



NATIONAL ELECTRONICS HOLDINGS LIMITED

Stock Code: 213

INTERIM REPORT 2025

2025 INTERIM REPORT

The Board (the “**Board**”) of Directors (the “**Directors**”) of National Electronics Holdings Limited (the “**Company**”) would like to present the interim results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 September 2025.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2025

		Six months ended 30 September	
		2025	2024
		(unaudited)	(unaudited)
	Notes	HK\$'000	HK\$'000
Revenue	3	285,179	251,421
Cost of sales		<u>(219,743)</u>	<u>(193,180)</u>
Gross profit		65,436	58,241
Other income	4	10,776	10,023
Other gain – net	5	7,966	28,640
Increase in fair value of investment properties	11	89,222	103,196
Distribution costs		(3,977)	(3,888)
Administrative expenses		(70,236)	(62,307)
Finance costs	6	(71,952)	(105,931)
Share of results of associates		(4,451)	(2)
Share of results of joint ventures		<u>(2,165)</u>	<u>(7,708)</u>
Profit before taxation	7	20,619	20,264
Income tax credit	8	<u>2,943</u>	<u>1,071</u>
Profit for the period		<u>23,562</u>	<u>21,335</u>
Profit for the period attributable to owners of the Company		<u>23,562</u>	<u>21,335</u>
Earnings per share	9		
Basic		<u>2.57 HK cents</u>	<u>2.33 HK cents</u>
Diluted		<u>2.57 HK cents</u>	<u>2.33 HK cents</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2025

	Six months ended 30 September	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Profit for the period	23,562	21,335
Other comprehensive income		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translating foreign operations	21,860	5,158
Fair value gain/(loss) on other assets at fair value through other comprehensive income	370	(1,120)
Release upon derecognition of other assets at fair value through other comprehensive income	175	(1,070)
Other comprehensive income for the period	22,405	2,968
Total comprehensive income for the period attributable to owners of the Company	45,967	24,303

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2025

		30 September 2025 (unaudited) <i>HK\$'000</i>	31 March 2025 (audited) <i>HK\$'000</i>
	<i>Notes</i>		
NON-CURRENT ASSETS			
Investment properties	11	3,398,357	3,284,050
Property, plant and equipment		44,298	47,439
Right-of-use assets		245,503	250,484
Goodwill		1,270	1,270
Interests in associates		2,784	7,235
Interests in joint ventures		280,315	282,480
Other assets at fair value through other comprehensive income		12,120	13,750
Deferred tax assets		12,104	10,270
		3,996,751	3,896,978
CURRENT ASSETS			
Inventories		43,293	48,756
Financial assets at fair value through profit or loss		61,329	59,911
Derivative financial instruments		1,462	–
Inventory of unsold properties		12,865	12,504
Properties under development for sale		4,850,811	4,631,512
Bills receivables	12	598	509
Trade receivables, deposits and prepayments	13	154,207	316,147
Amount due from an associate		9,955	9,955
Tax recoverable		836	2,798
Bank balances and cash		415,320	534,090
		5,550,676	5,616,182

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

At 30 September 2025

		30 September	31 March
		2025	2025
		(unaudited)	(audited)
	<i>Notes</i>	HK\$'000	HK\$'000
CURRENT LIABILITIES			
Trade and bills payables	14	53,463	48,816
Customers' deposits		884,281	699,127
Accrued expenses and other payables		308,493	273,935
Amount due to an associate		–	4,449
Amount due to a joint venture		168,168	168,168
Tax payable		3,836	4,471
Lease liabilities		4,426	5,048
Derivative financial instruments		464	–
Bank loans		3,079,296	3,860,818
		<u>4,502,427</u>	<u>5,064,832</u>
NET CURRENT ASSETS		<u>1,048,249</u>	<u>551,350</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>5,045,000</u>	<u>4,448,328</u>
CAPITAL AND RESERVES			
Share capital	15	91,500	91,554
Reserves		2,530,876	2,489,555
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>2,622,376</u>	<u>2,581,109</u>
NON-CURRENT LIABILITIES			
Provision for long service payments		1,613	1,613
Lease liabilities		16,967	18,867
Derivative financial instruments		297	260
Bank loans		2,345,386	1,785,184
Deferred tax liabilities		58,361	61,295
		<u>2,422,624</u>	<u>1,867,219</u>
TOTAL EQUITY AND NON-CURRENT LIABILITIES		<u>5,045,000</u>	<u>4,448,328</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2025

