Lizhong Wheel Group Ltd.
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Lizhong Wheel records 4.0% increase in revenue to RMB662.1 million for 1Q2014

- **Higher revenue came on the back of higher sales volume and average selling prices from the Group's overseas OEMs and overseas aftermarket segments**
- **Gross profit margin increased by 4.8% to 16.5% in 1Q 2014 as compared with the last corresponding period. It was due to overall improvement in gross margins, in particular overseas OEM.**

Key Financial Highlights

(RMB 'Mil)	1Q2014	1Q2013	Change (%)
Revenue	662.1	636.9	4.0
Gross Profit	109.4	74.6	46.8
Gross Profit Margin	*16.5%*	*11.7%*	4.8pp*
Other Operating Income	4.5	5.7	(21.5)
Distribution costs	25.8	19.9	29.5
Administrative expenses	51.2	34.0	50.4
Finance Costs	10.9	7.7	42.0
Other Operating Expenses	10.5	1.3	711.0
Net Profit Attributable To Shareholders	12.5	13.0	(4.1)
Earnings Per Share (RMB Cents)**	5.31	5.54	(4.2)

(RMB)	As at 31/03/2014	As at 31/12/2013	Change (%)
Net Asset Value Per Ordinary Share	3.17	3.15	0.6

Note:
**Pp denotes percentage points*
***Based on the weighted average number of shares of 235,025,550*

Singapore, 30 April 2014 – Lizhong Wheel Group Ltd. ("Lizhong Wheel" or "The Group" or "立中车轮"), the leading manufacturer of aluminum alloy wheels in China, today

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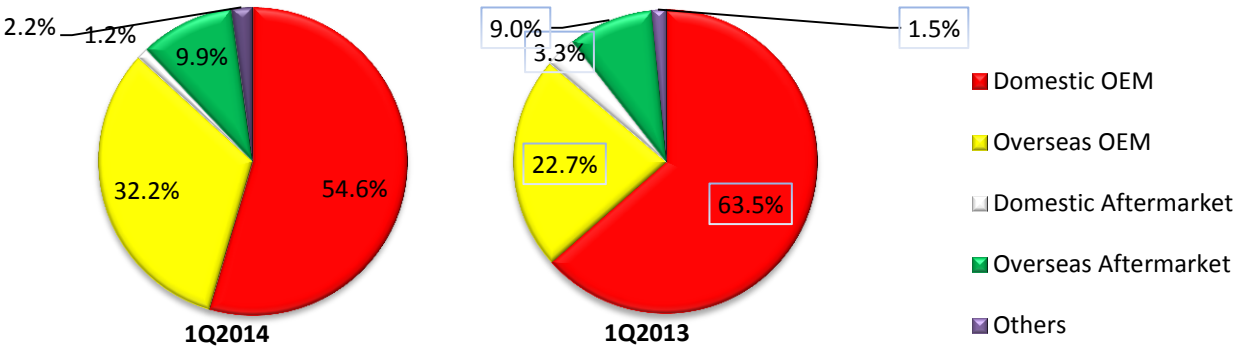
announced a 4.0% year-on-year (“yoy”) increase inrevenue toRMB662.1 million for its first quarter ended 31 March 2014 (“1Q2014”).

The higher revenue achieved came on the back of a RMB68.2 million or 47.2% yoy increase in sales from the overseas Original Equipment Manufactuer (“OEM”) business segment and a RMB8.0 million or 14.0% increase in sales from the overseas aftermarket business segment. The increase in revenue was supported with higher sales volumes and average selling prices of the Group’s aluminum alloy wheels. However, this was partially offset by aRMB43.1 or 10.7% yoydecrease in revenue from the domestic OEM business segment and a RMB12.9 million or 61.9% yoy decrease in revenue from the domestic aftermarket business segment.

Revenue Breakdown by Business Segment



Gross profit margin increased by 4.8% to 16.5% in 1Q 2014 as compared with the last corresponding period. It was due to overall improvement in gross margins, in particular overseas OEM.

Other operating income fell 21.5% to RMB4.5 million largely due to exchange gain of RMB2.0 million in 2014.

In line with the higher revenue, the Group incurred a 42.6% yoy increase in operating expenses to RMB87.9 million. Distribution costs increased 29.5% yoy to RMB25.8 million primarily due to increase in agent commission, export and delivery fees. Administrative expenses increased 50.4% yoy to RMB51.2 million largely due to increase in research

expenses of RMB14.7 million and other staff-related costs. The increase in research expenses was mainly due to the increase in research and development activities to cater for new products for its overseas markets. Finance costs went up 42.0% to RMB10.9 million on higher bank loans.

Other operating expenses surged 711.0% to RMB10.5 million primarily because of exchange loss of RMB10.4 million as a result of RMB depreciation against USD.

Consequently, the Group reported a net profit attributable to shareholders of RMB12.5 million for 1Q2014.

Outlook

Mr. Zang Ligen, Lizhong Wheel's Executive Chairman commented, **"2014 will continue to be a challenging year for the Group due to the slowing People's Republic of China's economy. In view of higher operating costs, we are constantly developing and optimizing our product structure to achieve better operational efficiency.**

With the completion of our existing production plants and facilities, including our first overseas plant in Thailand, we are looking forward to achieving an annual aluminum alloy wheel production capacity of 15.0 million by 2015.

We have set our sights on spearheading our growth beyond China through our Thailand plant, which is strategically located adjacent to major global carmakers.

In our objective to strive for operational and quality excellence, we shall sustain our R&D efforts to cater to the more sophisticated demands of the automobile sector."

Presently, the Group is one of the few players globally with the capability to manufacture wheels for large trucks (22-inch diameter or bigger). Through the joint venture with Korea

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HBE Press Co., Ltd. in 2013, the Group has made its first foray into the truck wheels sector and hopes to expand its market share in this business segment.

Barring any unforeseen circumstances, the Group is optimistic on achieving a profitable FY2014.

- The End -

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 also has a sales representative, Lizhong Automotive North America LLC for exclusive distribution of their products in North America.

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.

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