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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)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Group is expected to incur a significant increase in net loss for the six months ended 30 June 2014 as compared with the corresponding period in 2013.

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

This announcement is made by China Rongsheng Heavy Industries Group Holdings Limited (the "**Company**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on the unaudited consolidated management accounts of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2014 and the preliminary estimation by the Company, the Group is expected to incur a significant increase in net loss for the six months ended 30 June 2014 as compared with the corresponding period in 2013.

The Company believes that the expected increase in net loss is primarily attributable to the decrease in revenue as a result of a reduction in the production activity attributable to the Company's conservative operation strategies on sales, pricing, construction and delivery of vessels on new orders and existing orders upon renegotiation, revision and/or cancellation of contracts with shipowners under the current trough stage of the shipbuilding market.

The information contained in this announcement is only based on the preliminary calculations by the Company's management in accordance with the unaudited consolidated management accounts of the Group, and other information currently available to the Company which have not yet been confirmed or audited by the Company's auditor. Details of the financial information for the six months ended 30 June 2014 to be disclosed in the Company's interim results announcement shall prevail over the information contained herein.

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

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

Hong Kong, 31 July 2014

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

Executive directors:
Mr. CHEN Qiang (Chairman), Mr. WU Zhen Guo, Mr. HONG Liang, Mr. Sean S J WANG, Mr. WANG Tao, Mr. WEI A Ning and Ms. ZHU Wen Hua;

Independent non-executive directors:
Mr. XIA Da Wei, Mr. HU Wei Ping, Mr. WANG Jin Lian and Ms. ZHOU Zhan.