THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in National Electronics Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

NATIONAL ELECTRONICS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 213)

MAJOR TRANSACTION
IN RELATION TO
ACQUISITION OF PROPERTY

Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 3 to 11 of this circular.

This circular is being dispatched to the Shareholders for information only. The Acquisition has been approved by the written approval pursuant to Rule 14.44 of the Listing Rules. The Company is exempted from convening a shareholders’ meeting for the approval of the Acquisition.

28 August 2026

CONTENTS

In this circular, unless the context otherwise requires, the following terms and expressions have the following meanings:

"Acquisition"	the proposed acquisition of the Property by the Purchaser from the Vendor pursuant to the Provisional Agreement
"Announcement"	the announcement of the Company dated 17 July 2026 in relation to the Acquisition
"Board"	the board of Directors
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Company"	National Electronics Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 213)
"Completion Date"	at or before 5 p.m. of 9 October 2026, being the date by which completion of the Acquisition shall take place
"connected person"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"Formal Agreement"	the formal agreement for sale and purchase entered into between the Vendor and the Purchaser on 7 August 2026 in relation to the sale and purchase of the Property
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Latest Practicable Date"	25 August 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining information contained in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Property"	all those pieces or parcels of ground respectively registered at the Land Registry as The Remaining Portion of Section F of Inland Lot No. 863, Section E of Inland Lot No. 863 and The Remaining Portion of Section D of Inland Lot No. 863 together with the messuages, erections and buildings thereon now known as Nos. 94, 96 and 98 Bonham Strand, Hong Kong
"Provisional Agreement"	the provisional agreement for sale and purchase dated 17 July 2026 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
"Purchaser"	Sukie Limited (樹田有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shares"	ordinary share(s) of HK$0.10 each in the capital of the Company
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Valuer"	Knight Frank Petty Limited, an independent professional property valuer
"Vendor"	Cerana Limited, a company incorporated in Hong Kong with limited liability
"%"	per cent

NATIONAL ELECTRONICS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 213)

Executive Directors:
Mr. Jimmy Lee Yuen Ching *(Chairman)*
Mr. Loewe Lee Bon Chi *(Managing Director)*
Mr. Leonard Lee Bon Yee
Mr. Edward Lee Yuen Cheor
Mr. Ricky Wai Kwong Yuen

Non-executive Director:
Ms. Dorathy Lee Yuen Yu

Independent non-executive Directors:
Mr. Chan Kwok Wai
Mr. David Sun Dai Wai
Mr. Pius Ho

Registered office:
Conyers Corporate Services
(Bermuda) Limited
Richmond House, 12 Par-la-Ville Road
Hamilton HM 08
Bermuda

Principal place of business in Hong Kong:
Suite 1218, Prince's Building
10 Chater Road
Central
Hong Kong

28 August 2026

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO ACQUISITION OF PROPERTY

INTRODUCTION

Reference is made to the Announcement.

On 17 July 2026 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor in relation to the acquisition of the Property for an aggregate cash consideration of HK$195,000,000.

The purpose of this circular is to provide the Shareholders with, among other things, further details of the Provisional Agreement and the transaction contemplated thereunder, the valuation of the Property and other information as required under the Listing Rules.

THE PROVISIONAL AGREEMENT

Date: 17 July 2026 (after trading hours)

Vendor: Cerana Limited

Purchaser: Sukie Limited, being an indirect wholly-owned subsidiary of the Company

Property: All those pieces or parcels of ground respectively registered at the Land Registry as The Remaining Portion of Section F of Inland Lot No. 863, Section E of Inland Lot No. 863 and The Remaining Portion of Section D of Inland Lot No. 863 together with the messuages, erections and buildings thereon now known as Nos. 94, 96 and 98 Bonham Strand, Hong Kong

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Consideration and Payment Terms

The consideration is HK$195,000,000 which is payable by the Purchaser to the Vendor in the following manner:

(i) initial deposit in the sum of HK$9,750,000 (representing 5% of the consideration) shall be paid upon signing of the Provisional Agreement to the Vendor's solicitors as stakeholder;

(ii) further deposit in the sum of HK$9,750,000 (representing 5% of the consideration, together with the initial deposit constituting 10% of the consideration) shall be paid on or before 7 August 2026 to the Vendor's solicitors; and

(iii) the balance of the consideration in the sum of HK$175,500,000 (representing 90% of the consideration) shall be paid by the Purchaser at or before the Completion Date.

All payments payable shall be made by cashier order(s).

The consideration of HK$195,000,000 for the Acquisition was arrived at after arm's length negotiations between the Vendor and the Purchaser with reference to, among other things, the market value of the Property as at 17 July 2026 as appraised by an independent valuer using the direct comparison approach in the amount of HK$210,000,000 and the prevailing property market in the vicinity of the Property.

