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NATIONAL ELECTRONICS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 213)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025; AND CHANGE OF COMPOSITION OF NOMINATION COMMITTEE

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of National Electronics Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2025 and the audited consolidated statement of financial position as at 31 March 2025 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2025

	<i>NOTES</i>	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Revenue	3	502,305,226	578,222,575
Cost of sales		(375,280,700)	(457,295,476)
Gross profit		127,024,526	120,927,099
Other income, other gains or losses, net	4	79,782,120	36,869,644
Increase in fair value of investment properties		207,125,031	223,301,069
Distribution costs		(7,613,768)	(8,333,184)
Administrative expenses		(99,344,145)	(98,612,027)
Finance costs	5	(202,349,585)	(213,297,264)
Share of results of associates		(4,143)	(6,090)
Share of results of joint ventures		(30,686,139)	(18,605,748)
Profit before taxation	6	73,933,897	42,243,499
Income tax credit/(expense)	7	19,964,103	(1,207,137)
Profit for the year		93,898,000	41,036,362

	<i>NOTES</i>	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Profit/(Loss) for the year attributable to:			
– Owners of the Company		93,898,000	41,133,258
– Non-controlling interests		<u>–</u>	<u>(96,896)</u>
		<u>93,898,000</u>	<u>41,036,362</u>
Earnings per share	8		
Basic		<u>10.3 HK cents</u>	<u>4.5 HK cents</u>
Diluted		<u>10.3 HK cents</u>	<u>4.5 HK cents</u>
Dividend per share			
– Final dividend proposed after the end of the reporting period	12	<u>0.5 HK cent</u>	<u>1.2 HK cents</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	2025 HK\$	2024 HK\$
Profit for the year	93,898,000	41,036,362
Other comprehensive income/(expense)		
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement of defined benefit obligation	333,385	103,798
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translating foreign operations	(44,069,375)	(17,268,835)
Change in fair value on other assets at fair value through other comprehensive income	(1,650,000)	(530,000)
Reclassification adjustment to profit or loss on other assets at fair value through other comprehensive income	(5,000,000)	–
	(50,719,375)	(17,798,835)
Other comprehensive expense for the year	(50,385,990)	(17,695,037)
Total comprehensive income for the year	43,512,010	23,341,325
Total comprehensive income/(expense) for the year attributable to:		
– Owners of the Company	43,512,010	23,438,221
– Non-controlling interests	–	(96,896)
	43,512,010	23,341,325

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	<i>NOTES</i>	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Non-current assets			
Investment properties		3,284,050,034	5,059,548,397
Property, plant and equipment		47,439,157	48,066,247
Right-of-use assets		250,484,092	242,940,155
Goodwill		1,269,932	1,269,932
Interests in associates		7,234,669	7,238,812
Interests in joint ventures		282,480,366	313,166,505
Other assets at fair value through other comprehensive income		13,750,000	26,970,000
Derivative financial instruments		–	219,687
Deferred tax assets		10,269,657	763,725
		<u>3,896,977,907</u>	<u>5,700,183,460</u>
Current assets			
Inventories		48,755,903	46,058,106
Financial assets at fair value through profit or loss		59,910,904	93,301,159
Inventory of unsold properties		12,504,347	13,323,972
Properties under development for sale		4,631,511,895	2,088,401,093
Bills receivables	9	508,747	1,054,152
Trade receivables, deposits and prepayments	10	316,148,274	147,492,672
Amount due from an associate		9,954,588	9,954,588
Tax recoverable		2,797,814	5,802,481
Bank balances and cash		534,090,057	475,025,611
		<u>5,616,182,529</u>	<u>2,880,413,834</u>

