

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**華潤勵致有限公司**

**China Resources Logic Limited**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 1193)**

## **ANNOUNCEMENT**

**(1) RESULTS OF RIGHTS ISSUE OF 1,131,533,368 RIGHTS SHARES  
AT HK\$3.42 EACH ON THE BASIS OF FOUR (4) RIGHTS SHARES  
FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE**

**(2) RESTORATION OF PUBLIC FLOAT**

**AND**

**(3) CASH SETTLED EQUITY SWAP TRANSACTIONS  
OF CHINA RESOURCES HOLDINGS**

Reference is made to the Announcement dated 21 August 2008 in relation to, amongst others, a proposed very substantial acquisition and connected transaction of the Company and the Rights Issue and as further detailed in the Circular and the Prospectus.

### **RESULTS OF THE RIGHTS ISSUE**

The Directors wish to announce that as at 4:00 p.m. on Wednesday, 22 October 2008, being the latest time for acceptance of and payment for the Rights Shares and application for excess Rights Shares, (a) a total of 5 valid acceptances in respect of 779,084,460 Rights Shares provisionally allotted under the Rights Issue have been received, representing 68.85% of the total number of the Rights Shares available under the Rights Issue, and (b) no applications for excess Rights Shares have been received. 352,448,908 Rights Shares, representing 31.15% of the total number of Rights Shares available under the Rights Issue, were not subscribed for.

### **Underwriting Agreement**

The Underwriting Agreement became unconditional at 4:00 p.m. on Monday, 27 October 2008.

As a result of the under-subscription in respect of the Rights Shares and pursuant to the Underwriting Agreement, the Underwriter is required to take up the 352,448,908 Underwritten Rights Shares after taking into account valid acceptances and applications for the Rights Shares under the Rights Issue and settle the relevant subscription monies for the Rights Shares on Thursday, 30 October 2008.

### **Dispatch of Share Certificates**

It is expected that the share certificates for the Rights Shares, in their fully-paid form, will be posted to the allottees by ordinary mail at their own risk on Thursday, 30 October 2008.

### **Commencement in dealings in the Rights Shares**

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:30 a.m. on Monday, 3 November 2008.

### **RESTORATION OF PUBLIC FLOAT**

Due to the under-subscription in respect of the Rights Shares and pursuant to the Underwriting Agreement, the Underwriter is required to take up the 352,448,908 Underwritten Rights Shares under the Rights Issue. As a result, the public float of the Company will be decreased to approximately 6.24%. As disclosed in the Circular and the Prospectus, China Resources Holdings has undertaken to dispose of such number of Underwritten Rights Shares to independent third parties to comply with the public float requirements under the Listing Rules. China Resources Holdings also undertook to take such appropriate steps or measures to ensure sufficient public float of the Shares upon completion of the Rights Issue.

Accordingly, the Company has been informed by China Resources Holdings that on 29 October, 2008 the Underwriter has entered into (i) the CS Share Purchase Agreement with Credit Suisse; and (ii) the MS Share Purchase Agreement with Morgan Stanley in relation to the sale of the Credit Suisse Sale Shares and the Morgan Stanley Sale Shares, respectively, in order to restore the public float of the Company. The price for the sale of the Sale Shares is HK\$3.42 per Sale Share. The Sale Price represents a premium of 95.4% to the closing price per Share as quoted on the Stock Exchange on the Last Trading Day, and was agreed as part of a combined transaction — set out in more detail in the section below entitled “Cash Settled Equity Swap Transactions of China Resources Holdings” — in which the Cash Settled Equity Swap Transactions provide each of Credit Suisse and Morgan Stanley with protection against their exposure to the Sale Shares at a price below a Reference Price of HK\$3.42. China Resources Holdings, the Underwriter and the Equity Swap Counterparties have agreed that at Completion, HK\$363,888,000 of the Credit Suisse Consideration and HK\$363,888,000 of the Morgan Stanley Consideration due from Credit Suisse and Morgan Stanley, respectively, will transfer to Credit Suisse and Morgan Stanley, respectively, to satisfy the obligation of China Resources Holdings to provide collateral in respect of the Equity Swaps as further explained below.

