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NAM TAI ELECTRONICS, INC.
Q4 2005 Sales Up 62%, Operating Income Up 41%
Dividend \$1.52 Per Share

VANCOUVER, CANADA -- February 13, 2006 -- Nam Tai Electronics, Inc. ("Nam Tai" or the "Company") (NYSE Symbol: NTE) is pleased to announce its unaudited results for the fourth quarter ended December 31, 2005.

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

	Quarterly Results			Twelve Months Results		
	4Q 2005	4Q 2004	YoY(%)	2005	2004	YoY(%)
Net Sales	247,178	152,776	61.8	797,237	533,861	49.3
Gross Profit	25,343	19,386	30.7	92,923	76,476	21.5
<i>% of sales</i>	<i>10.3%</i>	<i>12.7%</i>		<i>11.7%</i>	<i>14.3%</i>	
Operating Income	14,532	10,280	41.4	52,656	43,378	21.4
<i>% of sales</i>	<i>5.9%</i>	<i>6.7%</i>		<i>6.6%</i>	<i>8.1%</i>	
<i>per share (diluted)</i>	<i>\$0.33</i>	<i>\$0.24</i>	<i>37.5</i>	<i>\$1.22</i>	<i>\$1.02</i>	<i>19.6</i>
Net Income ^{(a)(b)}	12,700	(42,465)		51,306	66,885	
<i>% of sales</i>	<i>5.1%</i>	<i>(27.8%)</i>		<i>6.4%</i>	<i>12.5%</i>	
Basic earnings per share	\$0.29	(\$1.00)		\$1.19	1.57	
Diluted earnings per share	\$0.29	N/A		\$1.19	1.57	
Weighted average number of shares ('000)						
Basic	43,376	42,665		42,945	42,496	
Diluted	43,532	42,733		43,169	42,548	

Note:

(a) Included in net income in the fourth quarter of 2005 is a \$2.3 million realized loss on disposal of the Group's remaining interest in marketable securities - TCL Communication Technology Holdings Limited

(b) Reconciliation of GAAP and non-GAAP net income for the fourth quarter of 2005:

	<u>(USD Million)</u>	<u>(EPS Diluted USD)</u>
GAAP- based Net Income	12.7	0.29
Add back:		
- realized loss on disposal of marketable securities - TCL Communication Technology Holdings Limited ("TCL Communication")	2.3	0.05
Non-GAAP Net Income (see page 6)	15.0	0.34

After adjusting for the above item, the Company's non-GAAP diluted earnings per share for the fourth quarter of 2005 would have been \$0.34.

Our business growth strategies are to gain market share in the fast growing and high-tech key component sub-assemblies of telecommunication products and to achieve earnings growth. Our gross profit margin for the fourth quarter of 2005 was 10.3% as compared to 12.7% for the fourth quarter in 2004, which was within our expectations. Our gross profit increased by 30.7% from \$19.4 million in the fourth quarter of 2004 to \$25.3 million in the fourth quarter of 2005. By the same token, the operating income margin for the fourth quarter of 2005 was 5.9% as compared to 6.7% for the fourth quarter of 2004. The operating income increased by 41% from \$10.3 million in the fourth quarter of 2004 to \$14.5 million in the fourth quarter of 2005. The \$40.4 million of record-high net cash provided by operating activities in the fourth quarter of 2005 offers the Company a cash rich platform to augment its continued development and to support its high dividend payout policy.

The fourth quarter of 2005 is our fifth consecutive record sales quarter. Net sales of \$247 million in the fourth quarter exceeded the upper end of our sales guidance of \$200 million announced in the third quarter of 2005, an increase of 62% as compared to the same period in 2004. Our strong sales growth was still mainly driven by the continued growth of our key component sub-assemblies business. The diluted operating income per share increased by 37.5% to \$0.33 per share, which exceeded the fourth quarter upper guidance of \$0.28. The non-GAAP diluted earnings per share increased to \$0.34 per share as compared to the GAAP based diluted earnings per share of \$0.29, which also exceeded the Company's expectations.

