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NAM TAI ELECTRONICS, INC.

2003 Net Income Up 119% to \$43.8 Million vs. \$20.0 Million, EPS \$1.07 vs. \$0.57
Q4 Net Income Up 130% to \$13.7 Million vs. \$6.0 Million, EPS \$0.33 vs. \$0.16

VANCOUVER, CANADA -- February 6, 2004 -- Nam Tai Electronics, Inc. ("Nam Tai" or the "Company") (NYSE Symbol: NTE; CBOE Symbol: QNA) today announced unaudited results for the fourth quarter ended December 31, 2003.

KEY HIGHLIGHTS

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

	Quarterly Results			Twelve Months Results		
	Q4/03	Q4/02	YoY(%)	2003	2002	YoY(%)
Net sales	108,454	75,616	43.4	406,306	236,016	72.2
Income from operations	7,765	3,613	114.9	37,387	17,052	119.3
<i>per share(diluted)</i>	<i>0.19</i>	<i>0.10</i>	<i>90.0</i>	<i>0.92</i>	<i>0.48</i>	<i>91.7</i>
Net income	13,706	5,969	129.6	43,802	20,023	118.8
<i>% of sales</i>	<i>12.6%</i>	<i>7.9%</i>		<i>10.8%</i>	<i>8.5%</i>	
Basic earnings per share ^{(1) & (2)}	0.33	0.16	106.3	1.09	0.57	91.2
Diluted earnings per share ^{(1) & (2)}	0.33	0.16	106.3	1.07	0.57	87.7

Note: (1) All share and earnings per share data have been adjusted for the 3 for 1 stock split effective June 30, 2003 and the 10 for 1 stock dividend effective November 7, 2003.

(2) The number of outstanding shares (diluted) increased from 37.29 million in the third quarter of 2003 to 41.25 million in the fourth quarter of 2003 as a result of the exercise of stock options and the 10 for 1 stock dividend issued in the fourth quarter of 2003.

The Company continues to maintain a strong financial position, with approximately \$61.8 million of cash on hand, even after the Company paid out a total dividend of \$31.9 million including \$30 million special dividend of \$0.80 per share and \$1.9 million quarterly dividend of \$0.05 per share in the fourth quarter of 2003.

With respect to the Company's investment in TCL Corporation ("TCL"), TCL commenced dealings on the Shenzhen Stock Exchange on January 30, 2004. Nam Tai acquired its 6% equity interest in TCL in January 2002 for a consideration of \$12 million, which equivalents to 3.69% equity interest and represents 95.52 million promoter's shares of TCL after the IPO. The closing price on February 6, 2004 was \$1.09 (RMB 9.02) per share, the value of Nam Tai's 95.52 million promoter's shares of TCL is estimated to be approximately \$104.1 million.

According to Article 147 of The Company Law of The People's Republic of China, Nam Tai, however, is restricted from transferring its promoter's shares within three years from the date of the establishment

of TCL in April 2002. Pursuant to Statements of Financial Accounting Standards 115 (Accounting for Certain Investments in Debt and Equity Securities) and Accounting Principles Board Opinions 18 (The Equity Method of Accounting for Investments in Common Stock), Nam Tai, therefore, will not record in its books the investment surplus of \$92.1 million in the meantime or any investment surplus by reference to the market value of the shares of TCL upon the trading of shares of TCL commenced, as an unrealized gain. However, according to the said Accounting Principles, any portion of the shares that can be reasonably expected to qualify for sales within one year is not considered restricted. In this connection, the Company may consider to record the investment surplus as unrealized gain in the second quarter of 2004 based on the then marketable value of those shares.

Supplementary Information (unaudited) for the Fourth Quarter of 2003

1. Quarterly Sales Breakdown

(In thousands of US Dollars, except percentages)

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	93,157	63.8%	85.7%
4 th Quarter	75,616	108,454	43.4%	72.2%
Total	236,016	406,306	72.2%	72.2%

Note: (a) Sales of battery packs for the first and second quarters of 2002 were \$5,096,000 and \$2,753,000 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	
	4th Quarter (%)	YTD (%)	4th Quarter (%)	YTD (%)
Assembling:				
- LCD Consumer Products	27 %	31%	44%	40%
- Telecom. Components Assembly	62 %	58%	42%	44%
Software Development Services	1%	1%	1%	1%
Parts & Components :				
- LCD Panels	10%	9%	8%	10%
- Transformers	0%	1%	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

	Note	(unaudited) As at December 31	(audited) As at December 31
		2003	2002
Cash on Hand	(1)	\$61.8 million	\$82.5 million
Cash/Current Liabilities	(1)	0.83	1.21

Current Ratio	(1)	2.29	2.29
Total Assets/Total Liabilities	(1)	3.88	3.88
Debtors Turnover		58 days	79 days
Inventory Turnover		13 times	10 times

Note: (1) Should the Company be able to realize or to record the investment surplus during second quarter of 2004 in relation to TCL Corporation as a result of the recent listing of TCL Corporation, relevant numbers and ratio will definitely be adjusted upward.