	<i>NOTES</i>	2025 HK\$	2024 HK\$
Current liabilities			
Trade and bills payables	11	48,816,011	28,293,164
Customers' deposits		699,126,837	571,267,689
Accrued expenses and other payables		273,935,279	238,256,861
Amount due to an associate		4,448,580	4,453,056
Amount due to a joint venture		168,167,825	169,567,825
Tax payable		4,471,376	5,549,670
Lease liabilities		5,048,304	4,232,176
Bank loans		3,860,818,248	1,521,118,410
		5,064,832,460	2,542,738,851
Net current assets		551,350,069	337,674,983
Total assets less current liabilities		4,448,327,976	6,037,858,443
Capital and reserves			
Share capital		91,554,296	91,584,296
Reserves		2,489,554,372	2,457,236,974
Total equity attributable to owners of the Company		2,581,108,668	2,548,821,270
Non-current liabilities			
Provision for long service payments		1,612,673	1,707,580
Lease liabilities		18,866,741	5,129,756
Bank loans		1,785,184,191	3,408,181,457
Derivative financial instruments		260,424	—
Deferred tax liabilities		61,295,279	74,018,380
		1,867,219,308	3,489,037,173
		4,448,327,976	6,037,858,443

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties, certain financial instruments and other assets, which are measured at fair values.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

New and amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the new and amendments to HKFRS Accounting Standards in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instrument ³
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The following is an analysis of the Group's revenue from its major products and services:

	2025 HK\$	2024 HK\$
Revenue from contracts with customers within the scope of HKFRS 15, disaggregated by products or services		
Watches and watch movements	383,753,379	411,751,950
Sale of properties	—	38,998,062
	383,753,379	450,750,012
Revenue from other sources		
Rental income	118,551,847	127,472,563
	502,305,226	578,222,575

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

The reportable segments of the Group are strategic business units that offer different products and services. They are managed separately because each business unit requires different resources and marketing strategies and have different customer base.

Specifically, the Group's reportable and operating segments are as follows:

1. Manufacture of watches and trading of watch movements – manufacture, assembly and sale of electronic watches and watch parts, trading of watch movements and watch parts.
2. Residential and other property development and investment – development and sale of residential and other properties, and holding of such properties for investment and leasing purposes.
3. Commercial property investment – holding of commercial properties for investment and leasing purpose.

The business unit that is engaged in the holding of commercial properties for investment and leasing purposes has been renamed as “Commercial property investment” to better reflect the nature of its business.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

For the year ended 31 March 2025

	Manufacture of watches and trading of watch movements <i>HK\$</i>	Residential and other property development and investment <i>HK\$</i>	Commercial property investment <i>HK\$</i>	Consolidated <i>HK\$</i>
REVENUE				
External sales	<u>383,753,379</u>	<u>–</u>	<u>118,551,847</u>	<u>502,305,226</u>
RESULT				
Segment result	<u>5,080,072</u>	<u>62,243,758</u>	<u>227,838,761</u>	295,162,591
Bank interest income				15,124,715
Unallocated other income				36,615,897
Unallocated other expenses				(38,622,923)
Loss on disposal of investment properties				(597,253)
Loss on disposal/dissolution of subsidiaries, net				(709,263)
Finance costs				(202,349,585)
Share of results of associates				(4,143)
Share of results of joint ventures				<u>(30,686,139)</u>
Profit before taxation				<u>73,933,897</u>

For the year ended 31 March 2024

	Manufacture of watches and trading of watch movements <i>HK\$</i>	Residential and other property development and investment <i>HK\$</i>	Commercial property investment <i>HK\$</i>	Consolidated <i>HK\$</i>
REVENUE				
External sales	<u>411,751,950</u>	<u>38,998,062</u>	<u>127,472,563</u>	<u>578,222,575</u>
RESULT				
Segment result	<u>5,214,140</u>	<u>151,167,739</u>	<u>115,117,649</u>	271,499,528
Bank interest income				17,936,559
Unallocated other income				255,340
Unallocated other expenses				(27,639,165)
Gain on disposal of subsidiaries				12,100,339
Finance costs				(213,297,264)
Share of results of associates				(6,090)
Share of results of joint ventures				<u>(18,605,748)</u>
Profit before taxation				<u>42,243,499</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the profit earned by each segment without allocation of central administration costs, share of results of associates and joint ventures, bank interest income, certain other income and expenses, and finance costs. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

