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**NAM TAI ELECTRONIC &
ELECTRICAL PRODUCTS LIMITED**

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2633)

**MAJOR TRANSACTION
DISPOSAL AND FURTHER DISPOSAL
OF A SHARES IN TCL CORPORATION
RESUMPTION OF TRADING**

On 20 April 2007, the Group disposed of 39,000,000 A Shares to the buyers on the market of the SZE, on an average price of RMB5.056 per A Share at a total consideration of approximately RMB197.20 million (equivalent to approximately US\$25.59 million).

On 23 April 2007, the Group further disposed of 41,600,173 A Shares to the buyers on the market of the SZE, on an average price of RMB5.261 per A Share at a total consideration of approximately RMB218.86 million (equivalent to approximately US\$28.40 million).

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules by reference to the consideration ratio for the Disposal. However, as the Group further disposed of all the remaining 41,600,173 A Shares on 23 April 2007, the Further Disposal together with the Disposal in aggregate constitute a major transaction under Chapter 14 of the Listing Rules by reference to the consideration ratio for the Disposal and the Further Disposal, which represents approximately 36.2%.

Although the Shareholders' approval is required pursuant to Rule 14.40 of the Listing Rules, written approval for the Disposal and the Further Disposal has already been obtained by the Company from NTE Inc., being the holder of 619,914,470 Shares (representing 70.31% of the nominal value of the securities giving the right to attend and vote at general meeting of the Company), which has no interest in the Disposal and the Further Disposal (save and except its equity interest in the Company which is the same as those of other Shareholders). The Company therefore has met the requirements of Rule 14.44 of the Listing Rules for not holding the said meeting.

As at the date of this announcement, there is no specific use for the sales proceeds from the Disposal and the Further Disposal other than for general working capital.

A circular containing the details of the Disposal and the Further Disposal will be despatched to the Shareholders as soon as practicable.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on Monday, 23 April 2007 pending the publication of this announcement in respect of the Major Transaction. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on Wednesday, 25 April 2007.

DISPOSAL AND FURTHER DISPOSAL OF A SHARES

In January 2002, the Group acquired a 6% equity interest, representing 95,516,112 promoter's shares in TCL for a total consideration of approximately US\$11.97 million. In January 2004, TCL listed the A Shares on the SZE. Pursuant to the SSR, the nature of the Group's equity interest in TCL had been changed from 95,516,112 promoter's shares of TCL to 80,600,173 A Shares, representing 3.12% of the total existing issued share capital of TCL which was accounted for as available-for-sale investments in the Group's consolidated financial statement for the year 2006 in the amount of US\$24.36 million (on the basis of the closing share price of the A Shares on 29 December 2006). After the 12 months' moratorium had been lifted and approval was obtained from the SZE and China Securities Depository and Clearing Corporation Limited, the A Shares held by the Group were tradable on the SZE from 20 April 2007 onwards.

In light of the situation of TCL, its current market price and the recent market conditions, the Company considered that it was a good opportunity to realize its investment in TCL after the said lifting of the moratorium and therefore intended to sell all the A Shares held by the Group on or after 20 April 2007 at not less than the Minimum Disposal Price per A Share or at any other higher disposal price per A Share, as the Company deemed appropriate.

On 20 April 2007, the Group disposed of 39,000,000 A Shares to the buyers on the market of the SZE, on an average price of RMB5.056 per A Share at a total consideration of approximately RMB197.20 million (equivalent to approximately US\$25.59 million) (before commission, expenses and tax).

On 23 April 2007, the Group further disposed of 41,600,173 A Shares to the buyers on the market of the SZE, on an average price of RMB5.261 per A Share at a total consideration of approximately RMB218.86 million (equivalent to approximately US\$28.40 million) (before commission, expenses and tax).

The total consideration for the Disposal and the Further Disposal in aggregate was approximately RMB416.06 million (equivalent to approximately US\$53.99 million) (before commission, expenses and tax).

To the best of the Directors' knowledge, information and belief, the said buyers and their ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

No dividend had been declared by TCL on any of the A Shares since the financial year 2005 and the dividend declared by TCL on 80,600,173 A Shares held by the Group in the financial year 2004 was in the sum of RMB4.78 million which was actually remitted to the Group in August 2005.

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules by reference to the consideration ratio for the Disposal. However, as the Group further disposed of all the remaining 41,600,173 A Shares on 23 April 2007, the Further Disposal together with the Disposal in aggregate constitute a major transaction under Chapter 14 of the Listing Rules by reference to the consideration ratio for the Disposal and the Further Disposal.

FINANCIAL EFFECT OF THE DISPOSAL AND THE FURTHER DISPOSAL

The original investment cost of the Group in TCL was approximately US\$11.97 million. The total sales proceeds from the Disposal and the Further Disposal in aggregate arrived at approximately RMB416.06 million (equivalent to approximately US\$53.99 million) (before commission, expenses and tax), resulting in a profit of approximately US\$42.02 million (before commission, expenses and tax).

The Directors consider that the Disposal and the Further Disposal are in the interest of the Company and the Shareholders as a whole

and believe that the terms of the transactions as contemplated by the Disposal and the Further Disposal are fair and reasonable. The Directors also consider that the Disposal and the Further Disposal will have no material financial impact on assets and liabilities of the Company.

