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PEARL RIVER TYRE (HOLDINGS) LIMITED

(Continued in Bermuda with limited liability)

(Stock Code: 01187)

RE-DESIGNATION OF DIRECTOR AND CHANGE OF COMPOSITION OF BOARD COMMITTEES, RESIGNATION OF DIRECTOR AND DELAY IN DESPATCH OF ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

RE-DESIGNATION OF DIRECTOR AND CHANGE OF COMPOSITION OF BOARD COMMITTEES

The board (the “**Board**”) of directors (the “**Director(s)**”) of Pearl River Tyre (Holdings) Limited (the “**Company**” and its subsidiaries, collectively the “**Group**”) announces the following changes, all with effect from 24 April 2014:-

- (1) Mr. Yeow See Yuen (“**Mr. Yeow**”) has been re-designated from an independent non-executive Director to a non-executive Director and ceased to act as the chairman of the remuneration committee (the “**Remuneration Committee**”) and a member of nomination committee of the Company (the “**Nomination Committee**”). Mr. Yeow remains as a member of the audit committee of the Company (the “**Audit Committee**”) ;
- (2) Mr. Wang Xiao Chuan, an independent non-executive Director, has been appointed as the chairman of the Remuneration Committee; and
- (3) Mr. Wong Lit Chor, Alexis, an independent non-executive Director, has been appointed as a member of the Audit Committee.

Re-designation of Director

On 24 April 2014, the Board resolved to re-designate Mr. Yeow from an independent non-executive Director to a non-executive Director with immediate effect (the “**Re-designation**”). In the course of gathering information for the forensic review as announced in the Company’s announcement dated 31 March 2014 relating to, among other matters, the delay in publication

of annual results for the year ended 31 December 2013 (“**Announcement**”), the Board in early April 2014 came to the knowledge that Mr. Yeow had been appointed as a director of Guangzhou Pearl River Rubber Tyre Limited, a 70%-owned subsidiary of the Group, since 2009. Following verification and checking of relevant information and subsequent professional advice, the Board held a meeting on 24 April 2014 (the “**Board Meeting**”) and considered that whilst as of the date of the Board meeting, there was no information available to the Board which would call into question the independence of Mr. Yeow, the Board considered that it was important from the perspective of the shareholders of the Company (the “**Shareholders**”) that the position of any independent non-executive Director be not only independent, but also seen to be independent, and in view of Mr. Yeow’s past contribution and the independence guideline provided in rule 3.13(7) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), it would be in the interest of the Company as a whole that Mr. Yeow be re-designated as a non-executive Director. At the Board Meeting, prior to the proposition of the Re-designation motion, Mr. Yeow had expressed his agreement to the Re-designation.

Based on the information available to the Company, the Company set out below biography details of Mr. Yeow required to be disclosed pursuant to the requirement of Rule 13.51(2) of the Listing Rules. As at the date of this announcement, the Company was unable to obtain confirmation from Mr. Yeow as to his biographical details disclosed below.

Mr. Yeow, age 46, joined the Group as independent non-executive Director on 30 June 2008 and re-designated as a non-executive Director on 24 April 2014. Following the Re-designation, he remains as a member of the Audit Committee. He is currently a director of Guangzhou Pearl River Rubber Tyre Limited, a 70%-owned subsidiary of the Group. Mr. Yeow holds a first class honours degree in Accountancy from the National University of Singapore. He started his careers with Coopers & Lybrand in Singapore in 1991 in the audit division. He left the firm in 1994 to join Deutsche Securities Asia Limited (“**Deutsche Securities**”) where he spent 9 years working in the Equity Research Department. During the period, he progressed through a series of positions including Deputy Head of Indonesia Research, Head of Malaysian Research and Head of Consumer Research Asia. Since leaving Deutsche Securities in 2003, he has been actively involved in investment banking related work, including investor relations corporate advisory and research consultancy. Mr. Yeow is an independent director in Mega First Corporation Berhad and D & O Green Technologies Berhad, both companies listed in the Bursa Malaysia Securities Berhad. Save as disclosed above, Mr. Yeow did not hold any other directorship in any public listed companies in the past three years nor has he held any other positions with the Group.

Mr. Yeow does not have any service contract with the Company and shall retire from office on a rotation basis in accordance with the bye-laws of the Company. Mr. Yeow is entitled to a director’s fee of HK\$75,000 per annum which is determined by reference to his duties and responsibilities.

Mr. Yeow does not have any relationship with any Director, senior management or substantial shareholders or controlling shareholders of the Company. He does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, there is no other information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h)

to (v) therein) nor are there any other matters that need to be brought to the attention of the Shareholders in respect of the Re-designation.