The Board has reviewed the valuation report prepared by the Valuer and is of the view that the valuation approach, selection criteria and key inputs and assumptions adopted by the Valuer are appropriate, fair and reasonable, for the reasons set out below.

As the Property is a vacant site available for development, the Valuer adopted the direct comparison (market) approach in valuing the Property. The Board considers this to be the most appropriate valuation approach in the circumstances, being the approach most widely used and generally accepted for valuing vacant development sites in Hong Kong where reasonably comparable market transactions are available, and being more appropriate than an income-based or residual approach given that the Property does not currently generate income and no redevelopment plan for the Property has yet been finalised (see the paragraph headed "REASONS FOR AND BENEFITS OF THE ACQUISITION" below).

In selecting comparables, the Valuer collected commercial site transactions on an exhaustive basis and applied selection criteria based on property type, location and transaction timing. Due to the absence of relevant and recent commercial site transactions in Sheung Wan, the Valuer extended its search to Central, being the nearest and most comparable established commercial district adjoining Sheung Wan, sharing similar planning zoning and comparable commercial characteristics, tenant demand and accessibility. Three comparables transacted in Central between April 2025 and February 2026 were identified and considered relevant to the Property in terms of property type, location, timing of transaction and scale.

The Valuer applied adjustments to each comparable by reference to differences in transaction time, location and scale between each comparable and the Property; where a comparable was considered superior to the Property in the relevant respect, a downward adjustment was applied, and vice versa. Following these adjustments, the adjusted accommodation values of the three comparables ranged from approximately HK$4,428 to HK$7,011 per sq. ft., and the Valuer arrived at an adopted accommodation value for the Property of approximately HK$6,090 per sq. ft., which falls within the range of the adjusted accommodation values of the comparables.

Having considered the Valuer's professional qualifications and experience (the Valuer having over 25 years of relevant experience in valuing properties of this nature in Hong Kong), the valuation approach and methodology adopted, and the key inputs, assumptions and adjustments referred to above, the Board considers that the valuation was conducted on a reasonable, objective and properly substantiated basis in accordance with the HKIS Valuation Standards and the RICS Valuation – Global Standards. The consideration of HK$195,000,000 represents a discount of approximately 7.1% to the Valuer's appraised market value of HK$210,000,000 and was arrived at after arm's length negotiations between the Vendor and the Purchaser with reference to, among other things, such valuation and the prevailing property market in the vicinity of the Property. The Board therefore considers the consideration for the Acquisition to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The consideration of the Acquisition will be financed by internal resources and/or external bank loan facilities of the Group.

Formal Agreement

The Formal Agreement for sale and purchase of the Property has been signed on 7 August 2026.

Completion

Completion of the Acquisition shall take place on the Completion Date. Upon completion of the Acquisition, the Property will be transferred from the Vendor to the Purchaser, and the Purchaser shall pay the balance of the consideration in accordance with the payment terms set out in the section headed "The Provisional Agreement – Consideration and Payment Terms" above.

INFORMATION OF THE PROPERTY

The Property comprises three parcels of ground in Sheung Wan, Hong Kong, registered at the Land Registry as The Remaining Portion of Section F of Inland Lot No. 863, Section E of Inland Lot No. 863 and The Remaining Portion of Section D of Inland Lot No. 863, together with the messuages, erections and buildings thereon at Nos. 94, 96 and 98 Bonham Strand, Hong Kong. The Property is a non-residential property. Upon completion, the Vendor shall deliver vacant possession of the Property to the Purchaser on an "as is" basis.

FINANCIAL EFFECTS OF THE ACQUISITION

Profits

According to the audited consolidated income statement for the year ended 31 March 2026 as set out on page 37 of the Annual Report 2026 of the Company, the profit of the Group for the year ended 31 March 2026 was approximately HK$41.29 million.

The Vendor has confirmed that the Property has not generated any revenue over the preceding three years. Accordingly, had the acquisition occurred at the start of the financial period, the Group's profit for the year ended 31 March 2026 would remain unchanged.

Assets and liabilities

As at 31 March 2026, the audited consolidated total assets of the Group amounted to approximately HK$6,182.47 million.

Assuming completion of the Acquisition had taken place on 31 March 2026, and the consideration was funded from internal resources as at 31 March 2026 and the bank loan facilities obtained/committed to be entered into for the Acquisition, the unaudited pro forma consolidated total assets of the Group as at 31 March 2026 would be approximately HK$6,382.47 million. Alternatively, the unaudited pro forma consolidated total assets of the Group as at 31 March 2026 would be approximately HK$6,182.47 million if the consideration was solely funded from internal resources.

As at 31 March 2026, the audited consolidated total liabilities of the Group amounted to approximately HK$3,528.06 million.

