

LIZHONG WHEEL GROUP LTD.

(Company Registration Number 200407196C)

(Incorporated in Singapore)

(the "Company")

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	3 months ended			6 months ended		
	Group 01/04/15- 30/06/15 RMB'000	Group 01/04/14- 30/06/14 RMB'000	Incr/ (Decr) %	Group 01/01/15- 30/06/15 RMB'000	Group 01/01/14- 30/06/14 RMB'000	Incr/ (Decr) %
Revenue	808,192	701,510	15.2	1,649,657	1,363,587	21.0
Cost of sales	(676,178)	(577,918)	17.0	(1,378,124)	(1,130,564)	21.9
Gross profit	132,014	123,592	6.8	271,533	233,023	16.5
Other operating income	7,170	7,931	(9.6)	8,088	8,430	(4.1)
Distribution costs	(28,773)	(25,757)	11.7	(60,749)	(51,574)	17.8
Administrative expenses	(57,997)	(59,752)	(2.9)	(120,757)	(110,951)	8.8
Other operating expenses	(560)	(184)	204.3	(2,805)	(6,705)	(58.2)
Finance costs (interest expense)	(14,055)	(11,731)	19.8	(27,597)	(22,656)	21.8
Profit before income tax	37,799	34,099	10.9	67,713	49,567	36.6
Income tax expense	(7,189)	(7,723)	(6.9)	(11,824)	(9,951)	18.8
Profit for the period	30,610	26,376	16.1	55,889	39,616	41.1
Other comprehensive income for the period, net of tax:						
Items that may be reclassified subsequently to profit or loss						
Exchange differences on translation of foreign operations	106	(190)	NM	(69)	2,510	NM
Fair value gain (loss) on derivative financial instruments	5,188	1,681	208.6	11,103	(8,107)	NM
Total comprehensive income for the period, net of tax	35,904	27,867	28.8	66,923	34,019	96.7
Profit for the period attributable :						
Owners of the Company	31,754	25,662	23.7	56,416	38,139	47.9
Non-controlling interests	(1,144)	714	NM	(527)	1,477	NM
	30,610	26,376	16.1	55,889	39,616	41.1
Total comprehensive income for the period attributable to:						
Owners of the Company	37,048	27,153	36.4	67,450	32,542	107.3
Non-controlling interests	(1,144)	714	NM	(527)	1,477	NM
	35,904	27,867	28.8	66,923	34,019	96.7

NM – Not meaningful

Profit before income tax is derived after charging/(crediting) the following:

	Group 01/04/15- 30/06/15 RMB'000	Group 01/04/14- 30/06/14 RMB'000	Group 01/01/15- 30/06/15 RMB'000	Group 01/01/14- 30/06/14 RMB'000
Government grants income	(3,682)	(2,398)	(5,610)	(5,629)
Interest income	(1,363)	(1,520)	(2,439)	(2,792)
Interest expense	14,055	11,731	27,597	22,656
Depreciation and amortization	27,520	22,026	52,832	43,702
Inventories written off	687	387	1,050	803
Allowance for doubtful debts	248	25	2,158	111
Net foreign exchange (gain)loss	(2,114)	(4,014)	275	6,403
Research expenses	35,136	36,023	72,495	68,845
(Gain)Loss from the settlement of derivative financial instruments	(405)	(202)	(286)	(442)
Loss (Gain) from change in fair value of derivative instruments	4,329	(80)	2,749	(179)
Loss on disposal of property, plant and equipment	55	158	91	258