“Intense market competition, persistently high oil prices and currency fluctuation undoubtedly posed challenges to the EMS industry. As a result, the performance of one of our subsidiaries was also adversely affected. Despite these factors, Nam Tai was still able to deliver another strong quarter both in sales and profitability in the fourth quarter of 2005 to complete an excellent year in 2005. Such a remarkable performance was attributable to the continued success of the Company's strategy of focusing on the fast growing and high-tech key component sub-assemblies of telecommunication products. In the fourth quarter of 2005, we are very pleased to see that sales of key component sub-assemblies significantly increased by 96% as compared with the same period in 2004,” said Mr. M.K. Koo, Chairman of Nam Tai.

“With our proven strategy, we have been able to continuously gain market share and increase our profitability. In 2005, we achieved our seventh consecutive year of sales growth with record sales of \$797 million, an increase of 49.3% as compared to 2004 and exceeded our guidance of 30% to 35% sales growth in 2005. This was also our fourth consecutive year of increasing operating income. Operating income for 2005 was \$52.6 million, an increase of 21.4% over the prior year. 2005 was another fruitful year for Nam Tai, which progressed along its expansion roadmap and laid down the foundation for its future success,” continued Mr. Koo.

Company Outlook

Nam Tai will build upon its business momentum in 2005 to further the Company's growth in 2006 and beyond. The growth will be continuously driven by the key component sub-assemblies business. The Company is confident of maintaining its long-term target growth rate for sales of over 25% per annum for the coming years.

“Going forward, competition in the EMS industry will remain fierce. The Company will continue its strategy of focusing on the fast growing and high-tech key component sub-assemblies business, and hence achieving its earnings growth in cash. With its main focus of delivering encouraging growth in

both top and bottom line results, the Company strongly believes that it will pave the way for another new phase of corporate growth for Nam Tai and generate even better long-term returns for its shareholders. Looking forward, the management team has full confidence of continuous growth in business and profitability,” continued Mr. Koo.

“Regarding the acquisition of approximately 1.3 million square feet of land in the PRC for the Company’s future expansion, the transaction is progressing smoothly and is close to finalization. With the new piece of land for expansion and our strong cash position, we are well equipped for sustainable growth in the next five to seven years,” concluded Mr. Koo.

Nam Tai’s sales are seasonally lower in the first quarter. However, encouraged by the Company’s successful results in the fourth quarter of 2005, the Company is pleased to provide its projection for the first quarter of 2006 based on current market conditions and its order situation as follows:

(In millions of US Dollars, except for earnings per share)

	1Q 2006 (Estimated)	1Q 2005 (Actual)	4Q 2005 (Actual)
Sales	>\$200	\$157	\$247
Gross Profit Margin	>9.0%	11.7%	10.3%
Operating Income per Share (diluted) ^{(a)(b)}	>\$0.23	\$0.23	\$0.33
Non-GAAP Earnings per Share (diluted) ^{(a)(b)(c)}	>\$0.22	\$0.18	\$0.34

Note:

- (a) The operating income per share and non-GAAP earnings per share estimate and comparative figures for prior periods may exclude certain income and expenses to better assess operating performance (see page 6).
- (b) The diluted operating income per share and non-GAAP diluted earnings per share will be affected by any future changes in total number of outstanding shares and options.
- (c) The non-GAAP earnings per share estimate is calculated with a current minority interest of approximately 30.5% in NTEEP and approximately 28.4% in JIC. Minority interest may fluctuate within and between quarters.

Dividend Increase in 2006

The Company is pleased to announce its thirteenth consecutive annual increase in dividends. Taking into account our historically high cash position, the Board of Directors has decided to pay a special dividend to celebrate Nam Tai’s thirtieth founding anniversary and its fifth consecutive quarter of record-breaking sales. Based on the dividend formula announced in 2005 and the special dividend just announced, the dividend payable in 2006 will be \$1.52 per share, which consists of:

1. Two-thirds of operating income for 2005		\$0.80
2. One-third of other income for		
• 2005	\$0.00	
• 2004	<u>0.64</u>	0.64
3. Special dividend		<u>0.08</u>
Total		<u>\$1.52</u>

This represents an increase of 15% over the 2005 dividend of \$1.32 per share. The increase in dividend is a reward for the loyalty and support of the shareholders on the Company, which will not affect the continuous growth of the Company.