	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Revaluation reserve HK\$'000	Fair value through other comprehensive income reserve HK\$'000	Contributed surplus HK\$'000	Capital redemption reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 April 2024 (audited)	91,584	34,677	(86,133)	37,160	15,238	66,142	50,295	2,339,858	2,548,821
Profit for the period	-	-	-	-	-	-	-	21,335	21,335
Other comprehensive income/(expense) for the period	-	-	5,158	-	(2,190)	-	-	-	2,968
Total comprehensive income/(expense) for the period	-	-	5,158	-	(2,190)	-	-	21,335	24,303
Dividend recognised as distribution	-	-	-	-	-	-	-	(10,990)	(10,990)
Repurchase of own shares	(4)	-	-	-	-	-	4	(65)	(65)
At 30 September 2024 (unaudited)	91,580	34,677	(80,975)	37,160	13,048	66,142	50,299	2,350,138	2,562,069
At 1 April 2025 (unaudited)	91,554	34,677	(130,202)	37,160	8,588	66,142	50,325	2,422,865	2,581,109
Profit for the period	-	-	-	-	-	-	-	23,562	23,562
Other comprehensive income for the period	-	-	21,860	-	545	-	-	-	22,405
Total comprehensive income for the period	-	-	21,860	-	545	-	-	23,562	45,967
Dividend recognised as distribution	-	-	-	-	-	-	-	(4,575)	(4,575)
Repurchase of own shares	(54)	-	-	-	-	-	54	(125)	(125)
At 30 September 2025 (unaudited)	91,500	34,677	(108,342)	37,160	9,133	66,142	50,379	2,441,727	2,622,376

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2025

	Six months ended 30 September	
	2025 (unaudited) <i>HK\$'000</i>	2024 (unaudited) <i>HK\$'000</i>
Net cash generated from/(used in) operating activities	95,193	(180,280)
Net cash used in investing activities	(12,435)	(53,076)
Net cash (used in)/generated from financing activities	(199,217)	271,515
Net (decrease)/increase in cash and cash equivalents	(116,459)	38,159
Cash and cash equivalents at 1 April	534,090	475,026
Effect of foreign exchange rate changes	(2,311)	(7,027)
Cash and cash equivalents at 30 September	415,320	506,158
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	415,320	506,158

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

(1) BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standard (“**HKAS**”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(2) PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 March 2025.

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

(3) SEGMENT INFORMATION

The following is an analysis of the Group's revenue and result by reportable and operating segment:

Six months ended 30 September 2025 (unaudited)

	Manufacture of watches and trading of watch movements <i>HK\$'000</i>	Residential and other property development and investment <i>HK\$'000</i>	Commercial property investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE				
External sales	<u>226,296</u>	<u>–</u>	<u>58,883</u>	<u>285,179</u>
RESULT				
Segment result	<u>2,351</u>	<u>85,344</u>	<u>31,371</u>	119,066
Bank interest income				5,085
Gain on disposal of a subsidiary				4,090
Unallocated other income				4,449
Unallocated other expenses				(33,503)
Finance costs				(71,952)
Share of results of associates				(4,451)
Share of results of joint ventures				<u>(2,165)</u>
Profit before taxation				20,619
Income tax credit				<u>2,943</u>
Profit for the period				<u>23,562</u>

(3) **SEGMENT INFORMATION** (continued)

Six months ended 30 September 2024 (unaudited)

	Manufacture of watches and trading of watch movements <i>HK\$'000</i>	Residential and other property development and investment <i>HK\$'000</i>	Commercial property investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE				
External sales	<u>197,100</u>	<u>–</u>	<u>54,321</u>	<u>251,421</u>
RESULT				
Segment result	<u>2,064</u>	<u>95,747</u>	<u>30,017</u>	127,828
Bank interest income				8,541
Unallocated other income				27,594
Unallocated other expenses				(30,058)
Finance costs				(105,931)
Share of results of associates				(2)
Share of results of joint ventures				<u>(7,708)</u>
Profit before taxation				20,264
Income tax credit				<u>1,071</u>
Profit for the period				<u><u>21,335</u></u>

Segment result represents the profit earned by each segment without allocation of central administration costs, share of results of associates and joint ventures, bank interest income, certain other income and expenses, and finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

(3) **SEGMENT INFORMATION** (continued)

Geographical information

The Group's main operations are located in Hong Kong and other regions in the People's Republic of China ("the PRC"), North America and Europe.

