

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 further significant losses for the second half of the financial year 2008 in addition to the interim loss for the year. The Group is therefore expected to record very substantial loss for the year ended 31 December 2008 as compared to a profit for the last corresponding year.

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

This announcement is made by the board of directors (the “Board”) of Yugang International Limited (the “Company”, together with its subsidiaries, the “Group”) 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 wishes to inform the shareholders of the Company (“Shareholders”) and potential investors that as the equity market further deteriorated during the second half of the financial year 2008, the Group is expected to record further significant losses in addition to the interim loss for the year. The Group is therefore expected to record a very substantial loss for the year ended 31 December 2008 as compared to a profit for the last corresponding year.

The majority of the expected loss for the year ended 31 December 2008 is attributable to unrealized loss on the revaluation of the Group’s listed securities investment with the balance attributable to realized loss on disposal of securities investment, all due to significant downturn of the equity market in Hong Kong under the effect of global credit crisis.

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 announcement of audited annual results of the Company for the year ended 31 December 2008, which will be released before the end of April 2009, and the related Annual 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, 6 January 2009

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.