



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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30TH JUNE, 2011

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This announcement, for which the directors of Tungda Innovative Lighting Holdings Limited (the “Company”) collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“GEM Listing Rules”) 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: (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.

* For identification purpose only

FIRST QUARTERLY RESULTS

The board of directors (the “Board”) of Tungda Innovative Lighting Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months ended 30th June, 2011 together with the unaudited comparative figures for the corresponding period in 2010 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the three months ended 30th June,	
		2011	2010
	<i>Notes</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
Turnover	3	1,259	4,018
Cost of sales		<u>(2,262)</u>	<u>(2,878)</u>
Gross (loss)/profit		(1,003)	1,140
Other income		465	330
Selling and distribution costs		(73)	(120)
Administrative expenses		<u>(1,368)</u>	<u>(2,904)</u>
Operating loss		(1,979)	(1,554)
Finance costs		<u>(3)</u>	<u>(5)</u>
Loss before taxation		(1,982)	(1,559)
Taxation	4	<u>–</u>	<u>–</u>
Loss for the period attributable to the equity holders of the Company		(1,982)	(1,559)
Other comprehensive income:			
Exchange differences on translation of financial statements of foreign operations		<u>5,545</u>	<u>4,894</u>
Total comprehensive income/(loss) for the period attributable to the equity holders of the Company		<u>3,563</u>	<u>3,335</u>
Loss per share			
– Basic	5	<u>(0.18) HK cents</u>	<u>(0.14) HK cents</u>
Dividend	6	<u>–</u>	<u>–</u>

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Special reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	General reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1st April, 2010	11,056	101,670	(2,128)	59,444	17,383	194,706	382,131
Total comprehensive income/(loss) for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>4,894</u>	<u>–</u>	<u>(1,559)</u>	<u>3,335</u>
At 30th June, 2010	<u>11,056</u>	<u>101,670</u>	<u>(2,128)</u>	<u>64,338</u>	<u>17,383</u>	<u>193,147</u>	<u>385,466</u>
At 1st April, 2011	11,056	101,670	(2,128)	76,128	17,383	173,756	377,865
Total comprehensive income/(loss) for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>5,545</u>	<u>–</u>	<u>(1,982)</u>	<u>3,563</u>
At 30th June, 2011	<u>11,056</u>	<u>101,670</u>	<u>(2,128)</u>	<u>81,673</u>	<u>17,383</u>	<u>171,774</u>	<u>381,428</u>

Notes:

1. General

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Company Law of Cayman Islands. The Company's shares are listed on GEM of the Stock Exchange on 26th July, 2002.

The Company acts as an investment holding company and the principal activities of the Group are trading and manufacturing of light source products.

2. Basis of preparation

This unaudited condensed consolidated results ("Results") has been prepared under historical cost convention and in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accounts ("HKICPA") and applicable GEM Listing Rules.

This Results has been prepared in consistent with the accounting policies and basis of preparation adopted for the preparation of the Group's annual financial statements for the year ended 31st March, 2011.

This Results has been reviewed by the audit committee but not by the external auditors of the Company.

3. Turnover

Turnover represents amount received and receivable for goods, net of returns, sales discounts, and value-added tax, where applicable, sold to customers during the three months ended 30th June, 2011.

An analysis of the Group's turnover is set out as follows:

	(Unaudited)	
	For the three months	
	ended 30th June,	
	2011	2010
	HK\$'000	HK\$'000
Turnover		
Sales of light source products	<u><u>1,259</u></u>	<u><u>4,018</u></u>

4. Taxation

No provision for Hong Kong Profits Tax and PRC Enterprise Income Tax is made as the Group has sustained a tax loss for both periods.

No provision for deferred taxation for the periods has been made as the amount involved is insignificant.

5. Loss per share

The calculation of loss per share for the three months ended 30th June, 2011 and 2010 is based on the following data:

	(Unaudited)	
	For the three months	
	ended 30th June,	
	2011	2010
	HK\$'000	HK\$'000
Loss for the period for the purpose of calculation of basic loss per share	<u>1,982</u>	<u>1,559</u>
Weighted average number of shares for the purpose of calculation of basic loss per share	<u><u>1,105,600,000</u></u>	<u><u>1,105,600,000</u></u>

No diluted loss/earnings per share was presented as there was no potential dilutive ordinary shares in issue for both periods.

6. Dividend

The Board does not recommend the payment of an interim dividend for the three months ended 30th June, 2011 (three months ended 30th June, 2010: Nil).

