

**TUNGDA INNOVATIVE LIGHTING HOLDINGS LTD:  
WHAT'S ALL THE FUSS ABOUT ?**

With the arrest of the Chairman and 2 Executive Directors of publicly listed [Tungda Innovative Lighting Holdings Ltd](#) (Code: 8229, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd) by officers of the Commercial Crime Bureau of the Hongkong Police force, obviously, some people are getting very cold feet.

And this is despite, what appears to be on the surface, a company whose fortunes are just taking off – at least, according to the latest published information from the company.

On March 16, 2005, Tungda Innovative announced that, on March 9, 2005, officers of the Commercial Crime Bureau executed a warrant for search and seizure at the premises of the company.

According to the company's official announcement, the search warrant related to an investigation of a suspected offence, namely false accounting, contrary to Section 19, The Theft Ordinance, Chapter 210 of the Laws of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

Arrested at this time were the Chairman, Mr Chu Chien Tung, and 2 other Executive Directors, namely, Messrs Chu Sen Hei and Chu Chick Kei.

Mr Chu Sen Hei is the son of the Chairman and Mr Chu Chick Kei is the brother of the Chairman.

The 3 Executive Directors, as at today's date, are on Police Bail, but they have not been charged.

This is the latest state of play, following an investigation, launched on July 8, 2004, by The Securities and Futures Commission under Section 179 of The Securities and Futures Ordinance, an investigation that is, still, ongoing.

Trading in the shares of Tungda Innovative has been suspended since July 29, 2004.

Since the start of the investigations into the affairs of this company, which is engaged in the manufacture and sales of what it terms, light source products, there have been quite a number of changes in the management, with people jumping ship, so to speak, and with the Continuing Sponsor, bidding goodbye for ever.

But the latest event was the filing in the District Court of the HKSAR of a Writ, lodged by The Commissioner of Inland Revenue of Hongkong.

The Commissioner is seeking from a wholly owned subsidiary of Tungda Innovative, Tungda Electrical and Lighting Ltd, the sum of \$HK2,999,018 in respect of alleged tax, owed to the Government.

If that amount of money represents about 17.50 percent of the assessable tax, then, by simple mathematics, Tungda Electrical and Lighting Ltd must have been deemed to have earned profits in the neighbourhood of \$HK17.14 million, during the Financial Year, ended March 31, 2003 ... or earlier.

On December 16, 2004, the Continuing Sponsor of Tungda Innovative, China Everbright Capital Ltd, terminated its appointment, unilaterally, with effect from November 30, 2004 .

The original agreement between ... [CLICK TO ORDER FULL ARTICLE](#)

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