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Prinx Chengshan Holdings Limited

浦林成山控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1809)

PROFIT WARNING

This announcement is hereby made by Prinx Chengshan Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the eleven months ended November 30, 2021 and the information currently available to the Board, it is expected that the Group’s revenue for the year ending December 31, 2021 will increase by approximately 20% compared to the year ended December 31, 2020 (total revenue for 2020: RMB6,283 million), the net profit will decrease by approximately 50% compared to the year ended December 31, 2020 (net profit for 2020: RMB605 million). The net profit is expected to be between RMB260 million and RMB330 million for the year ending December 31, 2021.

During the eleven months ended November 30, 2021, benefiting from the release of production capacity at the tire production base in Thailand, the Group’s total revenue recorded growth. However, as the economy was affected by the rebound of the epidemic, the business environment of the Group’s business was full of challenges. The Board considers that the decrease in net profit was mainly attributable to (i) the raw material prices remaining at high levels; (ii) poor ocean shipping and the high freight rates; and (iii) the weak domestic tire market demand and fierce market competition, such that the rise in the price of upstream raw materials had not been passed to the downstream in time, resulting in the decrease in the gross profit margin for the year ending December 31, 2021.

The information contained in this announcement is only based on the preliminary assessment made by the Board after reviewing the unaudited consolidated management accounts of the Group for the eleven months ended November 30, 2021, which have not been audited or reviewed by the Company's independent auditor or the audit committee of the Board. Shareholders and potential investors are advised to refer to the details in the audited annual results of the Company for the year ending December 31, 2021.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Prinx Chengshan Holdings Limited
Che Hongzhi
Chairman and Non-executive Director

Shandong Province, the PRC
December 20, 2021

As at the date of this announcement, the Board comprises Mr. Che Baozhen, Mr. Shi Futao and Ms. Cao Xueyu as executive directors; Mr. Che Hongzhi, Mr. Wang Lei and Mr. Shao Quanfeng as non-executive directors; Mr. Zhang Xuehuo, Mr. Choi Tze Kit Sammy and Mr. Wang Chuansheng as independent non-executive directors.