Segment assets

	2025 HK\$	2024 HK\$
Manufacture of watches and trading of watch movements	160,325,791	190,455,728
Residential and other property development and investment	5,621,213,397	4,844,479,930
Commercial property investment	2,555,243,558	2,397,592,896
Total segment assets	8,336,782,746	7,432,528,554
Interests in associates	7,234,669	7,238,812
Interests in joint ventures	282,480,366	313,166,505
Amount due from an associate	9,954,588	9,954,588
Unallocated	876,708,067	817,708,835
Consolidated assets	9,513,160,436	8,580,597,294

Segment liabilities

	2025 HK\$	2024 HK\$
Manufacture of watches and trading of watch movements	63,373,518	46,899,768
Residential and other property development and investment	926,935,933	764,049,989
Commercial property investment	18,861,395	15,149,545
Total segment liabilities	1,009,170,846	826,099,302
Amount due to an associate	4,448,580	4,453,056
Amount due to a joint venture	168,167,825	169,567,825
Unallocated	5,750,264,517	5,031,655,841
Consolidated liabilities	6,932,051,768	6,031,776,024

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than interests in associates and joint ventures, amount due from an associate, other assets at fair value through other comprehensive income, derivative financial instruments, deferred tax assets, financial assets at fair value through profit or loss, tax recoverable, bank balances and cash, and other unallocated corporate assets; and
- all liabilities are allocated to operating segments other than amounts due to an associate and a joint venture, tax payable, bank loans, deferred tax liabilities and other unallocated corporate liabilities.

Other segment information

For the year ended 31 March 2025

	Manufacture of watches and trading of watch movements <i>HK\$</i>	Residential and other property development and investment <i>HK\$</i>	Commercial property investment <i>HK\$</i>	Unallocated <i>HK\$</i>	Consolidated <i>HK\$</i>
Capital additions	28,241,364	736,848,445	2,374,967	1,363,302	768,828,078
Depreciation of property, plant and equipment	1,903,130	1,248,287	1,439,442	1,472,763	6,063,622
Depreciation of right-of-use assets	4,982,310	4,751,483	1,080,738	1,424,412	12,238,943
Provision of write-down of inventories	477,547	–	–	–	477,547
Increase in fair value of investment properties	–	47,452,032	159,672,999	–	207,125,031
Gain/(Loss) on disposal of property, plant and equipment	<u>1,867,235</u>	<u>535,209</u>	<u>(2,872)</u>	<u>35,243,438</u>	<u>37,643,010</u>

For the year ended 31 March 2024

	Manufacture of watches and trading of watch movements <i>HK\$</i>	Residential and other property development and investment <i>HK\$</i>	Commercial property investment <i>HK\$</i>	Unallocated <i>HK\$</i>	Consolidated <i>HK\$</i>
Capital additions	5,351,977	214,792,276	8,361,557	17,650	228,523,460
Depreciation of property, plant and equipment	1,432,732	1,582,421	1,016,809	2,182,802	6,214,764
Depreciation of right-of-use assets	5,966,208	6,622,260	1,260,533	4,888,418	18,737,419
Reversal of write-down of inventories	591,176	–	–	–	591,176
Increase in fair value of investment properties	–	181,719,251	41,581,818	–	223,301,069
Gain/(Loss) on disposal of property, plant and equipment	<u>3,853,895</u>	<u>–</u>	<u>(5,318)</u>	<u>–</u>	<u>3,848,577</u>

Geographical information

The Group's main operations are located in Hong Kong and other regions in the People's Republic of China (the "PRC"), North America and Europe.

Information about the Group's revenue from external customers is presented based on the geographical location of the customers. Information about the Group's non-current assets is presented based on the geographical location of assets.