1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group 30/06/2015 RMB'000	Group 31/12/2014 RMB'000	Company 30/06/2015 RMB'000	Company 31/12/2014 RMB'000
Current assets				
Cash and Cash equivalents	261,288	150,321	5,524	6,212
Pledged bank deposits	139,189	151,961	-	-
Trade receivables	1,135,707	1,010,250	-	-
Other receivables and prepayments	183,262	199,059	-	-
Amount due from subsidiaries	-	-	8,776	5,878
Loans to subsidiaries	-	-	93,006	93,060
Derivative financial instruments	7,097	13	-	-
Inventories	533,220	462,824	-	-
Total current assets	2,259,763	1,974,428	107,306	105,150
Non-current assets				
Investment in subsidiaries	-	-	553,016	553,016
Loans to subsidiaries	-	-	162,791	209,426
Prepaid lease payments	119,907	73,570	-	-
Prepayment	47,366	41,339	-	-
Property, plant and equipment	906,006	835,336	-	-
Intangible assets	12,750	13,600	-	-
Deferred tax asset	1,262	1,262	-	-
Total non-current assets	1,087,291	965,107	715,807	762,442
Total assets	3,347,054	2,939,535	823,113	867,592
Liabilities and equity				
Current liabilities				
Short-term bank loans	695,649	608,155	-	-
Current portion of long-term loans	119,048	123,117	93,006	93,060
Trade payables	939,782	742,975	-	-
Other payables	173,656	162,465	5,400	6,977
Income tax payable	6,134	3,780	-	-
Deferred income	6,212	6,754	-	-
Derivative financial instruments	642	22	642	-
Total current liabilities	1,941,123	1,647,268	99,048	100,037
Non-current liabilities				
Long-term loans	424,889	415,109	185,565	232,116
Deferred income	5,536	3,256	-	-
Deferred tax liabilities	15,685	13,004	-	-
Total non-current liabilities	446,110	431,369	185,565	232,116
Total liabilities	2,387,233	2,078,637	284,613	332,153
Capital, reserves and non-controlling interests				
Share capital	140,500	140,500	140,500	140,500
Hedging reserve	7,841	(3,262)	-	-
Capital reserve	88,485	73,294	-	-
Translation reserve	(4,173)	(4,104)	-	-
Other reserve	1,177	1,177	-	-
Retained earnings	650,192	608,967	398,000	394,939
Equity attributable to owners of the Company	884,022	816,572	538,500	535,439
Non-controlling interests	75,799	44,326	-	-
Total equity	959,821	860,898	538,500	535,439
Total liabilities and equity	3,347,054	2,939,535	823,113	867,592

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 30 Jun 2015		As at 31 Dec 2014	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
776,697	38,000	701,272	30,000

Amount repayable after one year

As at 30 Jun 2015		As at 31 Dec 2014	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
424,889	-	415,109	-

Details of any collateral

In 2015:

- (i) RMB686.7 million of bank loans is secured by corporate guarantees issued by either the Company or its subsidiaries.
- (ii) RMB34.3 million of export invoice financing is secured by a subsidiary's trade receivables.
- (iii) RMB202.0 million of bank loans is secured by property, plant and equipment of New Thai Wheel Manufacturing Co., Ltd.
- (iv) RMB278.6 million bank loans are secured by pledged cash, the Group's shareholdings in Tianjin Lizhong Wheel Limited Co.,Ltd and pledged shares of Lizhong Wheel Group Ltd. held by Li Zhong Investment Limited.
- (v) Bills payables and letter of credit facilities are secured by pledged cash placed with banks.

In 2014:

- (i) RMB536.9 million of bank loans is secured by corporate guarantees issued by either the Company or its subsidiaries.
- (ii) RMB20.0 million of export order financing is secured by a subsidiary's orders in hand.
- (iii) RMB48.7 million of export invoice financing is secured by a subsidiary's trade receivables.
- (iv) RMB181.6 million of bank loans is secured by property, plant and equipment of New Thai Wheel Manufacturing Co., Ltd.
- (v) RMB4.0 million bank loan is secured by land and buildings of HT&L Fitting (Changsha) Co., Ltd.
- (vi) RMB325.2 million of bank loan is secured by pledged cash, the Group's shareholdings in Tianjin Lizhong Wheel Limited Co.,Ltd and pledged shares of Lizhong Wheel Group Ltd. held by Li Zhong Investment Limited.
- (vii) Bills payables and letter of credit facilities are secured by pledged cash placed with banks.