The dividend of \$1.52 per share will be paid in equal amounts of \$0.38 per share in approximately 21 days after the end of each quarter of 2006.

Update on investments of the Company

The Company did not make any direct or indirect investments during 2005. After the disposal of its entire stake in Alpha Star Investments Limited (“Alpha Star”) in the third quarter of 2005 and TCL Communication in the fourth quarter of 2005, respectively, the Company currently only has an indirect investment in TCL Corp. through one of its subsidiaries. The estimated fair value of the investment in TCL Corp. in the books of the Company as at December 31, 2005 was \$13.3 million (before minority interest).

The Company disposed of its entire stake in Alpha Star with total sales proceeds of \$6.5 million resulting in an accumulated net realized loss of \$3.5 million (represented by \$0.4 million profit in 2003, \$6.9 million loss in 2004 and \$3.0 million net gain in 2005) since the Company first made the investment for the cost of \$10.0 million in 2003. The Company also disposed of its entire stake in TCL Communication for total sales proceeds of approximately of \$11.0 million which resulted in a net realized loss of \$68.5 million (including \$58.3 million impairment loss during the fourth quarter of 2004 and \$10.2 million realized loss and impairment loss during 2005) as compared to the cost of investment of \$79.5 million. The loss on the disposal of our investment in TCL Communication did not have material impact to our cash position.

Sarbanes–Oxley Act

The Company is working towards full compliance with the relevant sections of the Sarbane-Oxley Act in accordance with the timetable set out by the relevant regulations.

Supplementary Information (Unaudited) for the Fourth Quarter of 2005

1. Quarterly Net Sales Breakdown (In Thousands of US Dollars)

Quarter	2005	2004	YoY(%) (Quarterly)	YoY(%) (Quarterly accumulated)
1 st Quarter	156,923	95,435	64.4	64.4
2 nd Quarter	185,277	147,664	25.5	40.8
3 rd Quarter	207,859	137,986	50.6	44.3
4 th Quarter	247,178	152,776	61.8	49.3
Total	797,237	533,861		

2. Net Sales Breakdown by Product Segment

Segment	2005		2004	
	4Q (%)	YTD (%)	4Q (%)	YTD (%)
Consumer Electronics and Communication Products :				
- Consumer Electronics and Communication Products	16%	20%	28%	31%
- Software Development Services	1%	1%	1%	1%

Telecom. Components Assembly	77%	72%	64%	59%
Parts & Components: - LCD Panels	6%	7%	7%	9%
	100%	100%	100%	100%

3. Key Highlight of Financial Position

	As at December 31 2005	As at December 31 2004
Cash on Hand	\$213.8 million	\$160.6 million
Marketable Securities	\$13.3 million	\$41.9 million
Cash/Current Liabilities	1.30	1.38
Current Ratio	2.42	2.87
Total Assets/Total Liabilities	3.10	3.79
Return on Equity	16.7%	25.6%
Total Liabilities/Equity	0.54	0.40
Debtors Turnover	58 days	62 days
Inventory Turnover	16 days	18 days
Average Payable Period	63 days	72 days

With \$40.4 million of record-high net cash provided by operating activities in the fourth quarter of 2005, the Company continues to maintain a strong financial position even after the payment of \$14.3 million in dividends for the third quarter of 2005 during the fourth quarter of 2005. Moreover, the Company's other financial ratios remain healthy.

Fourth Quarter Results Analyst Conference Call

The Company will hold a **conference call on Monday, February 13, 2006 at 10:00 a.m. Eastern Time** for analysts to discuss the fourth quarter results with management. Shareholders, media, and interested investors may listen to the live conference call over the Internet by going to www.namtai.com and clicking on the conference call link or over the phone by dialing (612) 288-0329 just prior to its start time. Users will be asked to register with the conference call operator.