USE OF SALES PROCEEDS

The sales proceeds from the Disposal and the Further Disposal were confirmed to have been remitted to the Group's bank account as term deposits.

As at the date of this announcement, there is no specific use for the sales proceeds from the Disposal and the Further Disposal other than for general working capital.

INFORMATION ON THE GROUP

The Group is a well-established vertically integrated manufacturing solutions provider for some of the world's most reputable brand owners of consumer electronics and communications products including optical devices, home entertainment devices, mobile phone accessories and educational products. The Group is also a total solution provider offering a wide range of services on software development, data processing and compression and electronic hardware design and development specialising in digital dictionaries and navigation system.

INFORMATION ON TCL

Founded in 1981, TCL Group is one of the biggest consumer electronic manufacturers in the PRC. It is principally engaged in manufacturing, sale and marketing of multimedia electronic, mobile communications, digital electronics, household electronic and other consumer electronic products.

For the financial year ended 31 December 2004, the audited profits before and after taxation of TCL were RMB288.85 million and RMB120.04 million respectively and for the financial year ended

31 December 2005, the audited losses before and after taxation of TCL were RMB1,465.28 million and RMB1,713.32 million respectively.

GENERAL

As the consideration ratio of the Disposal and the Further Disposal in aggregate represents approximately 36.2% for the Company based on the total consideration of the Disposal and the Further Disposal of approximately RMB416.06 million (equivalent to approximately US\$53.99 million) and the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days preceding the Latest Practicable Date, the transactions contemplated by the Disposal and the Further Disposal constitute a major transaction for the Company under the Listing Rules and requires Shareholders' approval.

Although Shareholders' approval is required pursuant to Rule 14.40 of the Listing Rules, written approval for the Disposal and the Further Disposal has already been obtained by the Company from NTE Inc., being the holder of 619,914,470 Shares (representing 70.31% of the nominal value of the securities giving the right to attend and vote at general meeting of the Company), which has no interest in the Disposal and the Further Disposal (save and except its equity interest in the Company which is the same as those of other Shareholders).

Pursuant to Rule 14.44 of the Listing Rules, the Shareholders' approval by a majority vote at a general meeting of the Company is required to approve the Disposal and the Further Disposal. However, written Shareholders' approval may be accepted in lieu of holding a general meeting provided that no Shareholders are required to abstain from voting at a general meeting of the Company to approve the Disposal and the Further Disposal and the written Shareholders' approval has been obtained from Shareholders holding more than 50% of the nominal value of the securities giving the right to attend and vote at general meetings of the Company. As no Shareholders

are required to abstain from voting at a general meeting of the Company to approve the Disposal and the Further Disposal, such written Shareholders' approval will be accepted in lieu of holding a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules.

A circular containing the details of the Disposal and the Further Disposal will be despatched to the Shareholders as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on Monday, 23 April 2007 pending the publication of this announcement in respect of the Major Transaction. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on Wednesday, 25 April 2007.

DEFINITIONS

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

“A Share(s)”	A Share(s) of nominal value of RMB1.00 each in the issued share capital of TCL
“Board”	Board of Directors
“Company”	Nam Tai Electronic & Electrical Products Limited (stock code: 2633), a company whose securities are listed on the main board of the Stock Exchange
“Director(s)”	The director(s) of the Company
“Disposal”	The disposal of 39,000,000 A Shares held by the Company on SZE on 20 April 2007

“Further Disposal”	Further disposal of the remaining 41,600,173 A Shares held by the Company on 23 April 2007 on the SZE after the Disposal had been made
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	23 April 2007, being the latest practicable date prior to the publication of this announcement for ascertaining certain information referred to in this announcement
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Minimum Disposal Price”	RMB4.00 per A Share (representing 75.90% of the closing price of RMB5.27 per A Share as quoted on the SZE on the Latest Practicable Date
“NTE Inc.”	Nam Tai Electronics, Inc., a company incorporated in the British Virgin Islands and whose shares are listed on the New York Stock Exchange and the 70.31% holding company of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“Share(s)”	Ordinary share(s) of nominal value of HK\$0.01 each in the issued share capital of the Company
“Shareholders”	the shareholders of the Company
“SSR”	Split Share Structure Reform of TCL
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SZE”	Shenzhen Stock Exchange of the PRC
“TCL”	TCL Corporation (formerly known as TCL Holdings Corporation Ltd.), a company incorporated in the PRC and whose A shares are listed on the SZE (stock code: 000100)
“TCL Group”	TCL and its subsidiaries
“US\$”	United States dollars, the lawful currency of the United States of America

For the purpose of this announcement, the translation of US\$ into RMB is made for illustration purpose only at the exchange rate of US\$1.00 to RMB7.705.

By Order of the Board
Nam Tai Electronic & Electrical Products Limited
Kazuhiro ASANO
Chairman

Hong Kong, 24 April 2007

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

Executive Directors:

Kazuhiro ASANO

WONG Kuen Ling, Karene

Non-Executive Director:

KOO Ming Kown

Independent Non-Executive Directors:

Thaddeus Thomas BECZAK

CHAN Tit Hee, Charles

Roger Simon PYRKE

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