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NAM TAI ELECTRONICS, INC.

Q1 Operating Income Up 183% to \$8.9 Million vs. \$3.1 Million, EPS \$0.83 vs. \$0.40

VANCOUVER, CANADA -- April 25, 2003 -- Nam Tai Electronics, Inc. (“Nam Tai” or the “Company”) (NYSE Symbol: NTE; CBOE Symbol: QNA) announced unaudited results for the first quarter ended March 31, 2003. Net sales of \$88.0 million for the first quarter of 2003 was up 71.8% as compared to net sales of \$51.2 million for the first quarter of 2002. Income from operations for the first quarter of 2003 was \$8.9 million (\$0.72 per share) compared to income from operations of \$3.1 million (\$0.30 per share) in the first quarter of 2002. Net income for the first quarter of 2003 was \$10.2 million, an increase of 144.6% compared to net income of \$4.2 million in the first quarter of 2002. Basic and diluted earnings per share for the first quarter of 2003 were \$0.84 and \$0.83, respectively, compared to \$0.41 and \$0.40, respectively, in the first quarter of 2002.

The Company continues to maintain a strong financial position, with \$5.04 of cash per share and \$17.52 of net book value per share, based on 12,130,668 shares outstanding as at March 31, 2003. The Company, as at March 31, 2003, had a cash to current liabilities ratio of 0.87, a current ratio of 2.26, a total assets to total liabilities ratio of 3.95, and approximately \$61.1 million of cash on hand.

Supplementary Information (unaudited) for the First Quarter of 2003

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

Quarter	2001	2002	2003	YoY(%)
1 st Quarter	51,487	(a)51,217	87,981	71.8%
2 nd Quarter	55,882	52,311		
3 rd Quarter	59,551	56,872		
4 th Quarter	67,086	75,616		
Total	234,006	236,016	87,981	

Note (a):

Sales of battery packs for the first quarter of 2002 were \$5,096K. Upon disposal of BPC on April 30, 2002, revenue from battery packs was no longer included in the total sales.

2. Net Sales Breakdown by Product Segment

Segment	2003		2002	
	1st Quarter (%)	YTD (%)	1st Quarter (%)	YTD (%)
Assembling:				
- LCD Consumer Products	41%	41%	36%	36%
- Telecom. Components Assembly	46%	46%	52%	52%
Software Development Services	1%	1%	1%	1%
Parts & Components :				
- LCD Panels	8%	8%	7%	7%
- Transformers	4%	4%	4%	4%
	100%	100%	100%	100%

Assembling included finished goods and modules, together with Software Development Services collectively termed as Consumer Electronic Products (“CEP”), while parts and components including LCD panels and transformers are termed (“LPT”) for business segment classification.

SARS Update

Today, the recent outbreak of severe acute respiratory syndrome or SARS (“the Outbreak”) has already caused an adverse impact on the worldwide economy and aroused severe public concern. According to latest press reports, which are to the Company’s comfort, the magnitude of the Outbreak in the southern part of China and Hong Kong seems to have been stabilized and controlled.

Anyway, the Company has, since February, set up a special committee to closely monitor the situation and has taken a number of necessary and appropriate preventive measures for SARS, including but not limited to the reduction of business travel and meetings, use of electronic communication devices to maintain smooth running of the business, and distribution of quality respiratory masks to its employees, which has also extended to all its business partners, government agencies and hospitals.

Meanwhile, the Outbreak has thus far had no material impact on the Company’s operations and business only that the SG&A expenses may slightly go up because of the preventive measures implemented.

First Quarter Results Analyst Conference Call

The Company will hold a **conference call on Monday, April 28, 2003 at 10:00 a.m. Eastern Time** for analysts to discuss the first quarter results with management. Shareholders, media, and interested investors are invited to listen to the live conference over the internet by going to www.nantai.com/news/news.htm and clicking on the conference call link or over the phone by dialing **(651) 291-5254** just prior to its start time. Callers will be asked to register with the conference call operator.

Dividends

The record date for the second quarter dividend of \$0.15 per share is June 30, 2003 and the payment date is July 21, 2003.

Annual General Meeting

The Company will hold its Annual Shareholders' Meeting at 11:30 a.m. (ET) on Tuesday, July 8, 2003 at The Peninsula New York, 700 Fifth Avenue at 55th Street, New York, NY. The record date for voting is May 30, 2003.