*The Company understands that the agreement of Credit Suisse and Morgan Stanley to purchase the Sale Shares at HK\$3.42 per Share is part of a combined transaction including the Equity Swaps which provide protection to Credit Suisse and Morgan Stanley against exposure to the Sale Shares at a price below HK\$3.42. The Sale Price of HK\$3.42 does not represent that the same or a similar price can be obtained in the current open market or otherwise or indicate or reflect the views of Credit Suisse or Morgan Stanley on the value of the Shares or the future performance of the Company’s business or of the price of the Shares.*

In addition, China Resources Holdings has entered into the CS Lock-Up and First-Right-of-Sale Deed and the MS Lock-Up and First-Right-of-Sale Deed with Credit Suisse and Morgan Stanley, respectively, under which China Resources Holdings has agreed to certain restrictions, among other things, on its ability to deal in Shares for the duration of the CS Equity Swap and MS Equity Swap and has granted each of Credit Suisse and Morgan Stanley a first right to sell Shares owned by them respectively upon China Resources Holdings receiving an offer from any third party to purchase Shares.

## **CASH SETTLED EQUITY SWAP TRANSACTIONS OF CHINA RESOURCES HOLDINGS**

The Company has been informed by China Resources Holdings that, concurrently with the execution of the Share Purchase Agreements, it has entered into (i) the CS Equity Swap with Credit Suisse; and (ii) the MS Equity Swap with Morgan Stanley in relation to equity swaps for 133,000,000 Shares each.

Each Equity Swap Counterparty has the right to early terminate the whole or any part of the relevant Equity Swap with China Resources Holdings on a quarterly basis during each of the First Unwinding Period and the Second Unwinding Period by unwinding the whole or any part of the Equity Notional Amount. The Equity Notional Amount will be reduced accordingly upon such unwinding.

During the First Unwinding Period, each Equity Swap Counterparty has the right to early terminate the whole or any part of the relevant Equity Swap on a quarterly basis by unwinding the whole or any part of the Equity Notional Amount, subject to a minimum unwind price specified by China Resources Holdings from time to time.

During the Second Unwinding Period, each Equity Swap Counterparty has the right to early terminate the whole or any part of the relevant Equity Swap on a quarterly basis unwinding the whole of or any part of the Equity Notional Amount. In the event of an unwinding of the whole or any part of the relevant Equity Swap in either the First Unwinding Period or the Second Unwinding Period, China Resources Holdings will receive a payment if the Unwind Share Price is higher than the Reference Price and the Equity Swap Counterparties will receive a payment if the Unwind Share Price is lower than the Reference Price.

On the Termination Date, each Equity Swap will be fully terminated and the remaining Equity Notional Amount shall be reduced to zero. China Resources Holdings will receive a payment if the Final Price is higher than the Reference Price and the Equity Swap Counterparties will receive a payment if the Final Price is lower than the Reference Price.

The Reference Price is HK\$3.42, representing a premium of 95.4% to the closing price per Share as quoted on the Stock Exchange on the Last Trading Day. The Final Price and Unwind Share Price will be determined by the relevant Equity Swap Counterparty by reference to the volume weighted average price per Share in relation to the termination or the liquidation of any Hedge Positions by the relevant Equity Swap Counterparty during the Mandatory Disposal Period, the relevant quarterly period in the First Unwinding Period or the relevant quarterly period in the Second Unwinding Period (as the case may be).

China Resources Holdings is required to provide collateral to each Equity Swap Counterparty representing 80% of the relevant outstanding Equity Notional Amount under each Equity Swap at any time during the term of the Equity Swaps which will initially amount to an aggregate of HK\$727,776,000 on the Effective Date of the Equity Swaps. Under the terms of the Equity Swaps, upon the occurrence of certain events, China Resources Holdings is required to provide collateral to each Equity Swap Counterparty representing 100% of the relevant outstanding Equity Notional Amount under each Equity Swap.

## **BACKGROUND**

Reference is made to the Announcement dated 21 August 2008 in relation to, amongst others, a proposed very substantial acquisition and connected transaction of the Company and the Rights Issue and as further detailed in the Circular and the Prospectus.

