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RUYAN GROUP (HOLDINGS) LIMITED

如烟集團(控股)有限公司

(To be renamed as Dragonite International Limited 參龍國際有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 329)

**PROFIT WARNING
AND
UNUSUAL PRICE AND VOLUME MOVEMENTS**

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a loss for the six months ended 30 June 2010.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

The Board has noted today's increase in share price and trading volume of the shares of the Company and wishes to state that save for the profit warning disclosed in this announcement, the Board is not aware of any reasons for such unusual movements.

PROFIT WARNING

This announcement is made by Ruyan Group (Holdings) Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a loss for the six months ended 30 June 2010.

Based on the information currently available, the Board considers that the expected loss is mainly attributable to decrease in revenue recorded for the past six months.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2010. The information contained in this announcement is based on the Company's preliminary estimate given by the management of the Company but not on any figures or information audited or reviewed by the Company's auditors. Financial information and other details of the Group will be disclosed in the interim results announcement of the Group for the six months ended 30 June 2010 which is expected to be published in August 2010.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

UNUSUAL PRICE AND VOLUME MOVEMENTS

The Board has noted today's increase in share price and trading volume of the shares of the Company and wishes to state that save for the profit warning disclosed in this announcement, the Board is not aware of any reasons for such unusual movements.

Saved as disclosed above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price sensitive nature.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

On behalf of the board of directors of
Ruyan Group (Holdings) Limited
Wong Yin Sen
Chairman

Hong Kong, 27 July 2010

As at the date of this announcement, the executive Directors are Mr. Wong Yin Sen, Mr. Hon Lik, Mr. Wong Hei Lin, Ms. Ching Yuen Man, Angela and Mr. Au Yeung Kai Chor, the non-executive Director is Mr. Frank H. Miu and the Independent non-executive Directors are Mr. Pang Hong, Mr. Chung Yuk Lun, Mr. Liu Kwong Sang and Mr. Lam Man Sum, Albert.