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NAM TAI ELECTRONICS, INC.
Q2 Net Income Up 200% to \$11.5 Million vs. \$3.8 Million, EPS \$0.31 vs. \$0.12

VANCOUVER, CANADA -- July 25, 2003 -- Nam Tai Electronics, Inc. ("Nam Tai" or the "Company") (NYSE Symbol: NTE; CBOE Symbol: QNA) today announced unaudited results for the second quarter ended June 30, 2003.

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

	Quarterly Results			Half-Year Results		
	2Q2003	2Q2002	YoY(%)	2H2003	2H2002	YoY(%)
Net sales	116.7	52.3	123.1	204.7	103.5	97.7
Income from operations	10.9	7.0	55.8	19.8	10.1	95.1
<i>per share(diluted)</i>	<i>\$0.30</i>	<i>\$0.22</i>	<i>36.4</i>	<i>\$0.54</i>	<i>\$0.32</i>	<i>68.8</i>
Net income	11.5	3.8	200.5	21.7	8.0	171.3
<i>% of sales</i>	<i>9.8%</i>	<i>7.3%</i>		<i>10.6%</i>	<i>7.7%</i>	
Basic earnings per share	\$0.32	\$0.12	166.7	\$0.60	\$0.26	130.8
Diluted earning per share	\$0.31	\$0.12	158.3	\$0.59	\$0.25	136.0

(Note: All share and earnings per share data have been adjusted for the 3 for 1 stock split effective June 30, 2003.)

Nam Tai's growth this quarter was mainly due to an increase in the sales of telecommunication components assemblies.

The Company continues to maintain a strong financial position, with approximately \$69.6 million of cash on hand.

Supplementary Information (Unaudited) for the Second Quarter of 2003
1. Quarterly Sales Breakdown
(In Thousands of US Dollars)

Quarter	2002	2003	YoY(%) (Quarterly)	YoY(%) (Quarterly accumulated)
1 st Quarter	(a)51,217	87,981	71.8%	71.8%
2 nd Quarter	(a)52,311	116,714	123.1%	97.7%
3 rd Quarter	56,872			
4 th Quarter	75,616			
Total	236,016	204,695		

Note (a):

Sales of battery packs for the first and second quarter of 2002 were \$5,096K and \$2,753K respectively. 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	
	2nd Quarter (%)	YTD (%)	2nd Quarter (%)	YTD (%)
Assembling:				
- LCD Consumer Products	29%	34%	36%	36%
- Telecom. Components Assembly	61%	55%	46%	49%
Software Development Services	1%	1%	1%	1%
Parts & Components :				
- LCD Panels	7%	7%	12%	9%
- Transformers	2%	3%	5%	5%
	100%	100%	100%	100%

Note: In June 2003, we sold our transformers operation to a third party.

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.

3. Financial Position

	(unaudited) As at June 30		(audited) As at December 31
	2003	2002	2002
Cash on Hand	\$69.6 million	\$55.2 million	\$82.5 million
Cash/Current Liabilities	1.00	1.28	1.21
Current Ratio	2.39	2.73	2.29
Total Assets/Total Liabilities	4.14	4.03	3.88
Debtors Turnover	60 days	79 days	79 days
Inventory Turnover	16 times	12 times	10 times

*Adjusted for the 3 for 1 stock split effective June 30, 2003.

Second Quarter Results Analyst Conference Call

The Company will hold a **conference call on Monday, July 28, 2003 at 10:00 a.m. Eastern Time** for analysts to discuss the second 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 **(612) 288-0329** just prior to its start time. Callers will be asked to register with the conference call operator.

Dividends

The record date for the third quarter dividend of \$0.05 per share is September 30, 2003 and the payment date is October 21, 2003.

About Nam Tai Electronics, Inc.