1(c) A statement of cash flow (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 01/04/15- 30/06/15 RMB'000	Group 01/04/14- 30/06/14 RMB'000	Group 01/01/15- 30/06/15 RMB'000	Group 01/01/14- 30/06/14 RMB'000
Operating activities:				
Profit before income tax	37,799	34,099	67,713	49,567
Adjustments for:				
Foreign exchange loss (gain)	265	(840)	(162)	8,910
Depreciation for property, plant and equipment	26,560	21,083	51,003	41,817
Interest income	(1,363)	(1,520)	(2,439)	(2,792)
Notional income on interest-free government loans	(1,684)	(1,484)	(3,349)	(3,094)
Interest expense	14,055	11,731	27,597	22,656
Inventories written off	687	387	1,050	803
Amortization of intangible assets	425	502	850	1,003
Allowance for doubtful debts	248	25	2,158	111
Loss on disposal of property, plant and equipment	55	158	91	258
Prepaid lease payments released to the profit and loss statement	535	441	979	882
Fair value loss (gain) on derivative instrument	4,329	(80)	2,749	(179)
(Gain) Loss from the settlement of derivative financial instruments	(405)	(202)	(286)	(442)
Operating cash flows before movements in working Capital	81,506	64,300	147,954	119,500
Trade receivables	13,121	(1,538)	(89,945)	85,752
Other receivables and prepayments	876	(56,651)	21,705	(88,443)
Inventories	(66,586)	(59,905)	(54,214)	(77,371)
Trade payables	32,441	76,043	163,296	42,068
Other payables	(62,841)	17,233	(57,118)	15,370
Cash generated from operations	(1,483)	39,482	131,678	96,876
Interest received	551	780	823	1,176
Income tax paid	(3,214)	(3,391)	(9,085)	(7,495)
Net cash (used in) from operating activities	(4,146)	36,871	123,416	90,557
Investing activities:				
Proceeds from disposal of property, plant and equipment	48	249	50	304
Purchase of property, plant and equipment	(21,672)	(18,439)	(53,365)	(127,590)
Acquisition of a subsidiary	(48,000)	-	(48,000)	-
Cash of a new subsidiary at the date of acquisition	7,951	-	7,951	-
Net cash used in investing activities	(61,673)	(18,190)	(93,364)	(127,286)
Financing activities:				
Interest paid	(9,740)	(8,330)	(25,331)	(23,547)
Dividend paid	-	(701)	-	(701)
Pledged bank deposits	8,112	(2,250)	12,772	(17,564)
New bank loans raised	306,244	122,140	590,328	430,851
Repayments of borrowings	(220,878)	(103,082)	(496,850)	(286,800)
Net cash from financing activities	83,738	7,777	80,919	102,239
Net increase in cash and cash equivalents	17,919	26,458	110,971	65,510
Cash and cash equivalents at beginning of period	243,364	176,152	150,321	136,988
Effects of exchange rate changes on the balance of cash held in foreign currency	5	(35)	(4)	77
Cash and cash equivalents at end of period	261,288	202,575	261,288	202,575

1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group (RMB'000)	Share capital	Hedging reserve	Capital reserve	Translation reserve	Other reserve	Retained earnings	Attributable to owners of the company	Non-controlling Interests	Total
Balance at 1 January 2014	140,500	10,388	56,919	(6,730)	1,177	537,427	739,681	55,053	794,734
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	38,139	38,139	1,477	39,616
Other comprehensive income for the period	-	(8,107)	-	2,510	-	-	(5,597)	-	(5,597)
Total	-	(8,107)	-	2,510	-	38,139	32,542	1,477	34,019
Dividends payable to non-controlling shareholder	-	-	-	-	-	-	-	(1,151)	(1,151)
Appropriation to capital reserve	-	-	11,719	-	-	(11,719)	-	-	-
Total	-	-	11,719	-	-	(11,719)	-	(1,151)	(1,151)
Balance at 30 June 2014	140,500	2,281	68,638	(4,220)	1,177	563,847	772,223	55,379	827,602
Group (RMB'000)									
Balance at 1 January 2015	140,500	(3,262)	73,294	(4,104)	1,177	608,967	816,572	44,326	860,898
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	56,416	56,416	(527)	55,889
Other comprehensive income for the period	-	11,103	-	(69)	-	-	11,034	-	11,034
Total	-	11,103	-	(69)	-	56,416	67,450	(527)	66,923
Non-controlling interests in a newly acquired subsidiary	-	-	-	-	-	-	-	32,000	32,000
Appropriation to capital reserve	-	-	15,191	-	-	(15,191)	-	-	-
Total	-	-	15,191	-	-	(15,191)	-	32,000	32,000
Balance at 30 June 2015	140,500	7,841	88,485	(4,173)	1,177	650,192	884,022	75,799	959,821

