

**Please read this press release
in conjunction with the
Company's press release
dated February 18, 2003**

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NAM TAI ELECTRONICS, INC.
2002 Sales Up 0.9% EPS \$1.86 vs. \$0.87
Q4 Sales Up 12.7% EPS \$0.40 vs. \$0.82

VANCOUVER, CANADA -- February 14, 2003 -- 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, 2002.

Net sales for the fourth quarter of 2002 were a record of \$75.6 million, an increase of 12.7% compared to net sales of \$67.1 million for the fourth quarter of 2001. Operating income for the fourth quarter of 2002 was \$3.6 million (\$0.32 per share) a decrease of 41.7% compared to operating income of \$6.2 million (\$0.59 per share) for the fourth quarter of 2001. Net income for the fourth quarter of 2002 decreased 48.2% to \$4.5 million compared to \$8.7 million for the fourth quarter of 2001. Basic and diluted earnings per share for the fourth quarter of 2002 were \$0.41 and \$0.40, respectively, versus \$0.83 and \$0.82, respectively, for the fourth quarter of 2001.

Net sales for the twelve months ended December 31, 2002 increased 0.9% to \$236.0 million from \$234.0 million for the twelve months of 2001. Operating income for the twelve months of 2002 increased by 234%, to \$17.1 million (\$1.59 per share) compared to operating income of \$5.1 million (\$0.49 per share) for the twelve months of 2001. Net income for the twelve months of 2002 was \$20.0 million, an increase of 121% compared to net income of \$9.0 million for the twelve months of 2001. Basic and diluted earnings per share for the twelve months of 2002 were \$1.89 and \$1.86, respectively, compared to \$0.88 and \$0.87, respectively, for the twelve months of 2001.

The Company continues to maintain a strong financial position, with \$6.86 of cash per share and \$16.82 of net book value per share, based on 12,019,668 shares outstanding as at December 31, 2002. The Company, as at December 31, 2002, had a cash to current liabilities ratio of 1.21, a current ratio of 2.29, a total assets to total liabilities ratio of 3.88, and approximately \$82.48 million of cash on hand.

Supplementary Information (unaudited) for the Fourth Quarter of 2002

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

Quarter	2000	2001	2002	YoY (%)	YoY (%)	Notes
					(Accumulated)	
1 st Quarter	44,592	51,487	51,217	(0.5%)	(0.5%)	
2 nd Quarter	50,540	55,882	52,311	(6.4%)	(3.6%)	(a)
3 rd Quarter	57,249	59,551	56,872	(4.5%)	(3.9%)	(a)
4 th Quarter	61,307	67,086	75,616	12.7%	0.9%	(a)
Total	213,688	234,006	236,016	0.9%	0.9%	(a)

Note (a):

Sales of battery packs for May and June 2001 were \$1,181K & 1,648K respectively and

\$6,425K and \$7,919K in the third and fourth quarters of 2001 respectively. Upon disposal of BPC on April 30, 2002, revenue from battery packs was no longer included in the total sales for the months of May and June 2002, and the third & fourth quarters of 2002.

2. Net Sales Breakdown by Product Segment

Segment	2002		2001	
	4th Quarter (%)	YTD (%)	4th Quarter (%)	YTD (%)
Assembling:				
- LCD Consumer Products	44%	40%	30%	31%
- Telecom. Components Assembly	42%	44%	56%	52%
Software Development Services	1%	1%	1%	1%
Parts & Components :				
- LCD Panels	8%	10%	9%	11%
- Transformers	5%	5%	4%	5%
	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.

3. Average Selling Price (ASP)

ASP for fourth quarter of 2002 was 13.8% higher than third quarter of 2002 and 0.7% lower than fourth quarter of 2001.

4. Analytical Data (for the twelve months ended December 31, 2002)

	<u>12/2002</u>	<u>12/2001</u>
<u>Debt Capacity</u>		
Total Debt / Capitalization	8.11 %	8.21 %
Long-term Debt / Capitalization	1.36 %	7.04 %
Total Debt / Equity	8.31 %	8.86 %
Net Debt / Equity	0 %	0 %
Long-term Debt / Equity	1.39 %	7.59 %
Total Liabilities / Equity	35.06 %	32.36 %
<u>Coverage</u>		
Net Interest Coverage	2732.41 %	5308.99 %
Total Debt / Earning before Interest and Tax (EBIT)	77.81 %	158.73 %
Interest Expense / Total Debt	4.70 %	1.19 %
Short-term Debt Coverage	154.35 %	441.59 %
<u>Profitability</u>		
Return on Investment	8.64 %	4.37 %
Earning before Tax Margin	8.81 %	3.96 %
Return on Sales	9.15 %	4.04 %
Earning before Tax / Total Assets	7.56 %	4.13 %
Return (EBIT) on Capital	16.64 %	8.69 %
SG&A Expense / Revenue	7.76 %	9.39 %

Cash Flow

Funds from Operations / Total Debt	235.17 %	154.90 %
Funds from Operations / Net Interest	5000.25 %	13053.37 %

Turnover

Receivable Turnover	4.6 Times	5.6 Times
Inventory Turnover	10.3 Times	17.1 Times

Fourth Quarter Results Analyst Conference Call

The Company will hold a **conference call on Tuesday, February 18, 2003 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) 288-0318 just prior to its start time. Users will be asked to register with the conference call operator.