Nam Tai Electronics, Inc. is an electronics manufacturing and design 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 and various components including LCD modules, wireless communication terminals and their modules, transformers and LCD panels. The Company utilizes advanced production technologies such as chip on board (COB), chip on glass (COG), chip on film (COF), surface mount technology (SMT), ball grid array (BGA), tape automated bonding (TAB), and outer lead bonding (OLB) technologies. Further information is available at www.namtai.com.

Except for the historical information contained herein, matters discussed in this press release are forward-looking statements. Other factors that might cause differences in any 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 3 "Key Information – Risk Factors" in the Company's Annual Report on Form 20-F for the year ended December 31, 2002.

NAM TAI ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002
(In Thousands of US Dollars except share data)

	Unaudited	
	<i>Three months ended</i>	
	<i>March 31</i>	
	2003	2002
Net sales – related parties	\$ 2,931	\$ 5,096
Net sales – third parties	85,050	46,121
Total net sales	87,981	51,217
Cost of sales	72,835	43,466
Gross profit	15,146	7,751
Costs and expenses		
Selling, general and administrative expenses	5,471	3,952
Research and development expenses	811	665
	6,282	4,617
Income from operations	8,864	3,134
Interest income	201	147
Other income – net	2,067	25
Equity in income of affiliated companies	75	1,135
Income before income taxes and minority interests	11,207	4,441
Income tax expense	(384)	(165)
Income before minority interests	10,823	4,276
Minority interests	(613)	(101)
Net income	\$ 10,210	\$ 4,175
Net income per share		
Basic	\$ 0.84	\$ 0.41
Diluted	\$ 0.83	\$ 0.40
Weighted average number of shares ('000')		
Basic	12,117	10,306
Diluted	12,266	10,476

NAM TAI ELECTRONICS, INC.
CONSOLIDATED BALANCE SHEETS
AS AT MARCH 31, 2003 AND DECEMBER 31, 2002
(In Thousands of US Dollars)

	Unaudited March 31 2003	Audited December 31 2002
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 61,114	\$ 82,477
Accounts receivable, net	57,168	50,944
Amount due from a related party	806	-
Inventories, net	32,113	19,200
Prepaid expenses and other receivables	7,139	1,867
Income taxes recoverable	952	855
Total current assets	<u>159,292</u>	<u>155,343</u>
Investments in affiliated companies	10,075	-
Convertible notes	5,128	5,128
Long term investment	16,366	15,982
Property, plant and equipment, at cost	118,600	116,583
Less: accumulated depreciation and amortization	<u>(43,455)</u>	<u>(40,669)</u>
	75,145	75,914
Goodwill	21,308	21,308
Other assets	1,411	1,411
Total assets	<u>\$ 288,725</u>	<u>\$ 275,086</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	\$ 2,030	\$ 985
Long term bank loans – current portion	1,125	13,985
Accounts payable	54,071	38,714
Accrued expenses and other payables	10,790	12,609
Dividend payable	1,820	1,442
Income taxes payable	564	200
Total current liabilities	<u>70,400</u>	<u>67,935</u>
Long-term bank loans – non-current portion	2,531	2,812
Deferred income taxes	112	112
Total liabilities	<u>73,043</u>	<u>70,859</u>
Minority interests	3,117	2,099
Shareholders' equity:		
Common shares	121	120
Additional paid-in capital	149,874	147,828
Retained earnings	62,572	54,182
Accumulated other comprehensive loss (Note 1)	(2)	(2)
Total shareholders' equity	<u>212,565</u>	<u>202,128</u>
Total liabilities and shareholders' equity	<u>\$ 288,725</u>	<u>\$ 275,086</u>

NAM TAI ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002
(In Thousands of US Dollars)

