

## RESULTS

The Board of Directors of National Electronics Holdings Limited ("the Company") is pleased to announce that the audited consolidated profit of the Company and its subsidiaries (the "Group") for the year ended 31st March, 2003 was HK\$2,753,269 (2002 - restated loss of HK\$44,819,704) which included HK\$22,000,000 being a loss on revaluation of investment properties (2002 - HK\$29,408,717). The profit per share for the year was HK0.2 cent (2002 - loss of HK3.8 cents per share).

## FINAL DIVIDENDS

The Board of Directors has not recommended any final dividend for the year ended 31st March, 2003 (2002 - Nil).

## Watches and Watch Components

During the period under review, the performance of the Group's LCD watch division and quartz analogue watch division were affected by the war in Iraq in January 2003.

However, the watch component business recorded increased turnover as the main markets for such products are China and India which were not affected by the Middle East crisis. Operating profits from this division was satisfactory.

## Property Development and Investment

During the year under review and prior to the SARS outbreak in Hong Kong, House B of 110 Repulse Bay, Hong Kong, a joint venture project between AIG and our Group was sold for HK\$88.88 million which is a recent record price for such Houses. The remaining three houses were held off from the market since March 2003 due to the SARS crisis and the Group is preparing for relaunching in the fall of 2003. The Group has obtained the occupation permit for 56 Peak Road, Hong Kong, a joint venture project between AIG and our Group, and will also be launching the project in the fall of 2003.

In accordance with the SSAP13 issued by the Hong Kong Society of Accountants, the Group has revalued its investment properties which resulted in a decrease in value of HK\$22,000,000.

**Prospects**

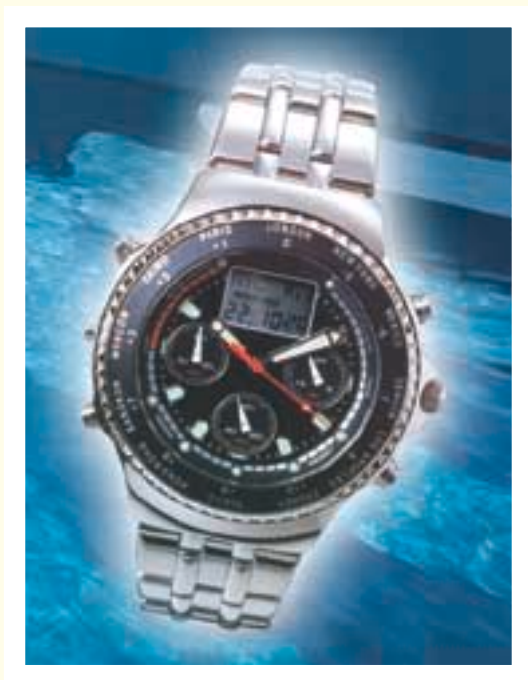
**Watches and Watch Components**

The Group anticipates the social and economic shock caused by the outbreak of SARS will have some effect on the Group's performance for the first quarter of the new financial year. However, the Group hopes that the situation will improve from the fourth quarter of 2003. At the same time, with the help of our R & D department, the Group continues its commitment in development of high tech, exclusive watch products to differentiate itself from the local competitors.

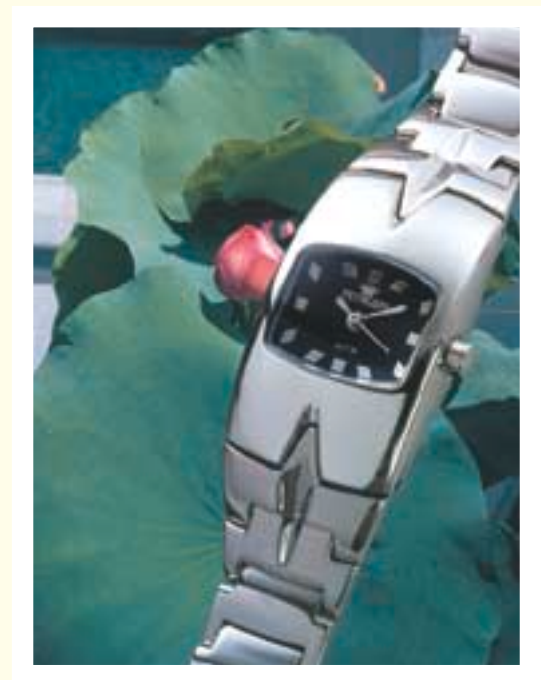
**Properties**

**Overseas**

The Group has recently received approval from Toronto's City Council, Canada, to change the hotel zoning to residential use for its St. Thomas Street Development. Design of this luxurious condominium building is being finalized and the Group is also building a sales pavilion on this property with the intention to presell the project by phases before the end of 2003.



Multi-function ana-digi watch with world time, alarm, chronograph and countdown timer.



Stylish ladies watch with integrated bracelet

## CHAIRMAN'S STATEMENT

The Group will be submitting a site plan application for its property in Markham, Toronto, Canada, which includes upscale townhouses and elegant low rise apartment blocks.

### **Local**

The Group has purchased, in May 2003, a commercial site at 202-206 Queen's Road Central and the Group is planning to develop a boutique type hotel on this site.

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 these difficult years and I look forward to a better economic environment and results in the forthcoming year.

**Lee Yuen Ching Jimmy**

Chairman

Hong Kong, 18th July, 2003



Artist's rendering of the Group's future development at Markham, Toronto, Canada.

Clip-on type outdoor multi-purpose device with torch light, barometer, altitude meter, electronic compass, thermometer, weather forecast, altitude log and timepiece functions.



# ALTITUDE MODE

Altitude: 267ft  
Time: 2:39am



# BAROMETER AND TEMPERATURE

Weather forecast: fair  
Sea level pressure: 1011mbar  
Temperature: 80.8 °F



# COMPASS MODE

Direction: North East bearing 34°