



華潤勵致有限公司*

China Resources Logic Limited

(Incorporated in Bermuda with limited liability)

MASTER AGREEMENT AND CUSTOMER REFERRAL AGREEMENT BETWEEN CHARTERED AND CSMC-TECH, AN ASSOCIATED COMPANY

Summary

This announcement is made pursuant to paragraph 2 of the Listing Agreement.

On 28th August, 2003, CSMC-Tech, an Associated Company and Chartered entered into a Master Agreement in which Chartered agrees to sell Equipment, transfer and licence the Licenced Chartered Technology and provide operational assistance to CSMC-Tech in consideration of (i) a cash payment by CSMC-Tech and (ii) allotment and issue of certain number of Ordinary Shares by CSMC-Tech to Chartered, credited as fully paid. The allotment and issue of the Ordinary Shares are subject to, inter alia, the terms and conditions of a Subscription Agreement. On the same day, Chartered also entered into a Customer Referral Agreement with CSMC-Tech, pursuant to which Chartered may introduce customers which require Foundry Services to CSMC-Tech in consideration of allotment and issue of certain number of Ordinary Shares by CSMC-Tech, credited as fully paid.

Reference is also made to the Company's announcement dated 5th August, 2003 in which it was mentioned that a strategic partner may invest in CSMC-Tech pursuant to the Investment Agreement. Chartered, by being allotted and issued the Ordinary Shares as afore-mentioned, becomes the strategic partner envisaged under the Investment Agreement.

MASTER AGREEMENT AND CUSTOMER REFERRAL AGREEMENT

Date and Parties of the Master Agreement

28th August, 2003
between CSMC-Tech and Chartered

Major terms of the Master Agreement

Chartered agrees (i) to sell Equipment, (ii) transfer and license the Licensed Chartered Technology, and (iii) provide operational assistance to CSMC-Tech. Pursuant to the Master Agreement and to give effect to the above intentions of both Chartered and CSMC-Tech, both Chartered and CSMC-Tech on 28th August, 2003 entered into the Equipment Purchase Agreement, the Technology Transfer and License Agreement and the Operational Assistance Agreement respectively in respect of the subject matter of (i) to (iii) afore-mentioned.

The total consideration payable by CSMC-Tech shall be US\$33 million which comprises a cash payment and the allotment and issue of certain number of Ordinary Shares, credited as fully paid. The payment in cash and allotment and issue of Ordinary Shares will be settled by installments. The allotment and issue of Ordinary Shares is subject to, inter alia, the terms and conditions of a Subscription Agreement entered into on 28th August, 2003 among, inter alia, CSMC-Tech, Chartered and CRM. CRM, being the holding company of Faithway, which is one of the founding shareholders of CSMC-Tech, has to, together with the Managers, Stockside, CSMC, give to Chartered certain warranties which include information relating to CSMC-Tech Group under the Subscription Agreement. The transactions contemplated under the Master Agreement are conditional upon First Tranche Completion having taken place under the Investment Agreement.

Date and Parties of the Customer Referral Agreement

28th August, 2003
between CSMC-Tech and Chartered

Major terms of the Customer Referral Agreement

Chartered, using commercially reasonable efforts, may introduce customers which require Foundry Services to the CSMC-Tech Group. In consideration of the customer referral services provided by Chartered, CSMC-Tech agrees to pay to Chartered a referral fee for each referral. Any referral fees payable shall be satisfied by the allotment and issue by CSMC-Tech Ordinary Shares (not exceeding a certain number) up to a value of US\$5 million, credited as fully paid. The transactions contemplated under the Customer Referral Agreement is conditional upon the First Tranche Completion having taken place under the Investment Agreement.

SHAREHOLDINGS IN CSMC-TECH UPON COMPLETION OF THE TRANSACTIONS

Reference is made to the Company's announcement dated 5th August, 2003 in which the Company through its indirectly wholly owned subsidiary, Faithway, has entered into the Investment Agreement which provides for investors mentioned therein to invest in CSMC-Tech up to a maximum value of US\$83 million. It is provided for in the Investment Agreement that a strategic partner may in the future invest in CSMC-Tech. By (a) allotting and issuing Ordinary Shares to Chartered pursuant to the Master Agreement, the Subscription Agreement and the Customer Referral Agreement and (b) Chartered having entered on 28th August, 2003 into an Accession Agreement with all the parties to the Investment Agreement, Chartered becomes the strategic partner envisaged under the Investment Agreement.

Assuming the Transactions and the transactions contemplated under the Investment Agreement have all been completed, the shareholdings of Faithway, Stockside, Investors (other than Faithway) and Chartered will represent 29.21%, 24.24%, 35.40% and 11.15% respectively of CSMC-Tech's issued share capital assuming all Series A Shares have been converted into Ordinary Shares at the conversion rate of 1 Ordinary Share for 1 Series A Share.