The following is an analysis of the Group's revenue from external customers based on geographical location of the customers:

	Six months ended 30 September	
	2025	2024
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong and the PRC	281,447	244,141
North America	465	416
Europe	2,804	6,536
Others	463	328
	285,179	251,421

(4) **OTHER INCOME**

	Six months ended 30 September	
	2025	2024
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank interest income	5,085	8,541
Sundry income	5,691	1,482
	10,776	10,023

(5) OTHER GAIN – NET

	Six months ended 30 September	
	2025	2024
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net (loss)/gain on fair value changes of financial assets at fair value through profit or loss	(511)	2,911
Gain on disposal/write-off of property, plant and equipment, net	7	25,729
Gain on disposal of a subsidiary	4,090	–
Net foreign exchange gain	4,380	–
	<u>7,966</u>	<u>28,640</u>

(6) FINANCE COSTS

	Six months ended 30 September	
	2025	2024
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on:		
Bank loans and overdrafts	135,552	170,894
Lease liabilities	791	980
	<u>136,343</u>	<u>171,874</u>
Total borrowing costs	136,343	171,874
Less: Amounts capitalised to investment properties and properties under development for sale	(64,391)	(65,943)
	<u>71,952</u>	<u>105,931</u>

(7) **PROFIT BEFORE TAXATION**

	Six months ended 30 September	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Profit before taxation has been arrived at after charging/(crediting):		
Staff costs including directors' emoluments	39,508	46,140
Depreciation of property, plant and equipment	2,698	2,635
Depreciation of right-of-use assets	4,981	7,171
Cost of inventories recognised as an expense	219,743	193,180
Net foreign exchange (gain)/loss	(4,380)	2,875
Expenses relating to short-term leases	326	671
Gross rental income from investment properties	58,883	54,321
Less: Outgoings	(27,190)	(23,713)
Net rental income from investment properties	31,693	30,608

(8) **INCOME TAX CREDIT**

	Six months ended 30 September	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Other jurisdictions		
– Current period	9	84
Deferred tax		
– Current period	2,934	987
	2,943	1,071

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2024: 16.5%) on the estimated assessable profits for the period.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

(9) **EARNINGS PER SHARE**

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 September	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share		
(Profit for the period attributable to owners of the Company)	<u>23,562</u>	<u>21,335</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>915,162,328</u>	<u>915,815,399</u>

No diluted earnings per share is presented for both periods as there were no potential ordinary shares in issue.

(10) **DIVIDENDS**

	Six months ended 30 September	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Dividends recognised as distribution during the period:		
2025 final dividend of 0.5 HK cent (2024: 1.2 HK cents) per share	<u>4,575</u>	<u>10,990</u>

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2025 (2024: Nil).

(11) INVESTMENT PROPERTIES

HK\$'000

FAIR VALUE

At 1 April 2024 (audited)	5,059,548
Additions	116,731
Increase in fair value recognised in profit or loss	207,125
Transfer to properties under development for sale	(2,069,000)
Disposals	(13,816)
Exchange realignment	(16,538)
	<hr/>
At 31 March 2025 (audited) and 1 April 2025 (unaudited)	3,284,050
Additions	8,212
Increase in fair value recognised in profit or loss	89,222
Exchange realignment	16,873
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At 30 September 2025 (unaudited)	<u>3,398,357</u>

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair values of the investment properties located in Hong Kong at 30 September 2025 have been arrived at on the basis of a valuation carried out by Jones Lang LaSalle Limited, Cushman & Wakefield Limited, Savills Valuation and Professional Services Limited and Knight Frank Petty Limited, independent qualified professional valuers not connected with the Group.

The fair value of the investment property located in the PRC at 30 September 2025 has been arrived at on the basis of a valuation carried out by Knight Frank Petty Limited, independent qualified professional valuer not connected with the Group.

