

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 (together, the "Group") for the year ended 31st March 2005 was HK\$57,885,356 (2004 – HK\$51,193,421) which included a gain of HK\$27,411,840 on revaluation of investment properties (2004 – gain on revaluation of HK\$22,500,000). The profit per share of the Company for the year ended 31st March 2005 was 5.2 HK cents (2004 – 4.5 HK cents).

FINAL DIVIDENDS

The Board of Directors recommends a final dividend of 0.5 HK cent per share for the financial year ended 31st March 2005 (2004 – 0.5 HK cent).

WATCH AND WATCH COMPONENTS

During the year under review, the performance of the Group's watch division, National Electronics & Watch Co. Ltd., achieved satisfactory growth both in turnover and profit due to the division's continued improvement in product design and stringent quality control.

The watch component business also recorded satisfactory growth during the year.

PROPERTY DEVELOPMENT AND INVESTMENT

During the year under review, the Group's residential development project in Toronto, One St. Thomas has begun construction work and the pre-sale of the luxurious condominium units was encouraging.

The re-development site at 202-206 Queen's Road Central, Hong Kong has begun and after completion which is expected to be in mid 2006, this 26 single floor unit luxurious service apartment building will be retained for investment purpose.

The Group also acquired a new site in January 2005 at 137-138 Connaught Road West, Hong Kong with a site area of approximately 2,780 square feet and on which the Group is planning to build its second luxurious service apartment building which will also be retained for investment purpose.

In accordance with International Financial Reporting Standards, the Group has revalued its investment properties which increased by HK\$27,411,840 in value during the year under review.

PROSPECTS

WATCHES AND WATCH COMPONENTS

The Group expects the watch division's business will continue to grow and a range of non-watch electronic products will also be launched in the second half of the current financial year.

As the Japanese Yen has weakened against the US Dollar, the price of watch components will be more competitive and may result in increased turnover.

PROPERTIES

OVERSEAS

The Group is optimistic in the pre-sale of the One St. Thomas Toronto residential development project and part of the profit generated will be booked in 2006/07 financial year.



The Group's Canadian project under construction

LOCAL

The Group intends to further expand its land bank of luxurious service apartment development projects as and when opportunities arise.

The Group is also planning to dispose of some of the investment properties which have already appreciated in value in the recent market upsurge.

With deep sorrow, the Board regrets to announce that in January 2005, Dr Alex Wu, CBE, LLD, JP an independent non-executive director and Chairman of the Audit Committee has passed away. Dr Wu has been a member of the Board since the Group was first listed in the Stock Exchange and Dr Wu has paid great contribution to the Group and his kind advice and contribution is highly acknowledged and appreciated by the Board.

The Board of Directors also welcome Miss Dorathy Lee Yuen Yu who joined the Group as non-executive director in September 2004 and Mr William Chan Chak Cheung and Mr Chan Kwok Wai both of whom joined the Group as independent non-executive directors in September 2004 and April 2005 respectively.

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 previous year.

Jimmy Lee Yuen Ching

Chairman

Hong Kong, 12th July, 2005



Elegant men's and ladies' analogue watches with precious stones, integrated stainless steel case and bracelet.



Handheld ultraviolet (UV) meter which detects intensity of UV with dosage indicator for skin protection.