Assuming that completion of the Acquisition had taken place on 31 March 2026 and the consideration was funded from internal resources as at 31 March 2026 and the bank loan facilities obtained/committed to be entered into for the Acquisition, the unaudited pro forma consolidated total liabilities of the Group as at 31 March 2026 would be approximately HK$3,728.06 million. Alternatively, the unaudited pro forma consolidated total liabilities of the Group as at 31 March 2026 would be approximately HK$3,528.06 million if the consideration was solely funded from internal resources.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board has established a corporate strategy for commercial property development and investment, aiming to build a portfolio of commercial properties in prime and established commercial districts in Hong Kong for long-term leasing and capital appreciation, so as to diversify the Group's income base alongside its existing manufacturing and residential development businesses. Potential acquisition targets are sourced through property agents and are screened by the Board against a set of criteria, namely investment amount, location, development potential and the marketability of properties to be developed from such targets, together with a comparison of investment risk and return across the targets under consideration, with a view to identifying the most suitable target for negotiation.

Applying these criteria, the Board selected the Property for the following specific reasons:

(i) *Investment amount:* at a consideration of HK$195,000,000, the Acquisition is consistent with the scale of investment the Board considers appropriate for a single commercial site acquisition, being financeable from the Group's internal resources and/or existing banking facilities without over-extending the Group's balance sheet, while representing a scale sufficient to support a commercially viable standalone redevelopment;

(ii) *Location:* the Property is located at the junction of Morrison Street and Bonham Strand, Sheung Wan, Hong Kong, approximately a 3-minute walk from MTR Sheung Wan Station and served by a comprehensive public transport network. Sheung Wan is an established extension of the Central business district, offering proximity to Central at comparatively more accessible land values, which the Board considers supports both the marketability of the completed development to prospective tenants and the Property's long-term capital appreciation potential;

(iii) *Development potential:* the Property is a vacant site with a registered site area of approximately 2,299 sq. ft., situated within a "Commercial" zone under the Approved Sai Ying Pun and Sheung Wan Outline Zoning Plan No. S/H3/34, permitting redevelopment into a commercial building without the need for rezoning, and free of the cost, delay and planning risk that would otherwise arise from land use conversion or the need to obtain vacant possession from sitting tenants; and

(iv) *Marketability of properties to be developed:* having regard to the surrounding mix of office developments, hotels, private residential developments and retail facilities in the vicinity of the Property, and its transport accessibility, the Board considers that a commercial building erected on the Property would be attractive to prospective tenants seeking premises in or near Central at a more cost-effective rental level than premises within Central itself.

The Acquisition is consistent with, and supports, the Group's above-mentioned corporate strategy by adding a prime, centrally-located commercial site to the Group's investment property portfolio, thereby supporting the Group's strategy of generating a recurring and growing rental income stream over the long term.

As at the Latest Practicable Date, the Company is in the process of formulating the detailed redevelopment plan for the Property, which remains subject to finalisation and the approvals referred to below. Based on the preliminary planning parameters considered by the Company to date:

(a) *Size:* it is currently proposed that the Property be redeveloped into a commercial building with a total gross floor area of approximately 34,485 sq. ft., consistent with the redevelopment scenario referred to in the valuation report of the Property set out in Appendix II to this circular;

(b) *Estimated costs:* the Company is still preparing the estimated development costs as part of the proposed redevelopment plan, which has not yet been finalised or approved by the Board; accordingly, no specific cost estimate can be disclosed at this stage;

(c) *Estimated timetable:* the proposed development is currently estimated to take approximately 42 months from the Completion Date to complete, comprising planning, design and government approval of approximately 6 months, and construction of approximately 36 months; and

(d) *Estimated rental income:* as at the Latest Practicable Date, the Company has not obtained or formed a specific estimate of the rental income expected to be generated from the Property upon completion of the proposed redevelopment. The Board considers it premature and unreliable to quantify an estimated rental income figure at this stage, for the following reasons:

    (i) the proposed development is estimated to take approximately 42 months to complete from the Completion Date, such that the relevant leasing market will not be tested until in or around February 2030 (i.e. approximately 3.5 years from the date of this circular), and the Hong Kong commercial leasing market, including achievable rents, vacancy rates and tenant demand in the Sheung Wan/Central area, may fluctuate materially over that period due to macroeconomic, interest rate and geopolitical conditions which cannot be reliably predicted at present;

(ii) the detailed redevelopment plan for the Property, including its final design, gross floor area mix, specification and target tenant profile, has not yet been finalised and remains subject to the government approvals and Board approval referred to above, such that the physical characteristics of the completed building (on which any rental estimate would need to be based) are not yet fixed; and

(iii) as the Property is currently a vacant site with no operating history or existing tenancy, there is no historical income stream or committed pre-letting from which a reliable forward rental estimate could be derived, in contrast to a property acquisition involving an existing income-producing asset.