The fair value of the Group's investment property located in the United Kingdom at 30 September 2025 has been arrived at on the basis of a valuation carried out by Savills (UK) Limited, independent qualified professional valuer not connected with the Group.

The fair values of the Group's investment properties located in Canada at 30 September 2025 have been arrived at on the basis of a valuation carried out by CBRE Limited, independent qualified professional valuer not connected with the Group.

(11) INVESTMENT PROPERTIES (continued)

The fair values of the completed investment properties located in Hong Kong and the United Kingdom, the investment properties under construction located in Canada were determined based on direct comparison approach, where the values are assessed by reference to the comparable properties in close proximity and adjusted for differences in key attributes such as property size, location, time and quality.

The fair values of the investment properties under construction located in the PRC was determined by using residual approach with the basis that the investment properties will be developed and completed in accordance with the latest development proposals and taken into account the construction costs that will be expended to complete the development to reflect the quality of the completed development.

(12) BILLS RECEIVABLES

As at the end of the reporting period, bills receivables of approximately HK\$598,000 (31 March 2025: approximately HK\$509,000) are aged within 30 days.

(13) TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

The Group has a policy of allowing an average credit period of 30 days to its trade customers.

The following is an ageing analysis of trade receivables net of allowance for credit losses presented based on the invoice date at the end of the reporting period:

	At 30 September 2025 (unaudited) HK\$'000	At 31 March 2025 (audited) HK\$'000
Within 30 days	19,256	15,060
31 to 90 days	5,696	4,213
91 to 180 days	37	144
Over 180 days	3,987	3,938
	<hr/> 28,976 <hr/>	<hr/> 23,355 <hr/>

(14) TRADE AND BILLS PAYABLES

The following is an ageing analysis of trade and bills payables presented based on the invoice date:

	At 30 September 2025 (unaudited) HK\$'000	At 31 March 2025 (audited) HK\$'000
Within 30 days	38,062	31,514
31 to 90 days	14,992	16,894
91 to 180 days	–	–
Over 180 days	409	408
	<u>53,463</u>	<u>48,816</u>

(15) SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 April 2024 (audited), 31 March 2025 (audited) and 30 September 2025 (unaudited)	<u>1,500,000,000</u>	<u>150,000</u>
Issued and fully paid:		
At 1 April 2024 (audited)	915,842,962	91,584
Cancelled on repurchase of shares	<u>(300,000)</u>	<u>(30)</u>
At 31 March 2025 (audited) and 1 April 2025 (unaudited)	915,542,962	91,554
Cancelled on repurchase of shares	<u>(544,000)</u>	<u>(54)</u>
At 30 September 2025 (unaudited)	<u>914,998,962</u>	<u>91,500</u>

(16) CAPITAL COMMITMENTS

	At 30 September 2025 (unaudited) <i>HK\$'000</i>	At 31 March 2025 (audited) <i>HK\$'000</i>
Contracted for but not provided:		
Construction of properties	<u>41,840</u>	<u>62,627</u>

(17) RELATED PARTY TRANSACTIONS

- (1) The Group's balances with related parties are as follows:

	At 30 September 2025 (unaudited) <i>HK\$'000</i>	At 31 March 2025 (audited) <i>HK\$'000</i>
Advance to an associate	9,955	9,955
Advance from an associate	–	4,449
Advance from a joint venture	<u>168,168</u>	<u>168,168</u>

- (2) The compensation to key management personnel during the period was approximately HK\$11,769,000 (six months ended 30 September 2024: approximately HK\$12,900,000).

(18) FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

(i) *Fair value of the Group's financial assets/(liabilities) that are measured at fair value on a recurring basis*

Some of the Group's financial assets/(liabilities) are measured at fair value at the end of each reporting period. The fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The following table gives information about how the fair values of these financial assets/(liabilities) are determined (in particular, the valuation technique(s) and input(s) used).