	Revenue from external customers		Non-current assets	
	2025 HK\$	2024 HK\$	2025 HK\$	2024 HK\$
Hong Kong and the PRC	489,547,720	529,685,802	3,507,126,072	5,253,932,829
North America	700,194	39,478,788	225,026,478	259,776,244
Europe	11,610,727	8,975,171	140,805,700	144,772,765
Others	446,585	82,814	–	13,748,210
	502,305,226	578,222,575	3,872,958,250	5,672,230,048

Note: Non-current assets excluded other assets at fair value through other comprehensive income, derivative financial instruments and deferred tax assets.

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2025 HK\$	2024 HK\$
Customer A ¹	94,506,989	103,462,636

¹ Revenue from manufacture of watches and trading of watch movements.

4. OTHER INCOME, OTHER GAINS OR LOSSES, NET

	2025 HK\$	2024 HK\$
Bank interest income	15,124,715	17,936,559
Net gain/(loss) on fair value changes of financial assets at fair value through profit or loss	3,393,652	(1,478,348)
Gain on disposal of property, plant and equipment	37,643,010	3,848,577
(Loss)/Gain on disposal of subsidiaries	(895,337)	12,100,339
Gain on dissolution of a subsidiary	186,074	—
Loss on disposal of investment properties	(597,253)	—
Gain on disposal of other assets at fair value through other comprehensive income	5,000,000	—
Gain on lease modification	77,693	2,367,075
Occupancy income	18,910,281	—
Sundry income	939,285	2,095,442
	<u>79,782,120</u>	<u>36,869,644</u>

5. FINANCE COSTS

	2025 HK\$	2024 HK\$
Interest on:		
Bank loans and overdrafts	352,677,342	338,285,329
Lease liabilities	<u>1,852,164</u>	<u>2,019,366</u>
Total borrowing costs	354,529,506	340,304,695
Less: Amounts capitalised to investment properties and properties under development	<u>(152,179,921)</u>	<u>(127,007,431)</u>
	<u>202,349,585</u>	<u>213,297,264</u>

6. PROFIT BEFORE TAXATION

	2025 HK\$	2024 HK\$
Profit before taxation has been arrived at after charging/(crediting):		
Staff costs including directors' emoluments	86,107,403	101,436,200
Depreciation of property, plant and equipment	6,063,622	6,214,764
Depreciation of right-of-use assets	12,238,943	18,737,419
Auditors' remuneration	4,009,372	3,324,281
Cost of inventories recognised as an expense	343,279,959	376,746,091
Net foreign exchange loss	6,379,306	1,054,470
Gain on fair value changes of derivative financial instruments	(168,894)	(277,685)
Expenses relating to short-term leases	1,264,633	882,559
Provision of/(Reversal of) write-down of inventories (included in cost of sales)	477,547	(591,176)
Gross rental income from investment properties	(118,551,847)	(127,472,563)
Less: Outgoings	<u>28,045,774</u>	<u>25,905,708</u>
Net rental income from investment properties	<u>(90,506,073)</u>	<u>(101,566,855)</u>

7. INCOME TAX (CREDIT)/EXPENSE

	2025 HK\$	2024 HK\$
Hong Kong Profits Tax		
Current year	250,730	1,224,339
Under provision in prior years	<u>1,462,090</u>	<u>750,334</u>
	<u>1,712,820</u>	<u>1,974,673</u>
Other jurisdictions		
Current year	–	748,365
Under/(Over) provision in prior years	<u>558,776</u>	<u>(5,726,508)</u>
	<u>558,776</u>	<u>(4,978,143)</u>
Deferred tax		
Current year	<u>(22,235,699)</u>	<u>4,210,607</u>
	<u>(19,964,103)</u>	<u>1,207,137</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Canadian subsidiaries are subject to Canadian Corporate Income Tax, which is 26.5% for both years.

Under the Law of the People’s Republic of China on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2025 HK\$	2024 HK\$
Earnings		
Earnings for the purpose of basic and diluted earnings per share (Profit for the year attributable to owners of the Company)	<u>93,898,000</u>	<u>41,133,258</u>
	2025	2024
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>915,768,315</u>	<u>917,338,536</u>

No diluted earnings per share is presented for both years as there were no potential ordinary shares in issue.