RESIGNATION OF DIRECTOR

On 25 April 2014, Mr. Yeow sent three emails to the Directors stating that (i) he maintained his view that he was independent despite his position in Guangzhou Pearl River Rubber Tyre Limited; and (ii) he objected to the re-designation of his position from independent non-executive Director to non-executive Director. At a later time on the same date, Mr. Yeow served a notice to the Board to tender his resignation as an independent non-executive Director with effect from one day after the upcoming annual general meeting. Whilst the Board does not agree with the criticisms directed at and allegations made against the Board and other current Board members in his letter of resignation, in the interests of transparency the content of such letter is set out below:

“Dear Sirs

RESIGNATION AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

I wish to tender my resignation as an Independent Non-Executive Director of Pearl River Tyre (Holdings) Limited (the “Company”) with effect from ONE day after the upcoming Annual General Meeting.

My resignation is effective also for all the positions that I hold in board committees.

Of late, I have been subject to tremendous pressure to resign from the Board. More recently, my independence has been questioned, but no evidence suggesting my actual lack of independence has been presented to me. Instead of assessing facts that may be helpful in determining my independence, the board has come to a conclusion on my independence based on an erroneous interpretation of the listing rules.

Based on recent events, I believe that only truly independent director on the board is me. I am utterly disappointed in the nonchalant manner which the Board has handled the information made available to the Board and the serious allegations made by the ex-chairman, Mr Goh Nan Kioh. I have lost confidence in the competence of the Board.

I have chosen my resignation date advisedly. I feel duty-bound to provide full and frank disclosure to the forensic auditor that has been engaged by the Company, before my resignation. I am doubtful that the forensic auditor will be apprised of relevant information from the existing board.

Upon my resignation, my contact details are as follows:

Address : [deliberately omitted from this announcement]
Telephone : [deliberately omitted from this announcement]

Yours faithfully

Yeow See Yuen”

As mentioned, the Board does not agree with the criticisms directed at and allegations made against the Board and other current Board members in Mr. Yeow's letter of resignation. The Board would like to emphasise that having considered the reason stated in the paragraph headed "RESIGNATION OF DIRECTOR" in this announcement, it was appropriate for the Board to re-designate Mr. Yeow as a non-executive Director.

The Board has responded to the allegations contained in Mr. Yeow's resignation letter by reiterating the Listing Rules interpretation in light of the relevant considerations and stating the basis which led it to consider that its independent non-executive directors were independent. The Board has also referred to the establishment of the Special Investigation Committee on 3 April 2014 and the ongoing Forensic Review (as defined below), and stated its intention to take the appropriate steps where necessary upon finalisation of the Forensic Review.

Save for the above, the Board considers that there are no other matters that need to be brought to the attention of the Shareholders.

GENERAL

Reference is made to the announcement of the Company dated 14 April 2014 relating to, among other matters, the engagement of an independent professional adviser to carry out the forensic review in relation to the investment in IC Spectrum (Kunshan) Co., Ltd., a subsidiary of the Company and the issuance of the 3% 3-year convertible bonds due 2016 by the Company ("**Forensic Review**"). As at the date of this announcement, the Forensic Review is still ongoing and the Company will make further announcement(s) to inform the Shareholders of relevant updates when and where appropriate.

DELAY IN DESPATCH OF ANNUAL REPORT

Reference is made to the Announcement. The Board announces that as additional time is required for the Company to prepare the information requested including the result of the Forensic Review for the auditors of the Company to finalise and complete the audit of the final results of the Group for the year ended 31 December 2013. As such, the Company will be unable to dispatch its annual report for the year ended 31 December 2013 (the "**2013 Annual Report**") by 30 April 2014.

The delay in dispatch of the 2013 Annual Report will constitute non-compliance with Rule 13.46 of the Listing Rules.

SUSPENSION OF TRADING IN SHARES

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2014 and will continue to be suspended until further notice.

By Order of the Board
Pearl River Tyre (Holdings) Limited
Yang Liu
Chief Executive Officer

Hong Kong, 29 April 2014

As at the date of this announcement, the Board comprises executive Directors, namely, Mr. Yang Liu, Mr. Lo Ka Wai and Mr. Wang Shu Jie, non-executive Directors, namely, Mr. Xu Lei and Mr. Yeow See Yuen, and independent non-executive Directors, namely, Mr. Lai Ho Man, Dickson, Mr. Wang Xiao Chuan, Mr. Wong Lit Chor, Alexis and Mr. Liu Hongjun.