Financial assets/ (liabilities)	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	30/09/2025 (unaudited)	31/03/2025 (audited)				
	<i>HK\$'000</i>	<i>HK\$'000</i>				
Unlisted fund investments classified as financial assets at fair value through profit or loss	61,329	59,911	Level 3	Asset approach	Net asset value	Higher the net asset value, higher the fair value

(18) FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)**(i) Fair value of the Group's financial assets/(liabilities) that are measured at fair value on a recurring basis** (continued)

Financial assets/ (liabilities)	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	30/09/2025 (unaudited)	31/03/2025 (audited)				
	<i>HK\$'000</i>	<i>HK\$'000</i>				
Foreign currency forward contract classified as derivative financial instruments	1,396	—	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties	N/A	N/A
Interest rate swaps classified as derivative financial instruments	(695)	(260)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates and contracted interest rates, discounted at a rate that reflect the credit risk of various counterparties	N/A	N/A

(18) FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

(ii) *Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis*

The directors considers that the carrying amounts of financial assets and financial liabilities approximate to their fair value.

(iii) *Reconciliation of Level 3 fair value measurements*

	Unlisted equity securities <i>HK\$'000</i>	Unlisted fund investments <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2024 (audited)	38,958	53,199	92,157
Purchase	–	5,420	5,420
Disposal of a subsidiary	(41,030)	–	(41,030)
Settlement	–	(633)	(633)
Total gains in profit or loss	2,072	1,925	3,997
	<hr/>	<hr/>	<hr/>
At 31 March 2025 (audited) and 1 April 2025 (unaudited)	–	59,911	59,911
Purchase	–	1,922	1,922
Total losses in profit or loss	–	(504)	(504)
	<hr/>	<hr/>	<hr/>
At 30 September 2025 (unaudited)	–	61,329	61,329
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2025 (2024: Nil).

BUSINESS REVIEW

The Group's turnover for the six months ended 30 September 2025 was approximately HK\$285,179,000 as compared with approximately HK\$251,421,000 over the same period last year. Profit attributable to shareholders of the Company for the six months ended 30 September 2025 was approximately HK\$23,562,000 as compared with approximately HK\$21,335,000 over the same period in 2024.

During the period under review, the Group's watch manufacturing and watch component trading division's operation result improved slightly as compared with the same period last year.

The Group's boutique commercial property investments performed well, and the results are satisfactory.

Regarding the Group's luxurious residential project at 1 South Bay Close, Repulse Bay, Hong Kong, the further enhancement of external décor, landscaping, common areas, amenities as well as interior decorative works have been completed.

The interim occupancy of the Group's Phase III mixed-use project at 88 Queen Street East, Toronto, Canada neared completion.

PROSPECTS

The Group is closely monitoring the negative impact on international trade caused by the tariff dispute between USA and China, EU, Japan and other world countries, which may affect our watch manufacturing and watch component trading division.

Response on the preview of the first show flat of the Group's luxurious residential project at 1 South Bay Close, Repulse Bay has been extremely positive. The Group will soon launch more show flats for VIP preview in the coming months.

The Group expects its boutique commercial property investments' strong performance to maintain as business and leisure travellers to Hong Kong continues to recover.

Regarding the Group's mixed-use project at 88 Queen Street East, Toronto, the registration of the residential condominium was completed on 6 October 2025 and final closing for purchasers has commenced.

FINANCIAL REVIEW

Liquidity and financial resources

At 30 September 2025, the Group's total borrowings were approximately HK\$5,425 million. The maturity profile spreads over a period of 20 years, with approximately HK\$3,079 million repayable within one year, approximately HK\$2,210 million within two to five years and approximately HK\$136 million beyond five years.

At 30 September 2025, the Group's gearing ratio was 0.89 (31 March 2025: 0.69) which is calculated based on the Group's long-term bank borrowings of approximately HK\$2,346 million and shareholders' funds of approximately HK\$2,622 million.

At 30 September 2025, the Group's total bank balances and cash was approximately HK\$415 million (31 March 2025: approximately HK\$534 million).

Similar to last period, the Group has maintained a reasonable level of cash resources and stand-by credit facilities to provide adequate liquid funds to finance its commitments and working capital requirements.

Treasury policies

At 30 September 2025, 72% of the Group's borrowings was in HKD, 24% in CAD, 2% in GBP and 2% in JPY and USD.

At 30 September 2025, 48% of the Group's bank balances and cash was in USD, 40% in HKD, 7% in CAD, 3% in JPY, 1% in RMB and 1% in GBP and others.

All the Group's borrowings are variable-rate borrowings. The Group will carefully monitor its foreign exchange and interest rate exposures and utilise financial instruments such as forward contracts and interest rate swaps as necessary.

