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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

The board of directors (the “**Board**”) of China Rongsheng Heavy Industries Group Holdings Limited (the “**Company**”) has noted that there were certain articles appearing in the press on Saturday, 28 July 2012 and Sunday, 29 July 2012 regarding, among other things, a court order obtained by the Securities and Exchange Commission (the “**SEC**”) to freeze certain assets of Well Advantage Limited (“**Well Advantage**”) and some other parties in respect of their alleged trading of shares of Nexen Inc., a Canadian energy company listed on the New York Stock Exchange, while in possession of nonpublic information concerning the proposed acquisition of Nexen Inc. by CNOOC Limited. The proposed acquisition was announced on 23 July 2012.

The complaint filed by the SEC alleges that Well Advantage is indirectly wholly-owned by Mr. Zhang Zhi Rong (“**Mr. Zhang**”), the Chairman and a non-executive director of the Company.

The Board does not expect that the SEC matter will affect the normal business and operations of the Company and its subsidiaries (the “**Group**”). Mr. Zhang does not have any executive role in the Company. The day-to-day business activities and operation of the Group is and will continue to be carried out by the management team, of which Mr. Zhang is not a member, under the leadership of Mr. Chen Qiang, the Chief Executive Officer and an executive director of the Company. Decisions regarding all material projects and investment activities of the Company have been and are required to be made collectively by the Board.

The Board will continue to monitor the matter and will make such, if any, further announcements as and when appropriate pursuant to the requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

Hong Kong, 30 July 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.