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*(a joint stock limited company incorporated in the People's Republic of China)*  
**(Stock Code: 8249)**

## **PROPOSED CHANGE OF AUDITORS**

The Board proposes to appoint **Lo and Kwong** as auditors of the Company to fill in the vacancy created by the resignation of PKF with effect from 19 November 2008. The appointment is subject to the approval of the shareholders of the Company at the EGM pursuant to the articles of association of the Company.

The board of directors (the "Board") of Ningbo Yidong Electronic Company Limited (the "Company") announces that Messrs. PKF ("**PKF**") resigned as auditors of the Company and its subsidiaries with effect from 13 November, 2008, as the Board and PKF could not reach a consensus on the audit fees for the year ending 31 December 2008. The notice of resignation dated 13 November 2008 received by the Company from PKF on 17 November 2008 confirmed that, apart from limitation in the evidence available and fundamental uncertainty regarding the going concern in relation to the audit of the Company for the year ended 31 December 2007, there were no circumstances connected with their resignation which they considered should be brought to the attention of the shareholders and creditors of the Company.

Saved as disclosed above, both the Board and the audit committee of the Company were not aware of any matter in respect of the above-mentioned change of auditors that should be brought to the attention of the shareholders and creditors of the Company, and the Board is not aware of any disagreement between PKF and the Board.

The Board proposes to the shareholders of the Company (the "**Shareholders**") the appointment of Messrs. Lo and Kwong C.P.A. Co. Ltd. ("**Lo and Kwong**"), as auditors of the Company to fill the casual vacancy created by the resignation of PKF until the conclusion of the next annual general meeting of the Company. PKF completed the audit for the financial statements of the Company for the year ended 31 December 2007 and have not commenced any audit work on the financial statements of the Company for the year ending 31 December 2008. It is expected that such change of auditors will not affect the audit and the release of annual results of the Company for the year ending 31 December 2008.

The appointment is subject to the approval of the shareholders at the extraordinary general meeting of the Company (the "EGM") to be convened pursuant to the articles of association of the Company. A circular, containing details of the change of auditors and the notice of the EGM, will be dispatched to the Shareholders in due course.

By order of the board  
Ningbo Yidong Electronic Company Limited  
Liu Xiao Chun  
Chairman

Ningbo, the PRC, 19 November 2008

*As of the date hereof, the executive directors are Mr. Liu Xiao Chun, Mr. Gong Zheng Jun and Mr. Chen Zheng Tu, while the non-executive directors are Mr. Zheng Yi Song, Mr. Liu Feng and Mr. Wang Wei Shi. The independent non-executive directors are Mr. Pang Jun, Mr. Tang Zhen Ming and Mr. Law Hon Hing Henry.*

*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.*

\* for identification purpose only