Company (RMB'000)	Share Capital	Accumulated Profits	Total
Balance at 1 January 2014	140,500	381,470	521,970
Total comprehensive income for the period	-	3,971	3,971
Balance at 30 June 2014	140,500	385,441	525,941
Company (RMB'000)			
Balance at 1 January 2015	140,500	394,939	535,439
Total comprehensive income for the period	-	3,061	3,061
Balance at 30 June 2015	140,500	398,000	538,500

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since 31 March 2015. As at 30 June 2014 and 30 June 2015, there were no shares that may be issued on conversion of all the outstanding convertibles and the Company does not hold any treasury shares. As at 30 June 2015, the share capital was RMB140,500,000 (S\$29,287,492), comprising 235,025,550 ordinary shares.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Number of shares	
Issued and paid-up share capital as at 31.12.14	235,025,550
Issued and paid-up share capital as at 30.06.15	235,025,550

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company has no treasury shares.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation as in the consolidated financial statements of the Group for FY2014. The Group has also adopted the new Financial Reporting Standards that are relevant to its operations and effective for annual periods beginning on or after 1 January 2015, which has no material effect on the financial statements.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share of the Group for the financial period based on profit attributable to equity holders of the Company:

	Group 01/01/15- 30/06/15	Group 01/01/14- 30/06/14
(i) based on the weighted average number of shares (RMB cents)	24.00	16.23
Weighted average number of shares	235,025,550	235,025,550
(ii) on a fully diluted basis (RMB cents)	24.00	16.23
Adjusted weighted average number of shares	235,025,550	235,025,550

7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As At 30/06/2015	As At 31/12/2014	As At 30/06/2015	As At 31/12/2014
Net asset value per ordinary share (RMB)	3.76	3.47	2.29	2.28

Explanatory note:

The net asset value per ordinary share of the Group and the Company is calculated based on the issued share capital of the Company of 235,025,550 shares.

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:
(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Review of Performance for the half year ended 30 June 2014 ("HY2014") and the half year ended 30 June 2015 ("HY2015")

Revenue

Revenue increased by RMB286.1 million from RMB1,363.6 million for HY2014 to RMB1,649.7 million for the corresponding period this year. The increase was mainly due to increase in revenue from the overseas Original Equipment Manufacturer ("OEM") business segment of approximately RMB189.7 million and the domestic OEM business segment of approximately RMB139.2 million, which was partially offset by decrease in the overseas aftermarket business segment of approximately RMB72.0 million and the domestic aftermarket business segment of RMB3.5 million. The increase in revenue was mainly due to an increase in sales

volumes.

Depreciation and amortization increased by RMB9.1 million for HY2015 as a result of additional property, plant, and equipment for Tianjin and Thailand plant.

Gross profit

In the period under review, gross profit increased by 16.5% from RMB233.0 million in HY2014 to RMB271.5 million in HY2015.

Gross profit margin decreased by 0.6% to 16.5% in HY2015 as compared with the last corresponding period. It was mainly due to decline in domestic aftermarket gross margin.

Other operating income and other operating expenses

Other operating income decreased by RMB0.3 million for HY2015 as compared with the corresponding period last year was due to decrease in interest income.

Other operating expenses decreased by RMB3.9 million for HY2015 as compared with the corresponding period in 2014. This was mainly due to decrease in exchange loss of RMB6.1 million as a result of RMB depreciation against USD, partially offset by increase in allowance for doubtful of RMB2.3 million.

Distribution and administration costs

Distribution costs increased by RMB9.2 million for HY2015 as compared with the corresponding period last year were mainly due to increase in rental of RMB 3.6 million, agent commission of RMB2.0 million, delivery fee of RMB1.8 million and other miscellaneous expenses.

Administrative expenses increased by RMB9.8 million for HY2015 as compared with the corresponding period last year. This was due mainly to increase in research expenses of RMB3.6 million, staff related costs of RMB4.4 million and other miscellaneous expenses.

Finance costs

Finance costs increased by approximately RMB4.9 million to RMB27.6 million for HY2015 as compared with RMB22.7 million for the corresponding period last year. This was mainly due to increase in bank loans.