## **RESULTS OF THE RIGHTS ISSUE**

The Directors wish to announce that as at 4:00 p.m. on Wednesday, 22 October 2008, being the latest time for acceptance of and payment for the Rights Shares and application for excess Rights Shares, (a) a total of 5 valid acceptances in respect of 779,084,460 Rights Shares provisionally allotted under the Rights Issue have been received, representing 68.85% of the total number of the Rights Shares available under the Rights Issue, and (b) no applications for excess Rights Shares have been received. 352,448,908 Rights Shares, representing 31.15% of the total number of Rights Shares available under the Rights Issue, were not subscribed for.

### **A. Underwriting Agreement**

All of the conditions precedent set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement was not terminated by the Underwriter on or before 4:00 p.m. on Monday, 27 October 2008. Accordingly, the Underwriting Agreement became unconditional at 4:00 p.m. on Monday, 27 October 2008.

As a result of the under-subscription in respect of the Rights Shares and pursuant to the Underwriting Agreement, the Underwriter is required to take up the 352,448,908 Underwritten Rights Shares after taking into account valid acceptances and applications for the Rights Shares under the Rights Issue and settle the relevant subscription monies for the Rights Shares on Thursday, 30 October 2008.

## **B. Excess Rights Shares**

No applications for excess Rights Shares have been received.

## **C. Dispatch of share certificates**

It is expected that the share certificates for the Rights Shares, in their fully-paid form, will be posted to the allottees by ordinary mail at their own risk on Thursday, 30 October 2008.

## **D. Commencement of dealings in the Rights Shares**

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:30 a.m. on Monday, 3 November 2008.

## **RESTORATION OF PUBLIC FLOAT**

Due to the under-subscription in respect of the Rights Shares and pursuant to the Underwriting Agreement, the Underwriter is required to take up the 352,448,908 Underwritten Rights Shares under the Rights Issue. As a result, the public float of the Company will be decreased to approximately 6.24%. As disclosed in the Circular and the Prospectus, China Resources Holdings has undertaken to dispose of such number of Underwritten Rights Shares to independent third parties to comply with the public float requirements under the Listing Rules. China Resources Holdings also undertook to take such appropriate steps or measures to ensure sufficient public float of the Shares upon completion of the Rights Issue.

### **A. The Share Purchase Agreements**

The Company has been informed by China Resources Holdings that on 29 October 2008, the Underwriter has entered into (i) the CS Share Purchase Agreement with Credit Suisse; and (ii) the MS Share Purchase Agreement with Morgan Stanley in relation to the sale of the Credit Suisse Sale Shares and the Morgan Stanley Sale Shares, respectively, in order to restore the public float of the Company. The price for the sale of the Sale Shares is HK\$3.42 per Sale Share. The Sale Price represents a premium of 95.4% to the closing price per Share as quoted on the Stock Exchange on the Last Trading Day, and was agreed as part of a combined transaction — set out in more detail in the section below entitled “Cash Settled Equity Swap Transactions of China Resources Holdings” — in which the Cash Settled Equity Swap Transactions are intended to provide each of Credit Suisse and Morgan Stanley with protection against their exposure to the Sale Shares at a price below the Reference Price.

The sale and purchase of the Credit Suisse Sale Shares and the Morgan Stanley Sale Shares will be registered in the names of Credit Suisse and Morgan Stanley, respectively, at Completion.

## **B. Principal terms of the Share Purchase Agreements**

Date: 29 October 2008

Sale Shares: 266,000,000 Shares (representing approximately 18.81% of the issued Shares upon completion of the Rights Issue), of which 133,000,000 Shares (representing approximately 9.403% of the issued Shares upon completion of the Rights Issue) will be sold to Credit Suisse and 133,000,000 Shares (representing approximately 9.403% of the issued Shares upon completion of the Rights Issue) will be sold to Morgan Stanley.

Sale Price: HK\$3.42 per Sale Share which represents a premium of approximately 95.4% to the closing price of HK\$1.75 per Share as quoted on the Stock Exchange on the Last Trading Day and is equal to the Subscription Price.

