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PEARL RIVER TYRE (HOLDINGS) LIMITED

(Continued in Bermuda with limited liability)

(Stock Code: 01187)

RESULTS OF INTERNAL CONTROL REVIEW

Reference is made to:

- (a) the announcement of Pearl River Tyre (Holdings) Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) dated 11 September 2014 in relation to the resumption conditions imposed by the Stock Exchange on the Company (“**Resumption Conditions Announcement**”);
- (b) the announcement of the Company dated 15 September 2014 in relation to an update on the Company’s status including the completion of Forensic Review; the Project Transfer Agreement; the provision of finance from Zhongying to ICSC; the transfer of buildings and development costs; and other matters of the Company (“**Forensic Review Announcement**”); and
- (c) the announcement of the Company dated 20 October 2014 in relation to an update on the Company’s status including, amongst other things, the review of the Group’s internal control procedures.

Unless otherwise defined, capitalized terms used in this announcement should have the meanings as those defined in the Forensic Review Announcement.

SUMMARY OF THE INTERNAL CONTROL REVIEW FINDINGS AND THE REMEDIAL ACTIONS TAKEN BY THE COMPANY

The Board noted from the findings of the Forensic Review dated 30 June 2014 that there were certain deficiencies/weaknesses in internal controls procedures. The Company has since reviewed and enhanced the internal control procedures. As set out in the Forensic Review

Announcement, an independent professional firm of internal control consultants (“**Internal Control Reviewer**”) was engaged in September 2014 to perform an assessment of the internal controls over certain corporate governance, financial procedures, systems and internal controls of the Company and ICSC (the “**Internal Control Review**”). Based on the findings of the Internal Control Reviewer, no material deficiencies were found during the review period, except for the matters relating to the access right to financial reporting system and notification and reporting mechanism for change in board members of ICSC.

The Company has since taken remedial actions after taking into consideration recommendations of the Internal Control Reviewer. The same were also brought to the attention of the Board and the Internal Control Reviewer.

As stated in the Resumption Conditions Announcement, one of the resumption conditions is to demonstrate that the Company has put in place adequate internal controls. Having considered the findings set out under the report of the Internal Control Review and all remedial actions taken by the Company, the Directors are of the view that the Group has established adequate internal control policies and procedures in all material respects, and the Group currently maintains an adequate and effective internal control system to meet its obligations under the Listing Rules.

CONTINUED 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
Chairman and Chief Executive Officer

Hong Kong, 11 November 2014

As at the date of this announcement, the Board comprises executive Directors, namely, Mr. Yang Liu (Chairman and Chief Executive Officer) and Mr. Lo Ka Wai, non-executive Director, namely, Mr. Xu Lei, and independent non-executive Directors, namely, Mr. Lai Ho Man, Dickson, Mr. Wang Xiao Chuan, Mr. Wong Lit Chor, Alexis and Mr. Liu Hongjun.