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(a joint stock limited company incorporated in the People's Republic of China)
(Stock Code: 8249)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

The Board wish to inform the shareholders of the Company and potential investors that the unaudited consolidated net loss of the Group for the year ending 31 December 2007 is expected to be larger than that for the year ended 31 December 2006.

The information contained in this announcement is only a preliminary estimate performed by the Board of the Company and is not based on any figures or information or information audited or reviewed by the Company's auditors, PKF. As PKF has not yet completed the audit work for the financial year ending 31 December 2007, the Group's full year results are not yet available.

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

This announcement is made by Ningbo Yidong Electronic Company Limited (the "**Company**"), together with its subsidiaries referred to as the "**Group**") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

Reference is made to the Third Quarterly Report dated 15 November 2007 of the Company for the nine months ended 30 September 2007, in which it was mentioned that the unaudited consolidated profit for the nine months ended 30 September 2007 of the Group decreased by 52.9% as compared to the corresponding period in 2006.

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company and potential investors that there is unaudited consolidated loss for the year ending 31 December 2007, and it is expected that the audited consolidated loss of the Group for the year ending 31 December 2007 should be larger than that for the year ended 31 December 2006. Based on the information available, the operating loss is mainly due to a number of factors, including sales decrease, reduced gross profit margin, and written-off of accounts receivable, material and finished goods stock.

The information contained in this announcement is only a preliminary estimate performed by the Board of the Company and is not based on any figures or information audited or reviewed by the Company's auditors, Messrs. PKF ("**PKF**"). As PKF has not completed the audit work for the financial year ending 31 December 2007, the Group's full year results are not yet available.

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By order of the board
Ningbo Yidong Electronic Company Limited
Liu Feng
Chairman

Ningbo, the PRC, 10 March 2008

As of the date hereof, the executive Directors are Mr. Liu Feng, Mr. Gong Zhang Jun and Mr. Chen Zheng Tu, while the non-executive Directors are Mr. Zheng Yi Song and Mr. Wang Wei Shi. The independent non-executive Directors are Mr. Ding Gang Yi, Mr. Tang Zhen Ming and Mr. Ku Kin Shing.

This announcement, for which the Directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” pages of the GEM website for at least 7 days from the date of its posting.

* for identification purpose only