

LIZHONG WHEEL GROUP LTD
(Registration Number: 200407196C)
(Incorporated in the Republic of Singapore)
(the "**Company**")

**VOLUNTARY CONDITIONAL CASH OFFER FOR SHARES IN LIZHONG WHEEL GROUP LTD BY
DBS BANK LTD. FOR AND ON BEHALF OF BERKLEY INTERNATIONAL LIMITED**

1. INTRODUCTION

The board of directors (the "**Board**") of the Company wishes to inform its shareholders of the Company (the "**Shareholders**") that DBS Bank Ltd. ("**DBS Bank**"), for and on behalf of Berkley International Limited (the "**Offeror**"), has on 17 August 2015 released an announcement (the "**Offer Announcement**") that the Offeror intends to make a voluntary conditional cash offer (the "**Offer**") for all the issued and paid-up ordinary shares (the "**Shares**") in the capital of the Company, other than those Shares held, directly or indirectly, by the Offeror as at the date of the Offer (the "**Offer Shares**").

2. THE OFFER

2.1 The Offer Announcement states, *inter alia*, that in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the "**Code**"), and subject to the terms and conditions set out in the formal offer document to be issued by DBS Bank, for and on behalf of the Offeror, (the "**Offer Document**"), the Offeror will make the Offer for the Offer Shares on the following basis:

(a) the offer price for each Offer Share (the "**Offer Price**") will be as follows:

For each Offer Share: S\$0.50 in cash.

(b) the Offer Shares are to be acquired (a) fully paid, (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever, and (c) together with all rights, benefits and entitlements attached thereto as at the date of the Offer Announcement (the "**Offer Announcement Date**") and hereafter attaching thereto (including the right to receive and retain all dividends, other distributions and return of capital (if any) which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date). If any dividend, other distribution or return of capital is announced, declared, paid or made by the Company on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by an amount equivalent to such dividend, distribution or return of capital paid or made by the Company to such Shareholders who accept or have accepted the Offer; and

(c) The Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror before or during the Offer, will result in the Offeror holding not less than 90% of the Offer Shares (excluding any Shares held in treasury) as at the close of the Offer ("**Acceptance Condition**"). The Offeror reserves the right to reduce the Acceptance Condition to a lower minimum acceptance level, provided that such revision be made after obtaining the consent of the Securities Industry Council of Singapore. In the

event that the Acceptance Condition is revised, the revised Offer shall remain open for another 14 days following such revision and Shareholders who have accepted the Offer will be permitted to withdraw their acceptances within eight (8) days of notification of such revision.

- 2.2 A copy of the Offer Announcement is attached herewith to this announcement (the "Announcement") and is also available on the website of the Singapore Exchange Securities Trading Limited ("SGX-ST") at www.sgx.com. **The Board advises Shareholders to carefully review the Offer Announcement in its entirety as it contains important information, including information on the Offeror and the Offer, the rationale for the Offer and the Offeror's intentions for the Company.**

3. DESPATCH OF THE OFFER DOCUMENT

According to the Offer Announcement, the Offer Document settling out the terms and conditions of the Offer and enclosing the relevant form(s) of acceptance will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the Offer Announcement date.

The Offer will remain open for acceptances by Shareholders for a period of at least 28 days from the date of posting of the Offer Document.

4. INDEPENDENT FINANCIAL ADVISER

The Board will, in due course, appoint an independent financial adviser in connection with the Offer. A circular containing the advice of the independent financial adviser and the recommendation of the directors of the Company who are considered independent for the purposes of the Offer will be sent to Shareholders within 14 days from the date of despatch of the Offer Document to be issued by or on behalf of the Offeror.

In the meantime, Shareholders are advised to exercise caution when dealing with their Shares and to refrain from taking any action in respect of their Shares which may be prejudicial to their interests. Shareholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

The Company will, in compliance with the applicable rules of the Listing Manual of the SGX-ST, make further announcements as appropriate.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company (including those who have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement (other than those relating to the Offeror) are fair and accurate, and that there are no material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror (including, without limitation, the Offer Announcement), the sole responsibility of the directors of the Company has been to ensure

that such information has been accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

The directors of the Company jointly and severally accept responsibility accordingly.

By order of the Board

Janet Tan
Company Secretary
17 August 2015