NAM TAI ELECTRONIC & ELECTRICAL PRODUCTS LIMITED
(incorporated in the Cayman Islands with limited liability)
(Stock Code : 2633)

Q1 2008: Sales up 169.1%, Operating income up 111.1%, EPS up 32.9%

The board (the "Board") of directors (the "Directors") of Nam Tai Electronic & Electrical Products Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the three months ended 31 March 2008 together with comparative figures for the corresponding period last year as follows:

KEY HIGHLIGHTS

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

	Quarterly Results[(a)] (Unaudited)		
	Q1 2008	**Q1 2007**	**YoY (%)**
Sales (Revenue)[(b)]	146,838	54,561	169.1
Gross Profit	20,304	8,900	128.1
% of sales	*13.8%*	*16.3%*	
Operating Income[(c)]	11,607	5,498	111.1
% of sales	*7.9%*	*10.1%*	
Per share (US cent(s))	1.32	0.62	112.9
Profit for the period attributable to equity holders of the Company	8,522	6,471	31.7
% of sales	*5.8%*	*11.9%*	
Basic earnings per share *(US cent)*	0.97	0.73	32.9
Diluted earnings per share *(US cent)*	0.97	0.73	32.9
Weighted average number of shares *('000)*			
Basic[(d)]	881,671	881,671	
Diluted[(d)]	881,671	881,671	

Notes:

(a) *Quarterly results in the first quarter of 2008 included the results of Consumer Electronic and Communication Products ("CECP") business segment ("NTEEP business unit"), Telecommunication Component Assembly ("TCA") business segment ("Zastron business unit") and Liquid Crystal Display Products ("LCDP") business segment ("Jetup business unit") upon the completion of reorganization of Nam Tai Electronics, Inc. (NYSE stock code: NTE) ("NTEI") and its subsidiaries on 31 December 2007 (the "Reorganization"). Quarterly results in the first quarter of 2007 included the results of CECP business segment only.*

(b) *Included sales from the TCA business segment and the LCDP business segment in the sum of US$77.3 million. TCA business segment and LCDP business segment became part of the Group upon the completion of Reorganization. If such sales had been excluded, sales of the Group would have increased by 27.4% as compared with the first quarter of 2007.*

(c) *Operating income = gross profit + other income – other expenses – selling and distribution costs – administrative expenses – research and development expenditure.*

(d) *Excluded outstanding share options of 22,545,000 which had not been exercised as at 31 March 2008 (as at 31 December 2007: 14,020,000). These outstanding share options consist of (i) 2,720,000 share options* *under the Pre-IPO Share Option Scheme adopted on 22 March 2004; and (ii) 19,825,000 share options granted to several directors and certain employees of the Group on 5 February 2008 under the Share Option Scheme adopted on 8 April 2004. The exercise period and exercise price of these newly granted share options are from 5 February 2008 to 4 February 2011 and HK$1.85 per share, respectively.*

SUPPLEMENTARY INFORMATION

1. Quarterly Sales Breakdown

(In thousands of US Dollars, except percentage)

Quarter	2008	2007	YoY(%) (Quarterly)	YoY(%) (Quarterly accumulated)
1st Quarter	146,838	54,561	169.1	169.1
2nd Quarter	-	75,732	-	-
3rd Quarter	-	90,276	-	-
4th Quarter	-	63,191	-	-
Total	146,838	283,760		

2. Breakdown of Sales by Business Segment (as a percentage of Sales)

	2008		2007	
Segments[a]	Q1 (%)	YTD (%)	Q1 (%)	YTD (%)
Consumer Electronic and Communication Products ("CECP")	47	47	100	100
Telecommunication Component Assembly ("TCA")	41	41	N/A	N/A
Liquid Crystal Display Products ("LCDP")	12	12	N/A	N/A
Total	100	100	100	100

3. Key Highlights of Financial Position

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

	As at 31 March		As at 31 December
	2008	2007	2007
Cash[b] on Hand	155,044	77,545	154,236
Ratio of Cash[b] to Current Liabilities	1.18	1.74	0.98
Current Ratio	2.14	3.77	1.87
Ratio of Total Assets to Total Liabilities	1.50	4.91	1.45
Return on Equity	16%	14%	33%
Ratio of Total Liabilities to Equity[c]	2.02	0.26	2.24
Debtors Turnover	56 days	41 days	39 days[d]
Inventory Turnover	20 days	26 days	25 days[d]
Average Payable Period	56 days	70 days	57 days[d]

Notes:

(a) *There was only one business segment, CECP, prior to the Reorganization in 2007.*

(b) *Includes cash equivalents.*

(c) *Ratio of Total Liabilities to Equity increased from 0.26 time as at 31 March 2007 to 2.02 times as at 31 March 2008 mainly because of the amount of US$311.4 million due to the ultimate holding company arising from the Reorganization.*