Increase in Dividends

The Company announced that for the tenth consecutive year it is increasing its dividend. The annual dividend will increase to \$0.60 per share for 2003 up from \$0.48 per share in 2002. The Company will pay quarterly dividend of \$0.15 per share commencing with the first quarter dividend to be paid on or before April 21, 2003 to shareholders of record at the close of business on March 31, 2003.

Dividends

On January 21, 2003 the Company paid a quarterly dividend of \$0.12 per share to shareholders of record at the close of business on December 31, 2002. A special dividend of \$1.00 per common share was paid on December 6, 2002 to shareholders of record at the close of business on November 29, 2002.

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 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. For example, the Company's statements regarding recovery of Tele-Art Inc. debt is a forward looking statement that is dependant on many factors including the outcome of future litigation and the performance of Nam Tai's share price. 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 3 "Key Information – Risk Factors" in the Company's Annual Report on Form 20-F for the year ended December 31, 2001.

NAM TAI ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
FOR THE PERIODS ENDED DECEMBER 31, 2002 AND 2001
(In Thousands of US Dollars except per share data)

	Note	Three months ended December 31		Twelve months ended December 31	
		2002	2001	2002	2001
Net sales		\$ 75,616	\$ 67,086	\$ 236,016	\$ 234,006
Cost of sales		65,442	55,294	197,956	203,974
Gross profit		10,174	11,792	38,060	30,032
Costs and expenses					
Selling, general and administrative expenses	A	5,481	4,907	17,983	21,974
Research and development expenses		741	688	2,686	2,954
Impairment of goodwill		339	-	339	-
		6,561	5,595	21,008	24,928
Income from operations		3,613	6,197	17,052	5,104
Gain on disposal of Land		-	-	-	18
Interest income		241	213	799	1,195
Other (loss) income – net	B	(8,476)	1,473	(7,632)	1,318
Equity in income of affiliated companies	C	8,637	1,099	10,741	1,867
Income before income taxes and minority interest		4,015	8,982	20,960	9,502
Income taxes benefit (expense)		442	(111)	(773)	(227)
Income before minority interest		4,457	8,871	20,187	9,275
Minority interest		29	(206)	(164)	(230)
Net income		\$ 4,486	\$ 8,665	\$ 20,023	\$ 9,045
Net income per share					
Basic		\$ 0.41	\$ 0.83	\$ 1.89	\$ 0.88
Diluted		\$ 0.40	\$ 0.82	\$ 1.86	\$ 0.87
Weighted average number of shares ('000')					
Basic		11,058	10,470	10,571	10,274
Diluted		11,209	10,571	10,736	10,393

Notes to Consolidated Statements of Income for the fourth quarter of 2002:

A G&A Expenses

Includes one-time charges in respect of loss on disposal of fixed assets amounting to \$0.8 million.

B Other (Loss) Income – net

Partial disposal of subsidiaries

In the fourth quarter of 2002 the Company disposed \$1.5 million of goodwill attributable to a minority interest in its subsidiary JIC, resulting from JIC's June 2002 listing on the Hong Kong Stock Exchange, and charged that amount to Other (Loss) Income.

Provision for Legal Contingencies

A provision of \$5.2 million for legal contingencies was made following the delivery of a January 21, 2003 judgment by the High Court of Justice of the British Virgin Islands in relation to the liquidation of Tele-Art Inc. Previously, on August 9, 2002, the High Court of Justice awarded a judgment in Nam Tai's favor against Tele-Art Inc. for approximately \$34 million. Pursuant to the January 21, 2003 judgment, the High Court of Justice declared that redemption and set off of dividends by Nam Tai of 138,500 shares owned by Tele-Art Inc be set aside and that all Tele-Art Inc. property withheld by Nam Tai be handed over to Tele-Art Inc. in liquidation, noting that the Nam Tai claim was subordinate to that of a secured creditor. On February 4, 2003 Nam Tai filed an application for a stay of execution and leave to appeal the decision. Nam Tai believes the decision was reached in error and intends to vigorously pursue its rights so as to recover the maximum amount of the outstanding debt from Tele-Art Inc.

