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Yun Sky Chemical (International) Holdings Limited

(incorporated in Hong Kong with limited liability)

(Stock code: 663)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

Due to the adverse operating market conditions, the unaudited financial results of the Group for the six months ended 30 June 2008 are expected to decline as compared to the corresponding period in 2007.

Potential investors and shareholders of the Company should exercise caution when dealing in the shares of the Company .

This announcement is made by Yun Sky Chemical (International) Holdings Limited (the "Company") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The board of directors (the "Board") of the Company hereby informs the shareholders and the public that due to the adverse operating market conditions, particularly increased raw material and energy costs, it is expected that the unaudited results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2008 may decline as compared to the corresponding period in 2007. The date of Board Meeting of the Company for announcing the unaudited interim results of the Group for six months ended 30 June 2008 is scheduled on 27 August 2008.

Potential investors and shareholders of the Company should exercise caution when dealing in the shares of the Company

By order of the board of directors of

Yun Sky Chemical (International) Holdings Limited

Raymond Tang

Company Secretary

Hong Kong, 25 August 2008

As at the date of this announcement, the board of Directors comprises Mr. Zhao Jun, Mr. Li Wei and Ms. Zhou Jing as executive Directors and Mr. Choi Tze Kit, Sammy, Mr. Wu Bin and Mr. Tam King Ching, Kenny as independent non-executive Directors.