(d) *The debtors turnover, inventory turnover and average payable period as at 31 December 2007 were based on the data prior to the Reorganization.*

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the three months ended 31 March 2008, the Group recorded sales of US$146.8 million, representing an increase of 169.1%. Sales of the new TCA business segment (Zastron business unit) for the first quarter of 2008 decreased by 50.7% when compared to the same period of 2007. Sales of the new LCDP business segment (Jetup business unit) for the first quarter of 2008 increased by 7.0% when compared to the same period of 2007. These two business segments, TCA (Zastron business unit) and LCDP (Jetup business unit), acquired under the Reorganization contributed sales of US$77.3 million. As compared with the same period last year, the sales of CECP business segment (NTEEP business unit) increased by 27.4%, which was mainly due to the increase in sales of home entertainment devices, educational products and optical devices.

Gross profit for the three months ended 31 March 2008 increased by 128.1% from US$8.9 million to US$20.3 million as compared with the same period last year.

As compared with the same period last year, operating income for the three months ended 31 March 2008 increased by 111.1% while profit for the period attributable to the equity holders of the Company for the three months ended 31 March 2008 increased by 31.7%, even after taking into account of interest expense of US$3.0 million on the amount due to ultimate holding company.

If the Reorganization had been completed on 1 January 2007, on an unaudited basis, total group sales for the first quarter of 2007 would have been US$190.8 million, operating income and profit for the period attributable to the equity holders of the Company would have been US$8.8 million and US$10.5 million respectively. Compared to this unaudited information, sales of the first quarter of 2008 would have decreased by 23.1%, operating income would have increased by 31.8% and profit for the period attributable to the equity holders of the Company would have decreased by 19.0%. The unaudited information is for illustrative purposes only and is not necessarily an indication of sales and results of operations of the Group that actually would have been achieved had the Reorganization had been completed on 1 January 2007, nor is it intended to be a projection of future results.

Liquidity and Financial Resources

The Group had cash of US$155.0 million which was mainly located in the People's Republic of China ("PRC"). It also had an external debt of US$317.5 million, including an unsecured loan of US$311.4 million borrowed from NTEI as a result of the Reorganization and a bank borrowing of US$6.1 million as at the end of the period under review.

Continuous compliance with Sarbanes-Oxley Act of 2002 (Section 404(b)) in the United States of America ("U.S.")

The Board is pleased to announce that NTEI, the controlling shareholder of the Company, succeeded in continuously complying with the U.S. Sarbanes-Oxley Act of 2002 for the financial year ended 31 December 2007. The compliance signifies the implementation of an effective internal control system by the NTEI Group, including the Company.

Outlook

The trend of intense pricing pressure and volatility in demand from the mobile phone industry supply chain continued into 2008. This challenging environment is expected to continue into the coming quarters. Recent global adverse economic conditions (primarily driven by the sub-prime crisis in US) may aggravate this challenging environment and result in negative impacts on our results of operations over the next several quarters. Additionally, we will also have to face issues such as the continuing appreciation of the exchange rate of Renminbi to US dollar, changing tax and labour laws in the PRC, shortage of electricity supply and increases in overhead expenses resulting from inflation. We will respond by continuing to realign our production capacity to optimize operating efficiencies, broaden our product offerings and diversify our customer base. Post the completion of the Reorganization at the end of last year, we expect to realize benefits from a simpler organizational structure, which we believe can foster a more efficient and effective exchange of know-how and technology among our respective group companies, reduce overhead costs and facilitate stronger management controls. We are still cautiously optimistic about our business levels in 2008. In the second quarter of 2008, in aggregate, we are anticipating steady business levels. 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.

During the first quarter in 2008, we paid approximately US$0.7 million for the related costs on land purchase in Shenzhen Guangming Hi-Tech Industrial Park, satisfying in full the land payments and related costs required for that project. We have also received the land use right certificate issued by PRC Bureau of State Land and Resources in April 2008. Regarding the previously announced project in Wuxi, Jiangsu Province of PRC, civil construction has already started in the first quarter of 2008. The tender review process for mechanical and electrical foundation construction is in progress. The construction is targeted to be completed by the end of 2008 with commencement of manufacturing operations in the early of 2009.

DIVIDEND

Out of the 30 HK cents per share of the final dividend for 2007, the Company already paid 20 HK cents per share in April 2008 to the shareholders of the Company whose names appeared on the register of members of the Company on 15 April 2008. The remaining 10 HK cents per share is expected to be paid on or around 28 August 2008 to the shareholders of the Company whose names appear on the register of members of the Company on 15 August 2008.