Accordingly, the Board considers that disclosure of a specific estimated rental income figure at this stage would not be reliably supportable and could be misleading to Shareholders and potential investors.

Finalisation of the redevelopment plan, including the matters set out above, remains subject to (i) the grant of the relevant approvals from the Buildings Department and other government authorities in Hong Kong; and (ii) final approval by the Board. The Company will make further announcement(s) as appropriate in accordance with the applicable requirements under the Listing Rules. Shareholders and potential investors should note that the redevelopment plan (including the estimated size and timetable above) is preliminary and may be subject to change.

The Board believes that the Acquisition presents a good opportunity for the Group to expand its property portfolio. Having regard to the prevailing market conditions and the strategic location of the Property, the Directors consider that the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

Information of the Company

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacture, assembly and sale of electronic watches and watch parts, trading of watch movements and watch parts, residential and other property development and investment, and commercial property investment.

Information of the Purchaser

The Purchaser, Sukie Limited, is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

Information of the Vendor

The Vendor, Cerana Limited, is a company incorporated in Hong Kong with limited liability and is principally engaged in property investment. The Vendor is indirectly wholly-owned by Crane Capital Partners LLC ("**Crane LLC**"), a limited liability company incorporated in Delaware, United States, which is principally engaged in investment holding and invest in real estate opportunities across Asia. The managing member of Crane LLC is Crane Investment Advisors Limited, which is vested with the authority to manage all aspects of business of Crane LLC on a day-to-day basis, including the appointment of the management team of Crane LLC. Crane Investment Advisors Limited is ultimately controlled by Mr. Wai Tang and Mr. Wai Kei Ricky Lau, who are independent third parties of the Company. The ultimate financial beneficiary of Crane LLC is an overseas pension fund that holds such interest for and on behalf of a large number of individual beneficiaries, none of whom owns 5% or above interest in Crane LLC.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the Acquisition exceed 25% but all are less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders of the Company or any of their respective close associates have any material interest in the Acquisition. As such, no Shareholders of the Company would be required to abstain from voting under the Listing Rules if the Company were to convene a general meeting for the approval of the Acquisition.

The Company has a closely allied group of Shareholders which collectively hold in aggregate 516,514,894 Shares, representing approximately 56.596% of the total issued share capital of the Company, as at the Latest Practicable Date. The 516,514,894 Shares, which are part of the property of two discretionary trusts of which Mr. Jimmy Lee Yuen Ching and his family members and Mr. Loewe Lee Bon Chi's family members are named beneficiaries, are directly held by Americus Holdings Limited and Fenmore Investments Limited as to 250,813,276 Shares and 265,701,618 Shares, respectively, representing approximately 27.482% and 29.114% of the total issued share capital of the Company, respectively, as at the Latest Practicable Date. Mr. Jimmy Lee Yuen Ching is the father of Mr. Loewe Lee Bon Chi. Pursuant to Rule 14.44 of the Listing Rules, the Company had obtained a written approval from such closely allied group of Shareholders for the approval of the Acquisition. As such, no general meeting will be convened by the Company to approve the Acquisition.

The Directors consider that the Acquisition is on normal commercial terms and that such terms are fair and reasonable and in the interests of the Company and Shareholders as a whole. If, despite the said written approval from Americus Holdings Limited and Fenmore Investments Limited having been obtained, voting was required and the Company held a general meeting for the approval of the Acquisition, the Directors would have recommended that the Shareholders vote in favour of such resolution.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Shareholders and potential investors of the Company should be aware that the transactions contemplated under the Provisional Agreement and the Formal Agreement may or may not proceed. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when they deal in the Shares or other securities of the Company.

Your faithfully,
For and on behalf of the Board
National Electronics Holdings Limited
Lee Yuen Ching, Jimmy
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three financial years ended 31 March 2024, 2025 and 2026 are disclosed in the following documents which have been published on both the website of the Stock Exchange (http://www.hkexnews.hk) and the website of the Company (http://www.irasia.com/listco/hk/national/):

(1) annual report of the Company for the year ended 31 March 2024 dated 28 June 2024 (pages 37-135):

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0731/2024073101124.pdf

(2) annual report of the Company for the year ended 31 March 2025 dated 27 June 2025 (pages 37-133):

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0731/2025073102074.pdf

(3) annual report of the Company for the year ended 31 March 2026 dated 29 June 2026 (pages 37-131):

https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0730/2026073000372.pdf

2. INDEBTEDNESS OF THE GROUP

As at 30 June 2026, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Circular, the Group had outstanding bank borrowings of approximately HK$3,129 million (out of which (i) approximately HK$2,880 million was secured and approximately HK$249 million was unsecured; and (ii) approximately HK$3,129 million was guaranteed) representing short and long term loans and trust receipt loans. In addition, the Group had outstanding at that date contingent liabilities in respect of guarantees given to third parties of approximately HK$0.02 million.

