in wafer fabrication and it is indirectly wholly owned as to 81% by CRH and 19% by the Company.

DEFINED TERMS USED IN THIS ANNOUNCEMENT

"Board"	the board of Directors
"Company"	China Resources Microelectronics Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange
"CRH"	China Resources (Holdings) Company Limited, the substantial and controlling shareholder of the Company
"Director(s)"	director(s) of the Company, including independent non-executive director(s)
"Fab 2"	CSMC Technologies Fab 2 Co., Ltd., a company incorporated in the PRC and indirectly owned as to 81% by CRH and 19% by the Company
"Fab 5"	Wuxi CR Semiconductor Wafers & Chips Ltd., a company incorporated in the PRC and indirectly wholly-owned by the Company
"Group"	the Company and its subsidiaries

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People's Republic of China, which, for the purpose of this announcement, unless otherwise specified, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the legal currency of the PRC
“Shareholders”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar, the legal currency of the United States of America

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

Hong Kong, 13 January 2011

As at the date of this announcement, the board of directors of the Company comprises two executive directors, namely Mr. WANG Guoping (Chairman) and Mr. Elvis DENG Mao-song (Chief Executive Officer); five non-executive directors, namely Dr. Peter CHEN Cheng-yu, Mr. DU Wenmin, Mr. SHI Shanbo, Mr. WEI Bin and Dr. ZHANG Haipeng; and five independent non-executive directors, namely Mrs. OON Kum Loon, Mr. Ralph Sytze YBEMA, Professor KO Ping Keung, Mr. LUK Chi Cheong and Mr. WONG Tak Shing.