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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 2026; RESIGNATION OF NON-EXECUTIVE DIRECTOR AND APPOINTMENT OF EXECUTIVE DIRECTOR

#### 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 2026 and the audited consolidated statement of financial position as at 31 March 2026 as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2026

	<i>NOTES</i>	<b>2026</b> <i>HK\$</i>	2025 <i>HK\$</i>
Revenue	3	<b>4,048,530,427</b>	502,305,226
Cost of sales		<b>(3,802,973,239)</b>	<u>(375,280,700)</u>
Gross profit		<b>245,557,188</b>	127,024,526
Other income, other gains or losses, net	4	<b>137,607,673</b>	79,782,120
Increase in fair value of investment properties		<b>138,385,668</b>	207,125,031
Distribution costs		<b>(176,310,013)</b>	(7,613,768)
Administrative expenses		<b>(138,700,996)</b>	(99,344,145)
Finance costs	5	<b>(153,902,432)</b>	(202,349,585)
Share of results of associates		<b>(4,451,583)</b>	(4,143)
Share of results of joint ventures		<b>(4,270,170)</b>	<u>(30,686,139)</u>
Profit before taxation	6	<b>43,915,335</b>	73,933,897
Income tax (expense)/credit	7	<b>(2,625,405)</b>	<u>19,964,103</u>
<b>Profit for the year</b>		<b>41,289,930</b>	<u>93,898,000</u>

	<i>NOTES</i>	<b>2026</b> <i>HK\$</i>	2025 <i>HK\$</i>
<b>Profit for the year attributable to owners of the Company</b>		<b><u>41,289,930</u></b>	<b><u>93,898,000</u></b>
<b>Earnings per share</b>	<i>8</i>		
<b>Basic</b>		<b><u>4.5 HK cents</u></b>	<b><u>10.3 HK cents</u></b>
<b>Diluted</b>		<b><u>4.5 HK cents</u></b>	<b><u>10.3 HK cents</u></b>
Dividend per share			
– Final dividend proposed after the end of the reporting period	<i>12</i>	<b><u>1.2 HK cents</u></b>	<b><u>0.5 HK cents</u></b>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*FOR THE YEAR ENDED 31 MARCH 2026*

	<b>2026</b>	2025
	<b>HK\$</b>	<b>HK\$</b>
<b>Profit for the year</b>	<u><b>41,289,930</b></u>	<u>93,898,000</u>
<b>Other comprehensive income/(expense)</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement of defined benefit obligation	<u><b>(107,603)</b></u>	<u>333,385</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translating foreign operations	<b>37,203,324</b>	(44,069,375)
Change in fair value on other assets at fair value through other comprehensive income	<b>370,000</b>	(1,650,000)
Release of reserves and reclassification of reserves upon disposal of a subsidiary	<b>112,000</b>	–
Reclassification adjustment to profit or loss on other assets at fair value through other comprehensive income	<u>–</u>	<u>(5,000,000)</u>
	<u><b>37,685,324</b></u>	<u>(50,719,375)</u>
Other comprehensive income/(expense) for the year	<u><b>37,577,721</b></u>	<u>(50,385,990)</u>
<b>Total comprehensive income for the year attributable to owners of the Company</b>	<u><u><b>78,867,651</b></u></u>	<u><u>43,512,010</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***AS AT 31 MARCH 2026*

	<i>NOTES</i>	<b>2026</b> <i>HK\$</i>	2025 <i>HK\$</i>
<b>Non-current assets</b>			
Investment properties		<b>3,351,074,582</b>	3,284,050,034
Property, plant and equipment		<b>42,571,979</b>	47,439,157
Right-of-use assets		<b>245,273,172</b>	250,484,092
Goodwill		<b>1,269,932</b>	1,269,932
Interests in associates		–	7,234,669
Interests in joint ventures		<b>30,050,196</b>	282,480,366
Other assets at fair value through other comprehensive income		<b>12,120,000</b>	13,750,000
Deferred tax assets		<b>10,921,550</b>	10,269,657
		<b>3,693,281,411</b>	3,896,977,907
<b>Current assets</b>			
Inventories		<b>40,993,190</b>	48,755,903
Financial assets at fair value through profit or loss		<b>106,775,286</b>	59,910,904
Inventory of unsold properties		<b>1,579,024,941</b>	12,504,347
Properties under development for sale		–	4,631,511,895
Bills receivables	<i>9</i>	<b>1,425,559</b>	508,747
Trade receivables, deposits and prepayments	<i>10</i>	<b>90,016,775</b>	316,148,274
Amount due from an associate		<b>4,954,588</b>	9,954,588
Tax recoverable		<b>797,652</b>	2,797,814
Bank balances and cash		<b>665,200,246</b>	534,090,057
		<b>2,489,188,237</b>	5,616,182,529

