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NATIONAL ELECTRONICS HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

(Stock Code: 213)

DISCLOSEABLE TRANSACTION

DISPOSAL OF PROPERTY

On 22 April 2009, the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser to dispose the Property at a consideration of CDN\$4,300,000 (approximately HK\$26,875,000).

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

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AGREEMENT

Parties

Purchaser: Rosa Ghods, an individual who is an Independent Third Party

Vendor: 1061383 Ontario Limited

Information of the Property

The Property is located at 29 High Point Road, City of Toronto, Canada. The Property is a residential property which is currently vacant.

Consideration and payment terms

The consideration for the Disposal of CDN\$4,300,000 (approximately HK\$26,875,000) has been determined after arm's length negotiations between the parties by reference to the capital value of the Property of CDN\$4,000,000 as at 20 April 2009, being a value indication by an independent brokerage, Harvey Kalles Real Estate Limited. The Group currently intends to use the net proceeds from the Disposal of CDN\$1.4 million

(approximately HK\$8,750,000) for the repayment of bank loan and approximately CDN\$2.7 million (approximately HK\$16,875,000) for general working capital of the Group.

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

- (a) an initial deposit in the sum of CDN\$200,000 has been paid by the Purchaser upon acceptance of the Agreement by the Vendor; and
- (b) the remaining balance of CDN\$4,100,000 shall be paid by the Purchaser upon completion on 29 May 2009.

Completion

Completion of the sale and purchase of the Property shall take place on 29 May 2009.

REASON FOR THE DISPOSAL

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 Property was acquired by the Group in March 1994. It had been self-used by the Group since acquisition until 2004. Since then, it had been intended for sale. The Directors consider that the Disposal provides an opportunity for the Group to realise the Property and provide working capital for the Group in view of the present property market in Canada. The Directors consider that the disposal 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.

The unaudited net loss both before and after taxation and extraordinary items attributable to the Property was approximately CDN\$0.3 million (approximately HK\$1,875,000) for the year ended 31 March 2009.

The audited net loss both before and after taxation and extraordinary items attributable to the Property was approximately CDN\$0.2 million (approximately HK\$1,250,000) for the year ended 31 March 2008.

As at 31 March 2009, the unaudited net book value of the Property was approximately CDN\$2.9 million (approximately HK\$ 18,125,000). Based on such net book value, a gain of approximately CDN \$1.2 million (approximately HK\$7,500,000) is expected to accrue to the Group upon completion of the Agreement after taking into account of the related expenses payable by the Group of approximately CDN\$0.2 million (approximately HK\$1,250,000).

GENERAL

As the relevant percentage under the size tests (as defined in the Listing Rules) exceed 5% but not exceed 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS USED IN THIS ANNOUNCEMENT

“Agreement”	the agreement between the Purchaser and the Vendor who confirmed the acceptance of such agreement on 22 April 2009 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
“Disposal”	the disposal of the Property by the Vendor pursuant to the Agreement
“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 and connected persons as defined in the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Property”	29 High Point Road, City of Toronto, Canada
“Purchaser”	Rosa Ghods, an individual who is an Independent Third Party
“Shareholder(s)”	the shareholders of the Company
“Shares”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	1061383 Ontario Limited, a company incorporated in Canada and a wholly-owned subsidiary of the Company

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

Hong Kong, 23 April 2009

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 Bon Chi, Loewe, Mr. Lee Yuen Cheor, Edward and Mr. Wai Kwong Yuen, Ricky, the non-executive Director of the Company 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.