First Quarter Results Release Date

The Company will be releasing its first quarter 2006 results on Monday, May 15, 2006.

About Nam Tai Electronics, Inc.

We are an electronics manufacturing and design services provider to a select group of the world's leading OEMs of telecommunications and consumer electronic products. Through our electronics manufacturing services operations, we manufacture electronic components and sub-assemblies, including LCD panels, LCD modules, RF modules, FPC sub-assemblies and image sensors modules. These components are used in numerous electronic products, including cellular phones, laptop computers, digital cameras, copiers, fax machines, electronic toys, handheld video game devices and microwave ovens. We also manufacture finished products, including cellular phones, palm-sized PCs, personal digital assistants, electronic dictionaries, calculators, digital camera accessories and Bluetooth™ wireless headset accessory for use with cellular phones.

Nam Tai has two Hong Kong listed subsidiaries, Nam Tai Electronic & Electrical Products Limited (“NTEEP”) and J.I.C. Technology Company Limited (“JIC”). Interested investors may go to the website of The Stock Exchange of Hong Kong at www.hkex.com.hk to obtain the information. The stock codes of NTEEP and JIC in The Stock Exchange of Hong Kong are 2633 and 987, respectively. Investors are reminded to exercise caution when assessing such information and not to deal with the shares of the Company based solely upon reliance on such information.

Non-GAAP Information

In addition to disclosing results determined in accordance with accounting principles generally accepted in the United States (“US GAAP”), Nam Tai also discloses non-GAAP results of operations that exclude certain items. By disclosing this non-GAAP information, management intends to provide investors with additional information to further analyze the Company's performance, core results and underlying trends. Management utilizes a measure of net income and earnings per share on a non-GAAP basis that excludes certain income/charges to better assess operating performance. Earnings guidance is provided only on a non-GAAP basis due to the inherent difficulty in forecasting such income/charges. Consistent with industry practice, management has historically applied these non-GAAP measures when discussing earnings or earnings guidance and intends to continue doing so.

Non-GAAP information is not determined using US GAAP; therefore, the information is not necessarily comparable to other companies and should not be used to compare the company's performance over different periods. Non-GAAP information should not be viewed as a substitute for, or superior to, net income or other data prepared in accordance with US GAAP as measures of our profitability or liquidity. Users of this financial information should consider the types of events and transactions for which adjustments have been made. See the tables in the press release for a reconciliation of non-GAAP amounts to amounts reported under US GAAP.

Forward-Looking Statements

Certain statements in this press release are "forward-looking statements" within the meaning of U.S. federal securities laws. Nam Tai intends that these statements be covered by the safe harbors created under these laws. These forward-looking statements are, by their nature, subject to risks, uncertainties and other factors that could cause the actual results to differ materially from future results expressed or implied by the forward-looking statements. These forward-looking statements include, without limitation, statements relating to the Company's projected sales, projected gross profit margin, projected operating income per share (diluted) and projected non-GAAP earnings per share (diluted) for the first quarter of 2006, plans relating to the expansion of the Company's business. These forward-looking statements reflect our current views with respect to future events and are not a guarantee of our future performance. There are important factors that could cause the actual results to differ materially from the information set forth in these forward-looking statements. Given these uncertainties, readers are cautioned not to place undue reliance on the forward-looking statements which only speak as of the date of this press release. Because of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this news release might not occur the way we expect, or at all. Nam Tai does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. These factors include, without limitation, lower than expected sales in the first quarter of 2006, unexpected changes to the Company's cash position, general economic, market and business conditions and other factors beyond the Company's control.