	<i>NOTES</i>	<b>2026</b> <i>HK\$</i>	2025 <i>HK\$</i>
<b>Current liabilities</b>			
Trade and bills payables	<i>11</i>	<b>36,858,254</b>	48,816,011
Customers' deposits		–	699,126,837
Accrued expenses and other payables		<b>173,247,444</b>	273,935,279
Amount due to an associate		–	4,448,580
Amount due to a joint venture		<b>7,825</b>	168,167,825
Tax payable		<b>10,926,080</b>	4,471,376
Lease liabilities		<b>5,403,282</b>	5,048,304
Bank loans		<b>1,617,292,270</b>	3,860,818,248
Derivative financial instruments		<b>1,790,887</b>	–
		<u><b>1,845,526,042</b></u>	<u>5,064,832,460</u>
<b>Net current assets</b>		<u><b>643,662,195</b></u>	<u>551,350,069</u>
<b>Total assets less current liabilities</b>		<u><b>4,336,943,606</b></u>	<u>4,448,327,976</u>
<b>Capital and reserves</b>			
Share capital		<b>91,422,296</b>	91,554,296
Reserves		<b>2,562,990,558</b>	2,489,554,372
<b>Total equity attributable to owners of the Company</b>		<u><b>2,654,412,854</b></u>	<u>2,581,108,668</u>
<b>Non-current liabilities</b>			
Provision for long service payments		<b>1,775,015</b>	1,612,673
Lease liabilities		<b>18,147,830</b>	18,866,741
Bank loans		<b>1,606,715,669</b>	1,785,184,191
Derivative financial instruments		<b>563,562</b>	260,424
Deferred tax liabilities		<b>55,328,676</b>	61,295,279
		<u><b>1,682,530,752</b></u>	<u>1,867,219,308</u>
		<u><b>4,336,943,606</b></u>	<u>4,448,327,976</u>

# **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

## *FOR THE YEAR ENDED 31 MARCH 2026*

### **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**

#### **Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRS Accounting Standard as issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standard 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.

## **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 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

The directors anticipate that the application of the above new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### 3. REVENUE AND SEGMENT INFORMATION

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

	2026 <i>HK\$</i>	2025 <i>HK\$</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15, disaggregated by products or services</b>		
Watches and watch movements	423,445,015	383,753,379
Sale of properties	<u>3,490,128,898</u>	<u>—</u>
	<b>3,913,573,913</b>	<b>383,753,379</b>
<b>Revenue from other sources</b>		
Rental income	<u>134,956,514</u>	<u>118,551,847</u>
	<b><u>4,048,530,427</u></b>	<b><u>502,305,226</u></b>

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.

## 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 2026

	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>
<b>REVENUE</b>				
External sales	<u>423,445,015</u>	<u>3,490,128,898</u>	<u>134,956,514</u>	<u>4,048,530,427</u>
<b>RESULT</b>				
Segment result	<u>6,599,259</u>	<u>(83,525,762)</u>	<u>267,779,122</u>	190,852,619
Bank interest income				9,864,211
Unallocated other income				34,002,406
Unallocated other expenses				(32,269,873)
Gain on disposal of a subsidiary				4,090,157
Finance costs				(153,902,432)
Share of results of associates				(4,451,583)
Share of results of joint ventures				<u>(4,270,170)</u>
Profit before taxation				<u>43,915,335</u>

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>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the profit earned/(loss incurred) 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*

	2026 <i>HK\$</i>	2025 <i>HK\$</i>
Manufacture of watches and trading of watch movements	142,053,129	160,325,791
Residential and other property development and investment	2,200,966,843	5,621,213,397
Commercial property investment	<u>2,745,534,010</u>	<u>2,555,243,558</u>
Total segment assets	5,088,553,982	8,336,782,746
Interests in associates	–	7,234,669
Interests in joint ventures	30,050,196	282,480,366
Amount due from an associate	4,954,588	9,954,588
Unallocated	<u>1,058,910,882</u>	<u>876,708,067</u>
Consolidated assets	<u><u>6,182,469,648</u></u>	<u><u>9,513,160,436</u></u>

