NAM TAI ELECTRONIC & ELECTRICAL PRODUCTS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2633)

2007 Sales up 59.1%, Operating Income up 97.3%, EPS up 250.3%
Q4 2007 Sales up 29.2%, Operating Income up 79.1%, EPS up 258.5%
Final Dividend 30 HK cents

The board (the "Board") of directors (the "Directors") of Nam Tai Electronic & Electrical Products Limited (the "Company" or "NTEEP") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2007 and the unaudited consolidated results of the Group for the fourth quarter of 2007 and 6 months ended 31 December 2007 respectively together with comparative figures for the corresponding periods of last year as follows:

KEY HIGHLIGHTS

(In thousands of US Dollars, except as otherwise stated)

	Quarterly Results			**6 Months Results**			**12 Months Results**		
	Q4 2007	Q4 2006	YoY (%)	**2H 2007**	2H 2006	YoY (%)	**2007**	2006	YoY (%)
Sales (Revenue)	**63,191**	48,898	29.2	**153,467**	99,631	54.0	**283,760**	178,322	*59.1*
Gross profit	**10,003**	7,290	37.2	**26,531**	16,262	63.1	**48,843**	30,126	*62.1*
% of sales	***15.8***	*14.9*		***17.3***	*16.3*		***17.2***	*16.9*	
Operating income [a & b]	**7,413**	4,140	79.1	**19,417**	10,157	91.2	**35,048**	17,766	*97.3*
% of sales	***11.7***	*8.5*		***12.7***	*10.2*		***12.4***	*10.0*	
Per share (US cent(s))	**0.84**	0.47	78.7	**2.20**	1.15	91.3	**3.98**	2.02	*97.0*
Profit after tax and minority interests [c & d]	**16,760**	4,689	257.4	**28,786**	11,126	158.7	**60,859**	17,329	*251.2*
% of sales	***26.5***	*9.6*		***18.8***	*11.2*		***21.4***	*9.7*	
Basic earnings per share *(US cent(s))*	**1.90**	0.53	258.5	**3.26**	1.26	158.7	**6.90**	1.97	*250.3*
Diluted earnings per share *(US cent(s))*	**1.90**	0.53	258.5	**3.26**	1.26	158.7	**6.90**	1.97	*250.3*
Weighted average number of shares *('000)*									
Basic [c & d]	**881,671**	881,671		**881,671**	881,671		**881,671**	881,671	
Diluted [c & d]	**881,671**	881,671		**881,671**	881,671		**881,671**	881,671	

Notes:

(a) Operating income = gross profit + other income - other expenses - selling and distribution costs - administrative expenses - research and development expenditure.

(b) Reversal of commission expense of US$0.7 million was made in December 2006 relating to commission payable for the period from October 2004 to January 2006 resulting in reduction of selling and distribution costs.

(c) *Included (i) a gain of US$43.8 million in the second quarter of 2007, on disposal of the investment in TCL Corporation ("TCL Corp."); (ii) a gain of US$8.3 million in December 2007 on disposal of Namtek Group (comprising Namtek Japan Company Limited and Shenzhen Namtek Co., Ltd.); (iii) a non-cash impairment loss of US$24.3 million in the second quarter of 2007, on goodwill arising from the Group's acquisition of Namtek Group in May 2005; and (iv) a loss of US$1.9 million in the second quarter of 2006, on available-for-sale investment arising from the Split Share Structure Reform of TCL Corp. in 2006.*

(d) *Excluded outstanding share options of 14,020,000 which had not been exercised as at 31 December 2007 (as at 31 December 2006: 14,720,000).*

(e) *If the reorganization (as mentioned on page 4 of this Announcement under "Reorganization") had been completed on 1 January 2007, the full year 2007 unaudited pro forma financial information of the Enlarged NTEEP (including Zastron Precision-Tech Limited ("Zastron") and its subsidiaries (collectively "Zastron Group"), and Jetup Electronic (Shenzhen) Co., Ltd. and its two intermediate holding companies) (which is for illustration purposes only) would be as follows:*

(In thousands of US Dollars, except percentages)

	2007 Enlarged NTEEP's unaudited pro forma financial results	2007 NTEEP'S summary financial results	2007 unaudited pro forma results versus 2007 results (%)	2006 NTEEP'S summary financial results	2007 unaudited pro forma results versus 2006 results (%)
Sales (Revenue)	780,825	283,760	*175.2*	178,322	*337.9*
Operating income[(i)]	49,629	35,048	*41.6*	17,064	*190.8*
EBITDA[(i)]	76,161	45,227	*68.4*	25,153	*202.8*
Basic earnings per share *(US cent(s))*[(i)]	5.71	3.75	*52.3*	2.11	*170.6*

(i) The one-off transactions mentioned in Notes (b) and (c) above had been excluded in the calculation of Operating income and EBITDA.