Investment in Stepmind

The Company has made an investment along with other investors, AGF Private Equity and Mighty Wealth Group Limited, in a French company, Stepmind. The primary documents in relation to this investment have been signed by the parties. However, we are working on subsequent amendments to the documents arising out of a supplemental agreement signed by all parties. We shall issue another press release when all documents are finalized.

The investment of the Company in Stepmind will be in phases. The Company has paid approximately \$5.3 million (Euros 4.25 million) into an escrow account for such investment. Approximately \$2.63 million (Euros 2.12 million) has been released from the escrow account for our first phase of investment. The second phase of investment amounts to \$2.64 million (Euros 2.13 million) will be paid by the Company to Stepmind in August 2004 subject to the fulfillment of certain conditions. By the supplemental agreement, the Company has further agreed to make further investment in Stepmind in October 2004 up to a further sum of \$2.48 million (Euros 2 million) subject to fulfillment of some other conditions.

About Stepmind

Stepmind was founded in July 2000 and is a fabless solutions and components supplier, developing applications which require high performance and secured data links. Stepmind develops and designs integrated circuits in the field of RF transceivers and baseband according to the GSM/GPRS/EDGE, IEEE 802.11a/b/g and HiperLAN2 standards. This expanding microelectronics company will also market WLAN complete solutions.

About AGF Private Equity

AGF Private Equity is specialized in non-listed investments. AGF Private Equity manages an investment portfolio worth over Euros 800 million for institutional and private investors, through two activities: funds of funds and venture capital investments. AGF Private Equity is among the leaders in France in managing primary funds of funds and is also one of the most active French investors in venture capital.

Fourth Quarter Conference Call

The Company will hold a **conference call on Monday, February 9, 2004 at 10:00 a.m. Eastern Time** for analysts to discuss the fourth quarter results with management. Shareholders, media and interested investors are invited to listen to the live conference call over the Internet by going to <http://www.namtai.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.

Dividends

On January 21, 2004, the Company paid a quarterly dividend of \$0.05 per share to shareholders of record at the close of business on December 31, 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 our electronics manufacturing services operations, we manufacture electronic components and subassemblies, including LCD panels, LCD modules, radio frequency modules, flexible printed circuit sub-assemblies and image sensors. 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.

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 the actual results to differ materially from future results expressed or implied by the forward-looking statements. There are important factors that could cause the 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 DECEMBER 31, 2003 AND 2002

(In Thousands of US Dollars except per share data)

	Note	Three months ended December 31,		Twelve months ended December 31,	
		2003	2002	2003	2002
Net sales – related parties		\$ 6,843	\$ -	\$ 20,782	\$ 7,849
Net sales – third parties		101,611	75,616	385,524	228,167
Total net sales		108,454	75,616	406,306	236,016
Cost of sales		91,179	65,442	340,016	197,956
Gross profit		17,275	10,174	66,290	38,060
Costs and expenses					
Selling, general and administrative expenses		8,248	5,481	24,866	17,983
Research and development expenses		1,262	741	4,037	2,686
Impairment of goodwill		-	339	-	339
		9,510	6,561	28,903	21,008
Income from operations		7,765	3,613	37,387	17,052
Interest income		235	241	788	799
Other income (loss)– net		4,768	(6,993)	6,749	(7,632)
Equity in income of affiliated companies		210	8,637	498	10,741
Income before income taxes and minority interests		12,978	5,498	45,422	20,960
Income taxes benefit (expense)		930	442	(399)	(773)
Income before minority interests		13,908	5,940	45,023	20,187
Minority interests		(202)	29	(1,221)	(164)
Net income		\$ 13,706	\$ 5,969	\$ 43,802	\$ 20,023
Net income per share					
Basic	(1)	\$ 0.33	\$ 0.16	\$ 1.09	\$ 0.57
Diluted	(1)	\$ 0.33	\$ 0.16	\$ 1.07	\$ 0.57
Weighted average number of shares ('000')					
Basic	(1)	40,975	36,490	40,336	34,885
Diluted	(1)	41,253	36,990	40,839	35,430

Note (1): All share and earnings per share data have been adjusted to give effect to the 3 for 1 stock split effective June 30, 2003 and the 10 for 1 stock dividend effective November 7, 2003.