Future plans for material investments

The Group currently has no other plans for material investments. All investments, if any, will be funded by bank borrowings and the internal resources of the Group.

Charges on assets

At 30 September 2025, certain properties and bank deposits of the Group of approximately HK\$8,519 million (31 March 2025: approximately HK\$8,192 million) were pledged to secure banking facilities for the Group.

Employees

At 30 September 2025, the Group employed approximately 180 employees in Hong Kong, the PRC and other overseas countries. The staff costs recognised in profit or loss for the period including directors' emoluments amounted to approximately HK\$40 million (six months ended 30 September 2024: approximately HK\$46 million). Remuneration is determined by reference to market terms as well as the qualifications and experiences of the staff concerned. Salaries are reviewed annually and discretionary bonuses may be paid depending on individual performance and the profitability of the Group.

DIRECTORS' INTERESTS IN SHARES

At 30 September 2025, the interests of the Directors, chief executives and their associates in the shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by the Directors of Listed Companies, were as follows:

Ordinary shares of HK\$0.10 each

Name of director	Capacity	Personal interests	Corporate interests	Other interests	Total interests	Percentage of the issued share capital of the Company (note e)
Mr. Jimmy Lee Yuen Ching	Chairman	-	-	536,514,894 (notes a, b)	536,514,894	58.636%
Mr. Loewe Lee Bon Chi	Managing Director	21,720,000	-	549,514,894 (notes a, c)	571,234,894	62.430%
Mr. Ricky Wai Kwong Yuen	Executive Director	40,994,543	-	-	40,994,543	4.480%
Mr. James Lee Yuen Kui	Non-executive Director	6,534	-	-	6,534	0.001%
Mr. David Sun Dai Wai	Independent Non-executive Director	-	6,097,857 (note d)	-	6,097,857	0.666%

DIRECTORS' INTERESTS IN SHARES (continued)

Notes:

- (a) 516,514,894 shares are part of the property of two discretionary trusts of which Mr. Jimmy Lee Yuen Ching and his family members and Mr. Loewe Lee Bon Chi's family members are named beneficiaries.
- (b) 20,000,000 shares are held by Mr. Jimmy Lee Yuen Ching's family member.
- (c) 33,000,000 shares are held by Mr. Loewe Lee Bon Chi's family member.
- (d) These 6,097,857 shares are held by Sun International Limited, the issued share capital of which are owned by Mr. David Sun Dai Wai and parties acting in concert with him. Therefore Mr. David Sun Dai Wai is deemed to be interested in the shares held by that company under the SFO.
- (e) The percentage was calculated based on a total of 914,998,962 shares in issue as at 30 September 2025.

Saved as disclosed above, at 30 September 2025, none of the directors or chief executive or any of their associates had any interests, or short positions in any shares, underlying shares or debentures of the Company or its associated corporations as defined in the SFO.

SUBSTANTIAL SHAREHOLDERS

Other than the interests of certain directors disclosed under the heading "Directors' Interests in Shares" above, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO discloses no other person as having a notifiable interest or short position in the issued share capital of the Company as at 30 September 2025.

PURCHASE, SALE OR REDEMPTION OF SHARES

Save for the Company's purchases of its own shares on the Stock Exchange as disclosed below, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities during the six months ended 30 September 2025.

Month of repurchase	Number of ordinary shares of HK\$0.1 each	Price per share		Aggregate consideration paid (including expenses) HK\$
		Highest HK\$	Lowest HK\$	
April 2025	186,000	0.405	0.370	71,520
May 2025	140,000	0.385	0.370	53,930
	<u>326,000</u>			<u>125,450</u>

CORPORATE GOVERNANCE

The Company had complied throughout the six months ended 30 September 2025 with the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited except for the CG Code A.4.1 and A.4.2.

Pursuant to the CG Code A.4.1, Non-executive Directors should be appointed for a specific term, subject to re-election. The Non-executive Directors of the Company were not appointed for a specific term, but are subject to retirement by rotation and re-election at the Company's Annual General Meetings in accordance with the Company's Bye-law 99(A). The Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code A.4.1.