We are an electronics manufacturing and design services provider to original equipment manufacturers of telecommunications and consumer electronic products. Through the electronics manufacturing services operations, we manufacture electronic components and subassemblies, including LCD panels, LCD modules, and radio frequency 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 and digital camera accessories for use with cellular phones. Further information is available at www.namtai.com.

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 subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by the forward-looking statements. There are important factors that could cause actual results to differ materially from the information set forth in these forward-looking statements. Many of these factors are beyond Nam Tai's ability to control or predict. 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. 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.

NAM TAI ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

FOR THE PERIODS ENDED JUNE 30, 2003 AND 2002

(In Thousands of US Dollars except share data)

	Note	Unaudited Three months ended June 30		Unaudited Six months ended June 30	
		2003	2002	2003	2002
Net sales – related parties		\$ 8,834	\$ 2,753	\$ 11,765	\$ 7,849
Net sales – third parties		107,880	49,558	192,930	95,679
Total net sales		116,714	52,311	204,695	103,528
Cost of sales	(1)	98,393	40,375	171,228	83,841
Gross profit	(1)	18,321	11,936	33,467	19,687
Costs and expenses					
Selling, general and administrative expenses		6,490	4,273	11,961	8,225
Research and development expenses		927	663	1,738	1,328
		7,417	4,936	13,699	9,553
Income from operations	(1)	10,904	7,000	19,768	10,134
Interest income		191	189	392	336
Other income (loss) – net	(2)	915	(3,824)	2,982	(3,799)
Equity in income of affiliated companies		137	969	212	2,104
Income before income taxes and minority interests		12,147	4,334	23,354	8,775
Income tax expense		(475)	(452)	(859)	(617)
Income before minority interests		11,672	3,882	22,495	8,158
Minority interests		(178)	(57)	(791)	(158)
Net income	(1) & (2)	\$ 11,494	\$ 3,825	\$ 21,704	\$ 8,000
Net income per share					
Basic	(2) & (3)	\$ 0.32	\$ 0.12	\$ 0.60	\$ 0.26
Diluted	(2) & (3)	\$ 0.31	\$ 0.12	\$ 0.59	\$ 0.25
Weighted average number of shares ('000')					
Basic	(3)	36,431	31,321	36,391	31,121
Diluted	(3)	36,906	32,111	36,852	31,771

Note:

- (1) The cost of sales for the second quarter of 2002 included a reversal of a \$2.0 million provision for slowing moving raw materials. Excluding the reversal, the adjusted gross margin for the second quarter of 2002 would have been \$9,936 or 19.0% of net sales, adjusted income from operations would have been \$5,000 or 9.6% of net sales, adjusted net income would have been \$1,825 or 3.5% of net sales.
- (2) Result for the second quarter of 2002, as previously announced, were adjusted for the reallocation and release of \$1.5 million unamortized goodwill due to JIC reverse merger from fourth quarter to second quarter.
- (3) All share and earnings per share data have been adjusted to give effect to the 3 for 1 stock split of June 30, 2003.

NAM TAI ELECTRONICS, INC.
CONSOLIDATED BALANCE SHEETS

AS AT JUNE 30, 2003 AND DECEMBER 31, 2002

(In Thousands of US Dollars)