### *Segment liabilities*

	2026 <i>HK\$</i>	2025 <i>HK\$</i>
Manufacture of watches and trading of watch movements	63,901,794	63,373,518
Residential and other property development and investment	123,000,833	926,935,933
Commercial property investment	<u>11,521,515</u>	<u>18,861,395</u>
Total segment liabilities	198,424,142	1,009,170,846
Amount due to an associate	–	4,448,580
Amount due to a joint venture	7,825	168,167,825
Unallocated	<u>3,329,624,827</u>	<u>5,750,264,517</u>
Consolidated liabilities	<u><u>3,528,056,794</u></u>	<u><u>6,932,051,768</u></u>

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, 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, derivative financial instruments, deferred tax liabilities and other unallocated corporate liabilities.

## Other segment information

For the year ended 31 March 2026

	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	24,311	233,111,467	908,355	101,498	234,145,631
Depreciation of property, plant and equipment	2,097,797	1,158,969	1,559,793	1,271,233	6,087,792
Depreciation of right-of-use assets	3,136,013	–	732,608	6,103,959	9,972,580
Provision of write-down of inventories	26,644	–	–	–	26,644
(Decrease)/Increase in fair value of investment properties	–	(55,180,282)	193,565,950	–	138,385,668
Gain/(Loss) on disposal of property, plant and equipment	567,243	160,841	(7,948)	–	720,136
Allowance for credit losses on financial assets	<u>3,957,266</u>	<u>–</u>	<u>–</u>	<u>5,000,000</u>	<u>8,957,266</u>

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>

## 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	
	2026 HK\$	2025 HK\$	2026 HK\$	2025 HK\$
Hong Kong and the PRC	1,409,609,342	489,547,720	3,447,815,901	3,507,126,072
North America	2,631,063,281	700,194	83,188,887	225,026,478
Europe	7,352,548	11,610,727	139,235,073	140,805,700
Others	505,256	446,585	—	—
	<u>4,048,530,427</u>	<u>502,305,226</u>	<u>3,670,239,861</u>	<u>3,872,958,250</u>

Note: Non-current assets excluded other assets at fair value through other comprehensive income 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:

	2026 HK\$	2025 HK\$
Customer A <sup>1</sup>	<u>N/A<sup>2</sup></u>	<u>94,506,989</u>

<sup>1</sup> Revenue from manufacture of watches and trading of watch movements.

<sup>2</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group.

#### 4. OTHER INCOME, OTHER GAINS OR LOSSES, NET

	2026 <i>HK\$</i>	2025 <i>HK\$</i>
Bank interest income	9,864,211	15,124,715
Net gain on fair value changes of financial assets at fair value through profit or loss	29,153,141	3,393,652
Gain on disposal of property, plant and equipment	720,136	37,643,010
Gain/(Loss) on disposal of subsidiaries	4,090,157	(895,337)
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
Occupancy income ( <i>note</i> )	74,058,051	18,910,281
Project management fee	10,290,000	–
Impairment loss on interest in an associate	(2,783,086)	–
Waiver of amount due to an associate	4,448,580	–
Net foreign exchange gain	6,033,612	–
Sundry income	1,732,871	939,285
	<u>137,607,673</u>	<u>79,782,120</u>

*Note:* The occupancy income represents the interim occupancy income generated from the sold residential condominium in Canada.

#### 5. FINANCE COSTS

	2026 <i>HK\$</i>	2025 <i>HK\$</i>
Interest on:		
Bank loans and overdrafts	244,998,808	352,677,342
Lease liabilities	1,506,131	1,852,164
	<u>246,504,939</u>	<u>354,529,506</u>
Total borrowing costs	246,504,939	354,529,506
Less: Amounts capitalised to investment properties and properties under development	(92,602,507)	(152,179,921)
	<u>153,902,432</u>	<u>202,349,585</u>