SUPPLEMENTARY INFORMATION

1. Quarterly Sales Breakdown

(In thousands of US Dollars, except percentages)

Quarter	**2007**	2006	YoY (%) (Quarterly)	YoY (%) (Quarterly accumulated)
1st Quarter	**54,561**	35,170	55.1	55.1
2nd Quarter	**75,732**	43,521	74.0	65.6
3rd Quarter	**90,276**	50,733	77.9	70.4
4th Quarter	**63,191**	48,898	29.2	59.1
Total	**283,760**	178,322		

2. Sales Breakdown by Product

	2007		2006	
Products	**Q4 (%)**	**YTD (%)**	Q4 (%)	YTD (%)
Mobile Phone Accessories	**61**	**54**	66	58
Home Entertainment Devices	**22**	**24**	14	20
Educational Products	**6**	**14**	8	14
Optical Devices	**10**	**7**	11	6
Software Development Services	**1**	**1**	1	2
	100	**100**	100	100

3. Key Highlights of Financial Position
(In thousands of US Dollars, except ratio and percentages)

	As at 31 December	
	2007	2006
Cash[(a)] on Hand	**154,236**	60,460
Ratio of Cash[(a)] to Current Liabilities	**0.98**	1.65
Current Ratio	**1.87**	3.50
Ratio of Total Assets to Total Liabilities	**1.45**	5.62
Return on Equity	**33%**	10%
Ratio of Total Liabilities to Equity	**2.24**	0.22
Debtors Turnover	**39 days[(b)]**	61 days
Inventory Turnover	**25 days[(b)]**	24 days
Average Payable Period	**57 days[(b)]**	76 days

Notes:
(a) Includes cash equivalents.
(b) The Debtors Turnover, Inventory Turnover and Average Payable Period were based on the data prior to Reorganization (as mentioned on page 4 of this Announcement under "Reorganization") to be comparable with the financial positions of 2006.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the quarter ended 31 December 2007, the Group recorded sales of US$63.2 million, representing an increase of approximately 29.2%, which was mainly due to the increase in sales of the mobile phone accessories and home entertainment devices. Gross profit for the fourth quarter of 2007 increased by approximately 37.2% from US$7.3 million to US$10.0 million as compared with the same period last year. Operating income and profit attributable to the equity holders of the Company for the fourth quarter of 2007 increased by approximately 79.1% and 257.4% as compared with the same period last year.

For the twelve months ended 31 December 2007, sales of the Group increased by approximately 59.1% from US$178.3 million to US$283.8 million when compared with the same period last year. For the same reason as stated above, gross profit increased by approximately 62.1% from US$30.1 million to US$48.8 million as compared with the same period last year. Operating income and profit attributable to the equity holders of the Company for the twelve months ended 31 December 2007 also increased by approximately 97.3% and 251.2% as compared with the same period last year.

In January 2007, Namtai Electronic (Shenzhen) Co., Ltd. ("NTSZ") was awarded with an "Occupational Health and Safety Management System Certificate" by Shenzhen Southern Certification Co., Ltd., demonstrating that NTSZ had established a sound management system on occupational health and safety to eliminate or minimize risk to employees during production. An excellent manufacturing environment is also conducive to a smooth and stable production process which will improve yield rate and increase customer satisfaction ultimately.

LIQUIDITY AND FINANCIAL RESOURCES

The Group had cash of US$154.2 million which was mainly located in the People's Republic of China ("PRC"). It also had an external debt of US$318.4 million, including an unsecured loan of US$311.4 million borrowed from Nam Tai Electronics, Inc. ("NTEI") (NYSE stock code: NTE), a company listed on the New York Stock Exchange and the ultimate holding company of the Company, as a result of the reorganization (as mentioned in "Reorganization" below) and a bank borrowing of US$7.0 million as at the end of the period under review.

REORGANIZATION

As jointly announced previously by NTEI (NYSE stock code: NTE), the Company and J.I.C. Technology Company Limited ("JIC") (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK") (SEHK stock code: 987)), the reorganization of NTEI and its subsidiaries (collectively "NTEI Group") consisting of the Company and JIC was completed in Macao, PRC on 31 December 2007. NTEEP is now in the process of reorganizing its internal structure in order to realize the expected benefits arising from the centralization of resources, the efficient exchange of know-how and technology among the Group's business units, and a reduction of overhead costs following the Reorganization.

