



NAM TAI ELECTRONICS, INC.

WEB SITE: <http://www.namtai.com>

FOURTH QUARTER NEWS RELEASE

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NAM TAI ELECTRONICS, INC.

Q4 Sales up 60%, EPS UP 45% to \$0.16 vs. \$0.11
2000 Sales up 47%, EPS UP 109% to \$2.63 vs. \$1.26

VANCOUVER, CANADA February 12, 2001 -- Nam Tai Electronics, Inc. (“Nam Tai” or the “Company”) (NASDAQ/NM Symbol: NTAI and NTAIW; CBOE Symbol: QNA) today announced unaudited results for the fourth quarter ended December 31, 2000. Net sales for the fourth quarter of 2000 were a record of \$61.3 million, an increase of 60% compared to net sales of \$38.3 million for the fourth quarter of 1999. Operating income for the fourth quarter of 2000 increased to \$1.8 million (\$0.19 per share) compared to operating loss of \$0.7 million (\$0.08 loss per share) for the fourth quarter of 1999. Adjusted net income, which excludes the impact of amortization of goodwill and a loss on the sale of the remaining holdings in Group Sense (International) Ltd., increased 227% to \$3.3 million (\$0.34 per share) compared to \$1.0 million (\$0.11 per share) for the fourth quarter of 1999. Net income for the fourth quarter of 2000 increased 56% to \$1.6 million compared to \$1.0 million for the fourth quarter of 1999. Basic and diluted earnings per share for the fourth quarter of 2000 were \$0.16 versus \$0.11 for the fourth quarter of 1999.

Net sales for the twelve months ended December 31, 2000 increased 47% to \$213.7 million from \$145.1 million for the twelve months of 1999. Operating income for the twelve months of 2000 increased 26% to \$10.5 million (\$1.15 per share) compared to operating income for the twelve months of 1999 of \$8.3 million (\$0.89 per share). Adjusted net income, which excludes the impact of amortization of goodwill and a gain on the sale of holdings in Group Sense (International) Ltd., increased 15% to \$13.6 million (\$1.50 per share) compared to \$11.8 million (\$1.26 per share) for the twelve months of 1999. Net income for the twelve months of 2000 increased 103% to \$24.0 million compared to net income of \$11.8 million for the twelve months of 1999. Basic and diluted earnings per share for the twelve months of 2000 were \$2.63 and \$2.56 compared to \$1.26 and \$1.25 for the twelve months of 1999.

The Company continues to maintain a strong financial position, ending the fourth quarter of 2000 with \$5.77 of cash per share and approximately \$15.90 of net book value per share, based on 10,213,840 shares outstanding as at December 31, 2000. The Company, as at December 31, 2000, had a cash to current liabilities ratio of 1.29, a current ratio of 2.96, a total assets to total liabilities ratio of 4.53, approximately \$58.9 million of cash and, even after the acquisition of JIC, its year end net book value increased to \$162.4 million up from \$125.6 million at December 31, 1999 and its employee count increased from 2800 to 5200.

Forward Guidance

The Company guidance for revenue is \$340 - \$360 million in 2001 and \$560 - \$600 million in 2002.

Guidance for earnings per share is approximately \$2.25 - \$2.50 in 2001 and \$3.20 - \$3.50 in 2002.

By diversifying into telecommunication products and components, including cellular phone LCD modules and rechargeable battery packs, Nam Tai has surpassed its guidance for 2000 sales (\$170 - \$190 million) and profit (\$1.25 - \$1.40 EPS) even with a lower profit margin of 14.8%.

Nam Tai's sales have more than doubled, from \$102 million in 1998 to \$214 million in 2000. The Company expects this trend will continue, with growth in sales and earnings forecasted to exceed 50% in both 2001 and 2002. The forecasts are based on verbal commitments from customers, the increasing trend among Japanese manufacturers to outsource manufacturing to China, and additional sales from the Company's recent acquisition of the JIC Group of Companies.

