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(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock code: 8249)

ANNOUNCEMENT OF CHANGE OF AUDITORS

The board of directors (the "Board") of Ningbo Yidong Electronic Company Limited (the "Company") announces that Messrs. PricewaterhouseCoopers ("PwC") have resigned as auditors of the Company and its subsidiaries (the "Group") with effect from 26 November 2004, since the audit fees was increased by PwC, the Company and PwC could not reach a consensus on the amount of audit fees for the year ending 31 December 2004. The Board will propose to the shareholders of the Company ("the Shareholders") at an extraordinary general meeting of the Company to be convened (the "EGM") the appointment of Messrs. Grant Thornton, as the new auditors of the Company to fill the casual vacancy arising from PwC's resignation until the next annual general meeting of the Company.

The notice of resignation received by the Company from PwC confirmed that there were no circumstances connected with the resignation which should be brought to the notice of the members or creditors of the Company. The Board confirmed that there are no circumstances in respect of the resignation which they considered should be brought to the attention of the members of the Company. The Board also confirmed that PwC has not commenced any audit work of the Company for the year ending 31 December 2004.

The Board is not aware of any disagreement on accounting treatment between PwC and the Board.

A circular containing the notice of the EGM and details of PwC's resignation and proposed appointment of Grant Thornton as the new auditors will be sent to the Shareholders as soon as reasonably practicable.

Further announcement will be made once the professional clearance letter is issued by PwC to Grant Thornton.

As of the date hereof, the executive Directors are Mr. Wang Ya Qun, Mr. Liu Xiao Chun, Mr. Chen Zheng Tu and Mr. Wang Pei Zhang, while the non-executive Director is Mr. Li Ming. The independent non-executive Directors are Mr. Tang Zhen Ming, Mr. Ding Gang Yi and Mr. Mok Wai Man, Derek.

By order of the Board of
Ningbo Yidong Electronic Company Limited
Wang Ya Qun
Chairman

20 January 2005, Ningbo, the PRC

* *for identification purpose only*

This announcement, for which the Directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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” pages of the GEM website for at least 7 days from the date of its posting.