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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in National Electronics Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**NATIONAL ELECTRONICS HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 213)**

**PROPOSED GRANTING OF GENERAL MANDATES TO  
BUY BACK SHARES AND TO ISSUE SHARES,  
PROPOSED RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of National Electronics Holdings Limited to be held at Dragon Room 1, The Hong Kong Bankers Club, 43/F, Gloucester Tower, The Landmark, Central, Hong Kong on Tuesday, 28 August 2018 at 10:00 a.m. is set out on pages 13 to 17 of this circular. A form of proxy for use at the Annual General Meeting of the Company is also enclosed. Such form of proxy is also published on the websites of Hong Kong Stock Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.irasia.com/listco/hk/national/>).

Whether or not you are able to attend the Annual General Meeting of the Company, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's principal place of business in Hong Kong at Suite 3201, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting or any adjournment thereof if they so wish.

26 July 2018

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## DEFINITIONS

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*In this circular, unless the content otherwise requires, the following expressions have the following meanings:*

“AGM”	the annual general meeting of the Company to be held at Dragon Room 1, The Hong Kong Bankers Club, 43/F, Gloucester Tower, The Landmark, Central, Hong Kong on Tuesday, 28 August 2018 at 10:00 a.m.
“Associates”	the meaning ascribed thereto in the Listing Rules
“Auditors”	at any time the auditors of the Company at that time
“Board”	the board of Directors
“Buy-back Mandate”	a general mandate proposed to be granted to the Directors to buy back Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 7 of the Notice of AGM
“Bye-laws”	the bye-laws of the Company currently in force
“close associates”	the meaning ascribed thereto in the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	National Electronics Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“core connected person(s)”	the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“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
“Issuance Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 8 of the Notice of AGM

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## DEFINITIONS

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“Latest Practicable Date”	19 July 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice of AGM”	the notice convening the AGM set out on pages 13 to 17 of this circular
“Proposed Final Dividend and Special Cash Dividend”	Final dividend of 3.0 HK cents per share and a special cash dividend of 1.0 HK cent per share payable to the Shareholders whose names on the Register of Members of the Company on Tuesday, 4 September 2018 proposed by the Board and is subject to approval by the Shareholders in the AGM
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time

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## LETTER FROM THE BOARD

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### NATIONAL ELECTRONICS HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 213)**

*Executive Directors:*

Jimmy Lee Yuen Ching (*Chairman*)  
Loewe Lee Bon Chi (*Managing Director*)  
James Lee Yuen Kui (*Managing Director*)  
Edward Lee Yuen Cheor  
Ricky Wai Kwong Yuen

*Registered Office:*

Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

*Non-executive Director:*

Dorathy Lee Yuen Yu

*Principal place of business in Hong Kong:*

Suite 3201, Gloucester Tower  
The Landmark  
11 Pedder Street  
Central  
Hong Kong

*Independent Non-executive Directors:*

Dr. Samson Sun, *M.B.E., J.P.*  
William Chan Chak Cheung  
Chan Kwok Wai

26 July 2018

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED GRANTING OF GENERAL MANDATES TO  
BUY BACK SHARES AND TO ISSUE SHARES,  
PROPOSED RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information of certain resolutions to be proposed at the AGM, inter alia, the proposed Buy-back Mandate and the proposed Issuance Mandate; the proposed re-election of retiring Directors; and to give you the Notice of AGM.

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## LETTER FROM THE BOARD

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### PROPOSED GRANTING OF GENERAL MANDATES TO BUY BACK AND ISSUE SHARES

At the annual general meeting of the Company held on 24 August 2017, general mandates were granted to the Directors to buy back and issue Shares. Such mandates will lapse at the conclusion of the AGM. In order to give the Company the flexibility to buy back or issue Shares if and when appropriate, the following ordinary resolutions will be proposed at the AGM to approve the granting of new general mandates to the Directors:

- (i) to buy back Shares on the Stock Exchange of not exceeding 10% of the total number of the issued Shares of the Company as at the date of passing the proposed ordinary resolution contained in item 7 of the Notice of AGM (i.e. a total of 102,591,296 Shares on the basis that no further Shares are issued or bought back before the AGM); and
- (ii) to allot, issue and otherwise deal with additional Shares of not exceeding 20% of the total number of the issued Shares of the Company as at the date of passing the proposed ordinary resolution contained in item 8 of the Notice of AGM (i.e. a total of 205,182,592 Shares on the basis that no further Shares are issued or bought back before the AGM).