The Company is focused on expanding its business and increasing its market share of components aimed at the cellular phone market. To facilitate this expansion and satisfy market demand for LCD modules, the Company has ordered four chip on glass ("COG") production lines, to be installed between February and the end of April 2001, increasing the total number of production lines from five lines to nine lines. The cost of all the necessary machinery, including fixtures, factory re-layout, installation and other incidentals is approximately \$10 million.

To provide additional capacity for 2002 sales forecasts the Company in November 2000 commenced construction of a five-storied, 138,000 square foot, electronics factory building. It will house a new clean room for advanced COG and chip on board machinery, room for additional surface mount technology ("SMT") production lines, and office space for the research and development department at a budgeted cost for building and equipment of \$15 million. An additional 6.5 acres of vacant adjacent land is reserved for future expansion. The Company's \$58.9 million of cash on hand is sufficient to finance the Company's existing capital expenditure plans.

Fourth Quarter Results Analyst Conference Call

The Company will hold a **conference call on Monday, February 12, 2001 at 10:00 a.m. Eastern Time** for analysts to discuss the fourth quarter and year end results and the outlook for 2001 with management. Shareholders, media, and interested investors are invited to listen to the live conference over the internet by clicking <http://www.videonewswire.com/NAM/021201/> or over the phone by dialing (612)-332-0637 just prior to its start time.

Nam Tai Electronics, Inc. is an electronics design and manufacturing service provider to some of the world's leading original equipment manufacturers. Nam Tai manufactures telecommunication products, palm-sized PCs, personal digital assistants, linguistic products, calculators, smart card readers and various components including LCD modules for cellular phones, lithium ion rechargeable battery packs, transformers and LCD panels. The Company utilizes advanced production technologies such as chip on board ("COB"), chip on glass ("COG"), surface mount technology ("SMT"), ball grid array ("BGA") tape automated bonding ("TAB") and outer lead bonding ("OLB") technologies and anisotropic conductive film ("ACF") heat seal technology. Further information is available from Nam Tai's website at www.namtai.com.

Except for the historical information contained herein, matters discussed in this press release are forward-looking statements. For example, the Company's forward guidance for 2001 and 2002 sales, gross margins and earnings per share guidance are forward-looking statements the results of which are

uncertain and dependant upon many factors including the level of overall growth in the electronics manufacturing services (“EMS”) industry, end-user demand, competitive pressures, component constraints, technological obsolescence, changes in general economic conditions, and currency fluctuations. Other factors that might cause differences in these and the other forward looking statements, include, but are not limited to, those discussed in the Company’s reports filed with the Securities and Exchange Commission from time to time, such as the factors set forth in Item 1 “Description of Business – Risk Factors” in the Company’s Annual Report on Form 20-F for the year ended December 31, 1999.

NAM TAI ELECTRONICS, INC.

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

FOR THE PERIODS ENDED DECEMBER 31, 2000 AND 1999

(In Thousands of US Dollars except per share data)

	<i>Three months ended</i>		<i>Twelve months ended</i>	
	<i>December 31</i>		<i>December 31</i>	
	2000	1999	2000	1999
Net sales	\$ 61,307	\$ 38,283	\$ 213,688	\$ 145,054
Cost of sales	53,086	33,513	182,096	120,074
Gross profit	8,221	4,770	31,592	24,980
Costs and expenses				
Selling, general and administrative expenses	5,477	4,604	17,646	14,913
Research and development expenses	915	886	3,489	2,624
Non-recurring income	-	-	-	(848)
	6,392	5,490	21,135	16,689
Income (loss) from operations	1,829	(720)	10,457	8,291
Gain on disposal of property, plant and equipment	-	-	355	302
Interest income	736	839	3,300	3,330
Other income (loss) – net	(1,487)	(419)	10,033	(1,331)
Equity in (loss) income of affiliated companies	(79)	886	(189)	1,146
Income before income taxes and minority interest	999	586	23,956	11,738
Income taxes benefit	597	439	33	60
Income before minority interest	1,596	1,025	23,989	11,798
Minority interest	(2)	-	12	-
Net income	\$ 1,594	\$ 1,025	\$ 24,001	\$ 11,798
Net income per share				
Basic	\$ 0.16	\$ 0.11	\$ 2.63	\$ 1.26
Diluted	\$ 0.16	\$ 0.11	\$ 2.56	\$ 1.25
Weighted average number of shares ('000')				
Basic	9,854	9,146	9,114	9,328
Diluted	10,097	9,336	9,375	9,417

