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華潤勵致有限公司
China Resources Logic Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 1193)

ONGOING CONNECTED TRANSACTIONS

The Board of the Company wishes to announce that, China Resources Sanyo, a former non-wholly owned subsidiary of the Company, had sold certain air-conditioner compressor products to Singapore Sanyo during the period from March to August 2007.

The Group had disposed of its Compressor Business in August 2007. Prior to the disposal of Compressor Business, Singapore Sanyo was a wholly owned subsidiary of Sanyo Electric. Sanyo Electric was a substantial shareholder of both China Resources Sanyo and Shengrun Sanyo and was therefore a connected person of the Company. The sales of air-conditioner compressor products by China Resources Sanyo to Singapore Sanyo constituted ongoing connected transactions of the Company.

The aggregate consideration of HK\$6,143,586 involved in respect of the Ongoing Connected Transactions during the Relevant Period exceeded 0.1% but less than 2.5% of the relevant percentage ratios and therefore the Ongoing Connected Transactions would accordingly be subject to the reporting and announcement requirements under rules 14A.45 to 14A.47 of the Listing Rules and would be exempted from the independent shareholders' approval requirement under the Listing Rules. Furthermore, the Ongoing Connected Transactions would also subject to the annual review requirement by independent non-executive directors and auditors of the Company under rules 14A.37 to 14A.41 of the Listing Rules. Prior to the date of this announcement, the Company has not complied with the above requirements.

1. REFERENCE TO THE COMPANY'S ANNOUNCEMENT AND CIRCULAR

Reference is made to the announcement of the Company dated 9th September, 2005 and the circular of the Company dated 30th September, 2005 in which certain ongoing connected transactions were described therein. These ongoing connected transactions are the sales of air-conditioner compressor products by China Resources Sanyo to each of Sanyo's Associates for a period from 1st January, 2005 to 31st December, 2007. The annual amount of sales of air-conditioner compressor products by China Resources Sanyo to Sanyo's Associates pursuant to the sales agreements entered into between China Resources Sanyo and each of Sanyo's Associates would not exceed HK\$265,000,000 for each year from 2005 to 2007. The Company has complied fully as regards these approved connected transactions during the above relevant periods.

2. THE ONGOING CONNECTED TRANSACTIONS WITH SINGAPORE SANYO

China Resources Sanyo, a former non-wholly owned subsidiary of the Company, had sold certain air-conditioner compressor products to Singapore Sanyo during the period from March to August 2007 (the “Relevant Period”). The Group had no prior transaction before March 2007 with Singapore Sanyo. Singapore Sanyo is not one of the five Sanyo’s Associates where ongoing connected transactions have been approved by the Company’s shareholders and independent non-executive directors.

The Group had disposed of its Compressor Business in August 2007. Prior to the disposal of Compressor Business, Singapore Sanyo was a wholly owned subsidiary of Sanyo Electric. Sanyo Electric was a substantial shareholder of both China Resources Sanyo and Shengrun Sanyo and was therefore a connected person of the Company. Since Singapore Sanyo was a wholly owned subsidiary of Sanyo Electric, the sales of air-conditioner compressor products by China Resources Sanyo to Singapore Sanyo constituted ongoing connected transactions of the Company (the “Ongoing Connected Transactions”).

During the Relevant Period due to oversight, China Resources Sanyo had inadvertently sold certain air-conditioner compressor products to Singapore Sanyo without realizing that Singapore Sanyo was not one of the five Sanyo’s Associates where ongoing connected transactions have been approved by the shareholders of the Company. These sales amounted to HK\$6,143,586. There was no formal sales and purchase agreement entered into between the parties and thus the Company did not comply the requirement under rule 14A.35(1) of the Listing Rules which requires the Company to enter into any continuing connected transactions with written agreements. The prices at which air-conditioner compressor products were sold to Singapore Sanyo were at prevailing market prices and were no more favourable than those selling prices quoted to other independent third parties.

3. LISTING RULES IMPLICATIONS

The aggregate consideration of HK\$6,143,586 involved in respect of the Ongoing Connected Transactions during the Relevant Period exceeded 0.1% but less than 2.5% of the relevant percentage ratios and therefore the Ongoing Connected Transactions would accordingly be subject to the reporting and announcement requirements under rules 14A.45 to 14A.47 of the Listing Rules and would be exempted from the independent shareholders’ approval requirement under the Listing Rules. Furthermore, the Ongoing Connected Transactions would also subject to the annual review requirement by independent non-executive directors and auditors of the Company under rules 14A.37 to 14A.41 of the Listing Rules. Prior to the date of this announcement, the Company has not complied with the above requirements.

