

NAM TAI ELECTRONICS INC  
Form 20-F  
March 16, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 20-F**

(Mark one)

**REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the fiscal year ended December 31, 2011

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from            to

**OR**

**SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
Date of event requiring this shell company report

Commission File Number: 001-31583

**Nam Tai Electronics, Inc.**

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(Exact name of registrant as specified in its charter)

**British Virgin Islands**

(Jurisdiction of incorporation or organization)

**Gushu Industrial Estate,**

**Xixiang,**

**Baoan, Shenzhen,**

**People's Republic of China**

(Address of principal executive offices)

**Paul Lau, Corporate Secretary**

**Unit 1201, 12<sup>th</sup> Floor, Tower 1, Lippo Centre,**

**89 Queensway, Admiralty, Hong Kong**

**Tele: (852) 2341 0273; Fax (852) 2263 1001;**

**E-mail: paul@namtai.com.hk**

(Name, telephone, e-mail and/or facsimile

number and address of company contact person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

<b>Title of Each Class</b>	<b>Name of each exchange on which registered</b>
Common shares, \$0.01 par value per share Securities registered pursuant to Section 12(g) of the Act.	New York Stock Exchange

**None.**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

**None.**

**As of December 31, 2011 there were 44,803,735 common shares of the registrant outstanding.**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.  Yes  No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP  International Financial Reporting Standards as issued by the International Accounting Standards Board  Other

If Other has been checked, indicate by check mark which financial statement item the registrant has elected to follow:  Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

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**NOTE REGARDING USE OF FORWARD LOOKING STATEMENTS**

This Annual Report on Form 20-F (this Report) contains forward-looking statements. The words believe, may, will, aim, estimate, contain, anticipate, intend, expect, forecast and similar words are intended to identify forward-looking statements. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, the effects of future regulation and the effects of competition. We have based these forward-looking statements largely on our current beliefs, expectations and projections about future events and financial trends affecting our business. These statements are subject to many important factors, certain risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements. Factors that might cause such a difference include, but are not limited to those discussed in the section entitled Risk Factors under ITEM 3. Key Information.

Readers should not place undue reliance on forward-looking statements, which reflect management's view only as of the date of this Report. The Company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in management's expectations. Readers should also carefully review the risk factors described in other documents the Company files from time to time with the U.S. Securities and Exchange Commission, which we refer to in this Report as the SEC.

**FINANCIAL STATEMENTS AND CURRENCY PRESENTATION**

The Company prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and publishes its financial statements in United States dollars.

**INTRODUCTION**

Except where the context otherwise requires and for purposes of this Report only:

we, us, our company, our, the Company and Nam Tai refer to Nam Tai Electronics, Inc. and, in the context of describing our operations, also include our PRC operating companies;

shares refer to our common shares, \$0.01 par value;

China or PRC refers to the People's Republic of China, excluding Taiwan, Hong Kong and Macao;

Taiwan refers to the Taiwan province of the People's Republic of China;

Hong Kong refers to the Hong Kong Special Administrative Region of the People's Republic of China and HK\$ refers to the legal currency of Hong Kong;

Macao refers to the Macao Special Administrative Region of the People's Republic of China; and

all references to Renminbi, RMB or yuan are to the legal currency of China; all references to U.S. dollars, dollars, \$ or US\$ are to the legal currency of the United States.

*Note with respect to our use of Bluetooth: The Bluetooth® word mark and logos are owned by the Bluetooth SIG, Inc. and any use of such marks by Nam Tai is under license. Other trademarks and trade names used in this Report, if any, are those of their respective owners.*



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**PART I**

**ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS**

Not applicable to Nam Tai.

**ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

Not applicable to Nam Tai.

**ITEM 3. KEY INFORMATION**

Our historical consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP, and are presented in U.S. dollars. The following selected consolidated statements of income data for each of the three years in the period ended December 31, 2011 and the consolidated balance sheets data as of December 31, 2010 and 2011 are derived from our consolidated financial statements and notes thereto included in this Report. The selected consolidated statements of income data for each of the two-year periods ended December 31, 2007 and 2008 and the consolidated balance sheets data as of December 31, 2007, 2008 and 2009 were derived from our audited financial statements, which are not included in this Report. The following data should be read in conjunction with the Section of the Report entitled ITEM 5. Operating and Financial Review and Prospects and our consolidated financial statements including the related footnotes which are included in the F pages of this Report immediately following page 78.