Consideration: The total consideration for the Credit Suisse Sale Shares is HK\$454,860,000, being the aggregate consideration for the Credit Suisse Sale Shares at the Sale Price, which is payable in cash.

The total consideration for the Morgan Stanley Sale Shares is HK\$454,860,000, being the aggregate consideration for the Morgan Stanley Sale Shares at the Sale Price, which is payable in cash.

China Resources Holdings, the Underwriter and the Equity Swap Counterparties have agreed that, at Completion, HK\$363,888,000 of the Credit Suisse Consideration and HK\$363,888,000 of the Morgan Stanley Consideration due from Credit Suisse and Morgan Stanley, respectively, will transfer to Credit Suisse and Morgan Stanley, respectively, to satisfy the obligation of China Resources Holdings to provide collateral in respect of the Equity Swaps as further explained below.

*The Company understands that the agreement of Credit Suisse and Morgan Stanley to purchase the Sale Shares at HK\$3.42 per Share is part of a combined transaction including the Equity Swaps which provide protection to Credit Suisse and Morgan Stanley against exposure to the Sale Shares at a price below HK\$3.42. The Sale Price*

*of HK\$3.42 does not represent that the same or a similar price can be obtained in the current open market or otherwise or indicate or reflect the views of Credit Suisse or Morgan Stanley on the value of the Shares or the future performance of the Company's business or of the price of the Shares.*

### **C. Lock-up and First Right of Sale Agreements**

The Company has been informed by China Resources Holdings that on 29 October 2008 that China Resources Holdings has entered into the CS Lock-Up and First-Right-of-Sale Deed and the MS Lock-Up and First-Right-of-Sale Deed with Credit Suisse and Morgan Stanley, respectively, under which China Resources Holdings has agreed to certain restrictions, among other things, on its ability to deal in Shares for the duration of the CS Equity Swap and MS Equity Swap and has granted each of Credit Suisse and Morgan Stanley a first right to sell Shares owned by them respectively upon China Resources Holdings receiving an offer from any third party to purchase Shares.

### **D. Shareholding Structure of the Company**

The following is a summary of the shareholding structure of the Company immediately before and upon completion of the Rights Issue and the Share Purchase Agreements:

<b>Substantial Shareholders:</b>	<b>Shareholding immediately before completion of the Rights Issue</b>		<b>Shareholding immediately upon completion of the Rights Issue and the Share Purchase Agreements</b>	
	<b>Number of Shares</b>	<b>%</b>	<b>Number of Shares</b>	<b>%</b>
Gold Touch Enterprises Inc. (“ <b>Gold Touch</b> ”)	29,722,960	10.51	29,722,960	2.10
Waterside Holdings Limited (“ <b>Waterside</b> ”)	53,534,774	18.92	53,534,774	3.78
Splendid Time	110,968,881	39.23	974,324,249	68.89
China Resources Holdings*	194,710,215	68.83	1,059,999,983	74.94
CRC Bluesky Limited (“ <b>CRC Bluesky</b> ”)	194,710,215	68.83	1,059,999,983	74.94
China Resources Co., Limited (“ <b>CRCL</b> ”)	194,710,215	68.83	1,059,999,983	74.94
China Resources National Corp. (“ <b>CRN</b> ”)	194,710,215	68.83	1,059,999,983	74.94

<b>Substantial Shareholders:</b>	<b>Shareholding immediately before completion of the Rights Issue</b>		<b>Shareholding immediately upon completion of the Rights Issue and the Share Purchase Agreements</b>	
	<b>Number of Shares</b>	<b>%</b>	<b>Number of Shares</b>	<b>%</b>
<b>Directors</b>				
Mr. Zhou Longshan	6,000	0.0021	6,000	0.0004
Mr. Li Fuzuo	51,000	0.0180	51,000	0.0036
Mr. Du Wenmin	54,000	0.0191	54,000	0.0038
Mr. Wong Tak Shing	40,000	0.0141	40,000	0.0028
<b>Public Shareholders</b>	<u>88,022,127</u>	<u>31.12</u>	<u>354,265,727</u>	<u>25.05</u>
<b>Total</b>	<u>282,883,342</u>	<u>100.00</u>	<u>1,414,416,710</u>	<u>100.00</u>