Save as aforesaid, and apart from intra-group liabilities, the Group did not have, as at the close of business on 30 June 2026, any other debt securities issued or outstanding, and authorised or otherwise created but unissued, term loans, other borrowings and indebtedness, bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchases commitments, mortgages, charges, guarantees or other material contingent liabilities.

3. WORKING CAPITAL OF THE GROUP

The Directors are of the opinion that, after taking into account the financial resources and banking facilities available to the Group and its internally generated funds and the effect of the Acquisition, the Group will have sufficient working capital to satisfy its present requirements for at least 12 months from the date of this circular in the absence of unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2026, being the date to which the latest published audited financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Watches Manufacturing and Watch Components

During the year ended 31 March 2026, performance of the Group's watch manufacturing and watch component trading division improved as demand for mechanical movements increased.

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

Subsequent to the Group's 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.

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.

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 project with results below the Group's expectations.

Commercial Property Investment

During the year ended 31 March 2026, the Group's boutique commercial investments performance continues to grow and the results were satisfactory.

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

The following is the text of a valuation report prepared for the purpose of incorporation in this circular received from Knight Frank Petty Limited, an independent professional property valuer, in connection with their valuation as at 17 July 2026 of Nos 94, 96 and 98 Bonham Strand located in Hong Kong

28 August 2026

Knight Frank 萊坊

National Electronics Holdings Limited
Suite 1218, Prince's Building,
10 Chater Road,
Central, Hong Kong

Knight Frank Petty Limited
4/F, Shui On Centre
6-8 Harbour Road
Wanchai, Hong Kong

Dear Sirs or Madams

Valuation of Nos 94, 96 and 98 Bonham Strand, Hong Kong (the "Property")

1.0 Instructions

We received an instruction from National Electronics Holdings Limited (the "Company") to value the captioned property (the "Property") in which the Company and its subsidiaries (hereinafter together referred to as the "Group") had interests in. We confirm that we have carried out inspections, made relevant enquiries and carried out searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property in existing state as at 17 July 2026 (the "Valuation Date") for public disclosure purposes.

We confirm that we do not have any material connection or involvement giving rise to a conflict of interest and are providing an objective and unbiased valuation. Our valuation is based on 100% of the leasehold interest of the Property.

2.0 Basis of Valuation

In arriving at our opinion of market value, we followed the current edition of "The HKIS Valuation Standards" issued by The Hong Kong Institute of Surveyors ("HKIS") and "The RICS Valuation – Global Standards" issued by The Royal Institution of Chartered Surveyors ("RICS"), which incorporate the International Valuation Standards (the "IVS"). Under the said standards, market value is defined as:–

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Market value is also understood as the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as typical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

Our valuation complies with the requirements set out in the current edition of "The HKIS Valuation Standards" issued by HKIS, "RICS Valuation – Global Standards" issued by RICS and Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

3.0 Valuation Methodology

Our valuation has been undertaken by using appropriate valuation methodology and our professional judgement. In our valuation of the Property, we have adopted Market Approach. In undertaking our valuation of the Property in existing state by Market Approach, we have made reference to the recent market sales evidence which is available in the market. Appropriate adjustments have been made in our valuation to reflect the differences in the characteristics between the Property and the comparable properties such as location, size, condition and view in arriving at our opinion of the market value.

4.0 Expertise

The valuer, on behalf of Knight Frank Petty Limited ("Knight Frank"), with the responsibility for this report is Ms Stella Ho MHKIS MRICS MCIREA RICS Registered Valuer R.P.S. (GP). We confirm that the valuer meets the requirements of HKIS Valuation Standards and the RICS Valuation – Global Standards, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently. Our valuation is prepared in unbiased and professional manner.

5.0 Valuation Assumptions and Conditions

Our valuation is subject to the following assumptions and conditions.

Title Documents and Encumbrances

We have obtained land search records from the Land Registry. We have not, however, examined the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies handed to us. We have relied on the information given by the Group regarding legal matters relating to the Property. We have also assumed in our valuation that the Property was free from encumbrances, restrictions, title defects and outgoings of an onerous nature that could affect its value, unless stated otherwise as at the Valuation Date.

Disposal Costs and Liabilities

No allowance has been made in our report for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale.

Source of Information

We have relied to a very considerable extent on information given by the Group such as proposed area and use, and all other relevant matters. We have not verified the correctness of any information, whether in writing or verbally by the Company, the Company's representatives or by their legal or professional advisers or by any (or any apparent) occupier of the Property or contained on the register of title. We assume that this information is complete and correct.

Inspection

We have carried out external inspection of the Property on 24 July 2026. Inspection of the Property was undertaken by Ms Stella Ho MHKIS MRICS MCIREA RICS Registered Valuer R.P.S.(GP), who has over 25 years of experience in valuing properties in Hong Kong. We have assumed in our valuation that the Property was in reasonable exterior and interior decorative order without any unauthorised extension or structural alterations as at the Valuation Date, unless otherwise stated.