NAM TAI ELECTRONICS, INC.
CONSOLIDATED BALANCE SHEETS

AS AT DECEMBER 31, 2000 AND DECEMBER 31, 1999

(In Thousands of US Dollars)

	Unaudited December 31 2000	Audited December 31 1999
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 58,896	\$ 54,215
Marketable securities	7,937	-
Accounts receivable, net	37,550	24,283
Inventories	27,172	10,901
Prepaid expenses and deposits	1,755	2,967
Income taxes recoverable	2,042	2,070
Total current assets	135,352	94,436
Investments in affiliated companies	2,054	17,308
Property, plant and equipment, at cost	76,255	65,076
Less: accumulated depreciation and amortization	(31,656)	(20,359)
	44,599	44,717
Intangible assets – net	24,996	839
Other assets	1,369	1,447
Total assets	\$ 208,370	\$ 158,747
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	\$ 1,499	\$ 6,949
Short term debt	24	-
Accounts payable and accrued expenses	40,224	25,504
Amount due to a related party	2,691	-
Dividend payable	904	718
Income taxes payable	442	-
Total current liabilities	45,784	33,171
Deferred income taxes	34	8
Minority interest	188	-
Total liabilities	46,006	33,179
Shareholders' equity:		
Common shares	102	88
Additional paid-in capital	105,963	80,870
Retained earnings	56,304	44,566
Accumulated other comprehensive income (Note 1)	(5)	44
Total shareholders' equity	162,364	125,568
Total liabilities and shareholders' equity	\$ 208,370	\$ 158,747

NAM TAI ELECTRONICS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED DECEMBER 31, 2000 AND 1999

(In Thousands of US Dollars)

	<i>Three months ended</i>		<i>Twelve months ended</i>	
	<i>December 31</i>		<i>December 31</i>	
	2000	1999	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	\$ 1,594	\$ 1,025	\$ 24,001	\$ 11,798
<i>Adjustments to reconcile net income to net cash provided by (used in) operating activities:</i>				
Depreciation and amortization	2,697	1,838	8,121	5,669
Loss (gain) on disposal of property, plant and equipment	11	115	(244)	(159)
Loss on disposal of a subsidiary	-	-	-	291
Unrealized gain on marketable securities	(432)	-	(432)	-
Loss (gain) on disposal of marketable securities	1,348	-	(9,435)	-
Gain on disposal of investment in an affiliated company	-	-	(1,346)	-
Equity in loss (income) of affiliated companies less dividend received and amortization	79	(599)	189	(859)
Fair value of shares issued as compensation	-	-	135	103
Deferred income taxes	(110)	(48)	(110)	(48)
Minority interest	2	-	(12)	-
<i>Changes in current assets and liabilities, net of effects of acquisition and disposal:</i>				
Decrease in marketable securities	-	96	-	287
Decrease (increase) in accounts receivable	4,858	(3,643)	(5,137)	(8,147)
Increase in inventories	(4,137)	(144)	(13,245)	(6,546)
Decrease (increase) in prepaid expenses and deposits	25	(1,490)	407	(896)
(Increase) decrease in income taxes recoverable	(210)	670	28	670
Increase (decrease) in notes payable	578	(6,853)	(6,331)	(329)
(Decrease) increase in accounts payable and accrued expenses	(7,140)	(6,839)	7,203	7,224
Increase in amount due to a related party	2,691	-	2,691	-
Decrease in income taxes payable	(462)	(378)	(114)	(105)
Total adjustments	(202)	(17,275)	(17,632)	(2,845)
Net cash provided by (used in) operating activities	\$ 1,392	\$ (16,250)	\$ 6,369	\$ 8,953
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash outflow on disposal of a subsidiary	\$ -	\$ (19)	\$ -	\$ (19)
Purchase of marketable securities	(4)	-	(7,504)	-
Purchase of property, plant and equipment	(1,310)	(2,708)	(3,579)	(17,888)
Proceeds from disposal of marketable securities	1,625	-	24,213	-
Proceeds from disposal of investment in an affiliated company	-	-	3,875	-

