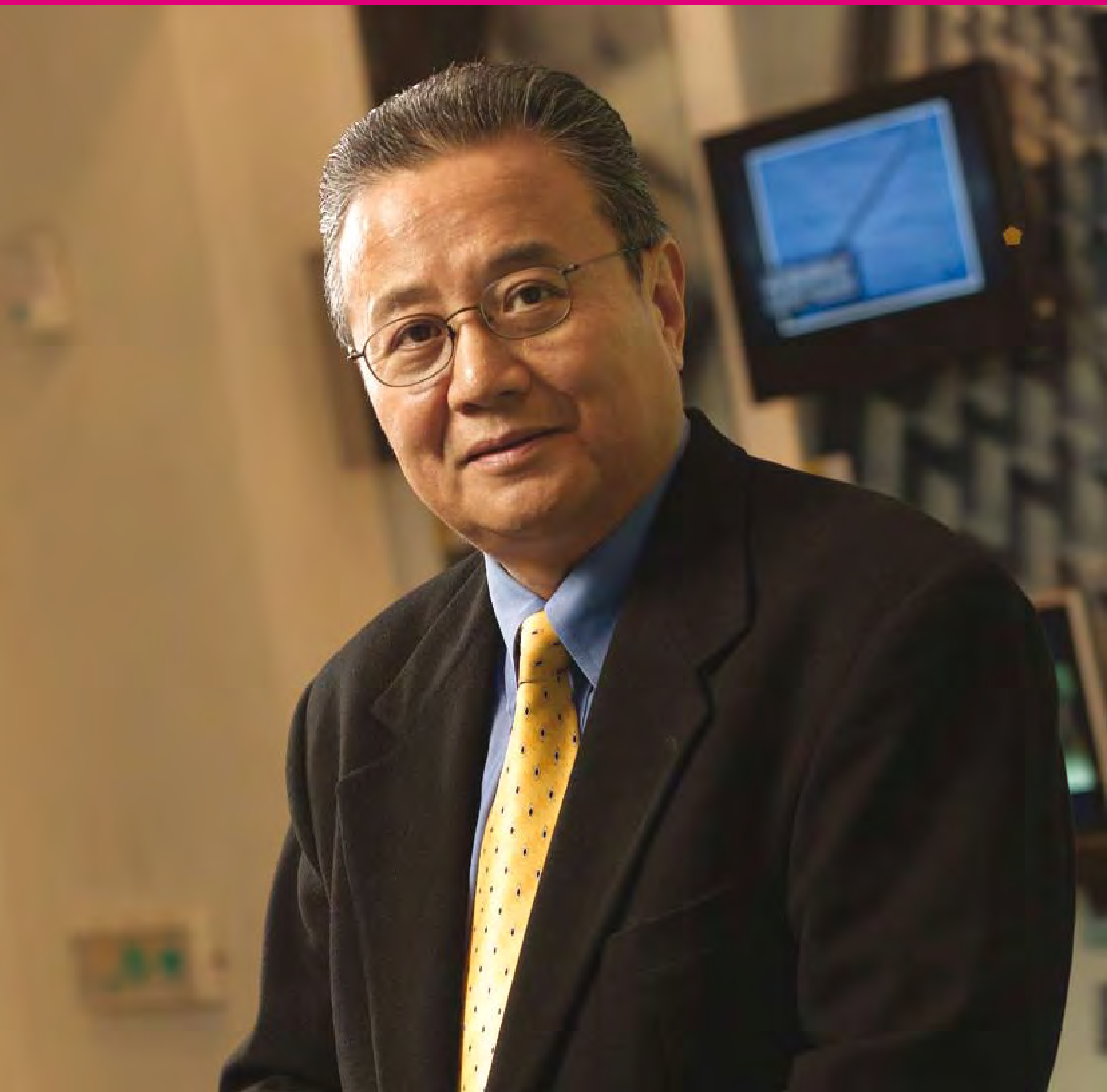
TPV is committed to maintain our position as a market leader in ODM display manufacturing. This vision has defined our dynamism and motivated us to build on our strengths relentlessly, adding new competencies consistently and finding solutions to the challenges posed by the vagaries of global economic and industry scenarios.



Fiscal 2006 was marked by anxieties over a variety of global economic concerns including inflation, rising oil prices, fears over a US slowdown, disputes in global trade talks, turbulence in global financial markets and rising credit costs. Many of these impacted the consumer sentiment adversely. However, economic growth in many countries, particularly in Asia, continued to expand at a healthy clip of 8 to 9 percent, powered by robust domestic demand, signalling that the world economy has enough resilience to withstand any temporary setback brought about by regional weaknesses from time to time.

For the monitor industry, 2006 began on a negative note. On the demand side, the market underwent a longer and deeper than expected seasonal downward adjustment in the first half of the year. On the supply side, the outputs of new panel fabs flooded the market leading to a glut of inventories in the traditional slow season. The combination of these factors led to the collapse of panel prices, which finally found support at cash cost levels in late June when some of the panel makers cut back on production due to profit and inventory concerns. Panel prices rebounded strongly in the summer months as channels started to re-stock for the peak season and remained firm until the end of the year.