## 6. PROFIT BEFORE TAXATION

	2026 <i>HK\$</i>	2025 <i>HK\$</i>
Profit before taxation has been arrived at after charging/(crediting):		
Staff costs including directors' emoluments	88,522,161	86,107,403
Depreciation of property, plant and equipment	6,087,792	6,063,622
Depreciation of right-of-use assets	9,972,580	12,238,943
Auditors' remuneration	3,397,086	4,009,372
Cost of inventories recognised as an expense	3,763,806,913	343,279,959
Net foreign exchange (gain)/loss	(6,033,612)	6,379,306
Loss/(Gain) on fair value changes of derivative financial instruments	3,745,962	(168,894)
Expenses relating to short-term leases	604,161	1,264,633
Allowance for credit losses on		
– trade receivables	3,957,266	–
– amount due from an associate	5,000,000	–
Provision of write-down of inventories (included in cost of sales)	26,644	477,547
Gross rental income from investment properties	(134,956,514)	(118,551,847)
Less: Outgoings	36,249,073	28,045,774
	<u>(98,707,441)</u>	<u>(90,506,073)</u>

## 7. INCOME TAX EXPENSE/(CREDIT)

	2026 <i>HK\$</i>	2025 <i>HK\$</i>
Hong Kong Profits Tax		
Current year	3,045,888	250,730
Under provision in prior years	4,339,845	1,462,090
	<u>7,385,733</u>	<u>1,712,820</u>
Other jurisdictions		
Current year	4,840	–
Under provision in prior years	1,769,223	558,776
	<u>1,774,063</u>	<u>558,776</u>
Deferred tax		
Current year	(6,534,391)	(22,235,699)
	<u>2,625,405</u>	<u>(19,964,103)</u>

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 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:

	2026 <i>HK\$</i>	2025 <i>HK\$</i>
<b>Earnings</b>		
Earnings for the purpose of basic and diluted earnings per share (Profit for the year attributable to owners of the Company)	<u>41,289,930</u>	<u>93,898,000</u>
	2026	2025
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>914,951,181</u>	<u>915,768,315</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\$1,425,559 (2025: HK\$508,747) are aged within 30 days.

**10. TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	<b>2026</b>	2025
	<b><i>HK\$</i></b>	<i>HK\$</i>
Trade receivables	<b>34,529,021</b>	36,233,123
Less: allowance for credit losses	<b>(16,944,628)</b>	(12,878,152)
	<b>17,584,393</b>	23,354,971
Deposits	<b>35,359,578</b>	167,911,442
Prepayments	<b>28,305,501</b>	96,224,573
Other receivables	<b>8,767,303</b>	28,657,288
	<b>90,016,775</b>	316,148,274

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:

	<b>2026</b>	2025
	<b><i>HK\$</i></b>	<i>HK\$</i>
Within 30 days	<b>15,709,283</b>	15,059,693
31 to 90 days	<b>1,437,413</b>	4,213,086
91 to 180 days	<b>183,117</b>	143,894
Over 180 days	<b>254,580</b>	3,938,298
	<b>17,584,393</b>	23,354,971

## 11. TRADE AND BILLS PAYABLES

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

	<b>2026</b> <b>HK\$</b>	2025 <i>HK\$</i>
Within 30 days	<b>26,431,914</b>	31,514,427
31 to 90 days	<b>10,013,375</b>	16,893,603
91 to 180 days	–	–
Over 180 days	<b>412,965</b>	407,981
	<b>36,858,254</b>	48,816,011

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

	<b>2026</b> <b>HK\$</b>	2025 <i>HK\$</i>
Dividends recognised as distribution during the year		
2025 Final – 0.5 HK cent (2024: 1.2 HK cents) per share	<b>4,575,000</b>	10,989,619

A final dividend of 1.2 HK cents per share in respect of the year ended 31 March 2026 (2025: A final dividend of 0.5 HK cent per share) have been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

## **FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS**

A final dividend of 1.2 HK cents per share (Year ended 31 March 2025: A final dividend of 0.5 HK cent per share) payable to the shareholders whose names on the Register of Members of the Company at the close of business on Monday, 7 September 2026 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 Thursday, 27 August 2026, the Register of Members of the Company will be closed from Thursday, 20 August 2026 to Thursday, 27 August 2026 (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 Wednesday, 19 August 2026.

For determining the entitlement to the Proposed Dividend, the Register of Members of the Company will also be closed from Friday, 4 September 2026 to Monday, 7 September 2026 (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 Thursday, 3 September 2026.

The Proposed Dividend is expected to be paid on or about Tuesday, 22 September 2026.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **RESULTS**

The audited consolidated profit for the year attributable to shareholders of the Company for the year ended 31 March 2026 was HK\$41,289,930 (Year ended 2025: HK\$93,898,000). The basic and diluted earnings per share of the Company for the year ended 31 March 2026 were 4.5 HK cents per share and 4.5 HK cents per share respectively (Year ended 2025: 10.3 HK cents per share and 10.3 HK cents per share respectively).