INFORMATION ON CHARTERED

Chartered, one of the world's top three dedicated semiconductor foundries, is forging a customized approach to outsourced semiconductor manufacturing by building lasting and collaborative relationship with its customers. It provides flexible and cost-effective manufacturing solutions for customers, enabling the convergence of communications, computing and consumer markets. In Singapore, Chartered operates five fabrication facilities and has a sixth fab, which will be developed as 300mm facility.

On 26th November, 2002 Chartered and IBM Microelectronics announced a joint development and manufacturing agreement designed to provide customers with greater access to leading-edge semiconductor technologies and sourcing flexibility. Under terms of the multi-year development agreement, the two companies plan to jointly develop and align on 90 nanometer (nm) and 65nm logic processes for foundry chip production on 300 millimeter (mm) silicon wafers. On 6th August, 2003, Chartered, IBM and Infineon Technologies AG announced that Infineon joined the development agreement to accelerate the move to 65 nanometer (nm) semiconductor manufacturing process technology.

A company with both global presence and perspective, Chartered is traded on both the Nasdaq Stock Market (Nasdaq: CHRT) and on the Singapore Exchange (SGX-ST: CHARTERED). Chartered's 3,500 employees are based at 11 locations around the world.

BENEFITS OF THE TRANSACTIONS TO THE GROUP

The Chinese IC market has been growing rapidly registering a compound annual growth rate of more than 35% over the recent years. CSMC-Tech Group has been the first mover in the PRC open foundry business when it established the first open foundry in China to ride on the rapidly rising demand for such services from fabless design houses and integrated device manufacturers, both local and overseas. CSMC-Tech Group has ramped up production volume rapidly over the short period since commencing operation.

CSMC-Tech Group operates one of the lowest cost open foundries in the PRC based on its low capex and matured technology model which is well suited for the PRC market. With the rapid growth of design houses in the PRC and the acceleration of outsourcing of production from integrated device manufacturers, CSMC-Tech Group needs to expand its fabrication capacity in order to satisfy such rising demand for its services. The invitation to new investors to subscribe for additional shares of CSMC-Tech on 5th August, 2003 will provide the necessary funding for such expansion purpose. CSMC-Tech intends to use the funds so raised to acquire additional used machinery and related facilities. CSMC-Tech intends to offer its shares to the public on a suitable stock exchange within the next few years.

Chartered is one of the top three semiconductor foundries in the world, providing leading edge foundry services to global customers. The invitation of Chartered as a strategic partner provides CSMC-Tech with the equipment and technology road map to upgrade from the existing 0.45µm platform as and when the market dictates such requirement.

CR Logic's semiconductor business operation is currently one of the largest PRC enterprises in the consumer electronics IC segment. The essence of its business model includes using matured IC technology and hence relatively low capital expenditure to produce long product life cycle consumer electronics IC's suitable for the PRC market. CSMC-Tech's business model as described previously is in total congruent with that of CR Logic. Moreover, Wuxi China Resources Semico Company Limited, an indirectly wholly owned subsidiary of CR Logic, engaging in the business of fabless IC designing, uses CSMC-Tech as its foundry supplier and is one of the major customers of CSMC-Tech. Thus, both the business of CR Logic and that of CSMC-Tech are strategically and complementarily aligned to tap the vast potential of the PRC market.

The Board believes that the business model of CSMC-Tech Group is ideally suited for the PRC market and that CSMC-Tech should expand its capacity to ride on the growing demand for foundry services in the PRC. The equipment purchase and technology tie up with Chartered complement and satisfy the technology migration directions of both CSMC-Tech and Chartered. On completion of all the subscription under the Subscription Agreement, the Customer Referral Agreement and the Investment Agreement, the Group will also become the single largest shareholder of CSMC-Tech with 29.21% interest in the share capital of CSMC-Tech. CSMC-Tech will be treated as an Associated Company of the Company.

The Board believes that the leveraging of the expertise of CSMC-Tech management and the international connections of the Investors plus the equipment and technology road map from Chartered, against the backdrop of the booming semiconductor market in the PRC, represent the best avenue to realize the potential of CSMC-Tech. The Board believes that being the single largest shareholder of CSMC-Tech after the restructuring referred to in the Investment Agreement, and inviting internationally renowned investors plus Chartered will enhance the value of the Company's current and future investment in CSMC-Tech and consequently benefit the shareholders of the Company.

GENERAL

This announcement is made pursuant to paragraph 2 of the Listing Agreement.

Chartered is an independent third party and is not a connected person of the Company.

The Group is engaged in semiconductor, air-conditioner compressor and office furniture businesses.