*Notes:*

- \* Prior to the Rights Issue, Gold Touch, Waterside and Splendid Time each directly holds 29,722,960 Shares, 53,534,774 Shares and 110,968,881 Shares respectively in the Company. Gold Touch, Waterside and Splendid Time are wholly-owned subsidiaries of China Resources Holdings, which is therefore deemed to interested in 194,226,615 Shares of the Company under Part XV of the SFO. In addition, China Resources Holdings directly holds 483,600 Shares in the Company. China Resources Holdings is a wholly-owned subsidiary of CRC Bluesky. CRC Bluesky is a wholly-owned subsidiary of CRCL which in turn is 99.98% owned by CRN. CRC Bluesky, CRCL and CRN are all therefore deemed to be interested in 194,710,215 Shares of the Company under Part XV of the SFO.

Following completion of the Rights Issue and the Share Purchase Agreements, Gold Touch, Waterside and Splendid Time each directly holds 29,722,960 Shares, 53,534,774 Shares and 974,324,249 Shares respectively in the Company. Gold Touch, Waterside and Splendid Time are wholly-owned subsidiaries of China Resources Holdings, which is therefore deemed to interested in 1,057,581,983 Shares of the Company under Part XV of the SFO. In addition, China Resources Holdings directly holds 2,418,000 Shares in the Company. China Resources Holdings is a wholly-owned subsidiary of CRC Bluesky. CRC Bluesky is a wholly-owned subsidiary of CRCL which in turn is 99.98% owned by CRN. CRC Bluesky, CRCL and CRN are all therefore deemed to be interested in 1,059,999,983 Shares of the Company under Part XV of the SFO.

## **CASH SETTLED EQUITY SWAP TRANSACTIONS OF CHINA RESOURCES HOLDINGS**

The Company has been informed by China Resources Holdings that, concurrently with the execution of the Share Purchase Agreements, it has entered into (i) the CS Equity Swap with Credit Suisse; and (ii) the MS Equity Swap with Morgan Stanley in relation to equity swaps for 133,000,000 Shares each.

China Resources Holdings is required to provide collateral to each Equity Swap Counterparty representing 80% of the relevant outstanding Equity Notional Amount under each Equity Swap at any time during the term of each Equity Swap, which will initially amount to an aggregate of HK\$727,776,000 (comprising HK\$363,888,000 from the CS Equity Swap and HK\$363,888,000 from the MS Equity Swap) on the Effective Date of the Equity Swaps. Under the terms of the Equity Swaps, upon the occurrence of certain events, China Resources Holdings is required to provide collateral to each Equity Swap Counterparty representing 100% of the relevant outstanding Equity Notional Amount under each Equity Swap. China Resources Holdings is also required to pay interest to each Equity Swap Counterparty on a quarterly basis, on an amount equal to the relevant outstanding Equity Notional Amount. Each Equity Swap Counterparty will pay interest on the amount of collateral held by each Equity Swap Counterparty in relation to the relevant Equity Swap to China Resources Holdings.

During the First Unwinding Period, each Equity Swap Counterparty has the right to unwind the whole or any part of the relevant Equity Swap on a quarterly basis subject to a minimum unwind price specified by China Resources Holdings from time to time, and the Equity Notional Amount will be reduced accordingly. During the Second Unwinding Period, each Equity Swap Counterparty has the right to unwind the whole or any part of the relevant Equity Swap on a quarterly basis and the Equity Notional Amount will be reduced accordingly.

The Equity Swap Counterparty will release the relevant portion of the collateral with reference to the Equity Notional Amount unwound back to China Resources Holdings. Moreover, in the event of an unwinding of an Equity Swap, (i) if the Unwind Share Price is higher than the Reference Price, the relevant Equity Swap Counterparty will be required to pay China Resources Holdings a certain amount determined by reference to such difference less a fee (provided that if such amount determined by reference to such difference is less than the fee, China Resources Holdings will be required to pay the relevant Equity Swap Counterparty any shortfall of the fee); or (ii) if the Unwind Share Price is lower than the Reference Price, China Resources Holdings will be required to pay the relevant Equity Swap Counterparty

an amount determined by reference to such difference plus a fee. The Unwound Equity Swaps will be settled in cash on the third Business Day after the last day of the relevant quarter and will have no impact on the issued share capital or the shareholdings of the shareholders of the Company.

