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YUGANG
YUGANG INTERNATIONAL LIMITED
(渝港國際有限公司)*
(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 the Shareholders and potential investors that the annual results of the Group for the year ended 31 December 2011 are expected to record a very substantial loss as compared to a profit for the last corresponding year. It is mainly attributable to a very substantial impairment of a long term available-for-sale investment together with a significant unrealized loss on the revaluation of the Group's listed securities investment due to the significant downturn of the local equity market in the second half of 2011 and the prevailing financial market conditions as at the end of the financial year.

This profit warning announcement is only based on the preliminary review on the management accounts of the Group, which have not been confirmed nor audited by the Company's auditors.

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

This announcement is made by Yugang International Limited (the "Company") together with its subsidiaries (collectively 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 of directors of the Company (the "Board") wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that the annual results of the Group for the year ended 31 December 2011 are expected to record a very substantial loss as compared to a profit for the last corresponding year. The majority of the anticipated loss is attributable to a very substantial impairment of a long term available-for-sale investment together with a significant unrealized loss on the revaluation of the Group's listed securities investment due to the significant downturn of the local equity market in the second half of 2011 and the prevailing financial market conditions as at the end of the financial year.

This profit warning announcement is only based on the preliminary review on the management accounts of the Group, which have not been confirmed nor audited by the Company's auditors. Shareholders and potential investors are advised to read carefully the announcement of the annual results of the Company for the year ended 31 December 2011, which will be released before the end of March 2012, and the related 2011 annual report to be published subsequently.

Shareholders and potential investors are advised to 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, 5th January 2012

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 are Mr. Lee Ka Sze, Carmelo and Mr. Wong Yat Fai; the independent non-executive directors are Mr. Luk Yu King, James, Mr. Ng Kwok Fu and Mr. Leung Yu Ming, Steven.

** For identification purposes only*