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中国忠旺控股有限公司*

China Zhongwang Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 01333)

ANNOUNCEMENT

This announcement is made by China Zhongwang Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the Group’s unaudited management accounts, the net profit of the Group for the six months ended 30 June 2011 is expected to decline substantially as compared to the same period of 2010. The expected decline in net profit is mainly attributable to the adverse impact of the outcome of the anti-dumping and countervailing duty investigations conducted by the US, which resulted in a substantial decline in the Group’s export sales to the US for the six months ended 30 June 2011 as compared to the same period of 2010. The expected decline in net profit is also due to the lower average selling price for industrial aluminium extrusion products in the domestic market.

As disclosed in the Company’s announcement dated 13 May 2011 in relation to the unaudited quarterly financial results for the three months ended 31 March 2011, on 29 March 2011, the US Department of Commerce made a final determination on its anti-dumping and countervailing duty investigations of certain aluminium extrusion exports from China to the US, imposing an anti-dumping duty of 33.28% and a countervailing duty of 374.15% on the 1, 3, 6 aluminium alloy series extrusion exports from the Group. The US Department of Commerce issued the respective anti-dumping and countervailing duty orders on 20 May 2011, instructing the US Customs to levy an anti-dumping duty of 33.28% and a countervailing duty of 374.15% on the aforesaid product series of the Group in accordance with its final determination. As the US was the principal export destination for the Group in 2010, the Group expects its net profit for the year ending 31 December 2011 to be lower than that for the year ended 31 December 2010 as a result of the outcome of the US anti-dumping and countervailing duty investigations.

The Group has adjusted its strategy and its pro-active efforts to enlarge its market share in the Chinese domestic market and further develop its domestic customer base have delivered positive results. Based on the Group’s unaudited management accounts, there have been significant improvements in the overall sales volume and net profit for the three months from 1 April 2011 to 30 June 2011 as compared to the three months ended 31 March 2011.

To further reinforce and strengthen the profitability of its business in large cross-section industrial aluminium extrusion products, the Group is adding, according to its plan, 18 new, large-scale extrusion presses each with a pressing power at or above 75MN during this year and the next, including three globally advanced 125MN extrusion presses, in order to further increase the Group's production capacity in large cross-section industrial aluminium extrusion products. The installation of two 75MN presses has been completed and such presses have been put into operation. Meanwhile, the Group will leverage its existing technology edge and customer resources in the aluminium extrusion industry to actively develop the deep-processing business of industrial aluminium extrusion products as well as the synergistic business in high value-added aluminium flat rolled products, in a bid to foster new operating benefits for the Company.

The planned total production capacity for the Group's aluminium flat rolled products project is approximately 3 million tonnes. Production is scheduled to commence in 2014 and full production capacity is expected to be reached by 2018. The Group has preliminary plans to develop its business in aluminium flat rolled products in three cities, namely Tianjin, Panjin in Liaoning Province and Daqing in Heilongjiang Province. High value-added aluminium flat rolled products, mainly consisting of medium-to-high thickness plates, high-end foils and sheets, etc., are principally applied in sectors such as aviation and aerospace, vessel, railway transportation, automobile, machinery equipment, packaging and electronics, etc.

The Company is in the process of finalizing the consolidated financial results of the Group for the six months ended 30 June 2011. The information contained in this announcement represents only a preliminary assessment by the Company, which is based on the unaudited management accounts rather than information audited or reviewed by our auditor. Details of the consolidated financial results and performance of the Group will be disclosed in the interim results announcement for the six months ended 30 June 2011 to be published in due course.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
China Zhongwang Holdings Limited
Liu Zhongtian
Chairman

Hong Kong, 15 July 2011

As at the date of this announcement, the Board consists of:

Executive Directors

Mr. Liu Zhongtian, Mr. Lu Changqing, Mr. Chen Yan, Ms. Zhong Hong and Mr. Gou Xihui

Independent Non-executive Directors

Mr. Wong Chun Wa, Mr. Wen Xianjun, Mr. Shi Ketong and Mr. Lo Wa Kei, Roy

* For identification purpose only