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

(Stock Code: 8249)

ANNOUNCEMENT

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

The Board wishes to inform the shareholders of the Company and potential investors that the unaudited consolidated results of the Group for the year ended 31 December, 2008 is expected to record a net loss considerably higher than that as compared to the nine months ended 30 September 2008.

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

This announcement is made by Ningbo Yidong Electronic Company Limited (the “Company”, and together with its subsidiaries, 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 (“GEM Listing Rules”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that the unaudited consolidated results of the Group for the year ended 31 December, 2008 is expected to record a net loss considerably higher than that as compared to the nine months ended 30 September 2008.

The Board considers that the increase in net loss for the year ended 31 December, 2008 is primarily attributable to:

- (i) decrease in gross profit margin is resulted from surging raw material costs, rising labour costs and Renminbi appreciation;
- (ii) lower revenue records than anticipated due to the global economic recession for the second half year of 2008;
- (iii) the impairment in fixed assets; and

(iv) increase in provision for receivables.

This announcement is only based on the preliminary assessment by the management of the Company on the unaudited management accounts for the year ended 31 December, 2008 and the current information available, which have not been completely audited by the Company's auditors. Further details of the Group's financial data will be disclosed in the Group's audited consolidated results of the Group for the year ended 31 December, 2008 to be announced on 28 March, 2009.

The Board considers that the overall operation of the Group as a whole remains sound and intact, and the financial position of the Group remains solid.

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

By Order of the Board
Ningbo Yidong Electronic Company Limited
Liu Xiao Chun
Chairman

Ningbo, the PRC, 20 March 2009

As of the date hereof, the executive directors are Mr. Liu Xiao Chun, Mr. Gong Zheng Jun and Mr. Chen Zheng Tu, while the non-executive directors are Mr. Zheng Yi Song, Mr. Liu Feng and Mr. Wang Wei Shi. The independent non-executive directors are Mr. Pang Jun, Professor Fang Min and Mr. Law Hon Hing Henry.

This announcement, for which the Directors of the Company (the "Directors") collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of given information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:(1) the information contained in this announcement is accurate and complete in all material respects and not misleading;(2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at <http://www.yidongelec.com>.

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