FINANCIAL REVIEW

For the three months ended 30th June, 2011 (“Period”), the Group’s turnover was approximately HK\$1.26 million, representing a decrease of approximately 68.66% as compared to approximately HK\$4.02 million of last corresponding period.

The gross loss for the Period was about HK\$1.00 million compared to gross profit about HK\$1.14 million for the same period in 2010. The change was attributable to the decrease in sales of house brand products that the sales amount of house brand products could not cover the under-utilised fixed direct production overhead being included and reflected in cost of the sales.

The major component of other income approximately HK\$0.47 million was interest income for the Period as compared to approximately HK\$0.33 million for the same period in 2010.

The selling and distribution costs primarily comprised of salaries, business promotion expenses and delivery expenses amounted to approximately HK\$0.07 million for the Period as compared to approximately HK\$0.12 million in the corresponding period in the previous year.

The administrative expenses comprised primarily of staff remuneration, entertainment, rental expenses, research and development expenses and general administrative expenses. The administrative expenses was approximately HK\$1.37 million for the Period as compared to approximately HK\$2.90 million in the corresponding period in 2010.

As a result of the factors discussed above, the loss attributable to the equity holders for the three months ended 30th June, 2011 was approximately HK\$1.98 million as compared to the loss attributable to the equity holders approximately HK\$1.56 million for the same period in 2010.

PROSPECT

The Group’s products have longer life hours and high energy efficiency. In addition, more customers are now concerning the importance of environmental protection, and therefore they are intending to use the Group’s products instead of traditional light source products. The Group will continue to pursue and focus on its core business of being a provider of good quality light source products.

SUSPENSION ON TRADING IN SHARES

Trading in the shares of the Company has been suspended on the Stock Exchange since 29th July, 2004. In order to resume the share trading as soon as possible, the Company has actively communicated with relevant section of the Stock Exchange since January, 2007.

With reference to the Company's announcement on 3rd April, 2009, the Company received a letter in around November 2008 from the Stock Exchange in which the Stock Exchange set out conditions prior to uplifting of the Company's suspension on trading in shares pursuant to Rule 9.10 of the GEM Listing Rules.

The Company will make further announcements as appropriate for any further material developments.

INVESTIGATION BY THE COMMERCIAL CRIME BUREAU

With reference to the Company's announcement on 13th August, 2010, officers of Commercial Crime Bureau of the Hong Kong Police Force ("CCB") executed a search warrant at the premises of the Group. The search warrant concerned an investigation by the CCB of a suspected offence (conspiracy to defraud, contrary to Common Law). Mr. Chu Chien Tung, the Chairman, Mr. Chu Chick Kei, an executive director, and Ms. Chu Pik Ang, an accounting clerk of the Company have informed the Company that they: (a) were arrested as part of the CCB's investigation; (b) have been charged by the police; and (c) have been released on police bail. Based on the information in the search warrant, the Board understands that the CCB's investigation may also involve certain individuals who previously worked for the Company.

Based on the further information from the relevant executive directors, the trials in relation to the case have been commenced in July, 2011.

The Company will keep the public informed through further announcements as appropriate.

COMPETING INTERESTS

During the Period, the Board is not aware of any business or interest of each director, management shareholder of the Company and their respective associates that compete or may compete with the business of the Group or any other conflicts of interest which any such person has or may have with the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Company established an audit committee on 8th July, 2002 with written terms of reference in accordance with Rule 5.28 and Rule 5.29 of the GEM Listing Rules except that the audit committee currently comprises only two members (independent non-executive directors, Mr. Zhu Lei Bo and Mr. Hong Yong Hwan) and is not in compliance with Rule 5.28 of the GEM Listing Rules which requires, among others, the audit committee must comprise a minimum of three members. The Group's unaudited condensed consolidated results for the three months ended 30th June, 2011 have been reviewed by the audit committee but not by the external auditors of the Company.

By Order of the Board
Chu Chien Tung
Chairman

Hong Kong, 13th August, 2011

Executive directors:

Mr. Chu Chien Tung
Mr. Chu Chick Kei
Mr. Chu Sen Hei

Non-executive director:

Dr. Fung Shiu Lun, Anthony

Independent non-executive directors:

Mr. Zhu Lei Bo
Mr. Hong Yong Hwan

The 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 publication and on the website of the Company at www.tungdalighting.hk.