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TUNGDA INNOVATIVE LIGHTING HOLDINGS LIMITED

東大新材料照明控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8229)

ANNOUNCEMENT

The Board of Directors refers to announcements made by the Company since 21 June 2004. The Company is still liaising with its auditors concerning their audit of the consolidated annual results of the Company for the year ended 31 March 2004 (“Annual Results”). To expedite the audit process, the audit committee comprising the independent directors of the Company, has engaged an external accounting firm on 7 July 2004 to assist the audit committee in answering questions of the auditors and performing additional tasks to address issues raised by the auditors in relation to the audit. The Company believes that the engagement of the external accounting firm will help to facilitate the speedy completion of the audit.

On 7 July 2004, the Company received a notice from the Securities and Futures Commission of Hong Kong (“SFC”) informing the Company that the SFC has commenced an inquiry relating to the affairs of the Company under section 179 of the Securities and Futures Ordinance (“Ordinance”). In the light of the recent fluctuations of the price of its shares, the Company welcomes the SFC’s inquiry and will provide all necessary support in that regard.

This announcement is made pursuant to the disclosure obligation under Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM Listing Rules”) of The Stock Exchange of Hong Kong Limited (“Stock Exchange”). At the request of the Company, trading in the shares of the Company was suspended with effect from 9:30 a.m. on 7 July 2004 pending the issue of this announcement. Application has been made for the resumption of trading in the shares on the Stock Exchange with effect from 9:30 a.m. on 9 July 2004.

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

Reference is made to announcements made by the Company since 21 June 2004. The Company is continuing consultations with its auditors concerning their audit of the Annual Results of the Company and its subsidiaries (“Group”). These matters mainly relate to the settlement of sales of the Group amounting to approximately HK\$284,750,000 (unaudited) and payments by the Group amounting to approximately HK\$67,100,000 (unaudited) under three purchase contracts for the acquisition of machinery and equipment in the year ended 31 March 2004. The Group’s settlement practice in respect of its sales has been in place and not changed since the listing of the Company in 2002.

* For identification purposes only

In order to expedite the audit process, the audit committee which comprises the independent directors of the Company has engaged an external accounting firm on 7 July 2004 to assist the audit committee in answering questions of the auditors and performing additional tasks to address issues raised by the auditors in relation to the audit and such external accounting firm will conduct independent checking on the particulars of business transactions of the Group in connection with the matters for clarification raised by the auditors. The Board believes the external accounting firm's report will clarify the concerns of the auditors and will enable the auditors to finalise their audit of the Annual Results. Presently, the Company expects the Annual Results to be announced on or before 30 July 2004 and the annual report to be dispatched to shareholders as soon as practicable thereafter.

On 7 July 2004, the Company received a notice from the SFC informing the Company that it has commenced an inquiry relating to the affairs of the Company under section 179 of the Ordinance. In the light of the recent fluctuations of the price of its shares, the Company welcomes the SFC's inquiry and will provide all necessary support in that regard.

This announcement is made pursuant to the disclosure obligation under Rule 17.10 of the GEM Listing Rules. At the request of the Company, trading in the shares of the Company was suspended with effect from 9:30 a.m. on 7 July 2004 pending the issue of this announcement. Application has been made for the resumption of trading in the shares on the Stock Exchange with effect from 9:30 a.m. on 9 July 2004.

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By order of the Board
CHU CHIEN TUNG
Chairman

Hong Kong, 8 July 2004

Executive directors:

Mr. Chu Chien Tung
Mr. Chu Chick Kei
Mr. Chu Sen Hei
Ms. Chow Sau Fong, Fiona

Non-executive director:

Dr. Fung Shiu Lun, Anthony

Independent non-executive directors:

Mr. Hong Yong Hwan
Mr. Zhu Lei Bo
Ms. Wu King Yin

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 Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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 day of its posting.