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NAM TAI ELECTRONIC & ELECTRICAL PRODUCTS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2633)

ANNOUNCEMENT

**PROPOSED VOLUNTARY WINDING-UP
OF THE COMPANY**

The Board announces that, at its meeting on 11th May, 2009, upon the request of NTEI and having obtained professional advice, the Directors (including the independent non-executive Directors) resolved to convene an EGM to consider a voluntary winding-up of the Company.

NTEI tendered a letter of support dated 11th May 2009 to the Board prior to the above-mentioned Board meeting to the effect that if the Shareholders approved a voluntary winding-up of the Company, it would make an offer to the Liquidators, if and when appointed, for the acquisition of the whole or part of the assets, properties and undertakings of the Company in a fair and open manner. NTEI has further indicated that its acquisition proposal to be put forward to the Liquidators would result in not less than HK\$1.52 in aggregate per Share being made available for distribution to the Shareholders (other than NTEI) by the Liquidators.

A circular containing, among other things, further details of the proposed members' voluntary winding-up of the Company together with the letter of the financial adviser to the Company and the notice of EGM will be dispatched to the Shareholders as soon as possible.

Trading of the shares of the Company was suspended on 7th April, 2009 and remains suspended as at the date of this announcement.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

PROPOSED VOLUNTARY WINDING-UP OF THE COMPANY

The Board announces that, at its meeting on 11th May, 2009, upon the request of NTEI and having obtained professional advice, the Directors (including the independent non-executive Directors) resolved to convene an EGM to consider a voluntary winding-up of the Company.

The Board's decision to convene the EGM to consider a voluntary winding-up of the Company follows an intensive process of business and strategic consideration in consultation with/and a request from NTEI. The Board has considered, among other things, the following matters:

- the Group continues to experience significant weaker demand across all its product segments under the severe global economic recession, as evidenced by the significant decline in gross profit and net profit for the first quarter ended 31st March, 2009 as compared to the same period last year;
- the Directors are pessimistic about product demand in the electronic manufacturing services industry and expect further deterioration of the business of the Group in the short to medium term;
- there is no commitment from NTEI, as the major creditor of the Company, that it will continue to fund the Group; and
- the availability of support from NTEI should a voluntary winding-up of the Company be pursued, the details of which are set forth below.

SUPPORT FROM NTEI

NTEI tendered a letter of support dated 11th May 2009 to the Board prior to the above-mentioned Board meeting to the effect that if the Shareholders approved a voluntary winding-up of the Company, it would make an offer to the Liquidators, if and when appointed, for the acquisition of the whole or part of the assets, properties and undertakings of the Company in a fair and open manner. NTEI has further indicated that its acquisition proposal to be put forward to the Liquidators would result in not less than HK\$1.52 in aggregate per Share being made available for distribution to the Shareholders (other than NTEI) by the Liquidators.

GENERAL

A circular containing, among other things, further details of the proposed voluntary winding up of the Company together with the letter of the financial adviser to the Company and the notice of EGM will be dispatched to the Shareholders as soon as possible.

Trading of the shares of the Company was suspended on 7th April, 2009 and remains suspended as at the date of this announcement.

DEFINITIONS

In this announcement, the following expressions shall, unless the context otherwise requires, have the following meanings:

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| “Board” | the board of directors of the Company |
| “Director(s)” | the director(s) of the Company |
| “EGM” | the extraordinary general meeting of the Company |

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Liquidator(s)”	the liquidator(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NTEI”	Nam Tai Electronics, Inc., a company incorporated in the British Virgin Islands with limited liabilities and the shares of which are listed on the main board of the New York Stock Exchange
“Shares”	ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the registered holder(s) of Share(s)

By Order of the Board
**NAM TAI ELECTRONIC & ELECTRICAL
PRODUCTS LIMITED**
Wong Long Kee
Company Secretary

12th May, 2009

All time references contained in this announcement are to Hong Kong time.

As at the date of this announcement, the non-executive director of the Company is Mr. KOO Ming Kown, and the independent non-executive directors of the Company are Mr. CHAN Tit Hee, Charles, Mr. LAI Kin Ki and Mr. LEUNG Wai Hung.