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Consolidated statements of income data:	2007	Year ended December 31,				2011
		2008	2009	2010	(in thousands, except per share data)	
Net sales	\$ 780,822	\$ 622,852	\$ 408,137	\$ 534,420	\$ 602,317	
Cost of sales	(693,804)	(552,174)	(367,817)	(483,126)	(574,228)	
Gross profit	87,018	70,678	40,320	51,294	28,089	
Operating expenses:						
General and administrative expenses <sup>(1)(2)</sup>	(29,986)	(29,112)	(28,393)	(25,232)	(27,325)	
Selling expenses <sup>(1)</sup>	(6,564)	(6,945)	(5,266)	(5,504)	(5,902)	
Research and development expenses	(9,798)	(10,890)	(6,273)	(5,757)	(3,362)	
Impairment loss on goodwill		(17,345)			(2,951)	
Total operating expenses	(46,348)	(64,292)	(39,932)	(36,493)	(39,540)	
Income (loss) from operations	40,670	6,386	388	14,801	(11,451)	
Other income (expenses) net	2,219	6,428	(256)	3,972	9,760	
Gain on sale of subsidiaries shares	390	20,206				
Gain on disposal of marketable securities	43,815					
Interest income	9,163	6,282	818	1,484	2,728	
Interest expense	(452)	(356)	(202)			
Income before income tax	95,805	38,946	748	20,257	1,037	
Income tax expenses	(4,030)	(2,877)	(1,283)	(5,251)	(532)	
Consolidated net income (loss)	91,775	36,069	(535)	15,006	505	
Net (income) loss attributable to noncontrolling interests	(22,272)	(5,434)	2,187			
Net income attributable to Nam Tai shareholders	69,503	30,635	1,652	15,006	505	
Earnings per share:						
Basic	\$ 1.56	\$ 0.68	\$ 0.04	\$ 0.33	\$ 0.01	
Diluted	\$ 1.55	\$ 0.68	\$ 0.04	\$ 0.33	\$ 0.01	
Consolidated balance sheet data:	2007	2008	2009	2010	2011	
					(in thousands, except per share data)	
Cash and cash equivalents	\$ 272,459	\$ 237,017	\$ 182,722	\$ 228,067	\$ 118,510	
Fixed deposits maturing over three months			12,903		34,825	
Working capital <sup>(3)</sup>	266,306	239,037	197,718	222,234	148,562	
Land use rights and property, plant and equipment, net	98,599	121,660	121,406	101,159	161,295	
Total assets	544,818	514,061	403,924	450,780	457,743	
Short-term debt, including current portion of long-term debt	6,570	8,199			268	
Long-term debt, less current portion	1,558					
Total debt	8,128	8,199			268	
Total Nam Tai shareholders equity <sup>(4)</sup>	330,181	322,261	326,410	334,134	322,206	
Common shares	448	448	448	448	448	
Total dividend per share <sup>(5)</sup>	0.84	0.88		0.20	0.28	
Total number of common shares issued	44,804	44,804	44,804	44,804	44,804	

- (1) The Company's consolidated statements of income for years prior to 2009, as originally published, combined general and administrative expenses and selling expenses as a single line items labeled "Selling, general and administrative expenses". In the above presentation of Selected Financial Data and in the Company's consolidated financial statements included in this Report, such expenses have been presented separately to conform to the 2009, 2010 and 2011 presentation.
- (2) General and administrative expenses for the years ended December 31, 2009, 2010 and 2011 included employee severance benefits of \$5.1 million, \$0.7 million and \$3.0 million, respectively. General and administrative expenses for the years ended December 31, 2009 and 2010 also included accruals of \$0.8 million and \$0.8 million, respectively, for a compensation obligation payable to the Company's CFO at the end of three years of continuous service. In October 2010, the Company's compensation obligation payable at the end of three years to its CFO was terminated. In accordance with Staff Accounting Bulletin (SAB) Topics 1B.1 and 5T, Financial Accounting Standard Board (FASB) Accounting Standards Codification (ASC) 718-10-15-4, the aggregate of approximately \$1.6 million previously accrued on this



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obligation during the periods from March 1, 2009 through December 31, 2009 and from January 1, 2010 to September 30, 2010 was reclassified and added to additional paid-in capital on the Company's Balance Sheet as at December 31, 2010.

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- (3) Working Capital represents the excess of current assets over current liabilities.
- (4) In November 2009, Nam Tai successfully completed the privatization of Nam Tai Electronic & Electrical Products Limited, or NTEEP, by tendering for and acquiring the 25.12% of NTEEP that it did not previously own. This acquisition resulted in NTEEP becoming the Company's wholly-owned subsidiary. Beginning with its consolidated financial statements for the year ended December 31, 2009, Nam Tai reclassified non-controlling interests for years prior to 2009 as equity in accordance with FASB ASC 810-10-45-16 Consolidated-Overall-Other Presentation Matter Non-controlling Interest in a Subsidiary. The presentation in the table above includes such reclassification for 2007 and 2008. Total Nam Tai shareholders' equity at December 31, 2010 also included approximately \$1.6 million previously accrued on a compensation obligation payable to the Company's CFO, which was terminated in October 2010. See footnote (2) above.
- (5) For 2010 and 2011, the Company declared a dividend payable quarterly in 2011 and 2012, respectively. See the table entitled Dividends declared for 2012 in ITEM 8. Financial Information Dividends on page 62 of this Report for the schedule of dividend payments for 2012.

**Risk Factors**

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