The Company sold Namtek Group to JIC on 31 December 2007 under the Reorganization. During the financial year ended 31 December 2007, Namtek Group recorded revenue of US$2.3 million and profit for the year of US$0.7 million, accounting for approximately 0.8% and 1.1% of the total revenue and profit for the year of the Group respectively. The disposal has no material impact on the Company's future performance.

OUTLOOK

The Company is operating in a challenging business environment, where competition remains intense and is expected to continue to manifest pricing pressures from customers. This is expected to pose a significant ongoing challenge for the electronics manufacturing services industry in the coming quarters and years. Additionally, we will also have to face issues such as the continuing appreciation of Renminbi, changing tax and labour laws in PRC, shortages of electricity supply and increases in overhead expenses resulting from inflation. We continue to concentrate our efforts on improving manufacturing efficiencies, broadening our product offerings and diversifying our customer base. Going forward, we are still cautiously optimistic about our business levels in 2008. In our first quarter of 2008, we are anticipating steady business levels in the consumer electronics and communications segment and Liquid Crystal Display ("LCD") product segment, however, we are anticipating continuing weakness in demand in the telecommunications component assembly segment. Longer-term, the Company will strive to improve profitability in our core operations, especially after the increase in capacities from the production in the new factory facilities when they are operational.

Regarding the two expansion projects of Zastron Group, approximately US$6.8 million for the land in Shenzhen Guangming Hi-Tech Industrial Park was paid, satisfying in full the land payments required for that project. We are currently awaiting the land use right certificate to be issued by the PRC Bureau of State Land and Resources. Pursuant to a competitive bidding process implemented in regard to the expansion project in Wuxi, Jiangsu Province of PRC, we awarded construction to a local Wuxi construction company, which we believe has a strong management team that includes experienced members from both Hong Kong and PRC. Construction on this project began in the first quarter of 2008, is targeted for completion by the end of 2008 with manufacturing operations scheduled to begin in the early of 2009.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the shares of the Company (the “Share”) during the year ended 31 December 2007.

The Board will consider a share repurchase programme in 2008.

FINAL DIVIDEND

It was stated in the circular of the Company dated on 5 December 2007 that the Company intended to pay a final dividend of 20 HK cents per Share (equivalent to 2.56 US cents) for the year ended 31 December 2007. The Board has now decided to declare a higher final dividend of 30 HK cents per Share (equivalent to 3.85 US cents).

20 HK cents per Share of the final dividend is expected to be paid on or around 22 April 2008 to shareholders whose names appear on the register of members of the Company on 15 April 2008, and the remaining 10 HK cents per Share is expected to be paid on or around 28 August 2008 to shareholders whose names appear on the register of members of the Company on 15 August 2008. In addition to the interim dividend of 10 HK cents per Share (equivalent to 1.28 US cents), the total dividends paid for the financial year 2007 is 40 HK cents per Share (equivalent to 5.13 US cents). The dividend will be paid in Hong Kong dollars.

The Board intends to consider and distribute dividends in two instalments for the whole financial year 2008 and will make the necessary announcement in January 2009. The Board also intends to follow this same pattern of dividend payment for the financial years onwards.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 14 April 2008 to 15 April 2008 and 14 August 2008 to 15 August 2008, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the aforementioned final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:00 p.m. on 11 April 2008 and 13 August 2008 respectively.

CORPORATE GOVERNANCE

The Group continues to achieve high standards of corporate governance which it believes is crucial to the development of the Group and to safeguard the interests of the Company’s shareholders.

The Board has adopted the terms of the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) as set out in Appendix 10 of the Rules (the “Listing Rules”) Governing the Listing of Securities on SEHK. Having made specific enquiry of all Directors, the Directors confirmed that they have complied with the Model Code for any part of the period ended 31 December 2007.

The Company has also taken effective measures to ensure that it is in compliance with the code provisions and as far as reasonably practicable the recommended best practices of the Code on Corporate Governance Practices (the “Corporate Governance Code”). In the opinion of the Board, the Company has also fully complied with the code provisions and a majority of the recommended best practice of the Corporate Governance Code throughout the accounting year ended 31 December 2007.

In compliance with the code provisions of the Corporate Governance Code, the Company has set up an Audit Committee and a Remuneration Committee under the Board. The Board considers the determination of the appointment and removal of Directors to be the Board’s collective decision and thus does not intend to adopt the recommended best practice of the Corporate Governance Code to set up a Nomination Committee.

