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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  
UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS  
AND  
CLARIFICATION OF NEWS REPORTS**

This statement is made at the request of The Stock Exchange of Hong Kong Limited. The board of directors (the “**Board**”) of China Rongsheng Heavy Industries Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) has noted today’s increase in price and trading volume of the shares of the Company and wishes to state that, save for the matters set out in this announcement, the Board is not aware of any reasons for such movements.

The Board has noted that there were recent reports published by some newspapers relating to the statements made by Mr. Chen Qiang, an executive director and the chief executive officer of the Company, at the launch of the 3,000-meter deepwater pipe laying crane vessel “海洋石油201” built by the Group for China National Offshore Oil Corporation (中國海洋石油總公司) that (i) the Company targets to further develop its offshore engineering business with a view that revenue attributable to such business could reach 40% of the total revenue of the Group in 2015; and (ii) the Company hopes that new orders from its offshore engineering business could reach 40% of total new orders of the Group for this year.

The Board was advised by Mr. Chen Qiang that the statement referred to in (i) above is inaccurate. In fact, the statement he made was that the Company targets to further develop its offshore engineering business with a view that orders from such business could reach 40% of the total orders on hand of the Group by 2015 (this statement, together with the statement referred to in (ii) above, are collectively referred to as the “**Statements**”).

The Board would like to clarify that the Statements only refer to the targets (the “**Targets**”) that the Group will strive to achieve in light of current market, economic and regulatory conditions, and neither of the Targets should be regarded as a forecast or prediction of the profit or revenue of the Group.

The Board believes that the Targets are in line with the Group's development strategies as previously disclosed in the annual reports of the Company for the years ended 31 December 2010 and 2011 and the prospectus of the Company dated 8 November 2010 that, driven by global and domestic demand, the Group would expand into and achieve growth in its offshore engineering segment.

**The Targets may or may not be achieved. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

The Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board of the Company, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

By Order of the Board  
**China Rongsheng Heavy Industries  
Group Holdings Limited**  
**LEE Man Yee**  
*Company Secretary*

Hong Kong, 16 May 2012

*As at the date of this announcement, the Directors of the Company are:-*

*Non-executive director:*

*Mr. ZHANG Zhi Rong (Chairman);*

*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;*

*Independent non-executive directors:*

*Mr. CHEN Gang, Mr. TSANG Hing Lun and Mr. ZHANG Xu Sheng.*