NAM TAI ELECTRONICS, INC.
CONSOLIDATED BALANCE SHEETS

AS AT DECEMBER 31, 2003 AND DECEMBER 31, 2002

(In Thousands of US Dollars)

	Unaudited December 31, 2003	Audited December 31, 2002
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 61,827	\$ 82,477
Accounts receivable, net	62,090	50,944
Amount due from a related party	2,707	-
Inventories, net	27,032	19,200
Prepaid expenses and other receivables	13,126	1,867
Income taxes recoverable	4,922	855
Total current assets	171,704	155,343
Investments in affiliated companies	9,855	-
Convertible notes	-	5,128
Long term investments	16,366	15,982
Property, plant and equipment, at cost	127,930	116,583
Less: accumulated depreciation and amortization	(50,283)	(40,669)
	77,647	75,914
Intangible assets	20,688	21,308
Other assets	1,435	1,411
Total assets	<u>\$ 297,695</u>	<u>\$ 275,086</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	\$ 1,879	\$ 985
Long term bank loans – current portion	1,125	13,985
Accounts payable	55,674	38,714
Accrued expenses and other payables	13,633	12,609
Dividend payable	2,062	1,442
Income taxes payable	530	200
Total current liabilities	74,903	67,935
Long-term bank loans – non-current portion	1,688	2,812
Deferred income taxes	78	112
Total liabilities	76,669	70,859
Minority interests	3,908	2,099
Shareholders' equity:**		
Common shares	412	360
Additional paid-in capital	206,845	147,754
Retained earnings	9,863	54,016
Accumulated other comprehensive loss (Note 1)	(2)	(2)
Total shareholders' equity	217,118	202,128
Total liabilities and shareholders' equity	<u>\$ 297,695</u>	<u>\$ 275,086</u>

Note (**): Shareholders' equity for December 31, 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 (UNAUDITED)
FOR THE PERIODS ENDED DECEMBER 31, 2003 AND 2002
(In Thousands of US Dollars)

	<i>Three months ended</i>		<i>Twelve months ended</i>	
	<i>December 31,</i>		<i>December 31,</i>	
	2003	2002	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	\$ 13,706	\$ 5,969	\$ 43,802	\$ 20,023
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>				
Depreciation and amortization	3,206	2,747	12,264	10,619
Amortization of advisors' warrants and options	-	-	-	10
Impairment of goodwill	-	339	-	339
Net loss (gain) on disposal of property, plant and equipment	94	772	(6)	977
Loss on disposal of other assets	-	21	-	21
Dividend withheld	-	-	-	(394)
Share redemption	-	-	-	(3,125)
Gain on disposal of intangible assets	-	-	-	(60)
Realized gain on marketable securities	-	-	-	(642)
Gain on disposal of a subsidiary	-	-	(2,133)	(17)
Loss on reverse merger of subsidiaries	-	-	-	2,655
Gain on partial disposal of subsidiaries	(1,989)	-	(1,838)	-
Loss on disposal of convertible notes	-	-	102	-
Compensation expenses	-	-	509	-
Equity in income of affiliated companies	(209)	(8,637)	(498)	(10,741)
Dividend income from affiliated companies	-	10,424	-	10,456
Loss on partial disposal of investment in affiliated companies	-	51	-	520
Deferred income taxes	(9)	(39)	(34)	(39)
Minority interests	202	(29)	1,221	164
Changes in current assets and liabilities, net of effects of acquisitions and disposals:				
Proceeds from marketable securities	-	-	-	10,147
Decrease (increase) in accounts receivable	2,223	(11,508)	(11,146)	(8,531)
Increase in amount due from a related party	(633)	-	(2,707)	-
Increase in inventories	(7,081)	(2,301)	(8,554)	(7,625)
(Increase) decrease in prepaid expenses and other receivables	(2,327)	(42)	(6,130)	496
(Increase) decrease in income taxes recoverable	(631)	730	(4,067)	498
Increase (decrease) in notes payable	319	667	894	(562)
Increase in accounts payable	1,170	4,697	17,971	10,816
Increase in accrued expenses and other payables	3,317	9,546	1,189	6,151
Decrease in amount due to a related party	-	-	-	(2,766)
(Decrease) increase in income taxes payable	(874)	(540)	330	112
Total adjustments	(3,222)	6,898	(2,633)	19,479
Net cash provided by operating activities	<u>\$ 10,484</u>	<u>\$ 12,867</u>	<u>\$ 41,169</u>	<u>\$ 39,502</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	\$ (4,826)	\$ (1,450)	\$ (17,053)	\$ (18,485)
Acquisition of affiliated companies	-	-	(10,000)	-
Prepayment for long term investment	(5,277)	-	(5,277)	-
Acquisition of long term investment	-	-	(384)	(11,968)
Increase in other assets	(24)	(25)	(24)	(25)
Acquisition of convertible notes	-	(5,128)	-	(5,128)
Acquisition of additional shares in subsidiaries	-	1	-	(436)
Proceeds from disposal of convertible notes	-	-	5,026	-
Proceeds from partial disposal of subsidiaries	3,712	-	4,165	-
Proceeds from disposal of a subsidiary	-	-	2,386	854
Proceeds from disposal of property, plant and equipment	2	460	2,595	628
Proceeds from disposal of intangible assets	-	-	-	800
Net cash used in investing activities	<u>\$ (6,413)</u>	<u>\$ (6,142)</u>	<u>\$ (18,566)</u>	<u>\$ (33,760)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Dividends paid	\$ (31,876)	\$ (13,112)	\$ (37,777)	\$ (16,654)
Repayment of bank loans	(281)	(817)	(13,984)	(2,703)
Share buy-back program	-	-	-	(3,528)
Proceeds from shares issued on exercise of options and warrants	4,388	32,159	8,508	36,470
Proceeds from bank loan	-	-	-	4,500
Net cash (used in) provided by financing activities	<u>\$ (27,769)</u>	<u>\$ 18,230</u>	<u>\$ (43,253)</u>	<u>\$ 18,085</u>
Foreign currency translation adjustments	-	-	-	(26)
Net (decrease) increase in cash and cash equivalents	<u>(23,698)</u>	<u>24,955</u>	<u>(20,650)</u>	<u>23,801</u>
Cash and cash equivalents at beginning of period	<u>85,525</u>	<u>57,522</u>	<u>82,477</u>	<u>58,676</u>
Cash and cash equivalents at end of period	<u>\$ 61,827</u>	<u>\$ 82,477</u>	<u>\$ 61,827</u>	<u>\$ 82,477</u>