	Unaudited <i>June 30</i> 2003	Audited <i>December 31</i> 2002
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 69,633	\$ 82,477
Accounts receivable, net	61,484	50,944
Amount due from a related party	5,383	-
Inventories, net	21,289	19,200
Prepaid expenses and other receivables	5,515	1,867
Income taxes recoverable	3,291	855
Total current assets	<u>166,595</u>	<u>155,343</u>
Investments in affiliated companies	10,212	-
Convertible notes	5,128	5,128
Long term investment	16,366	15,982
Property, plant and equipment, at cost	122,044	116,583
Less: accumulated depreciation and amortization	<u>(44,931)</u>	<u>(40,669)</u>
	77,113	75,914
Intangible assets	21,061	21,308
Other assets	1,411	1,411
Total assets	<u>\$ 297,886</u>	<u>\$ 275,086</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	\$ 1,301	\$ 985
Long term bank loans – current portion	1,125	13,985
Accounts payable	51,481	38,714
Accrued expenses and other payables	12,822	12,609
Dividend payable	1,826	1,442
Income taxes payable	1,028	200
Total current liabilities	<u>69,583</u>	<u>67,935</u>
Long-term bank loans – non-current portion	2,250	2,812
Deferred income taxes	87	112
Total liabilities	<u>71,920</u>	<u>70,859</u>
Minority interests	2,932	2,099
Shareholders' equity: **		
Common shares	365	360
Additional paid-in capital	150,597	147,754
Retained earnings	72,074	54,016
Accumulated other comprehensive loss (Note 1)	(2)	(2)
Total shareholders' equity	<u>223,034</u>	<u>202,128</u>
Total liabilities and shareholders' equity	<u>\$ 297,886</u>	<u>\$ 275,086</u>

**Shareholders' equity for June 30, 2003 and December 31, 2002 were adjusted for the 3 for 1 stock split effective June 30, 2003.

NAM TAI ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED JUNE 30, 2003 AND 2002
(In Thousands of US Dollars)

	Unaudited Three months ended June 30		Unaudited Six months ended June 30	
	2003	2002	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	\$ 11,494	\$ 3,825	\$ 21,704	\$ 8,000
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>				
Depreciation and amortization	3,011	2,507	5,880	5,054
Amortization of advisors' warrants and options	-	10	-	10
Net loss (gain) on disposal of property, plant and equipment	50	76	(159)	115
Gain on disposal of intangible assets	-	(60)	-	(60)
Realized gain on marketable securities	-	-	-	(642)
Gain on disposal of a subsidiary	(2,133)	(17)	(2,133)	(17)
Loss on partial disposal of subsidiaries	151	-	151	-
Loss on reverse merger of subsidiaries	-	2,655	-	2,655
Compensation expenses	-	-	509	-
Equity in income of affiliated companies	(137)	(969)	(212)	(2,104)
Dividend income from affiliated companies	-	32	-	32
Loss on partial disposal of investment in affiliated companies	-	469	-	469
Minority interests	178	57	791	158
Deferred income taxes	(25)	-	(25)	-
Changes in current assets and liabilities, net of effects of acquisition and disposal:				
Proceeds from marketable securities	-	-	-	10,147
(Increase) decrease in accounts receivable	(4,316)	84	(10,540)	(257)
Increase in amount due from a related party	(4,577)	-	(5,383)	-
Decrease (increase) in inventories	10,102	(3,436)	(2,811)	(2,159)
Decrease (increase) in prepaid expenses and other receivables	1,476	207	(3,796)	167
(Increase) decrease in income taxes recoverable	(2,339)	80	(2,436)	(646)
(Decrease) increase in notes payable	(729)	(512)	316	(1,263)
(Decrease) increase in accounts payable	(1,579)	12,729	13,778	4,966
Increase (decrease) in accrued expenses and other payables	2,197	(616)	378	(1,966)
Decrease in amount due to a related party	-	(2,975)	-	(2,766)
Increase in income taxes payable	464	237	828	494
Total adjustments	1,794	10,558	(4,864)	12,387
Net cash provided by operating activities	\$ 13,288	\$ 14,383	\$ 16,840	\$ 20,387
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of long term investment	\$ -	\$ (11)	\$ (384)	\$ (11,968)
Purchase of property, plant and equipment	(5,839)	(2,667)	(10,057)	(13,430)
Proceeds from disposal of property, plant and equipment	251	10	2,578	15
Proceeds from disposal of intangible assets	-	800	-	800
Proceeds (cash outflow) from disposal of a subsidiary	2,386	(1,277)	2,386	(1,277)
Proceeds from partial disposal of subsidiaries	293	-	453	-
Acquisition of affiliated companies	-	-	(10,000)	-
Net cash used in investing activities	\$ (2,909)	\$ (3,145)	\$ (15,024)	\$ (25,860)

