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NATIONAL ELECTRONICS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 213)

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGE OF BOARD COMPOSITION OF THE BOARD COMMITTEES

The Board is pleased to announce that:

- (i) Mr. Sun Dai Wai David has been appointed as the independent non-executive Director, the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee with effect from 17 February 2022; and
- (ii) Mr. Chan Kwok Wai has been redesignated from a member to the chairman of the Audit Committee with effect from 17 February 2022.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The board (the “**Board**”) of directors (the “**Director(s)**”) of National Electronics Holdings Limited (the “**Company**”) is pleased to announce that Mr. Sun Dai Wai David (“**Mr. Sun**”) has been appointed as the independent non-executive Director with effect from 17 February 2022.

Mr. Sun, aged 63, has extensive experience in the watch and clock industry prior to joining the Company. He has been an executive director of Sun International Limited, Sun International Trading Company Limited, Sun International Concepts Limited and AOM-Sun Limited since 1981. He was a committee member of the Watch & Clock Advisory Committee of the Hong Kong Trade Development Council from 1988 to 2007 and 2012 to 2016. He was the co-chairman of Hong Kong International Watch & Clock Fair in 1991. Mr. Sun was the chairman of the Federation of Hong Kong Watch Trades & Industries Limited from 1991 to 1992. He also served as the president of the Hong Kong Watch Importers’ Association from 1992 to 1994, 1996 to 1998 and 2002 to 2004. He was an executive committee member of the Hong Kong Retail Management Association from 1992 to 2012. He has been a director of China Horologe Association since 2008. He obtained a Bachelor’s degree in business administration (with honours) from the University of Western Ontario in Canada in 1981.

Mr. Sun is appointed by way of a letter of appointment with an initial term of three years commencing from 17 February 2022 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. Sun 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\$396,000 per year which is determined by the Board with reference to the Company's operating results, individual performance and comparable market statistics.

As at the date of this announcement, Mr. Sun is interested in 5,767,857 shares of the Company (representing approximately 0.60% of the total issued Share capital of the Company), which are held by Sun International Limited the issued share capital of which are owned by Mr. Sun and parties acting in concert with him.

Mr. Sun is the son of the late Dr. Samson Sun, M.B.E., J.P., who was an independent non-executive Directors before he passed away on 28 November 2021. Accordingly Mr. Sun is connected with a Director within two years immediately prior to the date of his proposed appointment as an independent non-executive Director under Rule 3.13(6) of the Listing Rules.

The Board (including the nomination committee of the Company (the "**Nomination Committee**")) has assessed the background and qualification of Mr. Sun. The Board (including the Nomination Committee), having taken in account that (i) save as disclosed above, Mr. Sun meets all the other independence factors set out in Rule 3.13 of the Listing Rules; (ii) Mr. Sun has appropriate experience to act as a Director; and (iii) Mr. Sun's background and his extensive experience in the watch and clock industry would benefit the management of the Group's manufacture of watches and trading of watch movement business and the Group's business in Canada, considered Mr. Sun to be independent and a suitable candidate for being an independent non-executive Director.

Save as disclosed above, as at the date of this announcement, Mr. Sun (i) has not held and is not holding any other position with the Company and other members of the Group; (ii) 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; (iii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company (within the meaning the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")); and (iv) 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).

Save as disclosed, there is no other information relating to the appointment of Mr. Sun that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of the Company.

The Board would like to express its warmest welcome to Mr. Sun on his new appointment.

CHANGE OF COMPOSITION OF BOARD COMMITTEES

The Board is also pleased to announce that (i) Mr. Sun has been appointed as the chairman of the remuneration committee of the Company (the “**Remuneration Committee**”) and a member of each of the audit and risk management committee (the “**Audit Committee**”) and the Nomination Committee with effect from 17 February 2022; and (ii) Mr. Chan Kwok Wai has been redesignated from a member to the chairman of the Audit Committee with effect from 17 February 2022.

GENERAL

Reference is made to the announcement of the Company dated 30 November 2021 in relation to, among other things, the Company’s non-compliance with certain requirements with respect to the Board composition pursuant to the Listing Rules.

Following the appointment of Mr. Sun, the Board will comprise five executive Directors, one non-executive Director and three independent non-executive Directors. The Company has upon the appointment of Mr. Sun complied with Rules 3.10(1), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules.

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

Hong Kong, 17 February 2022

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 Mr. Chan Chak Cheung, William, Mr. Chan Kwok Wai and Mr. Sun Dai Wai, David.