To further enhance its corporate governance and as a subsidiary of NTEI (NYSE stock code: NTE), the Company successfully complied with section 404 of Sarbanes-Oxley Act (the “Act”) at the first attempt in the year ended 31 December 2006. The Act focuses mainly on the effectiveness of internal control and essentially requires the management to annually state its responsibilities in establishing and maintaining an adequate internal control structure and procedure for financial reporting; and to conduct an assessment of the effectiveness of the Group’s internal controls over financial reporting, followed by an attestation of management’s assertions as well as the effectiveness of the Group’s internal controls over financial reporting by its external auditors. To this end, the Company has set up a task force which follows the methodology and time schedule of NTEI to ensure that the internal control requirements under the Act can be fully complied with accordingly. Besides, the Company has engaged its external auditors to review its financial statements on a quarterly basis in year 2007.

AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-executive Directors, Mr. Chan Tit Hee, Charles, Mr. Thaddeus Thomas Beczak and Mr. Roger Simon Pyrke. Mr. Chan is the chairman of the Audit Committee. The Audit Committee has adopted terms of reference which are in line with the Corporate Governance Code. The Group's audited consolidated financial statements for the year ended 31 December 2007 have been reviewed by the Audit Committee, who is of the opinion that such statements comply with applicable accounting standards and legal requirements, and that adequate disclosures have been made.

REMUNERATION COMMITTEE

The Remuneration Committee comprises three Non-executive Directors, Mr. Thaddeus Thomas Beczak, Mr. Koo Ming Kown and Mr. Roger Simon Pyrke. Mr. Beczak is the chairman of the Remuneration Committee. The Remuneration Committee has adopted terms of reference which are in line with the Corporate Governance Code and will meet once a year to review the remuneration policy and remuneration package of the executive directors and members of the senior management.

CHANGE OF DIRECTORSHIP AND SENIOR MANAGEMENT

Because of the Reorganization, the Board is pleased to announce the following changes to the directorship and senior management of the Company. For ease of reference, the organization chart of the directorship and senior management after the change is set out below:-

Organization Chart of Directors and Senior Management

Non-executive Chairman:	Koo Ming Kown
Executive Directors:	John Quinto Farina, Masaaki Yasukawa, Wong Kuen Ling, Karene, Lei Lai Fong, Patinda, Chui Kam Wai, Wang Lu-Ping, Kazuhiro Asano
Independent Non-executive Directors:	Chan Tit Hee, Charles, Thaddeus Thomas Beczak, Roger Simon Pyrke

Group CEO: Masaaki Yasukawa
Group CFO: John Quinto Farina
Group COO: Wang Lu-Ping

NTEEP Business Unit CEO	Zastron Business Unit CEO	Jetup Business Unit CEO
Wong Kuen Ling, Karene	Lei Lai Fong, Patinda	Chui Kam Wai
Chairman of PRC subsidiary (Namtai Electronic (Shenzhen) Co., Ltd.)	Chairman of PRC subsidiary (Zastron Electronic (Shenzhen) Co. Ltd.)	Chairman of PRC subsidiary (Jetup Electronic (Shenzhen) Co., Ltd.)

Note: Business Unit CEOs report to the Group CEO

1. RESIGNATION AS CHAIRMAN

Mr. Kazuhiro Asano ("Mr. Asano") resigned from his position as the Chairman of the Board of the Company with effect from 2 February 2008, but remains as an Executive Director of the Company.

2. REDESIGNATION AS NON-EXECUTIVE CHAIRMAN

Mr. Koo Ming Kown, a Non-executive Director of the Company, was redesignated as the Non-executive Chairman of the Board of the Company with effect from 2 February 2008 upon the resignation of Mr. Asano. Mr. Koo Ming Kown, aged 63, is the founder of NTEI Group, a non-executive chairman of NTEI (NYSE stock code: NTE) and a director of and has been redesignated as a non-executive chairman of JIC (SEHK stock code: 987) with effect from 2 February 2008. According to the appointment letter, his appointment is for successive terms of one year unless terminated by one month's notice and is subject to retirement and re-election in accordance with the Articles of Association of the Company. He is not entitled to any director's fee. He is currently holding 12.77% of the issued share capital of NTEI.

3. REDESIGNATION AS EXECUTIVE DIRECTOR AND APPOINTMENT OF CHIEF FINANCIAL OFFICER

Mr. John Quinto Farina ("Mr. Farina"), aged 53, was redesignated from a Non-executive Director to an Executive Director of the Company and appointed as the Chief Financial Officer of the Company with effect from 2 February 2008. Mr. Farina was a non-executive director of JIC (SEHK stock code: 987) from 1 August 2007 to 2 February 2008 and was appointed on 14 May 2007 as the chief financial officer of NTEI. Mr. Farina is currently holding 0.09% of the issued share capital of NTEI (NYSE stock code: NTE).