Proceeds from disposal of property, plant and equipment	-	1	388	322
(Increase) decrease in other assets	(36)	(121)	123	(53)
Acquisition of subsidiaries	(7,872)	-	(7,872)	-
Acquisition of business	-	23	-	(951)
Purchase of interest in an affiliated company	-	-	(2,243)	-
Net cash (used in) provided by investing activities	<u>\$ (7,597)</u>	<u>\$ (2,824)</u>	<u>\$ 7,401</u>	<u>\$ (18,589)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Notes payable	\$ -	\$ 6,949	\$ -	\$ 6,949
Share buy-back program	-	(6,049)	(73)	(10,260)
Repayment of short term debt	(1)	-	(1)	-
Redemption of shares	-	-	-	(1,549)
Proceeds from shares issued on exercise of options and warrants	1,289	388	2,754	394
Contribution by minority interest	-	-	200	-
Dividends paid	(793)	(716)	(11,973)	(2,889)
Net cash provided by (used in) financing activities	<u>\$ 495</u>	<u>\$ 572</u>	<u>\$ (9,093)</u>	<u>\$ (7,355)</u>
Foreign currency translation adjustments	9	(1)	4	(9)
Net (decrease) increase in cash and cash equivalents	<u>(5,701)</u>	<u>(18,503)</u>	<u>4,681</u>	<u>(17,000)</u>
Cash and cash equivalents at beginning of period	<u>64,597</u>	<u>72,718</u>	<u>54,215</u>	<u>71,215</u>
Cash and cash equivalents at end of period	<u>\$ 58,896</u>	<u>\$ 54,215</u>	<u>\$ 58,896</u>	<u>\$ 54,215</u>

NAM TAI ELECTRONICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE PERIODS ENDED DECEMBER 31, 2000 AND 1999

(In Thousands of US Dollars)

1. Accumulated other comprehensive income represents foreign currency translation adjustments. The comprehensive income of the Company was \$23,952 and \$11,797 for the twelve months ended December 31, 2000 and December 31, 1999, respectively.
2. Business segment information – The Company operates principally in the consumer electronic product segment of the electronics manufacturing services (“EMS”) industry. A summary of the net sales, income from operations and identifiable assets by geographic areas is as follows:

	<i>Three months ended</i>		<i>Twelve months ended</i>	
	<i>December 31</i>		<i>December 31</i>	
	2000	1999	2000	1999
NET SALES FROM OPERATIONS WITHIN:				
- Hong Kong:				
Unaffiliated customers	\$ 55,341	\$ 37,589	\$ 202,364	\$ 142,347
- PRC, excluding Hong Kong:				
Unaffiliated customers	5,966	694	11,324	2,707
Intersegment sales	42,216	39,452	180,065	136,648
- Intersegment eliminations	<u>(42,216)</u>	<u>(39,452)</u>	<u>(180,065)</u>	<u>(136,648)</u>
Total net sales	<u>\$ 61,307</u>	<u>\$ 38,283</u>	<u>\$ 213,688</u>	<u>\$ 145,054</u>
INCOME (LOSS) FROM OPERATIONS WITHIN:				
- PRC, excluding Hong Kong	\$ 227	\$ 954	\$ 6,549	\$ 7,341
- Hong Kong	1,367	71	17,452	4,462
- Canada	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5)</u>
Total net income	<u>\$ 1,594</u>	<u>\$ 1,025</u>	<u>\$ 24,001</u>	<u>\$ 11,798</u>

	<i>As at</i>	<i>As at</i>
	<i>Dec 31,</i>	<i>Dec 31,</i>
	2000	1999
IDENTIFIABLE ASSETS BY GEOGRAPHIC AREA:		
- PRC, excluding Hong Kong	\$ 71,242	\$ 55,962
- Hong Kong	137,128	102,785
Total assets	<u>\$ 208,370</u>	<u>\$ 158,747</u>