	Unaudited Three months ended March 31	
	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 10,210	\$ 4,175
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Depreciation and amortization	2,869	2,547
Net (gain)/loss on disposal of property, plant and equipment	(209)	39
Realized gain on marketable securities	-	(642)
Compensation expenses	509	-
Equity in (income) loss of affiliated companies	(75)	(1,135)
Minority interest	613	101
Changes in current assets and liabilities, net of effects of acquisition and disposal:		
Proceeds from marketable securities	-	10,147
Increase in accounts receivable	(6,224)	(341)
Increase in amount due from a related party	(806)	-
(Increase) decrease in inventories	(12,913)	1,277
Increase in prepaid expenses and other receivable	(5,272)	(40)
Increase in income taxes recoverable	(97)	(726)
Increase (decrease) in notes payable	1,045	(751)
Increase (decrease) in accounts payable	15,357	(7,763)
Decrease in accrued expenses and other payable	(1,819)	(1,350)
Increase in amount due to a related party	-	209
Increase in income taxes payable	364	257
Total adjustments	(6,658)	1,829
Net cash provided by operating activities	<u>\$ 3,552</u>	<u>\$ 6,004</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of long term investment	\$ (384)	\$ (11,957)
Purchase of property, plant and equipment	(4,218)	(10,763)
Proceed from partial disposal of subsidiary	160	-
Acquisition of affiliated companies	(10,000)	-
Proceeds from disposal of property, plant and equipment	2,327	5
Net cash used in investing activities	<u>\$ (12,115)</u>	<u>\$ (22,715)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Share buy-back program	\$ -	\$ (3,528)
Dividends paid	(1,442)	(1,023)
Repayment of bank loan	(13,141)	(535)
Proceeds from shares issued on exercise of options and warrants	1,783	789
Net cash used in financing activities	<u>\$ (12,800)</u>	<u>\$ (4,297)</u>
Foreign currency translation adjustments	-	(40)
Net decrease in cash and cash equivalents	<u>(21,363)</u>	<u>(21,048)</u>
Cash and cash equivalents at beginning of period	82,477	58,676
Cash and cash equivalents at end of period	<u>\$ 61,114</u>	<u>\$ 37,628</u>

NAM TAI ELECTRONICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002

(In Thousands of US Dollars)

1. Accumulated other comprehensive income represents foreign currency translation adjustments. The comprehensive income of the Company was \$10,210 and \$4,140 for the three months ended March 31, 2003 and March 31, 2002, respectively.
2. Business segment information – The Company operates primarily in two segments, the Consumer Electronic Products (“CEP”) segment and the LCD Panels and Transformers (“LPT”) segment.

	Unaudited Three months ended March 31	
	2003	2002
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NET SALES :		
- CEP	\$ 77,581	\$ 45,841
- LPT	10,400	5,376
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Total net sales	\$ 87,981	\$ 51,217
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NET INCOME :		
- CEP	\$ 10,032	\$ 4,069
- LPT	178	106
	<hr/>	
Total net income	\$ 10,210	\$ 4,175
	<hr/>	
	Unaudited	Audited
	March 31,	Dec. 31,
	2003	2002
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IDENTIFIABLE ASSETS BY SEGMENT:		
- CEP	\$ 238,747	\$ 225,754
- LPT	49,978	49,332
	<hr/>	
Total assets	\$ 288,725	\$ 275,086
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3. A summary of the net sales, net income and long-lived assets by geographic areas is as follows:

	Unaudited <i>Three months ended March 31</i>	
	2003	2002
NET SALES FROM OPERATIONS WITHIN:		
- Hong Kong:		
Unaffiliated customers	\$ 84,386	\$ 44,934
Related party	2,931	-
Inter-companies sales	155	477
- PRC, excluding Hong Kong:		
Unaffiliated customers	664	1,187
Related party	-	5,096
Inter-companies sales	73,955	37,673
- Inter-companies eliminations	<u>(74,110)</u>	<u>(38,150)</u>
Total net sales	<u>\$ 87,981</u>	<u>\$ 51,217</u>
NET INCOME FROM OPERATIONS WITHIN:		
- PRC, excluding Hong Kong	\$ 8,547	\$ 2,235
- Hong Kong	<u>1,663</u>	<u>1,940</u>
Total net income	<u>\$ 10,210</u>	<u>\$ 4,175</u>
	Unaudited	Audited
	<i>March 31,</i>	<i>Dec. 31,</i>
	2003	2002
LONG-LIVED ASSETS WITHIN :		
- PRC, excluding Hong Kong	\$ 56,318	\$ 54,481
- Hong Kong	<u>18,827</u>	<u>21,433</u>
Total long-lived assets	<u>\$ 75,145</u>	<u>\$ 75,914</u>