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## **Prinx Chengshan (Cayman) Holding Limited**

**浦林成山（開曼）控股有限公司**

*(Incorporated under the laws of the Cayman Islands with limited liability)*

**(Stock Code: 1809)**

### **DISCLOSEABLE TRANSACTION PURCHASES OF WEALTH MANAGEMENT PRODUCTS**

On December 19, 2018, Prinix (Shandong) Tire, an indirect wholly-owned subsidiary of the Company, purchased a principal-guaranteed wealth management product with fixed return from Bank of China in an aggregate principal amount of RMB250,000,000 and a non-principal guaranteed wealth management product with floating return from Bank of China in a principal amount of RMB47,000,000.

When aggregating the total principal amount of the wealth management products purchased from Bank of China dated December 19, 2018, one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules are more than 5% but less than 25%. Accordingly, the purchase of the Products collectively constituted a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Rule 14.33 of the Listing Rules.

## **INTRODUCTION**

On December 19, 2018, Prinix (Shandong) Tire purchased a principal-guaranteed wealth management product with fixed return from Bank of China in an aggregate principal amount of RMB250,000,000 (the “**Product 1**”) and a non-principal guaranteed wealth management product with floating return from Bank of China in a principal amount of RMB47,000,000 (the “**Product 2**”, together with the Product 1, the “**Products**”). As at the date of this announcement, the aggregate principal of the Products amounted to RMB297,000,000 because on December 21, 2018, Prinix (Shandong) Tire redeemed an aggregate principal amount of RMB42,000,000 of Product 2 (the “**Redemption**”).

## **INFORMATION ON THE WEALTH MANAGEMENT PRODUCTS PURCHASED FROM BANK OF CHINA**

Terms of the Product 1 were summarized as follows:

Parties:	(1) Bank of China (as issuer); and (2) Prinx (Shandong) Tire (as purchaser).
Principal amount purchased:	RMB250,000,000
Duration of wealth management product:	No fixed term
Type of wealth management product:	Principal guaranteed with fixed return
Risk rating of the product (internal risk assessment by Bank of China):	Low risk
Investment portfolio:	Financial assets of low risk and high liquidity, such as bond assets
Fixed annualized return rate:	4.05% per annum

Terms of the Product 2 were summarized as follows:

Parties:	(1) Bank of China (as issuer); and (2) Prinx (Shandong) Tire (as purchaser).
Principal amount purchased:	RMB47,000,000 (Note: after the Redemption, the principal amount is RMB5,000,000)
Duration of wealth management product:	No fixed term.
Type of wealth management product:	Non-principal guaranteed with floating return
Risk rating of the product (internal risk assessment by Bank of China):	Medium to low risk

Investment portfolio:	Financial investment instruments approved by the regulatory authorities, such as money market instruments, fixed-income securities and bond assets
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Expected annualized return rate:	3.00% per annum
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To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Bank of China and its ultimate beneficial owners are independent third parties of the Company and its connected persons.

## **REASONS FOR AND BENEFITS OF PURCHASING THE PRODUCTS**

The Directors have been actively seeking suitable investment opportunities for the Company. The Group purchased wealth management products from Bank of China with a view to maximizing the use of its temporary idle cash so as to obtain a reasonable return. Proper short-term wealth management with low risk is conducive to enhancing the effectiveness of capital utilisation and increasing the income of idle funds while maintaining high flexibility and liquidity. As the majority (approximately 98%) of the aggregated principal amount (taking into account the Redemption) purchased at the date of this announcement is principal-guaranteed, the Directors believe that the purchase of the Products will create maximum benefits for the Company and its Shareholders. As the purchase of the Products is made for the purposes of providing reasonable return and in view of the relatively high security level of the Products, the Board believe that there is no impact on the normal production and operation of the Group.

The Directors (including the independent non-executive Directors) believe that the purchase of the Products is conducted on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole. The purchases are funded by the internal resources of the Company.

## **INFORMATION ON THE GROUP**

The Company is an investment holding company and its subsidiaries are principally engaged in the design, manufacture and distribution of all steel radial tires, semi-steel radial tires and bias tires.

## **INFORMATION ON BANK OF CHINA**

Bank of China is principally engaged in banking and related financial services, including commercial banking, investment banking, insurance, direct investment and investment management, fund management and aircraft leasing business.

## LISTING RULES IMPLICATIONS

When preparing the 2018 annual report, the Company noted that the purchase of the Products, although the nature of which is similar to that of fixed deposit, constituted a discloseable transaction for the Company when aggregated. Therefore, when aggregating the principal amount of the wealth management products purchased from Bank of China, one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of such purchases are more than 5% but less than 25%. Accordingly, the purchase of the Products collectively constituted a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Rule 14.33 of the Listing Rules.

## DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Company”	Prinx Chengshan (Cayman) Holding Limited, an company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Prinx Chengshan (Shandong) Tire”	Prinx Chengshan (Shandong) Tire Company Limited (formerly known as Cooper Chengshan (Shandong) Tire Company Limited and Cooper Chengshan (Shandong) Tire Company Limited), an indirect wholly-owned subsidiary of the Company
“Bank of China”	Bank of China Limited, a national joint-stock commercial bank established under the laws of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	has the meaning ascribed to it under the Listing Rules

By Order of the Board  
**PRINX CHENGSHAN (CAYMAN) HOLDING LIMITED**  
**Che Hongzhi**  
*Chairman and non-executive Director*

Shandong, PRC  
March 1, 2019

*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. Chen Yansheng as non-executive directors; Mr. Zhang Xuehuo, Mr. Choi Tze Kit Sammy and Mr. Wang Chuansheng as independent non-executive directors.*