Pursuant to the CG Code A.4.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. In the opinion of the Board, the Chairman and Managing Director play a pivotal role in charting of corporate strategies and direction of the Group and should not be subject to retirement by rotation in consideration of the stability and continuity development of the Group. As such, the Board believes that exempting the Chairman and Managing Director from retiring from office by rotation at Annual General Meeting in accordance with the Bye-law 99(A) of the Company is in the best interest of the Group.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Company has established an Audit and Risk Management Committee and its members comprise Mr. Chan Kwok Wai, Mr. Sun Dai Wai, David and Mr. Pius Ho, who are all Independent Non-executive Directors. The Audit and Risk Management Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed the auditing, internal control, risk management and financial reporting matters. The interim results for the six months ended 30 September 2025, which have not been audited, have been reviewed by the Audit and Risk Management Committee.

MODEL CODE

The Company has adopted a code of conduct regarding the Directors' securities transactions ("**Model Code**") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules. The Company has made specific enquiries to all Directors who have confirmed that, during the period under review, they had complied with the required standard set out in the Model Code.

By Order of the Board
National Electronics Holdings Limited
LEE YUEN CHING JIMMY
Chairman

Hong Kong, 28 November 2025

As at the date of this report, the Executive Directors of the Company are Mr. Lee Yuen Ching, Jimmy, Mr. Lee Bon Chi, Loewe, Mr. Lee Yuen Cheor, Edward and Mr. Wai Kwong Yuen, Ricky; the Non-executive Directors are Mr. Lee Yuen Kui, James and Ms. Lee Yuen Yu, Dorathy and the Independent Non-executive Directors are Mr. Chan Kwok Wai, Mr. Sun Dai Wai, David and Mr. Pius Ho.

SCHEDULE OF MAJOR PROPERTIES HELD BY THE GROUP

Details of the major properties held by the Group at 30 September 2025 are as follows:

INVESTMENT PROPERTIES

Location	Lease term	Group's interest	Type
The Putman No. 202 Queen's Road Central, Sheung Wan, Hong Kong	Long term	100%	Commercial
99 Bonham Nos. 99, 101-103 Bonham Strand and No. 127 Wing Lok Street, Sheung Wan, Hong Kong	Long term	100%	Commercial
One96 No. 196 Queen's Road Central, Sheung Wan, Hong Kong	Long term	100%	Commercial
The Jervois No. 89 Jervois Street, Sheung Wan, Hong Kong	Long term	100%	Commercial
Two parcels of land located at Nos. 10 and 12 Nali Road, Yinkai Industrial Park, Economic and Technological Development Area, Nanning, Guangxi Zhuangzu Autonomous Region, the PRC	Medium term	100%	Industrial
Apartment 306, Burlington Gate, together with Parking Space 7, 25 Cork Street, London W1S 3NB, United Kingdom	Long term	100%	Residential
Apartment 503, Burlington Gate, together with Parking Space 49, 25 Cork Street, London W1S 3NB, United Kingdom	Long term	100%	Residential
House No. 26, Le Palais, No. 8 Pak Pat Shan Road, Tai Tam, Hong Kong	Medium term	100%	Residential

INVESTMENT PROPERTIES (continued)

Location	Lease term	Group's interest	Type
43 Remaining Residential Units in Phase III at 88 Queen Street East, Toronto, Ontario, Canada	Freehold	100%	Residential

PROPERTIES UNDER DEVELOPMENT FOR SALE

Location	Group's accounting classification	Group's interest	Site area (sq. m.)	Residential (sq. m.)	Retail and office (sq. m.)	Development status	Completion date
88 Queen Street East, Toronto, Ontario, Canada	Subsidiary	100%	3,197	37,357	10,360	Interim occupancy of pre-sold units is mostly completed	2025
No. 1 South Bay Close, Repulse Bay, Hong Kong	Subsidiary	100%	N/A	2,471	N/A	The enhancement works of the show flats is close to completion	2025

INVENTORY OF UNSOLD PROPERTIES

Location	Group's accounting classification	Group's interest	Residential (sq. m.)	Development status
House No. 1, 45 Tai Tam Road, Hong Kong	Joint venture ^(Note)	50%	445.09	Completed
	Total held through the joint venture:		445.09	
	– of which attributable to the Group:		222.55	

Note: The carrying amount of the interest in joint venture as at 30 September 2025 represented 2.93% of the total assets of the Group.