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# **NATIONAL ELECTRONICS HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 213)**

## **DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY**

On 12 February 2007, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor to acquire the Property at a consideration of HK\$90,000,000.

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular containing details of the Agreement will be despatched to the Shareholders as soon as practicable.

On 12 February 2007, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor to acquire the Property at a consideration of HK\$90,000,000. The Property was introduced by an estate agent which is an Independent Third Party.

### **AGREEMENT DATED 12 FEBRUARY 2007**

#### **Parties**

Vendor: Luckico Development Limited, an Independent Third Party

Purchaser: Batilone Limited

#### **Information of the Property**

The Property is located at No. 87 and 89, Jervois Street, Hong Kong. The Property will be delivered to the Purchaser upon completion of the Agreement. The Property is a commercial development site which is currently not in use.

#### **Consideration and payment terms**

The consideration for the Acquisition of HK\$90,000,000 has been determined after arm's length negotiations between the parties by reference to the market value of the Property of HK\$95,000,000 as at 12 February 2007, being a value indication by an independent valuer, DTZ Debenham Tie Leung Limited. Subject to obtaining the relevant banking facilities, the Group currently intends to finance the consideration of the Acquisition by a combination of internal resources of the Group and bank financing in a ratio to be determined by the Company.

The consideration for the Acquisition shall be payable to the Vendor in cash in the following manner:

- (a) an initial deposit in the sum of HK\$9,000,000 has been paid by the Purchaser upon signing of the Agreement;
- (b) a further deposit of HK\$9,000,000 shall be paid by the Purchaser on or before 5 March 2007; and

- (c) the remaining balance of HK\$72,000,000 shall be paid by the Purchaser upon completion on or before 15 May 2007.

### **Completion**

Pursuant to the Agreement, the parties are required to enter into a formal agreement for the sale and purchase of the Property on or before 5 March 2007. Completion of the sale and purchase of the Property shall take place on or before 15 May 2007. Upon completion, the Vendor shall deliver vacant possession of the Property to the Purchaser.

### **REASON FOR THE ACQUISITION**

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, property development and investment. The acquisition of the Property allows the Group to enlarge its properties portfolio with high quality assets. Based on the future market conditions, the Company will determine whether the Property will be re-developed or resold. The Directors consider that the acquisition of the Property is in the interest of the Company and the terms of the Agreement are fair and reasonable as far as the Shareholders are concerned.

### **GENERAL**

As the relevant percentage under the size tests (as defined in the Listing Rules) exceed 5% but not exceed 25%, the Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular containing details of the Agreement will be despatched to the Shareholders as soon as practicable.

### **DEFINITIONS USED IN THIS ANNOUNCEMENT**

“Acquisition”	the acquisition of the Property by the Purchaser pursuant to the Agreement
“Agreement”	the preliminary agreement dated 12 February 2007 entered into between the Vendor and the Purchaser for the sale and purchase of the Property
“Company”	National Electronics Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	(an) independent third party(ies) not connected with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Batilone Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Property”	No. 87 and No. 89, Jervois Street, Hong Kong
“Shares”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the shareholders of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“Vendor” Luckico Development Limited, a company incorporated in Hong Kong and the ultimate beneficial owners of which are Independent Third Parties

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

Hong Kong, 13 February 2007

*As at the date of this announcement, the executive Directors of the Company are Mr. Lee Yuen Ching, Jimmy, Mr. Lee Yuen Kui, James, Mr. Lee Yuen Wong, Peter, Mr. Lee Yuen Cheor, Edward and Mr. Wai Kwong Yuen, Ricky, the non-executive Director of the Company is Miss Lee Yuen Yu, Dorathy and the independent non-executive Directors are Dr. Samson Sun, M.B.E., J.P., Mr. Chan Chak Cheung, William and Mr. Chan Kwok Wai.*