The current Chief Financial Officer, Ms. Sit Fung Ying, Connie, was redesignated as Operations CFO, overseeing all the business units of the Group.

4. APPOINTMENT OF EXECUTIVE DIRECTORS

A. Mr. Masaaki Yasukawa ("Mr. Yasukawa") was appointed as an Executive Director of the Company and the Chief Executive Officer of the Company with effect from 2 February 2008. Mr. Yasukawa, aged 48, along with his strong foundation in engineering technical support and business development, brings over 20 years of experience in Seiko Epson Corporation ("Seiko"), one of the top tier information technology product manufacturers in Japan. Mr. Yasukawa has strong relationship with various top tier OEM customers in Japan and other regions. Before joining NTEI Group, he was general manager of new business development unit of Seiko and initiated various schemes of cross-divisional, multi-functional new business development. He was then transferred as general manager of Epson Business Solution Business Unit at Epson Hong Kong in 2003, starting solution-based corporate businesses targeting Hong Kong, PRC and other Asian corporate customers. Mr. Yasukawa has a Bachelor of Mechanical Engineering from University of Tokyo, Japan and a Master of Business Administration with high distinction from University of Michigan in USA.

The current Chief Executive Officer, Ms. Wong Kuen Ling, Karene was redesignated as NTEEP Business Unit CEO.

B. Mr. Wang Lu-Ping ("Mr. Wang") was appointed as an Executive Director and the Chief Operation Officer of the Company with effect from 2 February 2008. Mr. Wang, aged 51, has more than 23 years of experience in the electronics industry. He joined NTEI Group in 1997 as production engineering manager and was promoted to vice managing director in 2002. He was further promoted to managing director of Zastron Electronic (Shenzhen) Co. Ltd. in August of the same year. Mr. Wang left NTEI Group in 2004 but re-joined in December 2006 as the chief operating officer. Prior to joining NTEI Group in 1997, Mr. Wang held several management positions in various companies in Taiwan and Malaysia. Mr. Wang graduated from Chinese Military Academy in Taiwan. Ms. Jean S. Tsai, spouse of Mr. Wang, is currently holding 0.003% of the issued share capital of NTEI (NYSE stock code: NTE).

C. Ms. Lei Lai Fong, Patinda, ("Ms. Lei") was appointed as an Executive Director of the Company with effect from 2 February 2008. Ms. Lei, aged 41, joined NTEI Group in May 1990. In June 2002, she assumed the position of managing director of a subsidiary of Nam Tai Telecom (Hong Kong) Company Limited and in March 2004, became the chairman of the board of Zastron and responsible for the overall business of Zastron Group. Ms. Lei has worked with NTEI Group for 17 years specializing in promoting, generating and monitoring sales of various high-end electronic products. Ms. Lei graduated with a Bachelor of Science degree in Management Science from the Faculty of Engineering of Tokyo University of Science in Japan and holds a Master Degree in Business Administration from The Chinese University of Hong Kong. Ms. Lei is currently holding 0.06% of the issued share capital of NTEI (NYSE stock code: NTE).

D. Mr. Chui Kam Wai ("Mr. Chui") was appointed as an Executive Director of the Company with effect from 2 February 2008. Mr. Chui, aged 49, was an executive director from 6 March 2002 to 2 February 2008 of JIC (SEHK stock code: 987). His experience and expertise are in the areas of new business development, project management and streamlining business operation. He has over 20 years experience in the LCD business and has extensive experience in doing business with Japanese companies. Mr. Chui is currently holding 1.22% of the issued share capital of NTEI (NYSE stock code: NTE).

Save as disclosed above, each of Mr. Koo, Mr. Farina, Mr. Yasukawa, Mr. Wang, Ms. Lei and Mr. Chui,

a. did not hold any directorship in other listed public companies in the last three years;

b. has entered a service agreement with the Company and has been appointed for three years and subject to termination at any time by either party giving not less than three months' notice in writing to the other party; is subject to retirement and re-election in accordance with the Articles of Association of the Company; and is entitled to a nominal salary of HK$10 per month;

c. as at the date of this announcement, does not have any interest in the Shares which required to be disclosed under Part XV of the Securities and Futures Ordinance;

d. has no relationship with any directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company; and

e. there are no other matters that need to be brought to the attention of the shareholders of the Company and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

The Board welcomes Mr. Yasukawa, Mr. Wang, Ms. Lei and Mr. Chui as members of the Board and believes that their appointments will be beneficial to the Company's business development.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 DECEMBER 2007
(In Thousands of US Dollars, except as otherwise stated)

