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**CHINA RONGSHENG HEAVY INDUSTRIES GROUP HOLDINGS LIMITED**

**中國熔盛重工集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01101)**

**ANNOUNCEMENT**

**PROPOSED ISSUE OF MEDIUM-TERM NOTES IN THE PRC BY  
JIANGSU RONGSHENG HEAVY INDUSTRIES**

This is an announcement made in accordance with Rule 13.09(1) of the Listing Rules.

The Board of the Company is pleased to announce that Jiangsu Rongsheng Heavy Industries proposes to issue the first tranche of the Notes on 28 March 2012 in the national inter-bank market in the PRC, after having registered the proposed issue with the Association. In connection with issuing the first tranche of the Notes, Jiangsu Rongsheng Heavy Industries will publish, among others, an offering circular in the PRC on 21 March 2012 to provide investors with certain information concerning the terms and conditions of the Notes, credit rating report, legal opinion and the financial information of Jiangsu Rongsheng Heavy Industries for the years ended 31 December 2008, 2009 and 2010, and the nine months ended 30 September 2011.

The proposed issue of the Notes may or may not proceed, and the financial information in this announcement is prepared in accordance with the PRC GAAP and has not been audited. Shareholders and potential investors should exercise caution when dealing in the Shares.

This is an announcement made in accordance with Rule 13.09(1) of the Listing Rules.

The Board is pleased to announce that Jiangsu Rongsheng Heavy Industries proposes to issue the first tranche of the Notes on 28 March 2012 in the national inter-bank market in the PRC, after having registered the proposed issue with the Association. The Notes are expected to be issued in two tranches and underwritten by Minsheng Bank pursuant to an underwriting

agreement and a supplemental agreement between Jiangsu Rongsheng Heavy Industries and Minsheng Bank on 12 April 2011. The principal terms of the first tranche of the Notes to be issued are as follows:

Issuer:	Jiangsu Rongsheng Heavy Industries
Aggregate maximum principal amount of the Notes which have been registered with the Association:	RMB 3.6 billion
Principal amount of the first tranche of the Notes:	RMB 2.0 billion
Place of issue:	The PRC
Term of the first tranche of the Notes:	3 years (From 29 March 2012 to 29 March 2015)
Interest rate:	Fixed interest rate will be adopted. The interest rate will be determined by the results of book building.
Date of proposed issue:	28 March 2012
Credit rating:	As assessed by China Lianhe Credit Rating Co., Ltd. (聯合資信評估有限公司), the first tranche of the Notes has been given AA rating and the issuer of the Notes has been given AA rating. The credit outlook is classified as “stable”.
Use of proceeds:	Jiangsu Rongsheng Heavy Industries intends to use the proceeds received to fund its general working capital requirements and to repay part of its loans with higher interest rates.

In connection with issuing the first tranche of the Notes, Jiangsu Rongsheng Heavy Industries will publish, among others, an offering circular in the PRC on 21 March 2012 to provide investors with certain information concerning the terms and conditions of the Notes, credit rating report, legal opinion and the financial information of Jiangsu Rongsheng Heavy Industries and its subsidiaries for the years ended 31 December 2008, 2009 and 2010, and the nine months ended 30 September 2011. The announcement to be issued by Jiangsu Rongsheng Heavy Industries and the relevant documents of the Notes will be posted on [www.chinabond.com.cn](http://www.chinabond.com.cn) and [www.chinamoney.com.cn](http://www.chinamoney.com.cn) on 21 March 2012.

Set out below is the key unaudited financial information of Jiangsu Rongsheng Heavy Industries and its subsidiaries for the period from 1 January to 30 September 2011 as included in the offering materials. Financial information are prepared in accordance with the PRC GAAP and have not been audited.

	<b>RMB '000</b>
Current assets	26,421,960
Non-current assets	14,130,890
Total assets	40,552,850
Current liabilities	20,617,230
Non-current liabilities	8,870,710
Total liabilities	29,487,940
Total owners' equity attributable to Jiangsu Rongsheng Heavy Industries	10,224,140
Owner's equity (or shareholders' equity)	11,064,910
Total liabilities and owners' equity (or shareholders' equity)	40,552,850
Operating revenue	11,063,800
Operating profit	646,440
Total profit	1,575,920
Net profit	1,339,560
Net profit attributable to Jiangsu Rongsheng Heavy Industries	1,327,870
Cash inflows from operating activities	11,895,750
Cash outflows from operating activities	15,367,340
Cash inflows from investment activities	95,520
Cash outflows from investment activities	3,700,940
Cash inflows from financing activities	10,508,010
Cash outflows from financing activities	6,426,300
Net decrease in cash and cash equivalents	(3,031,960)

**The proposed issue of the Notes may or may not proceed, and the financial information in this announcement is prepared in accordance with the PRC GAAP and has not been audited. Shareholders and potential investors should exercise caution when dealing in the Shares.**

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

“Association”	中國銀行間市場交易商協會 (National Association of Financial Market Institutional Investors)*;
“Board”	the board of directors of the Company;
“Company”	China Rongsheng Heavy Industries Group Holdings Limited incorporated in the Cayman Islands as an exempted company with limited liability and the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of PRC;

“Jiangsu Rongsheng Heavy Industries”	Jiangsu Rongsheng Heavy Industries Co., Ltd. 江蘇熔盛重工有限公司, a company established under the laws of the PRC on 8 June 2006 and a company indirectly owned by the Company as to approximately 96.09%;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Minsheng Bank”	中國民生銀行股份有限公司(China Minsheng Banking Corp., Ltd.)*;
“Notes”	the medium-term notes (中期票據) proposed to be issued by Jiangsu Rongsheng Heavy Industries with an aggregate principal amount not exceeding RMB3.6 billion, expected to be traded by qualified institutional investors (except those entities prohibited from trading under the laws, rules and regulations of the PRC) in the inter-bank market of the PRC;
“PRC”	the People’s Republic of China;
“PRC GAAP”	PRC Generally Accepted Accounting Principles;
“RMB”	the lawful currency of PRC;
“Shares”	ordinary shares in the Company with a nominal value of HK\$0.1 each; and
“Shareholders”	holder(s) of the Shares.

For and on behalf of the Board  
ZHANG Zhi Rong  
Chairman

Hong Kong, 21 March 2012

*As at the date of this announcement, the Board comprises the non-executive director, Mr. ZHANG Zhi Rong (Chairman); the executive directors, Mr. CHEN Qiang, Mr. ZHANG De Huang, Mr. WU Zhen Guo, Mr. LUAN Xiao Ming, Mr. DENG Hui, Mr. HONG Liang, Mr. Sean S J WANG and Mr. WANG Tao; and the independent non-executive directors, Mr. CHEN Gang, Mr. TSANG Hing Lun and Mr. ZHANG Xu Sheng.*

\*For identification purposes only