In addition, a separate ordinary resolution to extend the number of Shares which may be allotted, issued or dealt with under the Issuance Mandate by the number of Shares bought back by the Company pursuant to the Buy-back Mandate (if granted to the Directors at the AGM) will also be proposed at the AGM.

The Buy-back Mandate and the Issuance Mandate will continue in force during the period from the date of the passing of the respective resolutions for the approval of the Buy-back Mandate and the Issuance Mandate until the conclusion of the next annual general meeting of the Company held after the AGM or any earlier date as referred to in the proposed ordinary resolutions contained in items 7 and 8 of the Notice of AGM.

An explanatory statement required by the Listing Rules to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buy-back Mandate is set out in Appendix I to this circular.

### PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 99 of the Bye-laws, the Directors retiring by rotation at the forthcoming AGM are Mr. Ricky Wai Kwong Yuen and Dr. Samson Sun, M.B.E., J.P. who, being eligible, will offer themselves for re-election at the AGM. The particulars of these retiring Directors which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

Dr. Samson Sun, M.B.E., J.P. who has served as an Independent Non-executive Director of the Company for more than 9 years, has confirmed his independence with reference to the factors set out in Rule 3.13 of the Listing Rules. During his years of appointment, Dr. Samson Sun, M.B.E., J.P. has

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## LETTER FROM THE BOARD

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demonstrated the attributes of an independent non-executive director by providing independent views and advice and there is no evidence that his tenure has had any impact on his independence. The Company considers Dr. Samson Sun, M.B.E., J.P. meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

The Board is satisfied that Dr. Samson Sun, M.B.E., J.P. has the required integrity, independence and experience to fulfill the role of an independent non-executive director, and therefore recommends the re-appointment and re-election of Dr. Samson Sun, M.B.E., J.P. as an Independent Non-executive Director of the Company in the AGM.

### ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The Notice of AGM is set out on pages 13 to 17 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, all proposed resolutions in the Notice of AGM will be voted by way of poll. An announcement on the poll results will be published by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the websites of the Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.irasia.com/listco/hk/national/>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's principal place of business in Hong Kong at Suite 3201, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or the adjourned meeting (as the case maybe). Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM, or any adjournment thereof, if you so wish. No Shareholder will be required to abstain from voting at the AGM.

### RECOMMENDATION

The Board considers that the granting of the Buy-back Mandate and the Issuance Mandate and the re-election of retiring Directors are in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend all the Shareholders to vote in favour of the relevant proposed resolutions as set out in the Notice of AGM.

Yours faithfully,  
For and on behalf of the Board  
**Jimmy Lee Yuen Ching**  
*Chairman*

This appendix includes an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the AGM in relation to the granting of the Buy-back Mandate.

### **1. LISTING RULES FOR BUY-BACK OF SHARES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to buy back their shares on the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed buy-back of shares by a company with a primary listing on the Stock Exchange must be approved by shareholders in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be bought back must be fully paid up.

### **2. FUNDING OF BUY-BACK**

Any buy-back will be made out of funds which are legally available for the purpose in accordance with the Memorandum of Association and Bye-laws of the Company and applicable laws of Bermuda and/or any other applicable laws, as the case may be.

As compared with the financial position of the Company as at 31 March 2018 (being the date to which the latest published audited financial statements of the Company have been made up), there might be a material adverse impact on the working capital and on the gearing position of the Company in the event the proposed buy-back were to be carried out in full during the proposed buy-back period.

However, the Directors do not propose to exercise the Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

### **3. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,025,912,962 Shares.

Subject to the passing of the relevant ordinary resolutions to approve the general mandates to buy back and issue Shares and on the basis that no further Shares are issued or bought back between the Latest Practicable Date and the AGM, the Company would be allowed under the buy-back proposal to buy back a maximum of 102,591,296 Shares (representing 10% of the total issued share capital of the Company) during the period from the date of the AGM up to:-

- (i) the conclusion of next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws of Bermuda to be held; or



- (iii) the revocation, variation or renewal of the Buy-back Mandate by ordinary resolution of the Shareholders in general meeting of the Company, whichever occurs first.

#### **4. REASONS FOR BUY-BACK**

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to buy back Shares on the market as this will give the Company greater flexibility. Such buy-back will only be made when the Directors believe that such buy-back will benefit the Company and the Shareholders.

#### **5. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange to exercise the Buy-back Mandate in accordance with the Listing Rules, the applicable laws of Bermuda and/or any other applicable laws and in accordance with the Memorandum of Association and Bye-laws of the Company.

