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Nam Tai Electronics, Inc.

(Incorporated in the British Virgin Islands with limited liability)



J.I.C. Technology Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 987)

ANNOUNCEMENT

**PROPOSED PRIVATIZATION OF
J.I.C. TECHNOLOGY COMPANY LIMITED
BY WAY OF A VOLUNTARY CONDITIONAL GENERAL CASH OFFER
BY YU MING INVESTMENT MANAGEMENT LIMITED ON BEHALF OF
NAM TAI ELECTRONICS, INC.
FOR ALL THE ISSUED SHARE CAPITAL IN
J.I.C. TECHNOLOGY COMPANY LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED BY
NAM TAI ELECTRONICS, INC. AND PARTIES ACTING IN CONCERT WITH IT)**

Financial adviser to Nam Tai Electronics, Inc.



Yu Ming Investment Management Limited

The boards of directors of NTE and JIC are pleased to announce that on 18th October, 2005, NTE (which currently holds approximately 71.6% of the issued share capital of JIC) informed the JIC Board of its intention to make a voluntary conditional general cash offer to acquire all JIC Shares other than those owned by NTE and parties acting in concert with it at a price of HK\$0.55 per JIC Share (representing a premium of approximately 35.8% over the closing price of HK\$0.405 per JIC Share as quoted on the Stock Exchange on 18th October, 2005, the last trading day prior to the suspension of trading in the JIC Shares, and a premium of approximately 175.0% to the unaudited consolidated net asset value per JIC Share of approximately HK\$0.20 as at 30th June, 2005). The offer price is final and is not subject to revision.

The Offer is subject to the condition that NTE receives acceptances and/or purchases made after the posting of the initial offer document totalling at least 90% of the JIC Shares affected by the Offer (meaning all JIC Shares other than those owned by NTE and parties acting in concert with it as at the date of posting of the initial offer document). After the Offer becomes unconditional, NTE intends to exercise any compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and Section 88 of the Companies Law to acquire the remaining Affected JIC Shares, and following which, NTE intends to withdraw the listing of JIC from the Stock Exchange. The first closing date of the Offer will fall on the 21st day from the date on which the initial offer document is posted.

The Offer Document containing, inter alia, the terms and conditions of the Offer and the form of acceptance and transfer of the Affected JIC Shares, information regarding NTE and JIC, the advice of the independent financial adviser and the recommendation from the independent board committee will be jointly despatched by NTE and JIC to the Disinterested Shareholders as soon as practicable and in compliance with requirements of the Takeovers Code.

Shareholders should note that the quarterly results of JIC for the period ended 30th September, 2005 are to be published on 1st November, 2005. JIC Shareholders are advised to exercise caution in dealing in the JIC Shares in this connection.

Trading in JIC Shares was suspended at the request of JIC from 9:30 a.m. on 19th October, 2005. Application has been made to the Stock Exchange for the resumption of trading in the JIC Shares with effect from 9:30 a.m. on 24th October, 2005.

Terms and condition of the Offer

On 18th October, 2005, NTE informed the JIC Board that Yu Ming, on behalf of NTE (which is the controlling shareholder of JIC currently holding approximately 71.6% of the issued share capital of JIC), will make a voluntary conditional general cash offer for JIC Shares other than those owned by NTE and parties acting in concert with it at a price of HK\$0.55 per JIC Share. The offer price represents:

- (i) a premium of approximately 35.8% over the closing price of HK\$0.405 per JIC Share as quoted on the Stock Exchange on 18th October, 2005 (being the last trading day prior to the suspension of trading in the JIC Shares);
- (ii) a premium of approximately 34.1% over the average closing price of HK\$0.41 per JIC Share for the 10 trading days up to and including 18th October, 2005;
- (iii) a premium of approximately 22.2% over the average closing price of HK\$0.45 per JIC Share for the 30 trading days up to and including 18th October, 2005; and
- (iv) a premium of approximately 175.0% to the unaudited consolidated net asset value per JIC Share of approximately HK\$0.20 as at 30th June, 2005.

As at the Announcement Date, there are no outstanding options, convertibles, warrants and rights to subscribe for JIC Shares.

The Offer is conditional upon NTE having received acceptances and purchased totalling at least 90% of the Affected JIC Shares (meaning all JIC Shares other than those owned by NTE and parties acting in concert with it as at the date of posting of the initial offer document). After the Offer becoming unconditional, NTE intends to exercise any compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and Section 88 of the Companies Law to acquire the remaining Affected JIC Shares, and following which, NTE intends to withdraw the listing of JIC from the Stock Exchange.

