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YUGANG
YUGANG INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability)
(*Stock Code: 613*)

Profit Warning

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

The Board wishes to inform Shareholders and potential investors that the Group is expected to record a significant loss for the six months ended 30 June 2008 as compared to a profit recorded by the Group for the corresponding period ended 30 June 2007. The loss to be expected in the interim results of this year is mainly attributable to a substantial loss recorded by unrealized loss on the revaluation of the Group's listed securities investment of its treasury investment segment.

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

This announcement is made by Yugang International Limited (the "Company") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors (the "Board") of the Company (together with its subsidiaries, the "Group") wishes to inform shareholders of the Company ("Shareholders") and potential investors that the Group is expected to record a significant loss for the six months ended 30 June 2008 as compared to a profit recorded by the Group for the corresponding period ended 30 June 2007. The loss to be expected in the interim results of this year is mainly attributable to a substantial loss recorded by unrealized loss on the revaluation of the Group's listed securities investment of its treasury investment segment due to recent general downturn of the equity market in Hong Kong.

This profit warning announcement is only based on the Company's preliminary review on the management accounts of the Company, which have not been confirmed or audited by the Company's auditors. Shareholders and potential

investors are advised to read carefully the unaudited interim results announcement of the Company for the six months ended 30 June 2008, which will be released in September 2008, and the related Interim Report 2008 to be published subsequently.

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

By Order of the Board
Yugang International Limited
Yuen Wing Shing
Managing Director

Hong Kong, August 15, 2008

As at the date of this announcement, the executive directors of the Company are Mr. Cheung Chung Kiu, Mr. Yuen Wing Shing, Mr. Zhang Qing Xin, Mr. Lam Hiu Lo and Mr. Liang Kang; the non-executive directors of the Company are Mr. Carmelo Lee Ka Sze and Mr. Wong Yat Fai; the independent non-executive directors of the Company are Mr. James Luk Yu King, Mr. Ng Kwok Fu and Mr. Steven Leung Yu Ming.