

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Pearl River Tyre (Holdings) Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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PEARL RIVER TYRE (HOLDINGS) LIMITED

(Continued in Bermuda with limited liability)

(Stock Code: 01187)

CHANGE OF AUDITOR AND NOTICE OF SPECIAL GENERAL MEETING

A notice convening the Special General Meeting of the Company to be held at Suite 5207, 52/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Monday, 27 October 2014 at 9:30 a.m. is set out on page 6 of this circular.

Whether or not you are able to attend and/or vote at the Special General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

10 October 2014

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RESPONSIBILITY STATEMENT

This circular, for which the Directors (as defined herein) collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules (as defined herein) for the purpose of giving information with regard to the Company (as defined herein). The Directors (as defined herein), having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“2013 Annual Report”	the audited consolidated financial statements of the Group and the reports of the Directors and auditor of the Company for the year ended 31 December 2013
“Adjourned AGM”	an adjourned annual general meeting of the Company to be held at such time when the 2013 Annual Report is available to (i) consider and adopt the 2013 Annual Report; and to (ii) consider the re-appointment of auditor of the Company for the ensuing year and to authorize the Directors to fix the auditor’s remuneration
“Audit Committee”	the audit committee of the Company, comprising Mr. Lai Ho Man, Dickson (<i>Chairman</i>), Mr. Wong Lit Chor, Alexis and Mr. Liu Hongjun, all are independent non-executive Directors
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company and as amended from time to time
“Change of Auditor”	the proposed appointment of ZHONGHUI ANDA as new auditor of the Company following the resignation of Crowe Horwath, the former auditor of the Company
“Company”	Pearl River Tyre (Holdings) Limited, a company continued in Bermuda with limited liability, whose issued Shares are listed on the main board of the Stock Exchange
“Crowe Horwath”	Crowe Horwath (HK) CPA Limited
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Special General Meeting”	the special general meeting of the Company to be convened and held at Suite 5207, 52/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Monday, 27 October 2014 at 9:30 a.m. to consider and, if thought fit, to approve the Change of Auditor
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“ZHONGHUI ANDA”	ZHONGHUI ANDA CPA Limited

LETTER FROM THE BOARD



PEARL RIVER TYRE (HOLDINGS) LIMITED

(Continued in Bermuda with limited liability)

(Stock Code: 01187)

Executive Directors:

Yang Liu (*Chairman and Chief Executive Officer*)

Lo Ka Wai

Non-Executive Director:

Xu Lei

Independent Non-Executive Directors:

Lai Ho Man, Dickson

Wang Xiao Chuan

Wong Lit Chor, Alexis

Liu Hongjun

Registered office:

Bermuda Commercial Bank Building

19 Par-La-Ville Road

Hamilton HM 11

Bermuda

Principal place of

business in Hong Kong:

Suite 5207, 52/F.

Central Plaza

18 Harbour Road

Wanchai, Hong Kong

10 October 2014

To the Shareholders

Dear Sir or Madam,

CHANGE OF AUDITOR

INTRODUCTION

Reference is made to (i) the announcement of the Company dated 29 September 2014 in relation to the resignation of Crowe Horwath as auditor of the Company (the “**Previous Announcement**”); and (ii) the announcement of the Company dated 7 October 2014 in relation to the Change of Auditor.

The purpose of this circular is to provide you with further information regarding the Change of Auditor and the notice convening the Special General Meeting.

REASONS OF CHANGE OF AUDITOR

As set out in the Previous Announcement, the Board announced that Crowe Horwath, the former auditor of the Company, have resigned as auditor of the Company with effect from 29 September 2014.

LETTER FROM THE BOARD

At the annual general meeting of the Company held on 10 June 2013, Crowe Horwath was re-appointed as auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company. At the annual general meeting of the Company held on 8 September 2014, an ordinary resolution was passed by the then Shareholders in respect of the postponement of the adoption of the audited financial statements of the Group and the reports of the Directors and auditor of the Company for the year ended 31 December 2013 and the re-appointment of auditor of the Company for the ensuing year to the date of the Adjourned AGM to be determined by the Directors. The Company received the letter of resignation from Crowe Horwath in respect of their resignation as auditor of the Company with effect from 29 September 2014. Subject to the approval of the Shareholders at the Special General Meeting, as recommended by the Audit Committee, the Board has resolved to propose to appoint ZHONGHUI ANDA as the auditor of the Company to fill the vacancy following the resignation of Crowe Horwath and to hold office until the conclusion of the Adjourned AGM. Pursuant to Bye-Law 15.4(c) of the Bye-Laws, the Special General Meeting shall be convened to consider the Change of Auditor.

