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NATIONAL ELECTRONICS HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 213)

UPDATE ON MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF ELITE BRIGHT ASIA PACIFIC LIMITED

Reference is made to the announcement (the “Announcement”) of National Electronics Holdings Limited (the “Company”) dated 22 March 2017 in relation to, among other things, the acquisition of the entire issued share capital of Elite Bright Asia Pacific Limited. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As stated in the Announcement, pursuant to the Preliminary Agreement, the Vendors and the Purchaser shall negotiate in good faith and use all reasonable endeavours to agree and enter into a Formal Agreement on or before 22 May 2017 (or such other date as the Vendors and the Purchaser may agree in writing).

As more time was required to finalize certain details in the Formal Agreement, pursuant to the Preliminary Agreement, the Vendors and the Purchaser had on 22 May 2017 agreed in writing to postpone the date of the execution of the Formal Agreement to on or before 23 May 2017.

The Board announces that on 23 May 2017, the Vendors and the Purchaser entered into the Formal Agreement, which reflects the principal terms contained in the Preliminary Agreement and incorporated other terms customary to the transactions similar to the one contemplated in the Preliminary Agreement. Upon the execution of the Formal Agreement: (i) the Formal Agreement supersedes the Preliminary Agreement and any other previous agreements (whether oral or in writing) between the Vendors and the Purchaser relating to the Acquisition; and (ii) the Preliminary Agreement has been terminated in its entirety. The Board confirms that none of the terms of the Formal Agreement constitute material variations of any of the principal terms of the Preliminary Agreement.

As Completion of the Acquisition is subject to the fulfillment and/or waiver (if applicable) of conditions precedent, the Acquisition may or may not proceed to Completion. Accordingly, shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 24 May 2017

As at the date of this announcement, the Executive Directors are Mr. Lee Yuen Ching, Jimmy, Mr. Lee Bon Chi, Loewe, Mr. Lee Yuen Kui, James, 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 Dr. Samson Sun, M.B.E., J.P., Mr. Chan Chak Cheung, William and Mr. Chan Kwok Wai.