Identity of the Property to be valued

We have exercised reasonable care and skill (but will not have an absolute obligation to the Company) to ensure that the Property, identified by the property address in your instructions, is the property inspected by us and contained within our valuation report. If there is ambiguity as to the property address, or the extent of the property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

Property Insurance

We have valued the Property on the assumption that, in all respects, it is insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

Areas and Age

As instructed, we have relied upon areas as available from a quoted source. The areas quoted throughout the report are based on the information provided by the Group. Otherwise, dimensions and areas would be measured from plans and calculated in accordance with, where appropriate, the current HKIS Code of Measuring Practice and area quoted to a reasonable approximation, with reference to their source. We have also assumed that the site areas, floor areas, measurements and dimensions shown on the documents handed to us are correct and in approximations only. Where the age of the building is estimated, this is for guidance only.

Structural and Services Condition

We have carried out visual inspection only without any structural investigation or building survey. During our limited inspection, we did not inspect any inaccessible areas. We are unable to confirm whether the Property is free from urgent or significant defects or items of disrepair or any deleterious materials have been used in the construction of the Property. Our valuation has therefore been undertaken on the basis that the Property was in satisfactory repair and condition, contains no deleterious materials and it is sound order and free from structural faults, rot, infestation or other defects, and that the services are in a satisfactory condition.

Ground Condition

We have assumed there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the site of the Property is sufficient to support the building constructed or to be constructed thereon; and that the services are suitable for any existing or future development. Our valuation is therefore prepared on the basis that no extraordinary expenses or delays will be incurred in this respect.

Environmental Issues

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Property is unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

Compliance with Relevant Ordinances and Regulations

We have assumed the Property was constructed, occupied, and used in full compliance with, and without contravention of any ordinance, statutory requirement and notices except only where otherwise stated. In our valuation, we have disregarded the notices currently registered against the Property, if any, and the effects of the defects on the value and safety of the Property. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, consents, approvals and authorization have been obtained, except only where otherwise stated.

Remarks

We have prepared the valuation based on the information and data available to us as at the Valuation Date. While the current market is influenced by various policies and regulations, increased global conflicts could add further fluctuations in real estate market. It must be recognised that enactment of emergency measures, changes in mortgage requirements or international tensions could be immediate and have sweeping impact on the real estate market apart from typical market variations. It should therefore be noted that any market violation, policy, geopolitical and social changes or other unexpected incidents after the Valuation Date may affect the value of the Property.

Currency

Unless otherwise stated, all money amounts stated in this report are in Hong Kong Dollars (HK$).

We enclose herewith our valuation certificate.

Yours faithfully
For and on behalf of
Knight Frank Petty Limited

Stella Ho
MHKIS MRICS MCIREA RICS Registered Valuer R.P.S.(GP)
Executive Director, Valuation & Advisory

Note:

Ms Stella Ho is a qualified valuer who has over 25 years of extensive experiences in the valuation of properties of this magnitude and nature in the subject region.

6.0 Valuation Certificate

Property interests held for future development in Hong Kong.

	Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 17 July 2026
1.	Nos 94, 96 and 98 Bonham Strand, Hong Kong The Remaining Portion of Section D of Inland Lot No 863, Section E of Inland Lot No 863 and the Remaining Portion of Section F of Inland Lot No 863	The Property is a development site located at the junction of Morrison Street and Bonham Strand in Sheung Wan, with a registered site area of approximately 2,299 sq ft (213.58 sq m). The immediate locality is a mixed commercial and residential area characterized by a combination of office developments, hotels, private residential developments and older tenement buildings. Retail facilities are available on street level. Public facilities, including the Sheung Wan Municipal Services Building, are located directly opposite the Property. The Property enjoys convenient accessibility, being located approximately a 3-minute walk from the nearest exit of MTR Sheung Wan Station. The area is also well served by a comprehensive public transport network, with franchised buses, public light buses, and trams readily available along Des Voeux Road Central. The Property is proposed to be redeveloped into a commercial building with a total gross floor area of 34,485 sq ft (3,203.76 sq m). The Property is held under Government Lease of Inland Lot No 863 for a term of 999 years commencing from 1 January 1852.	The Property was a vacant site available for development as at the Valuation Date.	HK$210,000,000 (Hong Kong Dollars Two Hundred and Ten Million)

Notes:

(1) According to the land register records obtained from the Land Registry, the registered owners of the Property were as follows:

	Property	Registered Owner
(i)	The Remaining Portion of Section F of Inland Lot No. 863 (comprising, previously G/F, 1/F, 2/F, 3/F, 4/F and 5/F (Including the Roof), which old building has since been demolished) at No. 94 Bonham Strand, Hong Kong	Cerana Limited
(ii)	Section E of Inland Lot No. 863 at No. 96 Bonham Strand, Hong Kong	Cerana Limited
(iii)	The Remaining Portion of Section D of Inland Lot No. 863 (comprising Ground Floor including Cockloft, 1st Floor, 2nd Floor, 3rd Floor, 4th Floor, 5th Floor, and its Main Roof, which old building has since been demolished) at No. 98 Bonham Stand, Hong Kong	Cerana Limited

(2) The Property is situated within an area zoned as "Commercial" under the Approved Sai Ying Pun and Sheung Wan Outline Zoning Plan No S/H3/34 gazetted on 13 November 2020.

