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

(Stock Code: 213)

**RE-DESIGNATION OF EXECUTIVE DIRECTOR TO MANAGING DIRECTOR
AND GRANT OF SHARE OPTIONS**

Re-designation of Executive Director to Managing Director

The Board is pleased to announce that Mr. Loewe Lee was re-designated from Executive Director to Managing Director of the Company with effect from 18 March 2010.

Mr. Loewe Lee, aged 30, graduated from Harvard University and obtained a bachelor of arts degree with honors in economics. He is a director of The Federation of Hong Kong Watch Trades & Industries Limited. He joined the Group in July 2005 and is responsible for overseeing the overall operations of the watch components trading division as well as property development and investment divisions. He is also a director of certain subsidiaries of the Company. Prior to joining the Group, he was an investment banker at JP Morgan in New York. Mr. Loewe Lee has not held any directorship in any listed public company in the last three years.

There is no service contract executed by the Company with Mr. Loewe Lee nor any specified length or proposed length of service with the Company in respect of the aforesaid appointment of Mr. Loewe Lee. Mr. Loewe Lee has an employment contract with a subsidiary of the Company which can be terminated by either party giving to other party 1 month's written notice without payment of compensation (other than statutory compensation). Mr. Loewe Lee is entitled to receive a monthly salary of HK\$160,000, a discretionary bonus and 9,200,000 Options as set out below. The emolument of Mr. Loewe Lee is determined by the Board with reference to his experience and duty as well as the prevailing market conditions.

Mr. Loewe Lee is subject to retirement by rotation and re-election at each annual general meeting of the Company in accordance with the Bye-laws of the Company.

As at the date of this announcement, Mr. Loewe Lee is interested in 260,606,873 shares of the Company representing approximately 26.81% of the issued share capital of the Company and 9,200,000 Options as set out below. Save as disclosed, Mr. Loewe Lee does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He is the son of Mr. Lee Yuen Ching, Jimmy (Chairman) and the nephew of Mr. Lee Yuen Kui, James (Managing Director), Mr. Lee Yuen Cheor, Edward (Executive Director) and Ms. Lee Yuen Yu, Dorathy (Non-executive Director). Save as disclosed, Mr. Loewe Lee has no other relationships with any directors, senior management or substantial or controlling shareholders of the Company. There is no other information required to be

disclosed pursuant to Rule 13.51 (2)(h) to (w) of the Listing Rules.

Grant of Share Options

Pursuant to Rule 17.06A of the Listing Rules, the Board announces that on 18 March 2010, 9,200,000 Options to subscribe for one Share each were granted under the Share Option Scheme adopted on 20 August 2008 to Mr. Loewe Lee, the Managing Director and a substantial shareholder of the Company with details as follows:

Date of Grant	:	18 March 2010
Number of Options Granted	:	9,200,000
Exercise Price of Options Granted	:	HK\$0.542
Closing Price of Shares on Date of Grant	:	HK\$0.540
Validity Period of Options Granted	:	18 March 2010 – 17 March 2018

The Board takes this opportunity to congratulate Mr. Loewe Lee on his becoming the Managing Director of the Company.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meaning:

“Board”	the board of Directors of the Company;
“Directors”	the directors of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Company”	National Electronics Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Loewe Lee”	Mr. Lee Loewe Bon Chi;
“Options”	share options granted under the Share Option Scheme;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company

“Share Option Scheme”	share option scheme adopted at the Company’s annual general meeting held on 20 August 2008 which has a term of 10 years and will expire on 19 August 2018; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

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

Hong Kong, 18 March 2010

As at the date of this announcement, the executive Directors 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 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.