Income tax

Income tax expense increased by RMB1.8 million to RMB11.8 million for HY2015 as compared with RMB10.0 million for the corresponding period last year. The increase was mainly due to increase in profit before income tax, partially offset by tax relief of RMB 2.6 million.

Profit for the period

Profit for the period attributable to owners of the Company amounted to RMB56.4 million as compared with RMB38.1 million recorded last year.

Review of Performance for the second quarter ended 30 June 2014 ("Q2 2014") and the second quarter ended 30 June 2015("Q2 2015")

Revenue

Revenue increased by RMB106.7 million from RMB701.5 million in Q2 2014 to RMB808.2 million in Q2 2015. The increase was mainly due to increase in revenue from the domestic

Original Equipment Manufacturer (“OEM”) business segment of approximately RMB70.3 million and the overseas OEM business segment of approximately RMB64.6 million, which was partially offset by decrease in the overseas aftermarket business segment of approximately RMB47.2 million and the domestic aftermarket business segment of RMB2.3 million. The increase in revenue was mainly due to an increase in sales volumes.

Depreciation and amortization increased by RMB5.5 million in Q2 2015 as a result of additional property, plant, and equipment for Tianjin and Thailand plant.

Gross profit

Gross profit increased by RMB8.4 million from RMB123.6 million in Q2 2014 to RMB132.0 million in Q2 2015.

Gross profit margin decreased by 1.3% to 16.3% in Q2 2015 as compared with the last corresponding period. It was mainly due to decline in domestic aftermarket gross margin.

Other operating income and other operating expenses

Other operating income decreased by RMB0.8 million for Q2 2015 as compared with the corresponding period last year. This was largely due to decrease in exchange gain of RMB1.9 million as a result of RMB depreciation against USD, partially offset by increase of government grant income of RMB1.3 million.

Other operating expenses increased by RMB0.4 million for Q2 2015 as compared with the corresponding period in 2014 were mainly due to increase in allowance for doubtful of RMB0.4 million in Q2 2015.

Distribution and administration costs

Distribution costs increased by RMB3.0 million for Q2 2015 as compared with the corresponding period last year. This was mainly due to increase in rental of RMB 1.9 million and delivery fee of RMB1.5 million.

Administrative expenses decreased by RMB1.8 million for Q2 2015 as compared with the corresponding period last year. This was mainly due to decrease in research expenses of RMB0.9 million and other miscellaneous expenses.

Finance costs

Finance costs increased by approximately RMB2.4 million to RMB14.1 million in Q2 2015 as compared with RMB11.7 million for the corresponding period last year. The increase was mainly due to increase in bank loans.

Income tax

Income tax expense decreased by RMB0.5 million to RMB 7.2 million in Q2 2015 as compared with RMB7.7 million for the corresponding period last year. The main reason was mainly due to tax relief of RMB 2.4 million which was received in Q2 2015.

Profit for the period

Profit for the period attributable to owners of the Company amounted to RMB31.8 million for Q2 2015.

Statement of financial position

Trade receivables increased by RMB125.5 million as at 30 June 2015. The increase was in line with the increase in revenue.

Other receivables and prepayments decreased by RMB15.8 million as at 30 June 2015. This was mainly due to decrease in ocean freight receivable of RMB19.8 million.

Derivative financial instruments increased by RMB7.1 million as at 30 June 2015. This was mainly due to the fair value change of foreign currency forward contracts as a result of operating cash flow hedges.

Inventories increased by approximately RMB70.4 million to RMB533.2 million as at 30 June 2015 as compared with RMB462.8 million as at 31 December 2014. The increase was mainly due to increase in finished goods of RMB25.2 million and raw materials of RMB28.3 million.

Prepayments under non-current assets increased by RMB6.0 million as at 30 June 2015. This was mainly due to increase in prepayment for equipment.

Property, plant and equipment increased by approximately RMB70.7 million to RMB906.0 million as at 30 June 2015 compared with RMB835.3 million as at 31 December 2014. This was largely due to the increase of production equipment of RMB36.3 million and the acquisition of a subsidiary, which was partially offset by the depreciation of RMB51.0 million.

Short-term loans increased by RMB87.5 million as at 30 June 2015 to meet increased working capital requirement.

Trade payables increased by approximately RMB196.8 million to RMB939.8 million as at 30 June 2015 compared with RMB743.0 million as at 31 December 2014. This was mainly due to increase in purchases.