(3) The Property was subject to the following encumbrances: -

For Ground Floor including Cockloft, 1st Floor, 2nd Floor, 3rd Floor, 4th Floor, 5th Floor and its Main Roof, No 98 Bonham Strand, Hong Kong (The Remaining Portion of Section D of Inland Lot No 863)

(i) Deed of Dedication Re Portion of IL 863 S.D. with Plan in favour of Principal Government Building Surveyor vide memorial no UB1174753 dated 16 June 1975.

(ii) Government Notice No 5536 of 28 October 2005 vide memorial no 05110302610021 dated 28 October 2005 (Remarks: Pursuant to Section 22(1) of the Government Rent and Premium (Apportionment) Ordinance (Cap. 125)).

As per the land register record, there are no material encumbrances registered against No 94 Bonham Strand at the Remaining Portion of Section F of Inland Lot No 863 and Section E of Inland Lot No 863 as at the Valuation Date.

(4) Use and development of the Property are mainly governed by the conditions stipulated in Government Lease of Inland Lot No 863. The salient conditions for the restriction on the uses and development of the Property are summarized as follows:–

Restriction	Details
Offensive Trade	• "AND FURTHER that the said Eliza Maria Grosvenor, her Executors, Administrators or Assigns, or any other person or persons, shall not nor will, during the continuance of this demise, use, exercise or follow, in or upon the said premises or any part thereof, the trade or business of a Brazier, Slaughterman, Soap-maker, Sugar-baker, Fellmonger, Melter of tallow, Oilman, Butcher, Distiller, Victualler, or Tavern-keeper, Blacksmith, Nightman, Scavenger, or any other noisy, noisome or offensive trade or business whatever, without the previous licence..."
Restriction on Alienation	• "AND ALSO that the said Eliza Maria Grosvenor, her Executors, Administrators or Assigns, shall not nor will, let, underlet, mortgage, assign, or otherwise part with, all or any part of the said premises hereby expressed to be demised, for all or any part of the said term of Nine hundred and Ninety-nine years, without at the same time registering such alienation in the Land Office..."

(5) In the course of our valuation of the Property by Market Approach, we have referred to sale transactions of commercial sites in the market, which are considered relevant to the Property in terms of property type, location, transaction date and scale. Appropriate adjustments have been considered to reflect the differences between the comparable transactions and the Property, in arriving at the adopted price of the Property.

(6) The comparables were collected on an exhaustive basis and reviewed based on applicable criteria including property type, location and transaction timing. Due to the absence of relevant commercial site transactions in Sheung Wan, the search was extended to Central, being the nearest and similar established area to the Property. In particular, commercial site transactions located within Central, with transaction dates from 2025 onward, were analysed. Three comparables which are considered relevant to the Property in terms of property type, location, timing of transaction and scale were selected. The accommodation values of comparable transactions range from about HK$4,676 to HK$6,728 per sq ft.

	Comparable 1	**Comparable 2**	**Comparable 3**
Development	Welland House	108 & 110 Wellington Street	26 D'Aguilar Street
Address	62 Wellington Street	108 & 110 Wellington Street	26 D'Aguilar Street
District	Central	Central	Central
Zoning	Commercial (Group 4)	Commercial	Commercial
Site Area (sq ft)	812	2,509	738
Maximum Gross Floor Area (sq ft) (approx.)	12,142	37,640	11,070
Transaction Date	2 February 2026	29 December 2025	2 April 2025
Transacted Price (HK$)	66,800,000	176,000,000	74,480,000
Accommodation Value (HK$/sq ft)	5,502	4,676	6,728
Total Adjustments	24.60%	-5.30%	4.20%
Adjusted Accommodation Value (HK$/sq ft)	**6,855**	**4,428**	**7,011**

We have considered the different attributes between the Property and the comparables in terms of transaction time, location, scale, and have made appropriate adjustments accordingly.

In applying adjustments to the comparables, where a comparable possesses less favorable characteristics than the Property, such as an inferior location or smaller scale, it is considered inferior to the Property and an upward adjustment is made to its unit rate to reflect these disadvantages. Comparables 1 and 3 have a smaller scale than the Property and are therefore considered less favorable in this respect. Accordingly, upward adjustments have been applied to account for this difference, which contributes to the higher total adjustments applied to these comparables.

