

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



RUYAN GROUP (HOLDINGS) LIMITED

如烟集團(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 329)

**PROFIT WARNING
AND
RESUMPTION OF TRADING**

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the unaudited consolidated results of the Group for the year ended 31 December 2009 is expected to record a loss.

Shareholders and potential investors should exercise caution when dealing in the Shares.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 14 January 2010 pending the release of this announcement. The Company has applied for resumption of trading of the Shares on the Stock Exchange with effect from 9:30 a.m. on 15 January 2010.

This announcement is made by Ruyan Group (Holdings) Limited (the “**Company**”, together with its subsidiaries referred to as the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Reference is made to the announcements of the Company dated 11 November 2009 (the “**Announcement**”), 25 November 2009, 24 December 2009 and 31 December 2009. Unless otherwise defined, terms defined in the Announcement shall have the same meanings when used herein.

The board of directors (the “**Board**”) of the Company wishes to inform the Shareholders and potential investors that, based on the Board’s preliminary review of the unaudited consolidated management accounts of the Group, the unaudited consolidated results of the Group for the year ended 31 December 2009 is expected to record a loss (the “**Profit Warning**”). Based on the preliminary assessment by the Board, the loss is mainly attributable to (i) written-off of accounts receivable and obsolete inventories due to the slowdown in sales of the Group’s electronic cigarette and pharmaceutical businesses and (ii) impairment loss to other related assets.

The Company is still in the process of finalizing the Group's results for the year ended 31 December 2009. The information contained in this announcement is only based on the information currently available to the Company and the management accounts of the Group, which has not been reviewed nor audited by the Company's auditors. Shareholders and potential investors should read the Group's final results announcement for the year ended 31 December 2009 carefully, which is expected to be published before the end of April 2010.

The Profit Warning constitutes a profit forecast under Rule 10 of the Takeovers Code. As such, the Company is required to comply with the requirements under Rule 10 of the Takeovers Code with respect to profit warning which has to be reported on by the Company's auditor and financial adviser. The Company will arrange for the forecasts to be reported on in accordance with Rule 10 of the Takeovers Code as soon as reasonably practicable and the relevant reports will be contained in the next document to be sent to the Shareholders.

Shareholders and potential investors should note that the Profit Warning has not yet been reported on in accordance with the Takeovers Code. Shareholders and potential investors should therefore exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of possible mandatory offer for the Shares, which may be arisen as a result of Proposed Restructuring. Shareholders and potential investors should exercise caution when dealing in the Shares.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 14 January 2010 pending the release of this announcement. The Company has applied for resumption of trading of the Shares on the Stock Exchange with effect from 9:30 a.m. on 15 January 2010.

By Order of the Board
Ruyan Group (Holdings) Limited
Wong Yin Sen
Chairman

Hong Kong, 14 January 2010

As at the date of this announcement, the executive directors of the Company are Mr. Wong Yin Sen, Mr. Hon Lik and Mr. Wong Hei Lin; and the independent non-executive directors of the Company are Mr. Pang Hong, Mr. Cheung Kwan Hung, Anthony and Mr. Ding Xun.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.