

**RUINIAN INTERNATIONAL LTD:
THE 'LITTLE' MATTER OF
THAT 27-MILLION RENMINBI ADVANCE PAYMENT**

TARGET () assumes that it is strictly kosher and no suggestion is made, insinuated, or is intended in respect of it.

Nevertheless, it is strange that a company, whose Net Profit Attributable to Shareholders in respect of the Financial Year, ended December 31, 2008, was about 120 million renminbi, would agree to lash out 27 million renminbi, equivalent to about 22.50 percent of the Net Profit Attributable to Shareholders with regard to the 2008-Year, as an advance payment for what is being described as the acquisition of technical know-how, would enter into such an agreement of financial materiality.

It is especially strange when one realises that this is the first time that such an anomalous item has appeared in the Consolidated Balance Sheets of this company over the past 45 months.

To purchase technical know-how in order to introduce it and/or to apply it in the production of something or even to include it in a service pack is understandable, but, in this case, it will not be until the end of next year (2011) that Ruinian International Ltd () (Code: 2010, Main Board, The Stock Exchange of Hongkong Ltd) will even be informed as to whether or not the (unnamed) technical know-how will be approved by the Government of the People's Republic of China (PRC) let alone be useful to the Company.

The item, to which **TARGET** is referring, may be found in the Consolidated Balance Sheet of Ruinian International Ltd with regard to the 9-month period, ended September 30, 2009.

It is labelled, '*Advance Payments for acquisition of technical know-how*', and it is in the amount of 27 million renminbi.

At Note 16 to the Accounts of Ruinian International Ltd in respect of the 45-month, track-record period, one discovers this single sentence as, one supposes, as an explanation about the '*mysterious*' forward purchase of the technical know-how:

'16. ADVANCE PAYMENTS FOR ACQUISITION OF TECHNICAL KNOW-HOW

The balance represents the substantial payments in connection with the acquisition of technical know-how for certain products of which the completion is subject to the licence expected to be granted by the relevant PRC government authorities by the end of 2011.'

Since one might consider that an advance payment(s) in the amount of 27 million renminbi is of financial materiality to this Company, one might be inclined to raise the question as to whether or not prospective investors should be entitled to some kind of explanation about it.

But, no, there is nothing, explaining this matter in the Global Offering Prospectus of Ruinian International Ltd, distributed on Monday, February 8, 2010.

The Flotation

Ruinian International Ltd pitched a Global Offering of 300 million, one-cent Shares at an Offer Price of between \$HK2.95 per Share and \$HK3.78 per Share.

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