## **BUSINESS REVIEW**

### **WATCHES MANUFACTURING AND WATCH COMPONENTS**

During the period under review, performance of the Group's watch manufacturing and watch component trading division improved as demand for mechanical movements increased.

### **RESIDENTIAL AND OTHER PROPERTY DEVELOPMENT AND INVESTMENT**

Subsequent to our marketing launch at the end of 2025, the Group disposed of 3 floors of its luxurious residential project at 1 South Bay Close, Repulse Bay, Hong Kong with satisfactory results.

Regarding the Group's Phase III (Final Phase) mixed-use project at 88 Queen Street East, Toronto, Canada, over 90% of all its residential units completed final closing at the end of March 2026. Due to the unfavorable market situation in Toronto, Canada, the Group sold the entire commercial portion of this development with results below the Group's expectations.

### **COMMERCIAL PROPERTY INVESTMENT**

During the period under review, the Group's boutique commercial investments performance continues to grow and the results were satisfactory.

## **PROSPECTS**

### **WATCHES MANUFACTURING AND WATCH COMPONENTS**

The U.S. tariff rate on watches using Japanese made movements which is more favorable than some other countries, seems to be acceptable to most U.S. importers. And with the current strong demand for mechanical watches using Japanese movements, the Group is hopeful that the watches manufacturing and watch components division will benefit from this trend.

### **RESIDENTIAL AND OTHER PROPERTY DEVELOPMENT AND INVESTMENT**

The Group is closely monitoring the rising luxurious residential market to formulate its marketing plan for the remaining two Duplex units of its luxurious residential project at 1 South Bay Close, Repulse Bay. At the same time, the Group is actively looking for new luxurious residential development opportunities.

### **COMMERCIAL PROPERTY INVESTMENT**

As the demand in this sector continues to increase, the Group is planning to expand its boutique commercial property investments.

## **FINANCIAL REVIEW**

### **Liquidity and financial resources**

As at 31 March 2026, the Group's total borrowings were approximately HK\$3,224 million (2025: HK\$5,646 million), representing a decrease of approximately HK\$2,422 million from last year. The maturity profile spreads over a period of 25 years, with approximately HK\$1,617 million repayable within one year, approximately HK\$1,478 million more than one year, but not exceeding five years and HK\$129 million beyond five years.

At the year end date, the Group's gearing ratio was 0.61 (2025: 0.69) which is calculated based on the Group's long-term borrowings of approximately HK\$1,607 million (2025: HK\$1,785 million) and shareholders' funds of approximately HK\$2,654 million (2025: HK\$2,581 million).

As at 31 March 2026, the Group's total bank balances and cash was approximately HK\$665 million (2025: HK\$534 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 2026, 95% of the Group's borrowings were in HKD, 2% in GBP and 3% in JPY and USD. As at 31 March 2026, 42% of the Group's bank balances and cash was in HKD, 32% in USD, 21% in CAD, 4% 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 2026, certain properties and time deposits of the Group of approximately HK\$5,013 million (2025: HK\$8,192 million) were pledged to secure banking facilities for the Group.

## Employees

As at 31 March 2026, the Group employed approximately 170 employees in Hong Kong, the PRC and other overseas countries. The staff costs for the year including directors' emoluments amounted to approximately HK\$89 million (2025: HK\$86 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 2,646,000 (2025: 516,000) 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\$	
April 2025	186,000	0.405	0.370	71,520
May 2025	140,000	0.385	0.370	53,930
December 2025	776,000	0.355	0.340	271,766
January 2026	224,000	0.380	0.345	81,881
February 2026	766,000	0.390	0.370	292,151
March 2026	554,000	0.390	0.385	217,217
	<u>2,646,000</u>			<u>988,465</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 2026, 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 2026.

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.

## **RESIGNATION OF NON-EXECUTIVE DIRECTOR AND APPOINTMENT OF EXECUTIVE DIRECTOR**

The Board hereby announces that:

- (i) Mr. Lee Yuen Kui, James (“**Mr. James Lee**”), with effect from 29 June 2026, has resigned as a Non-executive Director of the Company due to health reason;
- (ii) Mr. Lee Bon Yee, Leonard (“**Mr. Leonard Lee**”), has been appointed as an Executive Director of the Company, with effect from 29 June 2026.