NAM TAI ELECTRONICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED DECEMBER 31, 2005 AND 2004
(In Thousands of US Dollars except share data)

	<i>Three months ended</i>		<i>Twelve months ended</i>	
	<i>December 31</i>		<i>December 31</i>	
	2005	2004	2005	2004
	Unaudited	Unaudited	Unaudited	Audited
Net sales – related parties	\$ 21	\$ 5,260	\$ 6,195	\$ 34,181
Net sales – third parties	247,157	147,516	791,042	499,680
Total net sales	247,178	152,776	797,237	533,861
Cost of sales	221,835	133,390	704,314	457,385
Gross profit	25,343	19,386	92,923	76,476
Costs and expenses				
Selling, general and administrative expenses	8,658	7,674	33,057	28,053
Research and development expenses	2,153	1,432	7,210	5,045
	10,811	9,106	40,267	33,098
Operating income	14,532	10,280	52,656	43,378
Other income (expenses) – net	517	(545)	454	17,283
Gain on partial disposal of subsidiaries	-	6,249	10,095	77,320
Gain on disposal of investment in an affiliated company	-	-	3,631	-
Impairment loss on marketable securities	-	(58,316)	(6,525)	(58,316)
Realized loss on marketable securities	(2,265)	-	(3,686)	-
Interest income	1,474	523	3,948	1,110
Interest expense	(136)	(68)	(438)	(195)
Income (loss) before income taxes and minority interests	14,122	(41,877)	60,135	80,580
Income taxes	(140)	840	(651)	(879)
Income (loss) before minority interests and equity in loss of an affiliated company	13,982	(41,037)	59,484	79,701
Minority interests	(1,282)	(1,428)	(7,992)	(6,010)
Income after minority interests	12,700	(42,465)	51,492	73,691
Equity in loss of an affiliated company	-	-	(186)	(6,806)
Net income (loss)	\$ 12,700	\$ (42,465)	\$ 51,306	\$ 66,885
Net income (loss) per share				
Basic	\$ 0.29	\$ (1.00)	\$ 1.19	\$ 1.57
Diluted	\$ 0.29	\$ N/A	\$ 1.19	\$ 1.57
Weighted average number of shares ('000')				
Basic	43,376	42,665	42,945	42,496
Diluted	43,532	42,733	43,169	42,548

NAM TAI ELECTRONICS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31, 2005 AND DECEMBER 31, 2004
(In Thousands of US Dollars)

	<i>December 31,</i> 2005 Unaudited	<i>December 31,</i> 2004 Audited
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 213,843	\$ 160,649
Marketable securities	13,330	41,906
Accounts receivable, net	125,662	90,362
Amount due from a related party	-	66
Inventories	31,744	23,096
Prepaid expenses and other receivables	1,490	12,087
Income taxes recoverable	2,671	6,566
Asset held for sale	10,912	-
Total current assets	<u>399,652</u>	<u>334,732</u>
Investment in an affiliated company	-	3,049
Property, plant and equipment, at cost	174,083	158,147
Less: accumulated depreciation and amortization	<u>(72,342)</u>	<u>(60,706)</u>
	100,741	97,441
Deposits for property, plant and equipment	1,250	7,701
Intangible assets	17,068	16,290
Other assets	1,300	1,260
Total assets	<u>\$ 520,011</u>	<u>\$ 460,473</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	\$ 4,813	\$ 2,080
Short term bank loans	2,275	-
Long term bank loans – current portion	2,312	2,875
Accounts payable	121,608	89,570
Accrued expenses and other payables	19,447	16,661
Dividend payable	14,357	5,120
Income taxes payable	166	183
Total current liabilities	<u>164,978</u>	<u>116,489</u>
Long-term bank loans – non-current portion	<u>2,850</u>	<u>5,163</u>
Total liabilities	<u>167,828</u>	<u>121,652</u>
Minority interests	41,792	33,768
Shareholders' equity:		
Common shares	435	426
Additional paid-in capital	258,167	241,756
Retained earnings	50,771	56,324
Accumulated other comprehensive income (Note 1)	1,018	6,547
Total shareholders' equity	<u>310,391</u>	<u>305,053</u>
Total liabilities and shareholders' equity	<u>\$ 520,011</u>	<u>\$ 460,473</u>

NAM TAI ELECTRONICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED DECEMBER 31, 2005 AND 2004

(In Thousands of US Dollars)