#### **6. EFFECT OF THE TAKEOVERS CODE**

If, on the exercise of the power to a buy-back of Shares pursuant to the Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. Jimmy Lee Yuen Ching and Mr. Loewe Lee Bon Chi, in aggregate, were interested in 586,234,894 Shares, of which 265,701,618 Shares are part of the property of a discretionary trust of which Mr. Jimmy Lee Yuen Ching and his family members and Mr. Loewe Lee Bon Chi's family members are named beneficiaries; 20,000,000 Shares and 33,000,000 Shares were held by Mr. Jimmy Lee Yuen Ching's family member and Mr. Loewe Lee Bon Chi's family member respectively; 250,813,276 Shares were held by a company wholly-owned by Mr. Jimmy Lee Yuen Ching; and 16,720,000 Shares were held by Mr. Loewe Lee Bon Chi, which in aggregate representing approximately 57.14% of the issued share capital of the Company. In the event the Buy-Back Mandate is exercised in full, their interest will be increased to 63.49%. The Directors do not expect the increase in shareholding resulting from the exercise of the Buy-back Mandate in full will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the existing public float of the Company was approximately 38.26%. In the event the Buy-back Mandate is exercised in full, the public float of the Company would become approximately 31.40%. The Board will endeavour to ensure that the exercise of the Buy-back Mandate will not result in the number of shares held by the public fall below 25% of the total number of issued Shares, being the minimum public float requirement under the Listing Rules.

**7. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective close associates has any present intention, in the event that the proposed Buy-back Mandate is approved by the Shareholders, to sell Shares to the Company. No connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make buy-back of Shares.

**8. SHARE BUY-BACK MADE BY THE COMPANY**

The Company has purchased 7,188,000 Shares on the Stock Exchange for a total consideration of HK\$8,265,140 during the six months preceding the Latest Practicable Date. Details of the repurchases are disclosed as follows:

Date of Buy-back	No. of Shares	Total Consideration HK\$	Price Per Share	
			Highest HK\$	Lowest HK\$
January 2018				
2	844,000	995,920	1.18	1.18
February 2018				
6	98,000	111,720	1.14	1.14
7	178,000	202,920	1.14	1.14
8	112,000	128,360	1.15	1.14
12	790,000	900,600	1.14	1.14
13	200,000	228,000	1.14	1.14
15	100,000	114,000	1.14	1.14
March 2018				
2	778,000	894,700	1.15	1.15
5	506,000	581,900	1.15	1.15
12	20,000	22,600	1.13	1.13
16	56,000	63,840	1.14	1.14
19	100,000	114,000	1.14	1.14
22	84,000	96,600	1.15	1.15
23	40,000	45,320	1.14	1.13
26	40,000	45,200	1.13	1.13
28	120,000	136,800	1.14	1.14
29	200,000	228,000	1.14	1.14

**APPENDIX I****EXPLANATORY STATEMENT ON THE BUY-BACK MANDATE**

Date of Buy-back	No. of Shares	Total Consideration	Price Per Share	
			Highest	Lowest
		HK\$	HK\$	HK\$
April 2018				
4	92,000	104,880	1.14	1.14
6	32,000	36,480	1.14	1.14
9	38,000	43,320	1.14	1.14
16	262,000	298,680	1.14	1.14
18	48,000	54,720	1.14	1.14
19	198,000	227,220	1.15	1.14
20	106,000	120,840	1.14	1.14
23	30,000	34,200	1.14	1.14
24	100,000	114,000	1.14	1.14
25	100,000	115,000	1.15	1.15
26	200,000	228,000	1.14	1.14
27	94,000	107,160	1.14	1.14
May 2018				
7	170,000	193,800	1.14	1.14
8	68,000	77,520	1.14	1.14
9	262,000	298,680	1.14	1.14
10	52,000	59,280	1.14	1.14
June 2018				
28	100,000	115,680	1.16	1.15
29	200,000	232,000	1.16	1.16
July 2018				
10	198,000	229,680	1.16	1.16
13	152,000	176,320	1.16	1.16
16	46,000	53,360	1.16	1.16
17	352,000	408,320	1.16	1.16
18	22,000	25,520	1.16	1.16
	7,188,000	8,265,140		

**9. SHARE PRICE**

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the twelve months immediately prior to the Latest Practicable Date were as follows:

	<b>Share Price</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
July 2017	1.120	1.050
August 2017	1.100	1.000
September 2017	1.080	0.990
October 2017	1.150	1.010
November 2017	1.160	1.070
December 2017	1.200	1.060
January 2018	1.210	1.160
February 2018	1.190	1.100
March 2018	1.160	1.110
April 2018	1.180	1.120
May 2018	1.210	1.140
June 2018	1.210	1.140
July 2018 (up to and including the Latest Practicable Date)	1.200	1.130

*The following are the details (as required by the Listing Rules) of the Directors, who will retire and, being eligible, offer themselves for re-election at the AGM.*

**Mr. Ricky Wai Kwong Yuen**

Mr. Ricky Wai Kwong Yuen M.Sc. (“Mr. Ricky Wai”), aged 71, joined the Group in 1976 and is an Executive Director of the Company as well as the President and Executive Director of National Electronics and Watch Company Limited, a subsidiary of the Company. He is currently responsible for the watch manufacturing business and other electronic products of National Electronics and Watch Company Limited.

There is no service contract between the Company and Mr. Ricky Wai. His length of service with the Company is subject to retirement by rotation in accordance with Bye-law 99 of the Company. He is currently entitled to receive a director’s fee of HK\$50,000 per annum, a monthly salary of HK\$156,000 and a discretionary bonus. His remuneration is subject to annual review by the Board and is determined with reference to his duties and responsibilities with the Company as well as the prevailing market conditions.

Mr. Ricky Wai does not have any relationship with any other Director, senior management, substantial or controlling Shareholder of the Company. As at the Latest Practicable Date, Mr. Ricky Wai was interested in a total of 40,994,543 Shares, representing approximately 4.00% of the total issued share capital of the Company, which are held by two companies controlled by Mr. Ricky Wai.

During the three years preceding the Latest Practicable Date, Mr. Ricky Wai did not hold any directorship in other listed companies. There is no information relating to Mr. Ricky Wai that is required to be disclosed pursuant to Rules 13.51(2) (h) to (w) of the Listing Rules, and save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders of the Company in connection with the re-election of Mr. Ricky Wai as Director of the Company.

**Dr. Samson Sun, M.B.E., J.P.**

Dr. Samson Sun, M.B.E., J.P. (“Dr. Samson Sun”), aged 93, is an Independent Non-Executive Director of the Company. He is also the Chairman of the Audit and Risk Management Committee and Remuneration Committee, as well as a member of the Nomination Committee of the Company. Dr. Samson Sun is the Chairman of the Sun International Group companies. He was the Deputy Chairman of Gilman & Co., Limited and later of Inchape Hong Kong from 1967 to 1985. Dr. Samson Sun is the Honorary Permanent President of The Federation of Hong Kong Watch Trades & Industries Limited. He has over 62 years’ experience in the manufacturing, marketing and distribution of watches and 34 years’ experience in the marketing and distribution of consumer and electronic products. Dr. Samson Sun has chaired many voluntary community services and charitable organizations and is the former

Vice-Chairman of Business and Professionals Federation of Hong Kong (BPF), and a member of the Basic Law Consultative Committee in the 80's. Dr. Samson Sun is also an independent non-executive director of Oriental Watch Holdings Limited (Stock Code: 398) and Cheuk Nang (Holdings) Limited (Stock Code: 131)<sup>1</sup>.

There is no service contract between the Company and Dr. Samson Sun. He is currently entitled to receive a director's fee of HK\$528,000 per annum which is subject to annual review by the Board and is determined with reference to his duties and responsibilities with the Company as well as the prevailing market conditions. Dr. Samson Sun is not entitled to receive bonus of any kind.

Dr. Samson Sun does not have any relationship with any other Director, senior management, substantial or controlling Shareholder of the Company. As at the Latest Practicable Date, Dr. Samson Sun was interested in 5,817,864 Shares (representing approximately 0.57% of the total issued share capital of the Company), which are held by a company controlled by Dr. Samson Sun.

Save as disclosed above, Dr. Samson Sun did not hold any directorship in other listed companies in Hong Kong or overseas during the three years preceding the Latest Practicable Date. There is no information relating to Dr. Samson Sun that is required to be disclosed pursuant to Rules 13.51(2)(h) to (w) of the Listing Rules, and save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders of the Company in connection with the re-election of Dr. Samson Sun as an Independent Non-executive Director of the Company.

<sup>1</sup> Dr. Samson Sun has been an independent non-executive director of Oriental Watch Holdings Limited and Cheuk Nang (Holdings) Limited since September 1993 and December 2006 respectively. The Company was informed of such directorship recently.

