

*For immediate release*



## **CR Logic Announces 2008 Interim Results**

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### **Pursues Higher Growth Potential and Long-term Profitability through Corporate Restructuring**

*Positions itself as the City Gas Distribution Flagship of CR Holdings*

**25 August, 2008, Hong Kong** — **China Resources Logic Limited** (“CR Logic” or the “Company”, HKSE: 1193) today announced its unaudited interim results for the six months ended 30 June, 2008.

In the first half of 2008, CR Logic underwent a corporate restructuring. In March, the Company completed the disposal of its entire semiconductor business (other than the remaining plant located in Tai Po, Hong Kong) and the acquisition of ready mixed concrete business in Hong Kong. The ready mixed concrete business proved to be profitable and contributed positively to the Company’s 2008 interim results.

As a result, for the six months ended 30 June, 2008, the continuing operation of ready mixed concrete business recorded an after-tax profit of HK\$28.4 million whereas the discontinued semiconductor operation recorded an after-tax loss of HK\$51.7 million, resulting in an after-tax net loss for the period of HK\$23.3 million. Loss per share was HK 6 cents.

Commenting on the results, Mr. Ken Ong, Executive Director and Chief Financial Officer of the Company, said, “The first half of 2008 was a transitional stage for the Company. After the recent announcement of the proposed acquisition of China Resources Gas Limited (“CR Gas”) from China Resources (Holdings) Company Limited (“CR Holdings”), we are well-positioned to become the city gas distribution flagship of CR Holdings which will potentially bring greater value to our shareholders.”

Upon the completion of proposed acquisition, the profitable ready mixed concrete business will be retained as a non-core business of the Company.

CR Gas currently operates a portfolio of city gas distribution businesses including natural or petroleum gas pipelines, CNG filling stations, and bottled LPG distribution in seven cities, namely Chengdu, Fuyang, Huaibei, Linhai, Nanjing, Suzhou and Wuxi. CR Gas enjoys favourable revenue, balanced customer mix, and encouraging financial performance. The unaudited consolidated profit attributable to shareholders of CR Gas for the year ended 31 December, 2007 was HK\$193.6 million, representing a year-on-year growth of 104%. For the six months ended 30 June, 2008, the unaudited consolidated profit attributable to shareholders of CR Gas reached HK\$128.1 million.

Mr. Ong said, "The proposed CR Gas acquisition not only allows us to gain access to the promising natural gas industry in China, but also delivers a stable and recurring cash flow as well as high growth potential to the Company. This strategic move also demonstrates our commitment to further accelerating business expansion in a prudent manner and enhancing long-term returns to our shareholders."

Currently, apart from the seven gas projects involved in the acquisition, CR Holdings operates 22 other city gas distribution projects in Eastern, Southern, Central and South-western China.

The continued economic growth and the rapid industrialisation and urbanisation in China have spiked the demand for energy in China. The PRC government has been supportive of the development of natural gas resources in order to reduce reliance on polluting energy sources such as coal and crude oil. The construction of "West to East Gas Transmission" pipelines and the formulation of natural gas usage policy have further facilitated the usage of natural gas.

"Natural gas is considered a cleaner but relatively new conventional energy source compared to coal and crude oil. The supportive government policy and relatively low penetration rate of natural gas in China offer enormous growth potential to us. We are confident that the PRC city gas distribution business will become the Company's major growth driver in 2008 and beyond." Mr. Ong concluded.

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### **About CR Logic**

China Resources Logic Limited is a subsidiary of CR Holdings. On 21 August, 2008, CR Logic announced its proposed acquisition of CR Gas from CR Holdings. Upon the completion of the proposed acquisition, CR Logic will become the city gas distribution flagship of CR Holdings, gaining access to the booming natural gas industry in China.

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**Condensed Consolidated Income Statement  
For The Six Months Ended 30 June, 2008**

	6 months ended 30 June, 2008 <i>HK\$'000</i>	6 months ended 30 June, 2007 <i>HK\$'000</i>
Turnover		
Continuing operations	188,402	176,878
Discontinued operations	428,201	2,451,847
	<u>616,603</u>	<u>2,628,725</u>
Cost of sales	<u>(450,218)</u>	<u>(2,038,878)</u>
Gross profit	166,385	589,847
Other income	11,864	66,408
Selling and distribution expenses	(32,243)	(123,087)
Administrative expenses	(81,473)	(191,295)
Other expenses	(64,746)	(120,525)
Finance costs	(14,791)	(59,789)
Share of results of an associate	<u>(2)</u>	<u>-</u>
Profit (loss) before taxation		
Continuing operations	36,086	(6,501)
Discontinued operations	(51,092)	168,060
	<u>(15,006)</u>	<u>161,559</u>
Taxation		
Continuing operations	(7,651)	(5,600)
Discontinued operations	(617)	(20,675)
	<u>(8,268)</u>	<u>(26,275)</u>
Profit (loss) for the period		
Continuing operations	28,435	(12,101)
Discontinued operations	(51,709)	147,385
	<u>(23,274)</u>	<u>135,284</u>
Attributable to:		
Equity holders of the Company		
Continuing operations	28,435	(12,101)
Discontinued operations	(45,635)	125,370
	<u>(17,200)</u>	<u>113,269</u>
Minority interests	(6,074)	22,015
	<u>(23,274)</u>	<u>135,284</u>
(Loss) earnings per share	<i>HK\$</i>	<i>HK\$</i>
From continuing and discontinued operations		
Basic	(0.06)	0.41
Diluted	N/A	0.40
From continuing operations		
Basic	0.10	(0.04)
Diluted	N/A	N/A