

LIZHONG WHEEL GROUP LTD.
(Incorporated in Singapore on 10 June 2004)
(Registration Number: 200407196C)
(the “**Company**”)

INCREASE IN SHAREHOLDING IN SUBSIDIARY

The Company wishes to announce that, with effect from 6 January 2015, its wholly-owned subsidiary, Tianjin Lizhong Wheel Co., Ltd (天津立中车轮有限公司) (“**TLW**”) has purchased 10% shares in Tianjin Dicastal Wheel Manufacturing Co., Ltd. (天津戴卡轮毂制造有限公司) (“**Tianjin Dicastal**”) from Macao Rechi Investment Co., Ltd. (澳门瑞智投资有限公司) for a consideration of RMB 12,453,148.94 (“**Purchase Consideration**”).

Pursuant thereto, TLW's shareholdings in Tianjin Dicastal increased from 65% to 75%. The Purchase Consideration was arrived at on a willing-buyer, willing-seller basis based on the net asset value of the Company as of 31 October 2014. The consideration was funded through the internal working capital of the TLW.

Tianjin Dicastal is mainly engaged in design, manufacturing and selling of automobile aluminum alloy wheels.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction.

The above transaction is not expected to have any material impact on the earnings per share and net tangible asset per share of the Company for the financial year ended 31 December 2014.

By order of the Board

Zang Ligen
Executive Chairman

6 January 2015