

**NATIONAL ELECTRONICS HOLDINGS LTD :
BACK TO SQUARE ONE, JIMMY LEE**

When one does not stick to one's knitting, the possibility exists for one to end up as an addition to the trash heap of time.

This axiom appears to apply to National Electronics Holdings Ltd (Code: 213, Main Board, The Stock Exchange of Hongkong Ltd).

National Electronics started life as a manufacturer of electronic products, but, in the middle of the 1990s, it saw how many property developers and property agents were getting fabulously wealthy – while manufacturers were just limping along.

National Electronics entered the property market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), at about this time ... and that is all she wrote.

Today, National Electronics is trying to go back to its knitting, but with considerable difficulty.

For the past 2 Financial Years, ended March 31, 2002, National Electronics lost, in aggregate, \$HK84.41 million.

And, today, it appears to be having trouble in paying the seemingly paltry sum of about \$HK254,178.74, according to 2 corporate entities.

According to Guangzhou Lung Kee Metal Products Company Ltd and Heyuan Lung Kee Metal Products Company Ltd, National Electronics and Watch Company Ltd, a wholly owned subsidiary of National Electronics Holdings, is indebted to the tune of about 264,769.53 renminbi, going back to May 28, 2001.

The 2 PRC companies claim that they sold and delivered metal products to National Electronics, but the bills have yet to be settled.

National Electronics is, still, engaged in property development in the HKSAR, and this is mentioned by the Chairman, Mr Jimmy Lee Yuen Ching in his Statement to Shareholders, dated July 12, 2002.

According to Mr Jimmy Lee:

'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 decreased in value of investment properties of HK\$29,408,717.' (All mistakes are for the credit of the author)

Ah! Yes!

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