Mr. James Lee confirmed that he has no disagreement with the Board and there is no other matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

Mr. Leonard Lee, aged 53, has over 30 years of experience in real estate development, investment and project management in Canada. He has been serving as a director of St. Thomas Developments Inc. (a subsidiary of the Company) in Toronto, Canada since 2006, focusing on the development of residential and multi-use condominiums.

From 1996 to 2006, Mr. Leonard Lee served as a project manager at Lee Development Group in Toronto, Canada, where he was responsible for the development of residential condominiums. He oversaw the development of the third tower of the Hillsborough Court, comprising 261 units with total sales of over CAD24 million.

Mr. Leonard Lee obtained a Bachelor of Science in Economics and a Bachelor of Applied Science from the Wharton School of the University of Pennsylvania in the United States in 1996. Mr. Leonard Lee has also been a licensed Authorized Dealer's Representative at The Stock Exchange of Hong Kong Limited licensed by the Securities and Futures Commission since August 1995.

Mr. Leonard Lee is appointed by way of a letter of appointment with an initial term of three years commencing from 29 June 2026 subject to early vacation of office with not less than three calendar months' notice in writing or payment in lieu of notice served by either the Company or Mr. Leonard Lee on the other and also subject to retirement by rotation and re-election pursuant to the bye-laws of the Company. He is entitled to a director's fee of HK\$50,000 per annum. His remuneration is subject to annual review by the Board and is determined with reference to his duties and responsibility with the Company as well as the prevailing market conditions. Apart from the above director's fee, he also receives remuneration as a director of St. Thomas Developments Inc. (a subsidiary of the Company) in Canada under a separate agreement.

Mr. Leonard Lee is a son of Mr. Jimmy Lee Yuen Ching, Chairman of the Group, and the brother of Mr. Loewe Lee Bon Chi, Managing Director of the Group. He is a nephew of Mr. Edward Lee Yuen Cheor, an Executive Director of the Company, Ms. Dorothy Lee Yuen Yu, a Non-executive Director of the Company, and Mr. James Lee Yuen Kui, who resigned as a Non-executive Director of the Company with effect from 29 June 2026.

Save as disclosed above, as at the date of this announcement, Mr. Leonard Lee (i) has not held and is not holding any other position with the Company and other members of the Group; and (ii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company (within the meaning of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). As at the date of this announcement, Mr. Leonard Lee (i) has not held any other directorships in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas; and (ii) does not have and is not deemed to have any interest or short positions in the shares or other securities of the Company or any of its associated corporations which is required to be disclosed under Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

After reviewing Mr. Leonard Lee's qualifications and experience, the Board considered and accepted the recommendation from the Nomination Committee to appoint Mr. Leonard Lee as an Executive Director of the Company.

Save as disclosed above, there is no other information relating to the appointment of Mr. Leonard Lee that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matter relating to his appointment that needs to be brought to the attention of the shareholders of the Company.

## Latest Composition of the Board committees

Immediately after the above changes that took effect from 29 June 2026, 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
<b>Executive Directors</b>			
Mr. LEE Yuen Ching, Jimmy	–	Chairman	Member
Mr. LEE Bon Chi, Loewe	–	–	Member
Mr. LEE Bon Yee, Leonard	–	–	–
Mr. LEE Yuen Cheor, Edward	–	–	–
Mr. WAI Kwong Yuen, Ricky	–	–	–
<b>Non-executive Director</b>			
Ms. LEE Yuen Yu, Dorathy	–	Member	–
<b>Independent Non-executive Directors</b>			
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. James Lee for his valuable contributions to the Company during his tenure as a Non-executive Director, and extends its warmest welcome to Mr. Leonard Lee on his new position as an Executive Director.

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

Hong Kong, 29 June 2026

*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 Bon Yee, Leonard, Mr. Lee Yuen Cheor, Edward, and Mr. Wai Kwong Yuen, Ricky; the Non-executive Director is 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 2026 are as follows:

### INVESTMENT PROPERTIES

<b>Location</b>	<b>Lease term</b>	<b>Group's interest</b>	<b>Type</b>
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

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

#### **INVENTORY OF UNSOLD PROPERTIES**

<b>Location</b>	<b>Group's interest</b>	<b>Residential (sq. ft.)</b>	<b>Development status</b>
The unsold portion of "1 South Bay Close", No. 1 South Bay Close, Repulse Bay, Hong Kong	100%	11,393	Completed
31 Remaining residential units in Phase III at 88 Queen Street East, Toronto, Ontario, Canada	100%	21,003	Completed