The first closing date of the Offers will fall on 21st day from the date on which the initial offer document is posted.

NTE will not revise the offer price for the Affected JIC Shares, and the above offer price is final.

Shareholding Structure

As at the Announcement Date, the shareholding of JIC is as follows:–

	Number of JIC Shares owned	% of the total issued share capital
NTE and parties acting in concert (<i>Note</i>)	546,890,978	71.6
Disinterested Shareholders	216,643,777	28.4
Total	<u>763,534,755</u>	<u>100.0</u>

Note: These shares are all held by NTE.

Apart from the 763,534,755 JIC Shares in issue, JIC has no other class of securities in issue as at the Announcement Date. During the six months prior to the Announcement Date, neither NTE nor any party acting in concert with it had dealt in the JIC Shares.

Consideration

As the number of Affected JIC Shares is 216,643,777 as at the Announcement Date, the total consideration of the Offer amounts to an aggregate of approximately HK\$119.2 million. Yu Ming is satisfied that NTE has sufficient financial resources to implement the Offer in full.

Information on NTE

As the controlling shareholder of JIC, NTE is an electronics manufacturing and design services provider with a worldwide coverage of customers. Listed on the New York Stock Exchange, NTE had a market capitalization of approximately US\$1038.5 million (equivalent to approximately HK\$8048.4 million) as at 20th October, 2005. Net profit of NTE for the financial years ended 31st December, 2004 and 31st December, 2003 were approximately US\$66.9 million (equivalent to approximately HK\$518.4 million) and approximately US\$43.8 million (equivalent to approximately HK\$339.5 million) respectively. The unaudited net asset value of NTE was approximately US\$290.9 million (equivalent to approximately HK\$2,254.5 million) as at 30th June, 2005 (all figures prepared in accordance with generally accepted accounting principles in the United States).

Information on JIC

Listed on the Stock Exchange, JIC is engaged in the manufacture and sale of liquid crystal display products.

Effect of accepting the Offer

By accepting the Offer, JIC Shareholders will sell their JIC Shares and all rights attaching to them as at the Announcement Date, including the right to receive all dividends and other distributions, if any, declared, made or paid by JIC on or after the Announcement Date.

Payment

Payment in cash in respect of the acceptances of the Offer will be made within 10 days of the later of the date the Offer becomes unconditional and NTE receives a duly completed form of acceptance.

Stamp Duty

Seller's ad valorem stamp duty for the JIC Shares registered with the Hong Kong branch share register arising in connection with acceptances of the Offer will be payable by each JIC Shareholder at the rate of HK\$1 for every HK\$1,000 or part thereof of the consideration payable by NTE for such JIC Shareholder's JIC Shares and will be deducted from the cash amount due to such JIC Shareholder under the Offer and paid by NTE.

Intention of NTE

The directors of NTE intend to withdraw the listing status of the JIC Shares on the Stock Exchange subsequent to the Offer becoming unconditional and NTE exercising any compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and Section 88 of the Companies Law to acquire the remaining Affected JIC Shares, but have no intention to change the current business or management of JIC.

According to Rule 15.6 of the Takeovers Code, to exercise the power of compulsory acquisition to acquire those Affected JIC Shares not tendered under the Offer, the Offer may not remain open for acceptance for more than four months from the posting of the Offer Document, unless NTE has by that time become entitled to exercise the powers of compulsory acquisition available to it under the Companies Law.

Reasons for NTE to privatize JIC

As far as the financial benefits for NTE are concerned, given the disparity in the price-earnings ratio of NTE (currently at a prospective 26.2x, based on the closing price of the shares of NTE on 20th October, 2005 and the annualized unaudited net profit of NTE for the six months ended 30th June, 2005) and JIC (currently at a prospective 8.1x and 11.0x, based on the closing price of the JIC Shares on 18th October, 2005 and the offer price of HK\$0.55 respectively, and the annualized unaudited net profit of JIC for the six months ended 30th June, 2005), the privatization of JIC would increase earnings per share of NTE and potentially mitigate any negative impact on the value of the shares of NTE. In this respect, though NTE is confident about the future prospect of JIC, it is regretful that JIC is not able to generate good return on investment to some of its shareholders which defeats its main purpose of maintaining JIC as a listed company to contribute profit return to its shareholders.

Generally, the Hong Kong financial market is not very receptive to disposals of shares by a controlling shareholder on the market and views such move very negatively. This would undermine NTE's ability to deal in JIC Shares on the market.