	2007	2006
Revenue	63,191	48,898
Cost of sales	(53,188)	(41,608)
Gross profit	10,003	7,290
Bank interest income	1,029	583
Other income	2,447	581
Gain on disposal of subsidiaries	8,289	-
Other expenses	(292)	(324)
Selling and distribution costs	(777)	165
Administrative expenses	(2,657)	(2,804)
Research and development expenditure	(1,311)	(768)
Profit before tax	16,731	4,723
Income tax credit (expense)	29	(42)
Profit for the period	16,760	4,681
Attributable to:		
Equity holders of the Company	16,760	4,689
Minority interests	-	(8)
	16,760	4,681
Earnings per share for profit for the period attributable to equity holders of the Company - basic and diluted	1.90 US cents	0.53 US cent

AUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2007
(In Thousands of US Dollars, except as otherwise stated)

	Notes	2007	2006
Revenue	3	283,760	178,322
Cost of sales		(234,917)	(148,196)
Gross profit		48,843	30,126
Bank interest income		3,609	1,638
Gain on disposal of available-for-sale investments		43,815	-
Other income		6,125	2,232
Other expenses		(1,275)	(1,278)
Loss on available-for-sale investments arising from split share structure reform		-	(1,869)
Gain on disposal of subsidiaries		8,289	-
Impairment loss on goodwill		(24,340)	-
Selling and distribution costs		(2,849)	(1,090)
Administrative expenses		(11,652)	(8,939)
Research and development expenditure		(4,144)	(3,285)
Interest expense on amount due to the ultimate holding company		(24)	-
Profit before tax		66,397	17,535
Income tax expense	5	(5,655)	(214)
Profit for the year	6	60,742	17,321
Attributable to:			
Equity holders of the Company		60,859	17,329
Minority interests		(117)	(8)
		60,742	17,321
Dividends	7	11,303	3,982
Earnings per share for profit for the year attributable to equity holders of the Company - basic and diluted	8	6.90 US cents	1.97 US cents

AUDITED CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2007 AND 31 DECEMBER 2006

(In Thousands of US Dollars, except as otherwise stated)

	31 December 2007	31 December 2006
Non-current assets		
Property, plant and equipment	118,934	33,419
Investment properties	-	17,007
Prepaid lease payments	15,083	2,602
Goodwill	186,299	24,340
Deferred tax asset	755	-
Deposits paid for the acquisition of equipment	536	-
Intangible asset	46,721	-
Other assets	357	139
	368,685	77,507
Current assets		
Inventories	32,598	9,774
Trade and other receivables	101,494	30,500
Amount due from a fellow subsidiary	-	8
Prepaid lease payments	143	71
Taxation recoverable	5,407	2,884
Available-for-sale investments	-	24,360
Bank balances and cash	154,236	60,460
	293,878	128,057
Current liabilities		
Trade and other payables	125,719	36,223
Taxation payables	390	305
Amount due to a fellow subsidiary	-	70
Unsecured bank borrowings - due within one year	5,470	-
Loan from ultimate holding company - due within one year	25,953	-
	157,532	36,598
Net current assets	136,346	91,459
Non-current liabilities		
Deferred tax liability	13,614	-
Unsecured bank borrowings - due after one year	1,558	-
Loan from ultimate holding company - due after one year	285,477	-
	300,649	-
Net assets	204,382	168,966
Capital and reserves		
Share capital	1,131	1,131
Reserves	203,251	167,835
Equity attributable to equity holders of the Company	204,382	168,966
Minority interests	-	-
Total equity	204,382	168,966

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2007

1. BASIS OF PRESENTATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 9 June 2003. The shares of the Company have been listed on the Main Board of SEHK with effect from 28 April 2004. The immediate and ultimate holding company is NTEI, a company incorporated in the British Virgin Islands with its shares listed on the New York Stock Exchange. The address of the registered office and principal place of business of the Company are disclosed in the Corporate Information section of the annual report.

Other than a PRC subsidiary whose functional currency is Hong Kong dollar, the functional currency of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") is United States dollar. The consolidated financial statements are presented in United States dollar.