On the Termination Date, each Equity Swap will be fully terminated with any remaining outstanding Equity Notional Amount reduced to zero. If the Final Price is higher than the Reference Price, the relevant Equity Swap Counterparty will be required to pay China Resources Holdings a certain amount determined by reference to such difference less a fee (provided that if such amount determined by reference to such difference is less than the fee, China Resources Holdings will be required to pay the relevant Equity Swap Counterparty any shortfall of the fee). If the Final Price is lower than the Reference Price, China Resources Holdings will be required to pay the relevant Equity Swap Counterparty an amount determined by reference to such difference plus a fee. The Equity Swaps will be settled in cash on the third Business Day after the determination of the Final Price and will have no impact on the issued share capital or the shareholdings of the shareholders of the Company.

The Reference Price is HK\$3.42 representing a premium of 95.4% to the closing price per Share as quoted on the Stock Exchange on the Last Trading Day. The Final Price and the Unwind Share Price will be determined by the relevant Equity Swap Counterparty by reference to the volume weighted average price per Share in relation to the termination or the liquidation of any Hedge Positions by the relevant Equity Swap Counterparty during the Mandatory Disposal Period, the relevant quarterly period in the First Unwinding Period or the relevant quarterly period in the Second Unwinding Period (as the case may be).

#### **A. Principal terms of the Equity Swaps**

Trade Date:	30 October 2008
Effective Date:	3 November 2008. For the avoidance of doubt, each Equity Swap is subject to and conditional upon Completion taking place on 3 November 2008.
First Unwinding Period:	The period commencing from, and including, the Effective Date to, but excluding, the date falling 36 months from the Effective Date.
Second Unwinding Period:	The period commencing from, and including, the date falling 36 months from the Effective Date to, but excluding, the date falling 57 months from the Effective Date.

Mandatory Disposal Period:	The period commencing from, and including, the date falling 57 months after the Effective Date to, but excluding, the third Business Day prior to the Termination Date.
Termination Date:	3 November 2013, the date falling 60 months from the Effective Date.
Number of Shares:	The notional number of Shares referenced under each Equity Swap, which will initially be 133,000,000 Shares, and will be thereafter reduced upon the unwinding of the whole or any part of the relevant Equity Swap.
Equity Notional Amount:	With respect to each Equity Swap, an amount in Hong Kong dollars equal to the Number of Shares multiplied by the Reference Price, and thereafter subject to reduction upon the unwinding of the Equity Swap. As at the date of this announcement, the aggregate Equity Notional Amount under the Equity Swaps is HK\$909,720,000 (comprising HK\$454,860,000 under the CS Equity Swap and HK\$454,860,000 under the MS Equity Swap).
Settlement:	Payments will be made in HK dollars. No physical delivery of Shares will be required under the Equity Swaps.
Collateral:	China Resources Holdings is required to provide collateral to each Equity Swap Counterparty representing 80% of the outstanding Equity Notional Amount under each Equity Swap at any time during the term of each Equity Swap, which will initially amount to HK\$727,776,000 (comprising HK\$363,888,000 from the CS Equity Swap and HK\$363,888,000 from the MS Equity Swap) on the Effective Date of the Equity Swaps. Under the terms of the Equity Swaps, upon the occurrence of certain events, China Resources Holdings is required to provide collateral to each Equity Swap Counterparty representing 100% of the relevant outstanding Equity Notional Amount under each Equity Swap.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the meanings set out below:

- “Acquisition”** : the acquisition of the CR Gas Shares by CR Logic from China Resources Holdings pursuant to the terms and conditions under the share purchase agreement entered into between CR Logic and China Resources Holdings dated 21 August 2008;
- “Announcement”** : the announcement of the Company dated 21 August 2008 in relation to, amongst others, a proposed very substantial acquisition and connected transaction of the Company and the Rights Issue;
- “Board”** : the board of Directors;
- “Business Day”** : a day (other than a Saturday, a Sunday or a day on which either a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong) upon which the Stock Exchange is open for dealings;
- “Company” or “CR Logic”** : China Resources Logic Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
- “Completion”** : completion of the sale and purchase of the Sale Shares;
- “China Resources Holdings”** : China Resources (Holdings) Company Limited, the substantial and controlling shareholder (as defined in the Listing Rules) of CR Logic holding approximately 68.83% of its issued share capital or, where the context requires, the relevant subsidiary or subsidiaries thereof;
- “Circular”** : the circular of the Company dated 19 September 2008 regarding, amongst other things, the Acquisition and the Rights Issue;
- “CR Gas”** : China Resources Gas Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of China Resources Holdings;

- “CR Gas Shares”** : four (4) ordinary shares of par value US\$1.00 each, being the entire issued share capital of CR Gas;
- “Credit Suisse”** : Credit Suisse International;
- “Credit Suisse Consideration”** : HK\$454,860,000, being the total consideration for the Credit Suisse Sale Shares;
- “Credit Suisse Sale Share(s)”** : 133,000,000 Shares (representing approximately 9.403% of the issued Shares upon completion of the Rights Issue and 50% of the Sale Shares) sold to Credit Suisse under the CS Share Purchase Agreement;
- “CS Equity Swap”** : an equity swap transaction in respect of the price performance of the Shares between China Resources Holdings and Credit Suisse documented under a confirmation dated 29 October 2008 incorporating a form of the 2002 ISDA Master Agreement (Multicurrency — Cross-Border) and 1995 ISDA Credit Support Annex (Transfer — English Law) entered into between China Resources Holdings and Credit Suisse;
- “CS Lock-up and First-Right-of-Sale Deed”** : the deed dated 29 October 2008 between China Resources Holdings and Credit Suisse in respect of a lock-up arrangement of the Shares and granting of the first right of sale of the Shares;
- “CS Share Purchase Agreement”** : the share purchase agreement dated 29 October 2008 entered into between the Underwriter and Credit Suisse in respect of the sale and purchase of the Credit Suisse Sale Shares;
- “Director(s)”** : the directors of the Company;
- “Effective Date”** : 3 November 2008;
- “EAF(s)”** : application form(s) for excess Rights Shares;
- “Equity Notional Amount”** : in respect of each Equity Swap, an amount in Hong Kong dollars equal to the Number of Shares multiplied by the Reference Price. As at the date of this announcement, the aggregate Equity Notional Amount is HK\$909,720,000 (comprising HK\$454,860,000 under the CS Equity Swap and HK\$454,860,000 under the MS Equity Swap);

<b>“Equity Swaps”</b>	: the CS Equity Swap and the MS Equity Swap;
<b>“Equity Swap Counterparty/ Counterparties”</b>	: Credit Suisse and Morgan Stanley;
<b>“First Unwinding Period”</b>	: the period commencing from, and including, the Effective Date to, but excluding, the date falling 36 months from the Effective Date;
<b>“Final Price”</b>	: in respect of each Equity Swap, the volume weighted average price of the termination or the liquidation of any Hedge Positions by the relevant Equity Swap Counterparty during the Mandatory Disposal Period;
<b>“Hedge Positions”</b>	: any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by a party in order to hedge, individually or on a portfolio basis, a transaction.
<b>“Hong Kong”</b>	: the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“Last Trading Day”</b>	: 29 October 2008;
<b>“Listing Rules”</b>	: the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“Mandatory Disposal Period”</b>	: the period commencing from, and including, the date falling 57 months after the Effective Date to, but excluding, the third Business Day prior to the Termination Date;
<b>“Morgan Stanley”</b>	: Morgan Stanley & Co. International PLC;
<b>“Morgan Stanley Consideration”</b>	: HK\$454,860,000, being the total consideration for the Morgan Stanley Sale Shares;
<b>“Morgan Stanley Sale Share(s)”</b>	: 133,000,000 Shares (representing approximately 9.403% of the issued Shares upon completion of the Rights Issue and 50% of the Sale Shares) sold to Morgan Stanley under the MS Share Purchase Agreement;