9. BILLS RECEIVABLES

Bills receivables of HK\$508,747 (2024: HK\$1,054,152) are aged within 30 days.

10. TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 HK\$	2024 HK\$
Trade receivables	36,233,123	35,910,102
Less: allowance for credit losses	(12,878,152)	(14,603,554)
	23,354,971	21,306,548
Deposits	167,911,442	22,063,056
Prepayments	96,224,573	82,432,490
Advance payment to suppliers	–	561,163
Other receivables	28,657,288	21,129,415
	316,148,274	147,492,672

The Group has a policy of allowing an average credit period of 30 days to its trade customers. The following is an ageing analysis of trade receivables net of allowance for credit losses presented based on the invoice date at the end of the reporting period:

	2025 HK\$	2024 HK\$
Within 30 days	15,059,693	14,089,533
31 to 90 days	4,213,086	3,230,232
91 to 180 days	143,894	51,130
Over 180 days	3,938,298	3,935,653
	23,354,971	21,306,548

11. TRADE AND BILLS PAYABLES

The following is an ageing analysis of trade and bills payables presented based on the invoice date:

	2025 HK\$	2024 HK\$
Within 30 days	31,514,427	17,543,197
31 to 90 days	16,893,603	10,288,642
91 to 180 days	–	42,670
Over 180 days	407,981	418,655
	<u>48,816,011</u>	<u>28,293,164</u>

The average credit period on purchases is 30 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

12. DIVIDENDS

	2025 HK\$	2024 HK\$
Dividends recognised as distribution during the year		
2024 Final – 1.2 HK cents (2023: 1.8 HK cents) per share	<u>10,989,619</u>	<u>16,538,894</u>

A final dividend of 0.5 HK cent per share in respect of the year ended 31 March 2025 (2024: A final dividend of 1.2 HK cents per share) have been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

A final dividend of 0.5 HK cent per share (Year ended 31 March 2024: A final dividend of 1.2 HK cents per share) payable to the shareholders whose names on the Register of Members of the Company at the close of business on Wednesday, 3 September 2025 have been proposed by the Board (the **“Proposed Dividend”**) and are subject to approval by the shareholders in the forthcoming annual general meeting.

For determining the entitlement to attend and vote at the forthcoming annual general meeting (the **“AGM”**) of the Company to be held on Tuesday, 26 August 2025, the Register of Members of the Company will be closed from Tuesday, 19 August 2025 to Tuesday, 26 August 2025 (both days inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company’s Share Registrar and Transfer Office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong not later than 4:30 p.m. on Monday, 18 August 2025.

For determining the entitlement to the Proposed Dividend, the Register of Members of the Company will also be closed from Tuesday, 2 September 2025 to Wednesday, 3 September 2025 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the Proposed Dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company’s Share Registrar and Transfer Office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong not later than 4:30 p.m. on Monday, 1 September 2025.

The Proposed Dividend is expected to be paid on or about Wednesday, 17 September 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The audited consolidated profit for the year attributable to shareholders of the Company for the year ended 31 March 2025 was HK\$93,898,000 (Year ended 2024: HK\$41,133,258). The basic and diluted earnings per share of the Company for the year ended 31 March 2025 were 10.3 HK cents per share and 10.3 HK cents per share respectively (Year ended 2024: 4.5 HK cents per share and 4.5 HK cents per share respectively).

BUSINESS REVIEW

WATCHES MANUFACTURING AND WATCH COMPONENTS

During the period under review, turnover for the Group's watch manufacturing and watch component trading division decreased slightly while maintaining its profit margin.

RESIDENTIAL AND OTHER PROPERTY DEVELOPMENT AND INVESTMENT

The Group's luxurious residential project at 1 South Bay Close, Repulse Bay, Hong Kong has further enhanced its external décor, landscaping, common areas, amenities as well as interior decorative works to the highest standard.