As mentioned in the Previous Announcement, in the letter of resignation of Crowe Horwath dated 29 September 2014 to the Board and the Audit Committee, Crowe Horwath stated that: (i) they were not in a position to provide an assurance to the Board that they could complete the audit on or before the mid of October 2014, the deadline set by the Board in respect of the Company's consolidated financial statements for the year ended 31 December 2013 in view of the fact that the audit procedures would involve additional time and manpower to address the list of required outstanding information they had sent to the Group on 25 September 2014, the ultimate results of which would heavily depend on the responses and co-operations from the Group and other parties; and (ii) they came to decision to tender their resignation as auditor of the Company with effect from 29 September 2014 after taking into account of the professional risk associated with the audit and effective utilisation of their internal resources. Crowe Horwath further stated in their letter of resignation that, apart from the reasons set out in the letter of resignation, there are no circumstances connected with their resignation that they considered should be brought to the attention of the Shareholders.

The Board confirmed that there is no other matters in respect of the resignation of Crowe Horwath that need to be brought to the attention of Shareholders. To the best knowledge of the Directors, there are no other matters in respect of the Change of Auditor which they considered should be brought to the attention of the Shareholders.

SPECIAL GENERAL MEETING

Set out on page 6 of this circular is a notice convening the Special General Meeting at which an ordinary resolution will be proposed to consider and, if thought fit, to approve the Change of Auditor. The resolution regarding the Change of Auditor will be proposed at the Special General Meeting for approval by the Shareholders as set out in this circular.

A form of proxy for use at the Special General Meeting is enclosed herewith. Whether or not you are able to attend and/or vote at the Special General Meeting, you are requested to complete the form of proxy and return it to the Company's branch share

LETTER FROM THE BOARD

registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queens's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the Special General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Special General Meeting or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the resolution set out in the notice of Special General Meeting will be voted by poll.

RECOMMENDATION

Having considered the circumstances set out as above and in view of ZHONGHUI ANDA is one of the well-known CPA firm in China and Hong Kong, the Directors believe that the Change of Auditor is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of such resolution to be proposed at the Special General Meeting.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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

NOTICE OF SPECIAL GENERAL MEETING



PEARL RIVER TYRE (HOLDINGS) LIMITED

(Continued in Bermuda with limited liability)

(Stock Code: 01187)

NOTICE IS HEREBY GIVEN THAT a special general meeting (the “**Meeting**”) of Pearl River Tyre (Holdings) Limited (the “**Company**”) will be held at Suite 5207, 52/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Monday, 27 October 2014 at 9:30 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** ZHONGHUI ANDA CPA Limited be and are hereby appointed as auditor of the Company to fill the vacancy following the resignation of Crowe Horwath (HK) CPA Limited and to hold office until the conclusion of the adjourned annual general meeting of the Company to be held at such time when the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditor of the Company for the year ended 31 December 2013 is available to consider and that the board of directors of the Company be authorized to fix their remuneration.”

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

Hong Kong, 10 October 2014

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting convened by this notice shall be entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote instead of him in accordance with the bye-laws of the Company. A proxy need not be a member of the Company, but must be present to represent the member.
2. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members of the Company.
3. In order to be valid, the form of proxy (if required by the Directors), the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time fixed for holding of the Meeting or adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Meeting or any adjournment thereof should they so wish.
4. As at the date of this notice, the board of directors of the Company consists seven directors, namely, Mr. Yang Liu and Mr. Lo Ka Wai as executive directors, Mr. Xu Lei as non-executive director, and Mr. Lai Ho Man, Dickson, Mr. Wang Xiao Chuan, Mr. Wong Lit Chor, Alexis and Mr. Liu Hongjun as independent non-executive directors.