The Board wishes to emphasise that as at the date of this announcement, the First Tranche Completion have not yet taken place and therefore the Transactions are yet to materialise as they are conditional upon First Tranche Completion having occurred. The public investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

DEFINITION

For the purpose of this announcement, capitalized terms, appearing herein shall, unless the context otherwise admits, have the meanings set out below:-

"Accession Agreement" the accession agreement entered into among Chartered and all the other parties to the Investment Agreement on 28th August, 2003 in which Chartered agrees, inter alia, to be bound by the Investor Rights Agreement

"Associated Company" a company which is required to be stated in the accounts of the Company pursuant to S.129 of the Companies Ordinance, Cap. 32, Laws of Hong Kong

* For identification purpose only

“Board”	the board of directors of the Company
“Chartered”	Chartered Semiconductor Manufacturing Ltd., a company incorporated in Singapore and having its registered office at 60 Woodlands Industrial Park D, Street 2, Singapore 738406
“Company” or “CR Logic”	China Resources Logic Limited, an exempted company incorporated in Bermuda with limited liability the shares of which are listed on the Stock Exchange
“CRM”	China Resources Microelectronics (Holdings) Limited, a company incorporated in the British Virgin Islands and is an indirectly wholly owned subsidiary of the Company
“CSMC”	Central Semiconductor Manufacturing Corporation, a company incorporated in the Cayman Islands which wholly owns Stockside
“CSMC-Tech”	CSMC Technologies Corporation, a company incorporated in the Cayman Islands
“CSMC-Tech Group”	CSMC-Tech and its subsidiaries from time to time
“Customer Referral Agreement”	the customer referral agreement entered into between Chartered and CSMC-Tech on 28th August, 2003 in which Chartered, using commercially reasonable efforts, may introduce customers which require Foundry Services to CSMC-Tech.
“Equipment”	means the used wafer fabricating equipment more particularly set out in the Equipment Purchase Agreement
“Equipment Purchase Agreement”	the equipment purchase agreement entered into between Chartered and CSMC-Tech on 28th August, 2003, pursuant to the Master Agreement for the purchase of Equipment by CSMC-Tech on terms and conditions provided therein
“Faithway”	Faithway Resources Limited, a company incorporated in the British Virgin Islands and is a wholly owned subsidiary of CRM
“First Tranche Completion”	shall have the same meanings ascribed to it in the Company’s announcement dated 5th August, 2003
“First Tranche Completion Date”	shall have the same meanings ascribed to it in the Company’s announcement dated 5th August, 2003
“Foundry Services”	means the supply of both production and prototype wafers
“Group”	the Company together with its subsidiaries
“Hong Kong”	The Hong Kong Special Administration Region of The People’s Republic of China
“Investors”	shall have the same meanings ascribed to it in the Company’s announcement dated 5th August, 2003
“Investment Agreement”	the investment agreement entered into on 5th August, 2003 as more particularly described in the Company’s announcement dated 5th August, 2003
“Investor Rights Agreement”	the investor rights agreement referred to in the Company’s announcement dated 5th August, 2003 which will be entered into by parties to the Investment Agreement on First Tranche Completion Date
“Licensed Chartered Technology”	means the licensed wafer fabricating process and technology of Chartered more particularly set out in the Technology Transfer and License Agreement
“Listing Agreement”	the Listing Agreement entered into between the Company and the Stock Exchange, as the same may be amended from time to time in accordance with part B of appendix 7 of the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Managers” and each a “manager”	Peter Cheng Yu Chen, Robert Naii Lee and Frank Ni-Hium Lai
“Master Agreement”	the master agreement entered into between Chartered and CSMC-Tech on 28th August, 2003 in which Chartered agrees to sell to CSMC-Tech the Equipment, transfer and license the Licensed Chartered Technology and provide operational assistance to CSMC-Tech
“Operational Assistance Agreement”	the operational assistance agreement entered into between Chartered and CSMC-Tech on 28th August, 2003 pursuant to the Master Agreement for operational assistance provided by Chartered to CSMC-Tech on the terms and conditions provided therein
“Ordinary Shares”	shall have the same meanings ascribed to it in the Company’s announcement dated 5th August, 2003
“Series A Shares”	shall have the same meanings ascribed to it in the Company’s announcement dated 5th August, 2003
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Stockside”	Stockside Limited, a company incorporated in the British Virgin Islands and is a wholly owned subsidiary of CSMC
“Subscription Agreement”	the share subscription agreement entered into among (i) CSMC-Tech; (ii) Chartered; (iii) CRM; (iv) CSMC; (v) Managers and (vi) Stockside in which CSMC-Tech will allot and issue certain number of Ordinary Shares to Chatered, which represents part of the consideration payable under the Master Agreement
“Technology Transfer and License Agreement”	the technology transfer and license agreement entered into between Chartered and CSMC-Tech on 28th August, 2003, pursuant to the Master Agreement for the transfer of information and license of the Licensed Chartered Technology by Chartered to CSMC-Tech on terms and conditions provided therein
“Transactions”	the transactions contemplated under the Master Agreement, the Subscription Agreement and the Customer Referral Agreement
“US\$”	United States dollars, the lawful currency of the United States of America

By the Order of the Board
CHINA RESOURCES LOGIC LIMITED
ZHU Jinkun
Deputy Chairman and Chief Executive Officer