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## NOTICE OF ANNUAL GENERAL MEETING

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### NATIONAL ELECTRONICS HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 213)**

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of National Electronics Holdings Limited (the “Company”) will be held at Dragon Room 1, The Hong Kong Bankers Club, 43/F, Gloucester Tower, The Landmark, Central, Hong Kong on Tuesday, 28 August 2018 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and reports of the directors and auditors of the Company for the year ended 31 March 2018;
2. To consider and, if thought fit, approve the payment of a final dividend and a special cash dividend recommended by the board of directors for the year ended 31 March 2018;
3. To consider and, if thought fit, approve the re-election of Mr. Ricky Wai Kwong Yuen as an Executive Director of the Company;
4. To consider and, if thought fit, approve the re-election of Dr. Samson Sun, M.B.E., J.P. as an Independent Non-executive Director of the Company;
5. To determine the directors’ remuneration for their services in an aggregate sum of not exceeding HK\$2,500,000; and
6. To consider and, if thought fit, approve re-appointment of HLB Hodgson Impey Cheng Limited as auditors of the Company and to authorise the board of directors to fix their remuneration.

As special business to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

7. **“THAT**
  - (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to buy back its shares at a price determined by the Directors;
- (c) the aggregate number of shares of the Company bought back or agreed conditionally or unconditionally to be bought back by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate number of issued shares of the Company in issue at the date of passing of this resolution; and
- (d) for the purpose of this resolution,

“Relevant Period” means the period from the time of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or
- (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; or
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held.”

### 8. “THAT

- (a) subject to paragraph (c) below and subject to the consent of the Bermuda Monetary Authority, where applicable, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares in the share capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;



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- (c) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (a) and (b) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of rights of subscription or conversion under the terms of any warrants or other securities which may be issued by the Company carrying a right to subscribe for or purchase shares of the Company; or (iii) the exercise of any option granted under any share option scheme adopted by the Company; or (iv) an issue of shares in lieu of the whole or part of a dividend on shares pursuant to any scrip dividend or other similar scheme implemented in accordance with the Bye-laws of the Company, shall not exceed 20% of the aggregate number of issued shares of the Company in issue at the date of passing of this resolution; and
- (d) for the purpose of this resolution,

“Relevant Period” means the period from the time of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or
- (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; or
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange).”

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9. “**THAT** conditional upon the passing of the ordinary resolutions numbered nos. 7 and 8 in the notice convening this annual general meeting of the Company, the aggregate number of shares of the Company which are bought back by the Company pursuant to and in accordance with the said ordinary resolution no. 7 shall be added to the aggregate number of shares of the Company that may be allotted and agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to and in accordance with ordinary resolution no. 8 as set out in the notice of the annual general meeting of the Company provided that such number of shares shall not exceed 10% of the aggregate number of shares of the Company on the date of the passing of this resolution.”

By Order of the Board  
**Andy Wong Kam Kee**  
*Company Secretary*

Hong Kong, 26 July 2018

*Executive Directors:*

Jimmy Lee Yuen Ching  
Loewe Lee Bon Chi  
James Lee Yuen Kui  
Edward Lee Yuen Cheor  
Ricky Wai Kwong Yuen

*Non-executive Director:*

Dorathy Lee Yuen Yu

*Independent Non-executive Directors:*

Dr. Samson Sun, *M.B.E., J.P.*  
William Chan Chak Cheung  
Chan Kwok Wai

*Notes:*

- (1) The Register of Members of the Company will be closed from Tuesday, 21 August 2018 to Tuesday, 28 August 2018 (both days inclusive) and from Monday, 3 September 2018 to Tuesday, 4 September 2018 (both days inclusive) respectively, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar and Transfer Office in Hong Kong, Tricor Standard Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 20 August 2018. In order to qualify for the Proposed Final Dividend and Special Cash Dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar and Transfer Office in Hong Kong, Tricor Standard Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 31 August 2018. Dividends are expected to be paid on or about Friday, 14 September 2018.
- (2) Any member of the Company entitled to attend and vote at the above meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. Votes may be given either personally or by duly authorised corporate representative or by proxy. A member who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company.

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- (3) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- (4) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's principal place of business in Hong Kong at Suite 3201, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong not less than forty-eight hours before the time for holding the meeting or adjourned meeting (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting.
- (5) Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the Register of Members in respect of such share shall alone be entitled to vote in respect thereof.
- (6) Any corporation which is a member of the Company may, by resolutions of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.