

RESULTS

The Board of Directors of National Electronics Holdings Limited (the "Company") announces that the audited consolidated loss of the Company and its subsidiaries (the "Group") for the year ended 31st March, 2002 was HK\$45,435,080 (2001 - HK\$38,975,888) which included HK\$29,408,717 being a loss on revaluation of investment properties. The loss per share for the year was HK3.9 cents per share (2001 - HK3.3 cents per share).

FINAL DIVIDENDS

In view of the loss, the Board of Directors has not recommended any final dividend for the year ended 31st March, 2002 (2001 - HK\$0.5 cent).

Watches and Watch Components

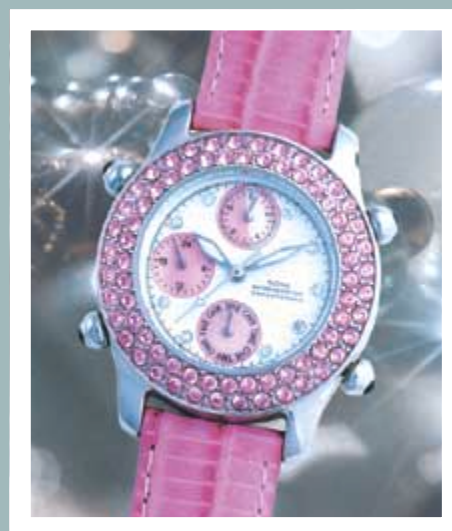
During the period under review, the Group's LCD watch division enjoyed a satisfactory performance as compared with the period before the "September 11, 2001" event in New York. However, after the aforesaid incident, both turnover and profit for the second half of our financial year declined dramatically. The Group's quartz analogue watch division had achieved higher turnover but profit margin also declined. The Group's watch components business was also adversely affected.

Property Development and Investment

The two development properties, at 110 Repulse Bay Road and 56 Peak Road, under a joint venture with a real estate fund managed by AIG have progressed well. The Group intends to market the Repulse Bay development around the end of 2002.

The Group's investment properties are fully let with the exception of a commercial property with 3,996 sq. GFA at Lippo Centre, Queensway.

In accordance with the SSAP 13 issued by the Hong Kong Society of Accountants, the Group has revalued its investment properties which resulted in a decrease in value of investment properties of HK\$29,408,717.



Colourful ladies fashion watch with dazzling stones, featuring 24Hr time display and chronograph function.

Prospects

Watches and Watch Components

During the period under review, the Group's LCD business has gradually improved but is still below the pre "September 11" event level. The Group is hopeful that retail sales in the U.S.A. will improve, as compared with the previous year, by the fourth quarter of 2002. As one of the Group's LCD division's OEM customers has agreed to purchase a large quantity of its products starting from the end of this year, the Group is planning increased production capacity in its China factory.

The Group is paying special attention to the watch components business in the wake of the weakening of the U.S. Dollar against the Japanese Yen, which may adversely affect turnover and profit margin in this financial year.



Currently the world's first Center Calendar Ana-digi-hybrid watch with perpetual calendar, dual time and scrolling display features.



UV index watch with the capability of detecting ultra-violet light intensity from the sun, providing safety precautions for people who enjoy outdoor activities.

Properties

The Group's newly-acquired residential site in Toronto, Canada is now undergoing the planning and site plan application process. The Group has engaged Mr Robert Stern, a renowned architect in New York, to design a luxurious condominium building and expects to achieve satisfactory result from future sales.

The Group, with our partners, continues to search for appropriate redevelopment sites for luxurious houses in Hong Kong as well as in Shanghai, China.

Finally, on behalf of the Board of Directors, I would like to thank all the staff of the Group for their loyalty and dedication during the difficult year in business and I look forward to better operating results in the forthcoming year.

LEE YUEN CHING JIMMY

Chairman

Hong Kong, 12th July, 2002



Tree-lined tranquil surroundings of 1 St. Thomas Street, Toronto.



Time mode



Altitude mode



Compass mode



Barometer and Temperature



Databank

The ultimate outdoor sports watch with barometer, altitude meter, thermometer and electronic compass functions which can continually monitor changes of atmospheric pressure and altitude, plus a databank that logs the changes in altitude for future reference.