Regarding the Group's Phase III mixed-use project at 88 Queen Street East, Toronto, Canada, the interim occupancy programme for sold units is on schedule.

COMMERCIAL PROPERTY INVESTMENT

The Group's boutique investments in this sector performed satisfactorily.

PROSPECTS

WATCHES MANUFACTURING AND WATCH COMPONENTS

The tariff dispute between the U.S.A & China, as well as EU, Japan and other countries has created unprecedented uncertainty in the world economy, affecting consumer demand and supply chains.

For the Group's watch manufacturing and watch components division, the impact hopefully will be smaller than other companies in this sector, due to the fact that the movement used in our analogue quartz as well as mechanical watches and watch components are mostly made in Japan, which historically enjoy a lower tariff rate in the U.S.A. than similar products made in other countries.

RESIDENTIAL AND OTHER PROPERTY DEVELOPMENT AND INVESTMENT

The Group will be soft launching its luxurious residential project at 1 South Bay Close, Repulse Bay, in the third quarter of 2025.

Regarding the Group's mixed-use project at 88 Queen Street East, Toronto, the Group has commenced its application process for the registration of the residential condominium.

COMMERCIAL PROPERTY INVESTMENT

The Group expects its boutique investments in this sector to maintain its performance.

FINANCIAL REVIEW

Liquidity and financial resources

As at 31 March 2025, the Group's total borrowings were approximately HK\$5,646 million (2024: HK\$4,929 million), representing an increase of approximately HK\$717 million from last year. The maturity profile spreads over a period of 20 years, with approximately HK\$3,861 million repayable within one year, approximately HK\$1,646 million more than one year, but not exceeding five years and HK\$139 million beyond five years.

At the year end date, the Group's gearing ratio was 0.69 (2024: 1.34) which is calculated based on the Group's long-term borrowings of approximately HK\$1,785 million (2024: HK\$3,408 million) and shareholders' funds of approximately HK\$2,581 million (2024: HK\$2,549 million).

As at 31 March 2025, the Group's total bank balances and cash was approximately HK\$534 million (2024: HK\$475 million).

Similar to the past years, the Group has maintained a reasonable level of cash resources and stand-by credit facilities to provide adequate liquid funds to finance its commitments and working capital requirements.

Treasury policies

As at 31 March 2025, 71% of the Group's borrowings were in HKD, 26% in CAD, 2% in GBP and 1% in JPY and USD. As at 31 March 2025, 53% of the Group's bank balances and cash was in HKD, 37% in USD, 7% in CAD, 2% in JPY and 1% in RMB and others.

All the Group's borrowings are variable-rate borrowings. The Group will carefully monitor its foreign exchange and interest rates exposure and utilise financial instruments such as forward contracts and interest rate swaps as necessary.

Future plans for material investments

The Group currently has no other plans for material investments. Any acquisition will be funded by internal resources of the Group and bank borrowings.

Charges on assets

As at 31 March 2025, certain properties and time deposits of the Group of approximately HK\$8,192 million (2024: HK\$7,417 million) were pledged to secure banking facilities for the Group.

Employees

As at 31 March 2025, the Group employed approximately 175 employees in Hong Kong, the PRC and other overseas countries. The staff costs for the year including directors' emoluments amounted to approximately HK\$86 million (2024: HK\$101 million). Remuneration is determined by reference to market terms as well as the qualifications and experiences of the staff concerned. Salaries are reviewed annually and discretionary bonuses may be paid depending on individual performance and the profitability of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During this financial year, the Company repurchased a total of 516,000 (2024: 3,578,000) of its own shares on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The details are as follows:

Month of repurchase

	Number of ordinary shares of HK\$0.1 each	Price per share		Aggregate consideration paid (including expenses) HK\$
		Highest HK\$	Lowest HK\$	
May 2024	38,000	0.630	0.610	24,068
July 2024	2,000	0.580	0.580	1,262
August 2024	6,000	0.490	0.480	3,003
September 2024	74,000	0.495	0.470	36,240
December 2024	94,000	0.500	0.460	45,780
January 2025	38,000	0.460	0.430	17,530
February 2025	46,000	0.445	0.410	20,143
March 2025	218,000	0.415	0.390	86,967
	<u>516,000</u>			<u>234,993</u>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Details of the environmental, social and governance of the Company will be set out in the Environmental, Social and Governance Report to be issued separately pursuant to Rule 13.91 and Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

CORPORATE GOVERNANCE

During the year ended 31 March 2025, in the opinion of the Board, the Company has complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Listing Rules, except for the following deviations.

CG Code B.2.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. In the opinion of the Board, the Chairman and Managing Director play a pivotal role in charting of corporate strategies and direction of the Group and should not be subject to retirement by rotation in consideration of the stability and continuity development of the Group. As such, the Board has exempted the Chairman and Managing Director from retiring from office by rotation at AGM in accordance with the Bye-law 99(A) of the Company.

An Audit and Risk Management Committee has been established by the Company to review and supervise the Company’s financial reporting process and internal controls and review the relationship with the auditors. The Audit and Risk Management Committee has held meetings in accordance with the relevant requirements and reviewed the results for the year ended 31 March 2025.

The Company has also adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules. The Company has made specific enquiries to all Directors who have confirmed that, during the year, they have complied with the required standard set out in the Model Code.

PUBLICATION OF INFORMATION ON THE WEBSITES OF STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the Stock Exchange's website (<http://www.hkex.com.hk>) and the Company's website (<http://www.irasia.com/listco/hk/national/index.htm>) respectively. The relevant annual report of the Company will be despatched to the shareholders of the Company and available on the same websites in due course.

CHANGES IN COMPOSITION OF NOMINATION COMMITTEE

The Board hereby announces that in response to the amendments to the Listing Rules and the CG Code, which will come into effect on 1 July 2025, the following changes will be made to the composition of the nomination committee of the Company (the “**Nomination Committee**”) with effect from 27 June 2025:

- (i) Ms. Lee Yuen Yu, Dorathy (“**Ms. Dorathy Lee**”), a Non-executive Director, was appointed as a member of the Nomination Committee; and
- (ii) Mr. Lee Bon Chi, Loewe (“**Mr. Loewe Lee**”), the Managing Director and an Executive Director, ceased to be a member of the nomination committee of the Company.

Other positions held by Mr. Loewe Lee and Ms. Dorathy Lee on the Board and its relevant Board committees (where applicable) remain unchanged.

Ms. Dorathy Lee, aged 65, is currently a Non-executive Director of the Company. She joined the Group in September 2004. Ms. Dorathy Lee is the sister of Mr. Edward Lee and Mr. James Lee, who are an Executive Director and a Non-executive Director of the Company, respectively. She is also the cousin of Mr. Jimmy Lee, the Chairman of the Company, and the aunt of Mr. Loewe Lee, the Managing Director of the Company.

After reviewing Ms. Dorathy Lee's qualifications, experience and her contributions to the Group over the past 21 years, the Board considered and accepted the recommendation from the Nomination Committee to appoint Ms. Dorathy Lee as a member of the Nomination Committee. Mr. Loewe Lee confirmed that he has no disagreement with the Board and there is no other matter relating to the above changes that needs to be brought to the attention of the shareholders of the Company.

Latest Composition of the Board committees

Immediately after the change that took effect from 27 June 2025, the latest composition of the three Board committees is set out in the table below:

	Board Committees		
	Audit and Risk Management Committee	Nomination Committee	Remuneration Committee
Executive Directors			
Mr. LEE Yuen Ching, Jimmy	–	Chairman	Member
Mr. LEE Bon Chi, Loewe	–	–	Member
Mr. LEE Yuen Cheor, Edward	–	–	–
Mr. WAI Kwong Yuen, Ricky	–	–	–
Non-executive Directors			
Ms. LEE Yuen Yu, Dorathy	–	Member	–
Mr. LEE Yuen Kui, James	–	–	–
Independent Non-executive Directors			
Mr. CHAN Kwok Wai	Chairman	Member	Member
Mr. SUN Dai Wai, David	Member	Member	Chairman
Mr. Pius HO	Member	Member	Member

The Board believes that the implementation of the above changes will strengthen the effectiveness and diversity of the Board and will further enhance good corporate governance practices of the Company as a whole.