I firmly believe that the resources we invest into the TV business will put us ahead of competition and pay off in the years to come.

This volatile operating environment was further aggravated by the intensified competition among monitor integrators jostling for market share. The ensuing price war inevitably hurt the profitability of the whole sector in the near term, but it also helped speed up market consolidation, which is crucial for the long-term health of the industry.

The acquisition of Philips monitor business began a new chapter for TPV. The integration, albeit not seamless, went smoothly and provided TPV with better scale and stronger R&D capability, especially in the TV area. To enhance cost and efficiency, the Group underwent a multi-faceted restructuring. This involved realigning the R&D platform as well as streamlining the production facilities, putting available capacities at different plants to better use. The restructuring cost incurred thus far amounted to approximately US$4.0 million, and the Group did not envisage further charges in this respect. Unfortunately, due to the difficult operating environment, the synergies that were derived from the business integration could not be percolated to our bottom line.

Anticipating the tremendous growth potential of LCD TV, TPV, being a world-class display integrator, started to build a full-fledged TV business as early as in 2004. The technical complexity and diversity of TV products have taken up a lot of R&D resources and imposed pressure on the Group's overall cost structure. Nonetheless, I firmly believe that the resources we invest into the TV business will put us ahead of competition and pay off in the years to come.

The introduction of digital broadcasting in major regions and the much affordable prices are expected to drive demand. Global shipment of LCD TV is expected to reach 72 million units in 2007 and 94 million units in 2008.

Against this backdrop, TPV attained a record turnover of US$7.2 billion in fiscal 2006, representing a year-on-year increase of 42.0 percent. Margin pressure capped profit attributable to shareholders at US$151.8 million, slightly above last year's US$149.6 million. Basic earnings per share was US7.98 cents, 19.4 percent lower than a year ago as a result of the enlarged share base.

The Board has recommended the payment of a final dividend of US1.68 cents per share, wholly in cash. Taking into account the interim cash dividend of US0.80 cent, total dividends for the year would amount to US2.48 cents per share, against US2.72 cents the year before.

Outlook

Last year, we witnessed the deceleration of TFT-LCD monitor growth momentum with a global shipment of 131 million units, or a 23.4 percent year-on-year growth. Consensus industry research projects global TFT-LCD monitor shipment to grow by 20.6 percent to 158 million units in 2007 but the growth rate will taper off to single-digit from 2008 onwards. As for the CRT monitor segment, demand continued to faint and dropped from 2005's 47.8 million units to 2006's 32 million units. In light that the market share of CRT monitor will inevitably be cannibalized by the more and more affordable LCD counterpart, the Group will downsize its CRT capacity according to the demand outlook to try to sustain the revenue and earnings flows in the coming years.

On the other hand, LCD TV will replace monitor to become the growth driver of the TFT-LCD industry. The introduction of digital broadcasting in major regions as well as the much affordable prices of LCD TV are expected to drive demand. Global shipment of LCD TV is expected to reach 72 million units in 2007 and 94 million units in 2008, representing a compound annual growth rate of over 40 percent. With the solid groundwork already laid, TPV is well positioned to reap the benefits of this exciting boom.

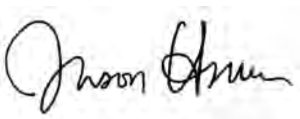
In view of the keen competition among players, the pressure on profit margins is not expected to ease in the near term for the Group. To alleviate this pressure, the Group has mapped out different cost initiatives that focus on improving quality, productivity and efficiency. On the back of these initiatives and a more stable panel price environment ahead, I expect our profitability to come out of the trough from the second half of 2007.

Global logistic support and supply chain management are two indispensable elements to today's fast moving business environment, it is therefore imperative for TPV to position its production facilities strategically around the world, notwithstanding the increasing pressure from trade barriers and tariffs to go global. TPV is in the process of setting up a plant in Poland as the first step to globalize its production. The new plant will allow the Group to supply customers locally and to compete more effectively with regional players. The project is budgeted at US$50.0 million and scheduled to come on stream in the second half of 2008. Feasibility study on a Mexican plant has also been commissioned. These new capacities, once in place, will complete the Group's global supply chain roadmap, reaffirming our market leadership. The Group intended to fund the new projects with internal cash flow and money raised from the share placement at the beginning of last year.

Appreciation

I would like to take this opportunity to thank Mr Wang Yanjun, Non-executive Director, who resigned on even date, for his contribution to the Group in the last three years. On behalf of the Board, I wish him every success in his future endeavours.

Last but not least, I would like to thank our Board of Directors and employees for their dedication and hard work, and our shareholders, business associates and customers for their continuous support and guidance.



Dr Hsuan, Jason
Chairman and Chief Executive Officer
Hong Kong, 11th April 2007