- “MS Equity Swap”** : an equity swap transaction in respect of the price performance of the Sale Shares between China Resources Holdings and Morgan Stanley documented under a confirmation dated 29 October 2008 incorporating a form of the 2002 ISDA Master Agreement (Multicurrency — Cross-Border) and 1995 ISDA Credit Support Annex (Transfer — English Law) entered into between China Resources Holdings and Morgan Stanley;
- “MS Lock-up and First-Right-of-Sale Deed”** : the deed dated 29 October 2008 between China Resources Holdings and Morgan Stanley in respect of a lock-up arrangement of the Shares and granting of the first right of sale of the Shares;
- “MS Share Purchase Agreement”** : the share purchase agreement dated 29 October 2008 entered into between the Underwriter and Morgan Stanley in respect of the sale and purchase of the Morgan Stanley Sale Shares;
- “Number of Shares”** : the notional number of Shares referenced under each Equity Swap, which will initially be 133,000,000 Shares, and will be thereafter reduced upon the unwinding of the whole or any part of the relevant Equity Swap;
- “PAL(s)”** : provisional allotment letter(s) for the Rights Issue;
- “Prospectus”** : the prospectus dated 8 October 2008 issued by the Company in relation to the Rights Issue;
- “Record Date”** : Monday, 6 October 2008;
- “Reference Price”** : HK\$3.42 per Share;
- “Rights Issue”** : the issue of the Rights Shares by the Company on the basis of four (4) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price pursuant to the terms and conditions under the Rights Issue Documents;
- “Rights Issue Documents”** : the Prospectus, the PAL(s) and the EAF(s);
- “Rights Share(s)”** : 1,131,533,368 new Shares issued by the Company under the Rights Issue;

<b>“Sale Share(s)”</b>	: the Credit Suisse Sale Shares and the Morgan Stanley Sale Shares;
<b>“Sale Price”</b>	: HK\$3.42 per Sale Share;
<b>“Second Unwinding Period”</b>	: the period commencing from, and including, the date falling 36 months from the Effective Date to, but excluding, the date falling 57 months from the Effective Date;
<b>“SFO”</b>	: the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong);
<b>“Share(s)”</b>	: the ordinary share(s) of HK\$0.10 each in the share capital of the Company;
<b>“Share Purchase Agreements”</b>	: the CS Share Purchase Agreement and the MS Share Purchase Agreement;
<b>“Splendid Time”</b>	: Splendid Time Investments Inc., an investment holding company with its sole investment being its approximately 39.2% equity interest in the Company, a wholly-owned subsidiary of China Resources Holdings;
<b>“Stock Exchange”</b>	: The Stock Exchange of Hong Kong Limited;
<b>“Subscription Price”</b>	: HK\$3.42 per Rights Share;
<b>“subsidiary”</b>	: shall have the meaning ascribed to that term in the Listing Rules;
<b>“Termination Date”</b>	: 3 November 2013, being 60 months from 3 November 2008;
<b>“Trade Date”</b>	: 30 October 2008;
<b>“Underwriter”</b>	: Splendid Time;
<b>“Underwriting Agreement”</b>	: the underwriting agreement dated 21 August 2008 entered into between the Company, the Underwriter and China Resources Holdings in relation to the Rights Issue;
<b>“Underwritten Rights Shares”</b>	: all of the Rights Shares fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement;

- “Unwound Equity Swaps”** : the whole or any part of the Equity Notional Amount unwound by the Equity Swap Counterparties in accordance with the terms of the Equity Swap during the First Unwinding Period or the Second Unwinding Period;
- “Unwind Share Price”** : in respect of each Equity Swap, the volume weighted average price per Share in relation to the termination or the liquidation of any Hedge Positions by the relevant Equity Swap Counterparty during the relevant quarterly period in the First Unwinding Period or the relevant quarterly period in the Second Unwinding Period (as the case may be);
- “HK\$”** : Hong Kong dollar(s), the lawful currency of Hong Kong; and
- “%”** : per cent.

By order of the Board of  
**China Resources Logic Limited**  
**Ong Thiam Kin**  
*Executive Director*

Hong Kong, 29 October 2008

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