NAM TAI ELECTRONICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE PERIODS ENDED DECEMBER 31, 2003 AND 2002

(In Thousands of US Dollars)

1. Accumulated other comprehensive loss represents foreign currency translation adjustments. The comprehensive income of the Company was \$43,802 and \$20,006 for the twelve months ended December 31, 2003 and December 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.

	<i>Three months ended</i>		<i>Twelve months ended</i>	
	<i>December 31,</i>		<i>December 31,</i>	
	2003	2002	2003	2002
NET SALES:				
- CEP	\$ 98,074	\$ 66,040	\$ 364,982	\$ 200,755
- LPT	10,380	9,576	41,324	35,261
Total net sales	<u>\$ 108,454</u>	<u>\$ 75,616</u>	<u>\$ 406,306</u>	<u>\$ 236,016</u>
NET INCOME (LOSS):				
- CEP	\$ 13,838	\$ 6,469	\$ 41,102	\$ 20,214
- LPT	(132)	(500)	2,700	(191)
Total net income	<u>\$ 13,706</u>	<u>\$ 5,969</u>	<u>\$ 43,802</u>	<u>\$ 20,023</u>
			Unaudited	Audited
			<i>December</i>	<i>December.</i>
			<i>31, 2003</i>	<i>31, 2002</i>
IDENTIFIABLE ASSETS BY SEGMENT:				
- CEP			\$ 248,165	\$ 225,754
- LPT			49,530	49,332
Total assets			<u>\$ 297,695</u>	<u>\$ 275,086</u>

3. A summary of the net sales, net income and long-lived 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>	
	2003	2002	2003	2002
NET SALES FROM OPERATIONS WITHIN:				
- Hong Kong:				
Unaffiliated customers	\$ 26,946	\$ 74,670	\$ 295,113	\$ 223,709
Related party	839	-	14,770	-
Inter-companies sales	14	53	404	979
- PRC, excluding Hong Kong:				
Related party	6,004	-	6,012	7,849
Unaffiliated customers	74,665	946	90,411	4,458
Inter-companies sales	19,717	62,981	263,971	179,411
- Inter-companies eliminations	(19,731)	(63,034)	(264,375)	(180,390)
Total net sales	<u>\$ 108,454</u>	<u>\$ 75,616</u>	<u>\$ 406,306</u>	<u>\$ 236,016</u>
NET INCOME (LOSS) :				
- PRC, excluding Hong Kong and Macau	\$ 11,394	\$ 6,664	\$ 38,627	\$ 17,930
- Hong Kong and Macau	2,312	(695)	5,175	2,093
Total net income	<u>\$ 13,706</u>	<u>\$ 5,969</u>	<u>\$ 43,802</u>	<u>\$ 20,023</u>
LONG-LIVED ASSETS WITHIN:				
- PRC, excluding Hong Kong and Macau			\$ 59,399	\$ 54,481
- Hong Kong and Macau			18,248	21,433
Total long-lived assets			<u>\$ 77,647</u>	<u>\$ 75,914</u>