CASH FLOWS FROM FINANCING ACTIVITIES

Share buy-back program	\$	-	\$	-	\$	-	\$	(3,528)
Dividends paid		(2,380)		(1,213)		(3,822)		(2,236)
Repayment of bank loans		(281)		(535)		(13,422)		(1,070)
Proceeds from bank loans		-		4,500		-		4,500
Proceeds from shares issued on exercise of options and warrants		801		3,522		2,584		4,311
Net cash (used in) provided by financing activities	\$	(1,860)	\$	6,274	\$	(14,660)	\$	1,977
Foreign currency translation adjustments		-		14		-		(26)
Net increase (decrease) in cash and cash equivalents		8,519		17,526		(12,844)		(3,522)
Cash and cash equivalents at beginning of period		61,114		37,628		82,477		58,676
Cash and cash equivalents at end of period	\$	69,633	\$	55,154	\$	69,633	\$	55,154

NAM TAI ELECTRONICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE PERIODS ENDED JUNE 30, 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 \$21,704 and \$7,983 for the six months ended June 30, 2003 and June 30, 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 <i>Three months ended</i> <i>June 30</i>		Unaudited <i>Six months ended</i> <i>June 30</i>	
	2003	2002	2003	2002
NET SALES :				
- CEP	\$ 105,478	\$ 43,361	\$ 183,059	\$ 89,202
- LPT	11,236	8,950	21,636	14,326
Total net sales	\$ 116,714	\$ 52,311	\$ 204,695	\$ 103,528
NET INCOME :				
- CEP	\$ 9,962	\$ 4,137	\$ 19,994	\$ 8,206
- LPT	1,532	(312)	1,710	(206)
Total net income	\$ 11,494	\$ 3,825	\$ 21,704	\$ 8,000

	Unaudited <i>June 30,</i> 2003	Audited <i>Dec. 31,</i> 2002
IDENTIFIABLE ASSETS BY SEGMENT:		
- CEP	\$ 247,761	\$ 225,754
- LPT	50,125	49,332
Total assets	\$ 297,886	\$ 275,086

3. A summary of the net sales, net income and long-lived assets by geographic areas is as follows:

	Unaudited <i>Three months ended</i> <i>June 30</i>		Unaudited <i>Six months ended</i> <i>June 30</i>	
	2003	2002	2003	2002
NET SALES FROM OPERATIONS WITHIN:				
- Hong Kong:				
Unaffiliated customers	\$ 106,842	\$ 48,482	\$ 191,228	\$ 93,416
Related party	8,834	-	11,765	-
Inter-companies sales	234	447	389	924
- PRC, excluding Hong Kong:				
Unaffiliated customers	1,038	1,076	1,702	2,263
Related party	-	2,753	-	7,849
Inter-companies sales	101,272	37,594	175,227	75,267
- Inter-companies eliminations	(101,506)	(38,041)	(175,616)	(76,191)
Total net sales	\$ 116,714	\$ 52,311	\$ 204,695	\$ 103,528
NET INCOME FROM OPERATIONS WITHIN:				
- PRC, excluding Hong Kong	\$ 9,496	\$ 7,186	\$ 18,043	\$ 9,421
- Hong Kong	1,998	(3,361)	3,661	(1,421)
Total net income	\$ 11,494	\$ 3,825	\$ 21,704	\$ 8,000
			Unaudited <i>June 30,</i> 2003	Audited <i>Dec. 31,</i> 2002
LONG-LIVED ASSETS WITHIN :				
- PRC, excluding Hong Kong			\$ 58,761	\$ 54,481
- Hong Kong			18,352	21,433
Total long-lived assets			\$ 77,113	\$ 75,914