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## **PEARL RIVER TYRE (HOLDINGS) LIMITED**

(Registered under the Companies Act, 1981 of Bermuda with limited liability)

(Stock Code: 01187)

### **PROFIT WARNING**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board of Directors (the "Board") wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a substantial loss in the second half of the year 2010 (after recording a significant decline in consolidated net profit in the unaudited interim results for the financial period ended 30 June 2010), which would result in a significant net loss after tax for the consolidated results of the Company for the financial year ended 31 December 2010, as compared to that for the previous corresponding financial year.

**Potential investors and shareholders of the Company should exercise caution when dealing in shares of the Company.**

This announcement is made by Pearl River Tyre (Holdings) Limited (the "Company", together with its subsidiaries and the Joint Venture, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

As stated in the Company's interim results announcement dated 11 August 2010, the Group recorded an unaudited consolidated net profit of approximately HK\$5.5 million for the six months financial period ended 30 June 2010. Based on the information currently available, the Board of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a substantial loss in the second half of the year 2010.

The expected losses were mainly attributable to the share of operating loss from the Joint Venture, Guangzhou Pearl River Rubber Tyre Limited as a result of the significant rise in raw material prices.

The information contained in this announcement is only based on preliminary assessment performed by the management of the Company and information currently available to the Company and is not based on any final figure or information audited or reviewed by the Company's auditors. The audited consolidated results of the Group for the financial year ended 31 December 2010 have not been finalized and are currently subject to audit by the auditors of the Company.

The annual results announcement of the Company for the financial year ended 31 December 2010 is expected to be announced in March 2011. Shareholders of the Company and potential investors are advised to read the annual results announcement of the Company when it is published.

**Potential investors and shareholders of the Company should exercise caution when dealing in shares of the Company.**

This announcement is made by the order of the Board, of which the directors individually and jointly accept responsibility for the accuracy of the information contained in this announcement.

By order of the Board  
Pearl River Tyre (Holdings) Limited  
Tan Pei Choo  
Company Secretary  
28 January 2011

As at the date of this announcement, the Board of Directors of the Company comprises of Mr. Goh Nan Kioh, the Non-Executive Chairman, Mr. Goh Nan Yang, being the Executive Director, Mr Yeoh Eng Khoon being the Non-Executive Director and Mr Won Thean Sang, Mr Yeow See Yuen and Mr Khoo Teng Keat being the Independent Non-Executive Directors.