The principal activities of the Group are the manufacturing and marketing of consumer electronics and communications products, telecommunications component assembly, and liquid crystal display ("LCD") products, parts and components. The Group also engaged in the provision of software development services before the relevant business was disposed of as at 31 December 2007.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning on 1 January 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) - Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) - Int 8	Scope of HKFRS 2
HK(IFRIC) - Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) - Int 10	Interim Financial Reporting and Impairment

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKFRS 8	Operating Segments[1]
HK(IFRIC) - Int 11	HKFRS 2: Group and Treasury Share Transactions[2]
HK(IFRIC) - Int 12	Service Concession Arranagements[3]
HK(IFRIC) - Int 13	Customer Loyalty Programmes[4]
HK(IFRIC) - Int 14	HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1March 2007
[3] Effective for annual periods beginning on or after 1 January 2008
[4] Effective for annual periods beginning on or after 1 July 2008

The Directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

3. REVENUE

Revenue represents the amounts received and receivable from sales of goods and provision of software development services by the Group to outside customers, less return and allowances, during the year. An analysis of the Group's revenue for the year is as follows:

	2007 US$'000	2006 US$'000
Sales of goods:		
Mobile phone accessories	153,776	103,470
Home entertainment devices	68,603	36,474
Educational products	39,237	25,556
Optical devices	19,864	9,826
	281,480	175,326
Software development services	2,280	2,996
	283,760	178,322

4. SEGMENTS

During the year ended 31 December 2006, as the Group was wholly engaged in manufacturing and marketing of consumer electronics and communication products and software development, the Group had only one business segment and its primary reporting segment was thus geographical segment.

As at 31 December 2007, the Group completed acquisition of certain new businesses from NTEI and consequently is organised into three operating divisions for management purposes - the Consumer Electronic and Communications Products ("CECP"), the Telecommunications Component Assembly ("TCA"), and the LCD Products ("LCDP"). Their principal activities are as follows:

CECP - manufacturing and marketing of consumer electronic and communications products, assembling.
TCA - manufacturing and marketing of telecommunications component assembly.
LCDP - manufacturing and marketing of LCD products, parts and components.

As the aforesaid acquisition was only completed as at 31 December 2007, the Board of Directors of the Company considered that the Group's risk and return are affected predominantly by differences in geographical areas for the year ended 31 December 2007, and the Group's primary reporting segment is geographical segment.

Geographical segments

The Group's operations are principally located in PRC. The Group's customers are mainly located in the North America, Asia Pacific region and Europe.

The following table provides an analysis of the Group's sales and results by geographical market based on the location of its customers:

Income statement

Year ended 31 December 2007

	North America US$'000	Europe region US$'000	Asia Pacific region US$'000	Others US$'000	Consolidated US$'000
External revenue	116,428	88,191	73,383	5,758	283,760
Segment results	10,791	10,097	8,670	640	30,198
Unallocated corporate income					6,125
Unallocated corporate expenses					(1,275)
Interest on amount due to the ultimate holding company					(24)
Gain on disposal of subsidiaries					8,289
Gain on disposal of available-for-sale investments					43,815
Bank interest income					3,609
Impairment loss on goodwill					(24,340)
Profit before tax					66,397
Income tax expense					(5,655)
Profit for the year					60,742

Year ended 31 December 2006

	North America US$'000	Europe region US$'000	Asia Pacific region US$'000	Others US$'000	Consolidated US$'000
External revenue	67,546	54,725	55,469	582	178,322
Segment results	4,705	7,549	4,509	49	16,812
Unallocated corporate income					2,232
Unallocated corporate expenses					(1,278)
Bank interest income					1,638
Loss on available-for-sale investments arising from split share structure reform					(1,869)
Profit before tax					17,535
Income tax expense					(214)
Profit for the year					17,321

5. INCOME TAX EXPENSE

	2007 US$'000	2006 US$'000
PRC enterprise income tax charged at applicable rates	6,410	214
Deferred tax credit	(755)	-
	5,655	214

In accordance with the applicable enterprise income tax law of PRC and the relevant rules promulgated by the Shenzhen municipal government, NTSZ and Shenzhen Namtek Co., Ltd., are subject to a tax rate of 15% on the assessable profit for the year. In addition, if a foreign investment enterprise ("FIE") exports 70% or more of the production value of its products ("Export Enterprise"), it is able to enjoy an effective tax rate of 10%. For the year ended 31 December 2006, NTSZ and Namtek Shenzhen exported more than 70% of the production value of their products and were qualified as an Export Enterprise which were subject to an effective tax rate of 10%. For the year ended 31 December 2007, NTSZ and Namtek Shenzhen also exported more than 70% of the production value of their products and they had applied to the relevant authority to be recognised as an Export Enterprise. The Directors expect that NTSZ and Namtek Shenzhen will also qualify for an effective tax rate of 10% for the year ended 31 December 2007.

Furthermore, if a foreign investor directly reinvests by way of capital injection of its share of profits obtained from an FIE in establishing or expanding an export-oriented or technologically advanced enterprise in PRC for a minimum period of five years, a refund of the taxes already paid on those profits may be obtained by the foreign investor, i.e. the Group.

At as 31 December 2007, income taxes recoverable under such arrangements were US$5,334,000 (2006: US$2,884,000), which are included in taxation recoverable in the consolidated balance sheet.