Benefits of the Offer for the Disinterested Shareholders

The Offer gives the JIC Shareholders an opportunity to realize their investments in JIC at a price above the current market price, which regrettably may still be lower than the investment costs of some of the JIC Shareholders.

The average daily trading value of the JIC Shares are approximately HK\$65,210 and approximately HK\$200,814 for the 30-day period and 180-day period (all up to 18th October, 2005) respectively, and the number of JIC Shares traded during the same periods represent approximately 0.02% and 0.04% of the issued share capital of JIC respectively. In this regard, the Offer provides liquidity for the JIC Shareholders who wish to dispose of their JIC Shares.

General

JIC has established an independent board committee comprising all independent non-executive directors of JIC to advise the Disinterested Shareholders, and an independent financial adviser will be appointed to advise the independent board committee in respect of the Offer. The Offer Document containing, inter alia, the terms and conditions of the Offer and the form of acceptance and transfer of the Affected JIC Shares, information regarding NTE and JIC, the advice of the independent financial adviser and the recommendation from the independent board committee will be jointly despatched by NTE and JIC to the Disinterested Shareholders as soon as practicable and in compliance with requirements of the Takeovers Code.

Shareholders should note that the quarterly results of JIC for the period ended 30th September, 2005 will be published on 1st November, 2005. JIC Shareholders are advised to exercise caution in dealing in the JIC Shares in this connection.

Trading in JIC Shares was suspended at the request of JIC from 9:30 a.m. on 19th October, 2005. Application has been made to the Stock Exchange for the resumption of trading in the JIC Shares with effect from 9:30 a.m. on 24th October, 2005.

DEFINITION

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

“acting in concert”	shall have the meaning set out in the Takeovers Code
“Affected JIC Shares”	JIC Shares other than those owned by NTE or parties acting in concert with it as at the date of posting of the initial offer document
“Announcement Date”	23rd October, 2005, being the date of this announcement
“Companies Law”	the Companies Law (2004 Revision) of the Cayman Islands
“Disinterested Shareholders”	JIC Shareholders other than NTE and parties acting in concert with it
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“JIC”	J.I.C. Technology Company Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange with a designated stock code of 987
“JIC Board”	board of directors of JIC
“JIC Shares”	existing ordinary share(s) of HK\$0.01 each in the issued share capital of JIC
“JIC Shareholders”	holders of JIC Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NTE”	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
“Offer”	the voluntary conditional general cash offer for all the issued JIC Shares other than those owned by NTE and parties acting in concert with it as at the date of posting of the initial offer document made by Yu Ming on behalf of NTE at HK\$0.55 per Affected JIC Share

“Offer Document”	the composite offer document to be issued by or on behalf of NTE and JIC to all Disinterested Shareholders in accordance with the Takeovers Code containing, among other things, the terms and conditions of the Offer and the forms of acceptance and transfer
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchase
“Yu Ming”	Yu Ming Investment Management Limited, a deemed licensed corporation under the Securities and Futures Ordinance
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States

As at the date of this announcement, the non-executive directors of NTE are Mr. Koo Ming Kown, Mr. Stephen Seung and Mr. Peter R. Kellogg and the independent non-executive directors of NTE are Mr. Charles Chu, Dr. Wing Yan (William) Lo and Mr. Mark Waslen.

As at the date of this announcement, the executive directors of JIC are Mr. Seitaro Furukawa, Mr. Chui Kam Wai, Dr. Yeoh Tech Hooi, the non-executive directors of JIC are Mr. Li Shi Yuen, Joseph and Mr. Koo Ming Kown and the independent non-executive directors of JIC are Mr. Cham Yau Nam, Mr. Leung Wai Hung and Mr. Cheng Chi Heng.

The directors of NTE jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to JIC) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to JIC) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than those relating to JIC), the omission of which would make any statement in this announcement (other than those relating to JIC) misleading.

The directors of JIC jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to JIC and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement relating to JIC have been arrived at after due and careful consideration and there are no other facts not contained in this announcement relating to JIC, the omission of which would make any statement in this announcement relating to JIC misleading.

Exchange rate: US\$1.00 = HK\$7.75

By order of the board of
Nam Tai Electronics, Inc.
Li Shi Yuen, Joseph
Chief Executive Officer & President
Chief Financial Officer

By order of the board of
J.I.C. Technology Company Limited
Seitaro Furukawa
Chairman

Hong Kong, 23rd October, 2005

“Please also refer to the published version of this announcement in South China Morning Post.”