	<i>Three months ended</i>		<i>Twelve months ended</i>	
	<i>December 31</i>		<i>December 31</i>	
	2005	2004	2005	2004
	Unaudited	Unaudited	Unaudited	Audited
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	\$ 12,700	\$ (42,465)	\$ 51,306	\$ 66,885
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>				
Depreciation and amortization of property, plant and equipment	4,341	3,737	16,824	13,924
Amortization and impairment loss of intangible assets	-	22	459	92
Net loss (gain) on disposal of property, plant and equipment	87	376	(563)	347
Gain on disposal of other asset	-	(19)	-	(19)
Gain on partial disposal of subsidiaries	-	(6,249)	(10,095)	(77,320)
Loss on disposal of long term investment	-	-	-	67
Gain on disposal of investment in an affiliated company	-	-	(3,631)	-
Impairment loss on marketable securities	-	58,316	6,525	58,316
Realized loss on marketable securities	2,265	-	3,686	-
Equity in loss of an affiliated company	-	-	186	6,806
Exchange differences	(81)	-	206	-
Dividend income	-	-	-	(15,913)
Minority interests	1,282	1,428	7,992	6,010
Deferred income taxes	-	(78)	-	(78)
Changes in current assets and liabilities:				
Increase in accounts receivable	(5,978)	(16,531)	(35,300)	(28,272)
(Increase) Decrease in amount due from a related party	-	(66)	66	2,641
Decrease (Increase) in inventories	3,292	5,153	(8,648)	3,936
Decrease in prepaid expenses and other receivables	129	578	377	2,654
Decrease (Increase) in income taxes recoverable	6,270	210	3,895	(1,644)
Increase (Decrease) in notes payable	1,120	(1,658)	2,733	201
Increase in accounts payable	15,059	33,044	32,038	33,896
(Decrease) Increase in accrued expenses and other payables	(74)	1,963	2,786	3,028
Decrease in amount due to a related party	-	(288)	-	-
Decrease in income taxes payable	(40)	(1,011)	(17)	(347)
Total adjustments	27,672	78,927	19,519	8,325
Net cash provided by operating activities	\$ 40,372	\$ 36,462	\$ 70,825	\$ 75,210
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of marketable securities	\$ -	\$ -	\$ -	\$ (25,084)
Purchase of property, plant and equipment	(8,659)	(14,396)	(32,166)	(38,611)
Deposit for purchase of property, plant & equipment	(107)	2,736	6,451	(4,374)
Increase in other assets	(40)	(37)	(40)	(37)
Proceeds from disposal of investment in other assets	-	231	-	231
Proceeds from disposal of property, plant and equipment	8	1,498	1,788	4,546
Proceeds from disposal of long term investment	-	385	-	5,609
Proceeds from disposal of marketable securities	3,416	-	10,995	-
Proceeds from disposal of affiliated company	-	-	6,494	-
Proceeds from partial disposal of subsidiaries	-	2,682	25,218	95,449
Net cash (used in) provided by investing activities	\$ (5,382)	\$ (6,901)	\$ 18,740	\$ 37,729
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash dividends paid	\$ (14,297)	\$ (5,120)	\$ (51,984)	\$ (19,414)
Repayment of bank loans	(3,118)	(606)	(5,375)	(5,375)
Proceeds from bank loans	2,274	1,800	4,774	10,600
Proceeds from shares issued on exercise of options	3,492	-	16,420	72
Net cash used in financing activities	\$ (11,649)	\$ (3,926)	\$ (36,165)	\$ (14,117)
Net increase in cash and cash equivalents	23,341	25,635	53,400	98,822
Cash and cash equivalents at beginning of period	190,421	135,014	160,649	61,827
Effect of exchange rate changes on cash and cash equivalents	81	-	(206)	-
Cash and cash equivalents at end of period	\$ 213,843	\$ 160,649	\$ 213,843	\$ 160,649

NAM TAI ELECTRONICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIODS ENDED DECEMBER 31, 2005 AND 2004

(In Thousands of US Dollars)

1. Accumulated other comprehensive income represents foreign currency translation adjustments and unrealized loss on marketable securities. The comprehensive income of the Company was \$45,777 (including an unrealized loss on marketable securities of \$5,602 in relation to TCL Corp. and foreign currency translation adjustments of \$73) and \$73,434 for the twelve months ended December 31, 2005 and December 31, 2004, respectively.
2. Business segment information – The Company operates primarily in three segments, the Consumer Electronics and Communication Products (“CECP”) segment, Telecom. Components Assembly (“TCA”) segment, and the LCD Panels (“LCDP”) segment.