The Board would like to express its gratitude to Mr. Loewe Lee for his valuable contributions to the Company during his tenure as a member of the Nomination Committee, and extends its warmest welcome to Ms. Dorathy Lee on her new position as a member of the Nomination Committee.

By Order of the Board
National Electronics Holdings Limited
Lee Yuen Ching, Jimmy
Chairman

Hong Kong, 27 June 2025

As at the date of this announcement, the Executive Directors of the Company are Mr. Lee Yuen Ching, Jimmy, Mr. Lee Bon Chi, Loewe, Mr. Lee Yuen Cheor, Edward and Mr. Wai Kwong Yuen Ricky; the Non-executive Directors are Mr. Lee Yuen Kui, James and Ms. Lee Yuen Yu, Dorathy and the Independent Non-executive Directors are Mr. Chan Kwok Wai, Mr. Sun Dai Wai, David and Mr. Pius Ho.

SCHEDULE OF MAJOR PROPERTIES HELD BY THE GROUP

Details of the major properties held by the Group at 31 March 2025 are as follows:

INVESTMENT PROPERTIES

Location	Lease term	Group's interest	Type
The Putman No. 202 Queen's Road Central, Sheung Wan, Hong Kong	Long term	100%	Commercial
99 Bonham Nos. 99, 101-103 Bonham Strand and No. 127 Wing Lok Street, Sheung Wan, Hong Kong	Long term	100%	Commercial
One96 No. 196 Queen's Road Central, Sheung Wan, Hong Kong	Long term	100%	Commercial
The Jervois No. 89 Jervois Street, Sheung Wan, Hong Kong	Long term	100%	Commercial
Two parcels of land located at Nos. 10 and 12 Nali Road, Yinkai Industrial Park, Economic and Technological Development Area, Nanning, Guangxi Zhuangzu Autonomous Region, the PRC	Medium term	100%	Industrial
Apartment 306, Burlington Gate, together with Parking Space 7, 25 Cork Street, London W1S 3NB, United Kingdom	Long term	100%	Residential
Apartment 503, Burlington Gate, together with Parking Space 49, 25 Cork Street, London W1S 3NB, United Kingdom	Long term	100%	Residential

Location	Lease term	Group's interest	Type
House No. 26, Le Palais, No. 8 Pak Pat Shan Road, Hong Kong	Medium term	100%	Residential
43 Remaining Residential Units in Phase III at 88 Queen Street East, Toronto, Ontario, Canada	Freehold	100%	Residential

PROPERTIES UNDER DEVELOPMENT FOR SALE

Location	Group's accounting classification	Group's interest	Site area (sq. m.)	Residential (sq. m.)	Retail and office (sq. m.)	Development status	Expected completion date
88 Queen Street East, Toronto, Ontario, Canada	Subsidiary	100%	3,197	37,357	10,360	Interim occupancy of pre-sold units is well underway.	2025
No. 1 South Bay Close, Repulse Bay, Hong Kong	Subsidiary	100%	N/A	2,471	N/A	The enhancement works of the show flats will be completed shortly.	2025

INVENTORY OF UNSOLD PROPERTY

Location	Group's accounting classification	Group's interest	Residential (sq. m.)	Development status
House No. 1, 45 Tai Tam Road, Hong Kong	Joint venture ^(Note)	50%	445.09	Completed
	Total held through the joint venture:		445.09	
	– of which attributable to the Group:		222.55	

Note: The carrying amount of the interest in joint venture as at 31 March 2025 represented 2.97% of the total assets of the Group.