Following these adjustments, the adjusted unit rates of the comparables range from HK$4,428 to HK$7,011 per sq ft. The adopted accommodation value of the Property is about HK$6,090 per sq ft.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors' interests in the Company

As at the Latest Practicable Date, the interests and short positions, if any, of the Directors or the chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "**Model Code**") to be notified to the Company and the Stock Exchange were as follows:

Long positions in the Shares

Name of director	Capacity	Personal interests	Corporate interests	Other interests	Total interests	Approximate percentage of the issued share capital of the Company *(note e)*
Mr. Jimmy Lee Yuen Ching	Chairman	–	–	536,514,894 *(notes a & b)*	536,514,894	58.79%
Mr. Loewe Lee Bon Chi	Managing Director	21,720,000	–	549,514,894 *(notes a & c)*	571,234,894	62.59%

Name of director	Capacity	Personal interests	Corporate interests	Other interests	Total interests	Approximate percentage of the issued share capital of the Company *(note e)*
Mr. Ricky Wai Kwong Yuen	Executive Director	40,994,543	–	–	40,994,543	4.49%
Mr. David Sun Dai Wai	Independent Non-executive Director	–	6,097,857 *(note d)*	–	6,097,857	0.67%

Notes:

(a) 516,514,894 Shares were part of the property of two discretionary trusts of which Mr. Jimmy Lee Yuen Ching and his family members and Mr. Loewe Lee Bon Chi's family members are named beneficiaries.

(b) 20,000,000 Shares were held by Mr. Jimmy Lee Yuen Ching's family member.

(c) 33,000,000 Shares were held by Mr. Loewe Lee Bon Chi's family member.

(d) These 6,097,857 Shares were held by Sun International Limited, the issued share capital of which are owned by Mr. David Sun Dai Wai and parties acting in concert with him. Therefore Mr. David Sun Dai Wai was deemed to be interested in the Shares held by that company under the SFO.

(e) The percentage was calculated based on a total of 912,634,962 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, save as disclosed above, no other Director was a director or employee of a company which had an interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been, since 31 March 2026 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation, other than statutory compensation).

4. LITIGATION

As at the Latest Practicable Date, neither the Company nor any other member of the Group was engaged in any litigation or claims of material importance and no litigation or claims of material importance was known to the Directors to be pending or threatened by or against the Company or any other member of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or any of their respective close associates was interested in any businesses (apart from businesses of the Group), which competed or were likely to compete, either directly or indirectly, with the businesses of the Group.

6. QUALIFICATION, CONSENT AND INTEREST OF EXPERT

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
Knight Frank Petty Limited	Professional Surveyors and Valuers

As at the Latest Practicable Date, each of the above expert did not have:

(a) any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and

(b) any direct or indirect interests in any assets which have been, since 31 March 2026 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter(s), report(s), valuation certificate(s) and/or references to its name included herein in the form and context in which they appear.

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within two years immediately preceding the date of this circular and are, or may be, material:

(a) the sale and purchase agreement entered into between National Properties Holdings Ltd., (an indirect wholly owned subsidiary of the Company) as vendor and Native Land Investment Limited as purchaser on 28 October 2024 in respect of the disposal of the entire issued share capital of Sonic Run Investments Limited for a total consideration of £4,000,000 (further details of the agreement and the transactions contemplated thereunder are set out in the announcement of the Company dated 28 October 2024);

(b) the Provisional Agreement; and

(c) the Formal Agreement.

8. MISCELLANEOUS

(a) The qualified accountant and company secretary of the Company is Mr. Wong Kam Kee, Andy, who is a fellow member of the Institute of Chartered Accountants in England and Wales and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Wong holds an Executive Master Degree of Business Administration from Chinese University of Hong Kong and a Master of Science Degree in Financial Management from the University of London;

(b) The registered office of the Company is located at Conyers Corporate Services (Bermuda) Limited, Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda. The principal office of the Company is at Suite 1218, Prince's Building, 10 Chater Road, Central, Hong Kong;

(c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong; and

(d) The English text of this circular prevails over the Chinese text in case of inconsistency.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published and displayed on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.irasia.com/listco/hk/national/) for a period of 14 days from the date of this circular (both days inclusive):

(a) the Provisional Agreement;

(b) the Formal Agreement;

(c) the property valuation report from Knight Frank Petty Limited, the text of which is set out in appendix II to this circular;

(d) the written consent given by the expert referred to in the paragraph headed "6. QUALIFICATION, CONSENT AND INTEREST OF EXPERT" in this appendix; and

(e) the material contracts referred to in the paragraph headed "7. MATERIAL CONTRACTS" in this appendix.