

BERKLEY INTERNATIONAL LIMITED

(Company Registration No.: 1880534)
(Incorporated in the British Virgin Islands)

5 October 2015

To: The Shareholders of Lizhong Wheel Group Ltd.

Dear Sir/Madam

COMPULSORY ACQUISITION OF SHARES IN LIZHONG WHEEL GROUP LTD. BY BERKLEY INTERNATIONAL LIMITED PURSUANT TO SECTION 215(1) OF THE COMPANIES ACT (CHAPTER 50 OF SINGAPORE) (THE "COMPANIES ACT")

1. INTRODUCTION

- 1.1 **Offer.** We, Berkley International Limited (the "**Offeror**") refer to the voluntary conditional cash offer (the "**Offer**") by DBS Bank Ltd. ("**DBS Bank**"), for and on behalf of the Offeror, to acquire all the issued and paid-up ordinary shares (the "**Shares**") in the capital of Lizhong Wheel Group Ltd. (the "**Company**"), other than those Shares held, directly or indirectly, by the Offeror as at the date of the Offer.

All capitalised terms used and not defined in this letter (this "**Letter**") shall have the same meanings given to them in the offer document dated 4 September 2015 despatched to Shareholders containing, *inter alia*, the terms of the Offer, unless otherwise expressly stated or the context otherwise requires.

- 1.2 **Final Closing Date.** On 21 September 2015, DBS Bank had announced, for and on behalf of the Offeror, that the Offer will remain open for acceptance until 5.30 p.m. (Singapore time) on 16 October 2015 (the "**Final Closing Date**") and that the Offeror does not intend to extend the Offer beyond 5.30 p.m. (Singapore time) on the Final Closing Date. Accordingly, any acceptances received thereafter will be rejected.
- 1.3 **Compulsory Acquisition.** As at the date of this Letter, the Offeror already owns, controls or has agreed to acquire not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations and their respective nominees as at the date of the Offer and excluding any Shares held in treasury). Accordingly, the Offeror is entitled to, and intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of the Shareholders who have not accepted the Offer at the consideration of S\$0.50 for each Share (the "**Consideration**").
- 1.4 **Shareholders Who Have Not Accepted the Offer.** According to the records as at 5.00 p.m. (Singapore time) on 1 October 2015 maintained by The Central Depository (Pte) Limited ("**CDP**") and/or Boardroom Corporate & Advisory Services Pte. Ltd. (the "**Share Registrar**"), as the case may be, you have not accepted the Offer in respect of your Shares. Accordingly, we are writing to inform you that the Offeror wishes to exercise its right of compulsory acquisition to acquire all the Shares held by you at the Consideration. We enclose, for this purpose, a Notice to Dissenting Shareholder in the form prescribed under the Companies Act ("**Form 57**").

PLEASE DISREGARD THIS LETTER AND THE ACCOMPANYING FORM 57 AND FORM 58 (AS DEFINED BELOW) IF YOU (A) HAVE ALREADY ACCEPTED THE OFFER IN RESPECT OF ALL YOUR SHARES BY COMPLETING AND RETURNING A VALID FAA OR FAT (AS THE CASE MAY BE), OR (B) INTEND TO ACCEPT THE OFFER IN RESPECT OF ALL YOUR SHARES NO LATER THAN 5.30 P.M. (SINGAPORE TIME) ON THE FINAL CLOSING DATE, OR (C) HAVE SOLD ALL YOUR SHARES ON THE SGX-ST PRIOR TO THE DATE OF THIS LETTER.

If you wish to accept the Offer but have not done so, you should complete, sign and forward your FAA or FAT (as the case may be) and all other relevant documents as soon as possible so as to reach the Offeror no later than 5.30 p.m. (Singapore time) on the Final Closing Date. All FAAs, FATs and other relevant documents received after 5.30 p.m. (Singapore time) on the Final Closing Date will not be accepted.

- 1.5 **Consultation.** If you are in any doubt about this Letter or the action you should take, you should consult your stockbroker, bank manager, solicitor or other professional adviser immediately.

2. COMPULSORY ACQUISITION UNDER SECTION 215(1) OF THE COMPANIES ACT

- 2.1 **Compulsory Acquisition.** The Offeror will exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to acquire all the Shares held by you on a date (the “**Transfer Date**”) that is after 5 November 2015, being one (1) month from the date on which Form 57 is given, subject to and on the terms set out in the enclosed Form 57.

- 2.2 **Registration of Transfer.** Upon the payment of the Consideration to the Company by the Offeror on the Transfer Date, the Company will cause to be transferred to the Offeror all the Shares held by you and register the Offeror as the holder of all those Shares as soon as practicable. The Consideration will be credited by the Company into a separate bank account and held by the Company in trust for you and paid to you in accordance with the settlement procedures set out in paragraph 2.3 below.

- 2.3 **Settlement.** Subject to and in accordance with the provisions of Section 215(1) of the Companies Act and the terms set out in the enclosed Form 57, as soon as practicable after the Transfer Date:

- (a) if your Shares are held through a Securities Account maintained with CDP, CDP will, on behalf of the Company, despatch remittances in the form of cheques in Singapore currency drawn on a bank in Singapore for the appropriate amount of the Consideration payable in respect of your Shares to you by ordinary post, at your own risk, to your address as it appears in the records of CDP, or by such other manner as you may have agreed with CDP for the payment of any cash distributions; and
- (b) if your Shares are held in certification form, the Share Registrar will, on behalf of the Company, despatch a cheque in Singapore currency drawn on a bank in Singapore for the appropriate amount of the Consideration payable to you in respect of your Shares to you by ordinary post, at your own risk, to your address as it appears in the register of members of the Company, as maintained by the Share Registrar.

- 2.4 **No Action Needed.** No action needs to be taken by you in relation to Form 57 to entitle you to payment, which will be made to you in accordance with paragraphs 2.2 and 2.3 above.

3. RIGHTS UNDER SECTION 215(3) OF THE COMPANIES ACT

- 3.1 **Non-Assenting Shareholder.** Under Section 215(3) of the Companies Act, you have the right to require the Offeror to acquire your Shares. In connection therewith, a Notice to Non-Assenting Shareholder in the form prescribed under the Companies Act ("**Form 58**") is enclosed with this Letter. You may, within three (3) months from the date of Form 58 (that is, by 5 January 2016), require the Offeror to acquire your Shares and the Offeror shall be entitled and bound to acquire your Shares at the Consideration.
- 3.2 **No Action Needed.** As the Offeror would be proceeding to compulsorily acquire your Shares pursuant to Section 215(1) of the Companies Act as described in paragraph 2 above, you need not take any action in relation to Form 58. Shareholders who wish to exercise their right under Section 215(3) of the Companies Act are advised to seek their own independent legal advice.

4. RESPONSIBILITY STATEMENT

The sole director of the Offeror has taken all reasonable care to ensure that the facts stated and opinions expressed in this Letter are fair and accurate and that there are no other material facts not contained in this Letter, the omission of which would make any statement in this Letter misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the sole director of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Letter.

Yours faithfully,

For and on behalf of

BERKLEY INTERNATIONAL LIMITED



Zang Yongxing
Director