	<i>Three months ended</i>		<i>Twelve months ended</i>	
	<i>December 31</i>		<i>December 31</i>	
	2005	2004	2005	2004
	Unaudited	Unaudited	Unaudited	Audited
NET SALES:				
- CECP	\$ 40,731	\$ 43,536	\$ 169,056	\$ 168,456
- TCA	192,497	98,019	570,069	316,695
- LCDP	13,950	11,221	58,112	48,710
Total net sales	<u>\$ 247,178</u>	<u>\$ 152,776</u>	<u>\$ 797,237</u>	<u>\$ 533,861</u>
NET INCOME (LOSS):				
- CECP	\$ 2,455	\$ 4,806	\$ 16,830	\$ 20,503
- TCA	10,871	5,847	32,401	21,631
- LCDP	428	(357)	3,224	2,098
- Corporate	(1,054)	(52,761)	(1,149)	22,653
Total net income (loss)	<u>\$ 12,700</u>	<u>\$ (42,465)</u>	<u>\$ 51,306</u>	<u>\$ 66,885</u>

	<i>Dec. 31,</i>	<i>Dec. 31,</i>
	2005	2004
	Unaudited	Audited
IDENTIFIABLE ASSETS BY SEGMENT:		
- CECP	\$ 148,173	\$ 138,691
- TCA	170,624	127,261
- LCDP	57,736	51,336
- Corporate	143,478	143,185
Total assets	<u>\$ 520,011</u>	<u>\$ 460,473</u>

3. The following is a summary of the net sales, net income and long-lived assets by geographical area. Geographical area is determined by the place of delivery, as requested by the customer, and does not necessarily represent the geographical location of our customers, or the ultimate destination of products :

	<i>Three months ended</i>		<i>Twelve months ended</i>	
	<i>December 31</i>		<i>December 31</i>	
	2005	2004	2005	2004
	Unaudited	Unaudited	Unaudited	Audited
NET SALES FROM OPERATIONS WITHIN:				
- Hong Kong and Macao				
Unaffiliated customers	\$ 13,950	\$ 11,221	\$ 58,112	\$ 48,710
Inter-companies sales	148	113	670	563
- PRC, excluding Hong Kong and Macao				
Unaffiliated customers	233,207	136,295	732,930	450,970
Related party	21	5,260	6,195	34,181
Inter-companies sales	-	-	-	4,393
- Inter-companies eliminations	(148)	(113)	(670)	(4,956)
Total net sales	<u>\$ 247,178</u>	<u>\$ 152,776</u>	<u>\$ 797,237</u>	<u>\$ 533,861</u>
NET INCOME (LOSS) WITHIN:				
- PRC, excluding Hong Kong and Macao	\$ 7,541	\$ 4,999	\$ 31,354	\$ 30,981
- Macao	10,623	5,621	32,285	16,240
- Hong Kong	(5,464)	(53,085)	(12,333)	19,664
Total net income (loss)	<u>\$ 12,700</u>	<u>\$ (42,465)</u>	<u>\$ 51,306</u>	<u>\$ 66,885</u>
			<i>Dec. 31,</i>	<i>Dec. 31,</i>
			2005	2004
			Unaudited	Audited
LONG-LIVED ASSETS WITHIN:				
- PRC, excluding Hong Kong and Macao			\$ 100,372	\$ 84,453
- Macao			88	134
- Hong Kong			281	12,854
Total long-lived assets			<u>\$ 100,741</u>	<u>\$ 97,441</u>