



Lizhong Wheel Group Ltd.

No.948 East Qiyi Road, LizhongBuilding, Baoding City, Hebei Province, China

Tel: (86) 312 5997688 Fax: (86) 312 5997666

Website: www.lzwheel.com Email: lwheelgroup@lzwheel.com

Lizhong Wheel's net profit attributable to shareholders up 97.7% yoy to RMB24.7 million for 1Q2015

- Revenue up 27.1% yoy due to higher revenue from the overseas and domestic OEM business segment
- Net profit margin increased 1.0 percentage point from 1.9%
- The Group to continue the R&D effort and benefit from the growing auto market in China

Key Financial Highlights

(RMB 'Mil)	1Q2015	1Q2014	Change (%)
Revenue	841.5	662.1	27.1
Gross Profit	139.5	109.4	27.5
Gross Profit Margin	16.6%	16.5%	0.1 pp
Net Profit Attributable to Shareholders	24.7	12.5	97.7
Net Profit Margin	2.9	1.9	1.0 pp
Total Comprehensive Income to Shareholders	30.4	5.4	464.1
Earnings Per Share* (RMB Cents)	10.49	5.31	97.6

Note:

pp: percentage point

*Based on the weighted average number of 235,025,550 shares

Singapore, 29 April 2015 – Lizhong Wheel Group Ltd. (“Lizhong Wheel” or “The Group” or “立中车轮”), the leading manufacturer of aluminum alloy wheels in China, today announced a 97.7% year-on-year (“yoy”) increase in its net profit attributable to shareholders to RMB24.7 million for its three months ended 31 March 2015 (“1Q2015”).

Revenue increased 27.1% yoy to RMB841.5 million for 1Q2015 on the back of higher contribution from the overseas and domestic Original Equipment Manufacturer (“OEM”) business segments, which increased by approximately RMB125.0 million and RMB68.9million respectively. However, the increase was partially offset by decrease in overseas and domestic aftermarket business segments of approximately RMB24.8million and RMB1.2million respectively. The increase in revenue was mainly due to an increase in sales volumes.



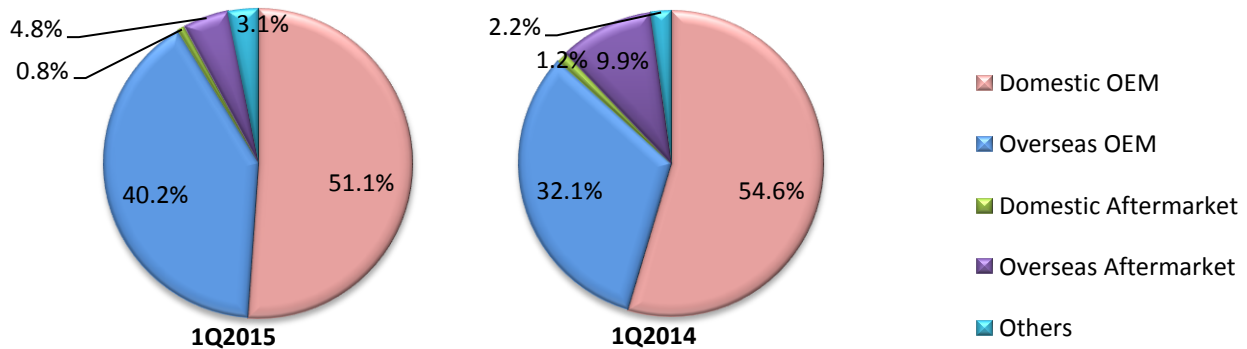
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Revenue Breakdown by Business Segment



Gross profit increased 27.5% yoy to RMB139.5 million for 1Q2015. Gross profit margin increased 0.1 pp to 16.6% yoy for 1Q2015 due to higher margins from overseas OEM sales.

Despite the improved revenue, distribution costs and administrative expenses increased at a lower rate of 23.9% and 22.6% yoy to RMB32.0 million and RMB62.8 million respectively for 1Q2015. Distribution costs increased due to the increased agency commission of RMB1.8 million, rental of RMB 1.7 million and other miscellaneous expenses. Meanwhile, administrative expenses increased largely due to higher research expenses of RMB4.5 million, staff related costs of RMB3.6 million and other miscellaneous expenses.

Other operating expenses decreased 58.6% yoy to RMB4.4 million for 1Q2015, mainly attributable to decreased exchange loss of RMB8.0 million as a result of the RMB depreciation against USD. This is partially offset by a RMB 1.9 million increase in allowance for doubtful debts.

With the Group's improved performance, earnings per share ("EPS") increased 97.6% from 5.31 Renminbi cents for 1Q2014 to 10.49 Renminbi cents for 1Q2015.

Lizhong Wheel's Executive Chairman, Mr. Zang Ligen commented, **"We are really glad to see our focus on improving product quality, R&D and marketing result in better financial performance for this quarter.**

However, we will still be wary of China's economic slowdown and stiffer competition from other global major suppliers. Going forward, we will continue with our efforts in product innovation to strengthen our market position."

Outlook



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According to Mr Dong Yang, the vice president of China Association of Automobile Manufactures ("CAAM"), China's auto sales are expected to increase 7% to exceed 25 million units in 2015¹. In addition, the passenger car sales are expected to be up 8% to 21.2 million vehicles for 2015¹. A McKinsey's research report shows that China has surpassed the U.S to become the largest single-country passenger car market in 2010². Going forward, 35% of the world's auto market is expected to come from China, who is highly likely to exceed North America and Europe to be the largest area market by 2020².

Reference

¹ China's auto sales expected to exceed 25 mln units in 2015, 22 April 2015, <http://www.ecns.cn/business/2015/04-22/162597.shtml>

² Arthur Wang, Wenkan Liao, Arnt-Philipp Hein, McKinsey&Company, Automotive & Assembly Practice http://www.mckinsey.com/~media/mckinsey/dotcom/client_service/Automotive%20and%20Assembly/PDFs/McKinsey%20%20Perspective%20on%20Chinas%20auto%20market%20in%202020.ashx



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About Lizhong Wheel Group Ltd.

Lizhong Wheel Group Ltd. (“Lizhong Wheel”, “The Group” or “立中车轮”) is principally engaged in the design, manufacture and sale of aluminum alloy wheels for use in various types of automobiles. It has over 400 different models of electro-plated and spray-painted aluminum alloy wheels, with sizes ranging from 12 to 24 inches in diameter. Lizhong Wheel’s products are sold to the retail, domestic and export OEM markets.

Currently, Lizhong Wheel has five wheel production plants and a R&D centre in China and one wheel production plant in Thailand. The total annual production capacity of the Group is 13 million wheels.

Lizhong Wheel is incorporated in Singapore and was listed on the Main Board of the SGX on 19 October 2005.

Issued for and on behalf of Lizhong Wheel Group Ltd.

By Financial PR Pte Ltd

For more information, please contact:

Zhang Yuchao / Ngo Yit Sung

Investor Relations Consultants

Tel: 65-6438 2990 / Fax: 65-6438 0064

Email: staff@financialpr.com.sg