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LONGRUN TEA GROUP COMPANY LIMITED
龍潤茶集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2898)

PROFIT WARNING

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

The Board wishes to inform the shareholders of the Company and potential investors that the unaudited consolidated loss attributable to ordinary equity holders of the Company for the six months ended 30 September 2009 is expected to increase significantly as compared to that of the corresponding period last year. Such increase in loss is mainly attributable to the one-off expenses incurred as a result of the issue of the share options.

The Board would also like to highlight that, excluding the expenses incurred as a result of the issue of the share options, the unaudited consolidated interim results of the Group for the six months ended 30 September 2009 are expected to turnaround as compared with those of the corresponding period last year as the Group's newly acquired tea business started to provide positive contributions.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

This announcement is made by Longrun Tea Group Company Limited (the “**Company**” and, together with its subsidiaries, 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**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that the unaudited consolidated loss attributable to ordinary equity holders of the Company for the six months ended 30 September 2009 is expected to increase significantly as compared to that of the corresponding period last year. Such increase in loss is mainly attributable to the one-off expenses incurred as a result of the issue of the share options on 23 July 2009, principal terms of which were set out in the circular of the Company dated 26 June 2009. The Board considers that such expenses are one-off non-cash items and will not have any impact on the operating cash flows of the Group.

The Board would also like to highlight that, excluding the expenses incurred as a result of the issue of the share options, the unaudited consolidated interim results of the Group for the six months ended 30 September 2009 are expected to turnaround as compared with those of the corresponding period last year as the Group’s newly acquired tea business started to provide positive contributions.

The information contained in this announcement is based only on the management’s preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 September 2009. The unaudited consolidated interim results of the Company are subject to further review by the management and the audit committee of the Company and have not been finalised. Therefore, the actual unaudited results of the Group for the six months ended 30 September 2009 may differ from the information contained in this announcement. The unaudited consolidated interim results of the Group for the six months ended 30 September 2009 are expected to be published before the end of December 2009.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

By order of the Board
Longrun Tea Group Company Limited
CHIU Ka Leung
Chairman

Hong Kong, 16 December 2009

As at the date of this announcement, the Board comprises four executive directors, namely Mr CHIU Ka Leung, Ms YEH Shu Ping, Mr JIAO Shaoliang and Mr LU Pingguo, and three independent non-executive directors, namely Mr LAM Siu Hung, Mr GUO Guoqing and Mr KWOK Hok Lun.