On 16 March 2007, PRC promulgated the Law of PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of PRC. Under the New Law which becomes effective from 1 January 2008, the tax refund under the capital reinvestment scheme as described above may be removed. As a result, for the current year, the Group has provided enterprise income tax at a tax rate of 10%. On 6 December 2007, the State Council of PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate from 15% to 18%, 20% 22%, 24% and 25% for the year ending 31 December 2008, 2009, 2010, 2011, 2012 respectively for certain PRC subsidiaries of the Company. The deferred tax balance has been adjusted to reflect the tax rates that are expected to apply.

Nam Tai Investments Consultant (Macao Commercial Offshore) Company Limited is exempted from Macao Complementary Tax in accordance with the Macao Decree Law No. 58/99/M, Chapter 2, Article 12, dated 18 October 1999.

No tax is payable on the profit for the year arising in Japan since the assessable profit is wholly absorbed by tax losses brought forward.

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profit arising in Hong Kong for both years.

The deferred tax credit for the year ended 31 December 2007 and deferred tax assets as at 31 December 2007 mainly represents recognition of deferred tax assets on accelerated accounting depreciation of property, plant and equipment.

There was no significant unprovided deferred taxation for both years or at the balance sheet dates.

6. PROFIT FOR THE YEAR

	2007 US$'000	2006 US$'000
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	210	189
Cost of inventories recognised as expense	234,140	147,463
Release of prepaid lease payments	71	71
Depreciation of property, plant and equipment	5,549	5,419
Depreciation of investment properties	950	961
	6,499	6,380
Less: Depreciation and amortisation included in research and development expenditure	(152)	(119)
	6,347	6,261
Gain on disposal of property, plant and equipment	(100)	(190)
Staff costs, including directors' remunerations	18,625	12,430
Retirement benefit scheme contributions, including directors' remunerations	490	418
Total staff costs	19,115	12,848
Less: Staff costs included in research and development expenditure	(3,459)	(2,647)
	15,656	10,201

7. DIVIDENDS

	2007 US$'000	2006 US$'000
Final paid –Nil per Share (2006: 0.45 US cent)	-	3,982
Interim paid -1.28 US cents per share (2006: Nil)	11,303	-
	11,303	3,982

It was stated in the circular of the Company dated on 5 December 2007 that the Company intended to pay a final dividend of 20 HK cents per Share (equivalent to 2.56 US cents) for the year ended 31 December 2007. The Board has now decided to declare a higher final dividend of 30 HK cents per Share (equivalent to 3.85 US cents).

20 HK cents per Share of the final dividend is expected to be paid on or around 22 April 2008 to shareholders whose names appear on the register of members of the Company on 15 April 2008, and the remaining 10 HK cents per Share is expected to be paid on or around 28 August 2008 to shareholders whose names appear on the register of members of the Company on 15 August 2008. In addition to the interim dividend of 10 HK cents per Share (equivalent to 1.28 US cents), the total dividends paid for the financial year 2007 is 40 HK cents per Share (equivalent to 5.13 US cents). The dividend will be paid in Hong Kong dollars.

8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for profit for the year attributable to equity holders of the Company is based on the following data:

	2007	2006
	US$'000	US$'000
Profit for the year attributable to equity holders of the Company	60,859	17,329
	'000	'000
Number of ordinary shares for the purpose of basic and diluted earnings per share (note)	881,671	881,671

Note:
During 2006 and 2007, the exercise of the share options is not considered in calculating the diluted earnings per share, because they will not result in a decrease in earnings per share. Share options which were not dilutive in 2006 and 2007 may affect earnings per share in future periods.

9. ACQUISITION OF SUBSIDIARIES

If the acquisition had been completed on 1 January 2007, total group revenue for the year ended 31 December 2007 would have been US$780.8 million, and profit for the year attributable to equity holders of the Company would have been US$78.2 million. The pro forma information is for illustrative purposes only and is not necessarily an indicative indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2007, nor is it intended to be a projection of future results.

By Order of the Board
Nam Tai Electronic & Electrical Products Limited
KOO Ming Kown
Chairman

Hong Kong, 2 February 2008

As at the date of this announcement, the Board comprises:

Executive Directors:
Masaaki YASUKAWA
John Quinto FARINA
WANG Lu-Ping
Kazuhiro ASANO
WONG Kuen Ling, Karene
LEI Lai Fong, Patinda
CHUI Kam Wai

Non-executive Director:
KOO Ming Kown

Independent Non-executive Directors:
CHAN Tit Hee, Charles
Thaddeus Thomas BECZAK
Roger Simon PYRKE