Other payables increased by RMB11.2 million as at 30 June 2015 were mainly due to accrued agent commission of RMB4.0 million, accrued delivery fee of RMB3.5 million and accrued rental of RMB2.0 million.

Current portion of long-term loans decreased by RMB4.1 million as at 30 June 2015, the main reason was that long-term loan of RMB59.5 million was reclassified into current portion of the long-term loans and loans of RMB63.6 million was repaid to banks.

Long-term loans increased by RMB9.8 million as at 30 June 2015, the main reason was that new long-term RMB69.3 million loans, partially offset by long-term loan of RMB59.5 million was reclassified into current portion of the long-term loans.

Cash Flow for the period ended 30 June 2015

Net cash from operating activities of RMB123.4 million was mainly due to the increase in business activities for the period ended 30 June 2015.

Net cash used in investing activities of RMB93.4 million was mainly for the purchase of new equipment in the Tianjin factory and acquiring a subsidiary.

Net cash from financing activities of RMB80.9 million was mainly due to increase in borrowings.

Cash Flow for the second quarter ended 30 June 2015

Net cash used in operating activities of RMB4.1 million was mainly due to the increase in business activities for the second quarter ended 30 June 2015.

Net cash used in investing activities of RMB61.7 million was mainly for the purchase of new equipment in the Tianjin factory and the acquisition of a subsidiary for the second quarter ended 30 June 2015.

Net cash from financing activities of RMB83.7 million was mainly due to increase in borrowings for the second quarter ended 30 June 2015.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

As disclosed in the Company's Quarterly Financial Results announcement dated 29 April 2015 (the "**29 April 2015 Announcement**"), the Group expected FY2015 to be a profitable year, and the Group's performance for Q2 2015 is in line with the statement set out in Paragraph 10 of the 29 April 2015 Announcement.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Second half of the financial year remains challenging for the Group due to expected slowdown in the economy of China and stiffer competition from other major global suppliers.

Barring any unforeseen circumstances, the Group is expected to remain profitable for the financial year ending 31 December 2015.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the second quarter ended 30 June 2015.

13. Aggregate value of interested persons transactions conducted pursuant to a shareholders' general mandate for the period from 1 January 2015 to 30 June 2015.

Pursuant to Rule 920(1)(a)(ii) of the Listing Manual, the details of the aggregate value of interested person transactions conducted pursuant to a shareholders' general mandate are as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (RMB'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (RMB'000)
Hebei Lizhong - Lease of properties and equipment - Purchase of aluminum alloy ingots - Supply of molten aluminum alloy - Processing and recycling of rejects and scraps - Purchase of auxiliary raw materials - Sales of scraps - Payment of staff social insurance premiums	- - - - - - 552	496 36,094 156,577 7,021 2,252 4,782 -
Meilu Alloy - Lease agreement - Supply of molten aluminum alloy - Processing and recycling of rejects and scraps - Supply of water and electricity	- - - -	595 54,289 2,671 3,398
Tianjin Lizhong - Supply of molten aluminum alloy - Processing and recycling of rejects and scraps	- -	361,254 19,978
Lizhong Automotive - Procurement of sale agency Services	-	7,659

Notes:

Hebei Lizhong	:	Hebei Lizhong Nonferrous Metals Group Co., Ltd
Meilu Alloy	:	Qinhuangdao Development Zone Meilu Alloy Co., Ltd
Tianjin Lizhong	:	Tianjin Lizhong Alloy Group Co., Ltd
Baoding Anbaoneng	:	Baoding Anbaoneng Metallurgical Equipment Co., Ltd
Lizhong Automotive	:	Lizhong Automotive North America LLC

Lizhong Automotive is a sale agent of our Group. On behalf of our Group, Lizhong Automotive sold wheels of RMB69.7 million in HY2015.

The Shareholders' Mandate in respect of the aforesaid interested person transactions was effective on 29 April 2015.

We, Zang Ligen and See Yen Tarn, being two directors of the Company, do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the Q2 2015/ HY 2015 financial results to be materially false or misleading.

On behalf of the Board

Zang Ligen
Executive Chairman

See Yen Tarn
Independent Director

BY ORDER OF THE BOARD

Zang Ligen
Executive Chairman

13 August 2015