The Company has acknowledged that it has failed to announce the Ongoing Connected Transactions in a timely manner as required under rules 14A.35(1) and 14A.47 of the Listing Rules. The Company considers that this is an inadvertent omission and the above-mentioned non-compliance with the requirements of rules 14A.35(1) and 14A.47 of the Listing Rules is an unintentional and purely a technical one after considering the following mitigating factors:-

- (i) Singapore Sanyo is a wholly owned subsidiary of Sanyo Electric;
- (ii) the sales were an unintentional oversight by China Resources Sanyo;
- (iii) the Ongoing Connected Transactions were carried out at prevailing market prices and on terms no more favourable than those charged by China Resources Sanyo to the above mentioned Sanyo’s Associates or other independent third parties;

- (iv) aggregate consideration of HK\$6,143,586 involved represents only appropriately 4% of the aggregate amount in respect of the sales of air-conditioner compressor products by China Resources Sanyo to all five of Sanyo's Associates of HK\$143,504,452 and represents only appropriately 2% of the approved annual cap of HK\$265,000,000 for the sales of the five of Sanyo's Associates and also the annual cap is not exceeded; and
- (v) there is no more such connected transaction after the disposal of the Group's Compressor Business.

The Directors, including the independent non-executive directors, consider that the Ongoing Connected Transactions were entered into on normal commercial terms and were fair and reasonable and in the interests of the Company and its shareholders as a whole.

4. GENERAL

Prior to the disposal of the Group's Compressor Business in August 2007, the Group was engaged in the semiconductor and air-conditioner compressor businesses. China Resources Sanyo was engaged in the manufacture of air-conditioner compressor products. Singapore Sanyo was engaged in the manufacture of air-conditioners.

The Stock Exchange reserves the right to take appropriate action against the Company and/or its Directors for the failure to announce in respect of the Ongoing Connected Transactions on time.

As at the date of this announcement, the Executive Directors of the Company are Mr. Zhou Longshan and Mr. Ong Thiam Kin; the Non-executive Director are Mr. Jiang Wei, Mr. Li Fuzuo and Mr. Du Wenmin; and the Independent Non-executive Directors are Mr. Wong Tak Shing, Mr. Luk Chi Cheong and Mr. Yang Chonghe, Howard.

5. DEFINITION

For the purpose of this announcement, the following expressions have the following meanings:-

“associate”	shall have the meaning ascribed to it under the Listing Rules
“Board”	The board of Directors
“China Resources Sanyo”	China Resources (Shenyang) Sanyo Compressor Co., Ltd. (沈陽華潤三洋壓縮機有限公司), a former non-wholly owned subsidiary of the Company and a joint venture incorporated in the PRC and beneficially owned as to 63.75% by the Company, 34.25% by Sanyo Electric and 2% by Toyota Tsusho
“Company”	China Resources Logic Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange

“Dalian Sanyo”	Dalian Sanyo Air Conditioner Co., Ltd. (大連三洋空調機有限公司), in which Sanyo Electric owns a beneficial interest of 55%, and is therefore an associate of Sanyo Electric
“Dalian Sanyo Cold-Chain”	Dalian Sanyo Cold-Chain Co., Ltd. (大連三洋冷鏈有限公司), in which Sanyo Electric owns a beneficial interest of 55%, and is therefore an associate of Sanyo Electric
“Dalian Sanyo Compressor”	Dalian Sanyo Compressor Co., Ltd. (大連三洋壓縮機有限公司), in which Sanyo Electric owns a beneficial interest of 55%, and is therefore an associate of Sanyo Electric
“Directors”	The directors of the Company
“Group”	The Company and its subsidiaries
“Guangdong Sanyo”	Guangdong Sanyo Air Conditioner Co., Ltd. (廣東三洋空調機有限公司), which is a wholly owned subsidiary of Sanyo Electric, and is therefore an associate of Sanyo Electric
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	The percentage ratios referred to in rule 14.07 of the Listing Rules
“Sanyo Electric”	Sanyo Electric Co., Ltd. (三洋電機株式會社), a company incorporated in Japan with limited liability and beneficially interested in 34.25% of the equity interests in both China Resources Sanyo and Shengrun Sanyo
“Singapore Sanyo”	SANYO Airconditioners Manufacturing Singapore Pte., Ltd., in which Sanyo Electric owns a beneficial interest of 100%, and is therefore an associate of Sanyo Electric
“Sanyo’s Associates”	Collectively Guangdong Sanyo, Shenyang Sanyo Air Conditioning, Dalian Sanyo Cold-Chain, Dalian Sanyo Compressor and Dalian Sanyo
“Shengrun Sanyo”	Shenyang Shengrun Sanyo Compressor Co., Ltd. (沈陽盛潤三洋壓縮機有限公司), a former non-wholly owned subsidiary of the Company and a joint venture incorporated in the PRC and beneficially owned as to 63.75% by the Company, 34.25% by Sanyo Electric and 2% by Toyota Tsusho

“Shenyang Sanyo Air Conditioning”	Shenyang Sanyo Air Conditioning Co., Ltd. (沈陽三洋空調有限公司), in which Sanyo Electric owns a beneficial interest of 55%, and is therefore an associate of Sanyo Electric
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Toyota Tsusho”	Toyota Tsusho Corporation (豐田通商株式會社), a company incorporated in Japan and is interested in 2% of the equity interests in both China Resources Sanyo and Shengrun Sanyo; and save as aforesaid, it is not connected with the Group and its connected person and is not a connected person of the Company as defined under the Listing Rules

By the order of the Board
CHINA RESOURCES LOGIC LIMITED
ZHOU Longshan
Chairman

Hong Kong, 2nd April, 2008