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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)

POSITIVE PROFIT ALERT

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

The Board wishes to inform the Shareholders and potential investors that the Group is expected to record a net profit for the year ended 31 March 2011 as compared to a net loss for the corresponding period in 2010. This positive profit alert announcement is only based on the preliminary review by the Company's management of the unaudited management accounts of the Group. The annual results announcement of the Group for the year ended 31 March 2011 is expected to be announced before the end of June 2011.

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

This announcement is made by Longrun Tea Group Company Limited (the "Company", and together with its subsidiaries, the "Group") pursuant to the Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Based on preliminary review by the Company's management of the unaudited management accounts of the Group, the board of directors of the Company (the "Board") wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that the Group is expected to record a net profit for the year ended 31 March 2011 as compared to a net loss of approximately HK\$30.6 million for the corresponding period in 2010. Such improvement in financial results was mainly attributable to (i) the positive contributions by the Group's tea and other food products business; and (ii) the absence of the one-off share option expenses relating to the grant of the Company's share options.

This positive profit alert announcement is only based on the preliminary review by the Company's management on the unaudited management accounts of the Group.

The Company is in the process of finalising the annual results of the Group for the year ended 31 March 2011. The overall financial results of the Group for the year ended 31 March 2011 will only be ascertained when all the relevant results and treatments are finalised. The annual results announcement of the Group for the year ended 31 March 2011 is expected to be announced before the end of June 2011.

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

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

Hong Kong, 8 June 2011

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