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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 wishes to inform the shareholders of the Company and potential investors that the unaudited consolidated interim results of the Group for the period ended 30 June 2010 is expected to record a net loss considerably higher than that as compared to the six months ended 30 June 2009.

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 interim results of the Group for the period ended 30 June 2010 is expected to record a net loss considerably higher than that as compared to the six months ended 30 June 2009.

The Board considers that the increase in net loss for the unaudited consolidated interim results of the Group for the period ended 30 June 2010 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 high competition;
- (iii) increase in development fees for new products; and
- (iv) property, plant and equipment which have been transferred from buildings under construction in the PRC so the depreciation is increased.

This announcement is only based on the preliminary assessment by the management of the Company on the unaudited management accounts for the period ended 30 June 2010 and the current information available. Further details of the Group's financial data will be disclosed in the Group's unaudited interim results of the Group for the period ended 30 June 2010 to be announced on 11 August 2010.

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, 6 August 2010

As at the date hereof, the executive Directors are Mr. Liu Xiao Chun, Mr. Gong Zheng Jun and Mr. Chen Zheng Tu; the non-executive Directors are Mr. Zheng Yi Song, Mr. Liu Feng and Mr. Wang Wei Shi; and 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 collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the issuer. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

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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