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, if any dividend is decided to be paid.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board is pleased to announce that Mr. Cham Yau Nam, Mr. Leung Wai Hung and Mr. Choi Man Chau, Michael will each be appointed as an Independent Non-executive Director of the Company with effect from 5 May 2008.

A. Mr. Cham Yau Nam, aged 60, has over 20 years' experience in the securities industry. From 6 March 2002 to 10 April 2008, he was an independent non-executive director of J.I.C. Technology Company Limited ("JIC") (stock code: 987), a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He has been appointed as an independent non-executive director of Oriental Press Group Limited (stock code: 18), a company listed on the main board of The Stock Exchange since March 2006 and has been the managing director and a shareholder of Kwong Fat Hong (Securities) Limited since 1995. He is a Certified General Accountant in Canada. He obtained his Bachelor of Science degree from St. Mary's University, Halifax, Canada, Bachelor of Engineering (Electrical) degree from Nova Scotia Technical College, Halifax, Canada and Master of Business Administration degree from the University of British Columbia, Canada.

B. Mr. Leung Wai Hung, aged 49, was an independent non-executive director of JIC from 6 March 2002 to 10 April 2008. He is a qualified solicitor and has practised as a solicitor in various legal firms in Hong Kong. He is now an in-house solicitor of a private company providing advisory and other services to banks and financial institutions. In January 1999, the Solicitors Disciplinary Tribunal found that Mr. Leung was in breach of Law Society Circular 222/91, Rule 5D of the Solicitors Practice Rules and Principle 4.09 of Hong Kong Solicitors' Guide to Professional Conduct. The Tribunal ordered that Mr. Leung be censured, fined a total sum of HK$274,000 and pay costs of the proceedings.

C. Mr. Choi Man Chau, Michael, aged 51, was an independent non-executive director of JIC from 11 May 2007 to 10 April 2008. Mr. Choi is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. He is a Certified Public Accountant (practising) and has been practising public accountancy in Hong Kong for over 20 years. Mr. Choi is also an independent non-executive director of Dynamic Energy Holdings Limited (stock code: 578), a company listed on the main board of The Stock Exchange.

Save as disclosed above, each of Mr. Cham, Mr. Leung and Mr. Choi,

a. has entered into an appointment letter with the Company and has been appointed for an initial term of one year with effect from 5 May 2008 and shall continue thereafter for successive terms of one year unless terminated by either party giving not less than one month's notice in writing to the other party; is subject to retirement and re-election in accordance with the Articles of Association of the Company; will be entitled to receive an annual director's fee of HK$240,000 which is payable on a monthly basis according to the appointment letter;

b. 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;

c. has no relationship with any directors, senior management, substantial shareholders or controlling shareholders (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rule")) of the Company; and

Their remuneration is the same as that of the other existing independent non-executive directors of the Company and is according to the market conditions;

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 Rule.

The Board welcomes Mr. Cham, Mr. Leung and Mr. Choi 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 MARCH 2008
(In Thousands of US Dollars, except as otherwise stated)

	Unaudited Three months ended 31 March	
	2008	2007
Revenue	**146,838**	54,561
Cost of Sales	**(126,534)**	(45,661)
Gross Profit	**20,304**	8,900
Bank interest income	**1,018**	682
Other income	**2,863**	577
Other expenses	**-**	(327)
Selling and distribution costs (note)	**(2,675)**	(549)
Administrative expenses	**(6,551)**	(2,260)
Research and development expenses	**(2,334)**	(843)
Interest expense on unsecured bank borrowings	**(66)**	-
Interest expense on amount due to ultimate holding company	**(3,036)**	(15)
Profit before tax	**9,523**	6,165
Income tax (expense) credit	**(1,001)**	306
Profit for the period attributable to equity holders of the Company	**8,522**	6,471
Earnings per share for profit for the period attributable to equity holders of the Company - basic & diluted	**0.97 US cent**	0.73 US cent

Note: Selling and distribution costs include amortization of intangible assets of US$1,168,000 arising from the Reorganization.

As at the date of this announcement, the Executive Directors of the Company are Mr. Masaaki YASUKAWA (Chief Executive Officer), Mr. John Quinto FARINA (Chief Financial Officer), Mr. WANG Lu-Ping (Chief Operating Officer), Ms. WONG Kuen Ling, Karene, Ms. LEI Lai Fong, Patinda and Mr. CHUI Kam Wai, the Non-Executive Director is Mr. KOO Ming Kown (Chairman), and the Independent Non-Executive Directors are Mr. CHAN Tit Hee, Charles, Mr. Thaddeus Thomas BECZAK, Mr. Roger Simon PYRKE, Mr. CHAM Yau Nam, Mr. LEUNG Wai Hung and Mr. CHOI Man Chau, Michael.

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

Hong Kong, 5 May 2008