

LIZHONG WHEEL GROUP LTD.

(Incorporated in Singapore on 10 June 2004)
(Registration Number: 200407196C)

CLARIFICATION ANNOUNCEMENT ON ANNUAL REPORT ON FY2013

The Board of Directors (the “**Board**”) of Lizhong Wheel Group Ltd. (the “**Company**”) refers to the queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 24 April 2014 regarding the Company’s Annual Report for the financial year ended 31 December 2013 (“**FY2013**”) (the “**Annual Report**”) and wishes to respond as follows:

Query 1:

As required under Paragraph 2.4 of the Code of Corporate Governance 2012 (the “**Code**”), the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. Please kindly provide the date of appointments of all the independent directors.

Response:

The date of the appointments of the independent directors of the Company is as follows:

Name	Date of Appointment
Mr Ong Tiew Siam	30 May 2005
Mr Zhao Qinghua	24 August 2005
Mr Chua Hung Meng	24 August 2005

For the year under review, the Nominating Committee of the Company (“**NC**”) had assessed the independence of each director and is of the opinion that Mr Ong Tiew Siam, Mr Zhao Qinghua and Mr Chua Hung Meng continues to be independent. Each member of the NC had abstained from deliberations in respect of the assessment on his own independence.

Query 2:

As required under Listing Rule 1207(12), please make disclosure as recommended in the Code or otherwise disclose and explain any deviation from the following Code guidelines:-

- (a) Paragraph 9.2 of the Code states that the Company should disclose the remuneration of each individual director and the CEO on a named basis.
- (b) Paragraph 9.3 of the Code states that the Company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO).

Response:

Paragraph 9.2 and 9.3 of the Code

The Board would like to clarify that given the confidentiality and commercial sensitivity attached to remuneration matters, the remuneration of each individual director and the Chief Executive Officer (“**CEO**”) and the aggregate remuneration paid to the Company’s top five key management personnel (who are not Directors / the CEO) would not be disclosed.

Query 3:

Paragraph 11.3 of the Code states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company’s Annual Report. The Board’s commentary should include information needed by stakeholders to make an informed assessment of the company’s internal control and risk management systems.

Response:

Paragraph 11.3 of the Code

The Board confirms that based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, the Board is of the opinion that the Group’s internal controls including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective.

The Board further confirms that it has received assurance from both the CEO, Mr Zhang Jianliang and the Chief Financial Officer, Mr Zhang Jinli that the financial records have been properly maintained and the financial statements give a true and fair view of the company’s operations and finances and the company’s risk management and internal control systems are effective.

Query 4:

Listing Rule 1207(19)(b) requires a statement on whether the Company has complied with the practice in disallowing an officer of the Company to deal with the Company’s securities on short-term considerations. Please disclose a statement that is in compliance with Listing Rule 1207(19)(b).

Response:

Listing Rule 1207(19)(b)

The Board confirms that the Company has in place an internal policy in relation to dealings in the Company’s securities by its officers on short term considerations.

By order of the Board

Zang Ligen
Executive Chairman
25 April 2014