C Equity in income of affiliated companies

During the fourth quarter of 2002, Mate Fair Group Limited (originally, the Company held 25% in Mate Fair Group Limited) disposed 13.8% out of its 18% shareholding in Huizhou TCL Mobile Communication Limited. Upon completion of the transaction, Nam Tai's interest in Mate Fair Group Limited increased to 72.22% and Mate Fair Group Limited distributed its profit to the shareholders with Nam Tai receiving \$10.4 million, of which \$8.6 million was recorded as equity income and \$0.4 million for goodwill release in the fourth quarter of 2002, whilst \$1.4 million was recorded as equity income in prior periods until May, 2002 when the Company ceased to adopt equity accounting as a result of the shareholding in Huizhou TCL Mobile Communication Limited by Mate Fair Group Limited being diluted from 20% to 18%.

NAM TAI ELECTRONICS, INC.
CONSOLIDATED BALANCE SHEETS

AS AT DECEMBER 31, 2002 AND DECEMBER 31, 2001

(In Thousands of US Dollars)

	Unaudited <i>December 31</i> 2002	Audited <i>December 31</i> 2001
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 82,477	\$ 58,676
Marketable securities	-	9,505
Accounts receivable, net	50,944	41,968
Inventories	19,200	11,892
Prepaid expenses and deposits	1,867	2,377
Income taxes recoverable	855	1,353
Total current assets	<u>155,343</u>	<u>125,771</u>
Investments in affiliated companies	-	3,921
Investment in debt security	5,128	-
Long-term investment	15,982	-
Property, plant and equipment, at cost	116,582	105,536
Less: accumulated depreciation and amortization	<u>(40,668)</u>	<u>(35,122)</u>
	75,914	70,414
Intangible assets – net	21,308	23,060
Other assets	1,411	1,407
Total assets	<u>\$ 275,086</u>	<u>\$ 224,573</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	\$ 985	\$ 1,547
Long-term bank loan – current portion	13,985	2,140
Accounts payable	38,714	27,929
Accrued expenses	12,609	6,329
Amount due to a related party	-	2,733
Dividend payable	1,442	1,023
Income taxes payable	200	88
Total current liabilities	<u>67,935</u>	<u>41,789</u>
Long-term bank loan – non-current portion	2,812	12,860
Deferred income taxes	112	151
Total liabilities	<u>70,859</u>	<u>54,800</u>
Minority interest	2,099	422
Shareholders' equity:		
Common shares	120	104
Additional paid-in capital	147,828	111,368
Retained earnings	54,182	57,864
Accumulated other comprehensive income (Note 1)	<u>(2)</u>	<u>15</u>
Total shareholders' equity	202,128	169,351
Total liabilities and shareholders' equity	<u>\$ 275,086</u>	<u>\$ 224,573</u>

NAM TAI ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE PERIODS ENDED DECEMBER 31, 2002 AND 2001
(In Thousands of US Dollars)

	<i>Three months ended</i>		<i>Twelve months ended</i>	
	<i>December 31</i>		<i>December 31</i>	
	2002	2001	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	\$ 4,486	\$ 8,665	\$ 20,023	\$ 9,045
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>				
Depreciation and amortization	2,747	3,013	10,629	12,273
Impairment of goodwill	339	-	339	-
Loss on disposal of property, plant and equipment	772	245	977	378
Loss on disposal of other assets	21	-	21	-
Dividend withheld	-	-	(394)	-
Share redemption	-	-	(3,125)	-
Gain on disposal of intangible assets	-	-	(60)	-
Unrealised gain on marketable securities	-	(2,005)	-	(1,568)
Gain on disposal of a subsidiary	-	-	(17)	-
Loss on partial disposal of subsidiaries	1,483	-	2,655	-
Equity in loss (income) of affiliated companies less dividend received and amortisation of goodwill	1,787	(1,099)	(285)	(1,867)
Loss on partial disposal of investment in affiliated companies	51	-	520	-
Deferred income taxes	(39)	117	(39)	117
Minority interest	(29)	206	164	230
Changes in current assets and liabilities, net of effects of acquisitions and disposals:				
Decrease in marketable securities	-	-	9,505	-
(Increase) decrease in accounts receivable	(11,508)	670	(8,531)	(4,378)
(Increase) decrease in inventories	(2,301)	5,408	(7,625)	15,302
(Increase) decrease in prepaid expenses and deposits	(42)	3,224	496	(620)
Decrease (increase) in income taxes recoverable	730	(189)	498	689
Increase (decrease) in notes payable	667	1,525	(562)	48
Increase (decrease) in accounts payable and accrued expenses	14,243	(4,353)	16,967	(6,062)
(Decrease) increase in amount due to a related party	-	(1,311)	(2,766)	2
(Decrease) increase in income taxes payable	(540)	(95)	112	(354)
Total adjustments	8,381	5,356	19,479	14,190
Net cash provided by operating activities	\$ 12,867	\$ 14,021	\$ 39,502	\$ 23,235
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of long-term investment	\$ -	\$ -	\$ (11,968)	\$ -
Acquisition of investment in debt security	(5,128)	-	(5,128)	-

Purchase of property, plant and equipment	(1,450)	(8,338)	(18,485)	(36,013)
Acquisition of subsidiaries	1	-	(436)	(85)
Cash inflow on disposal of a subsidiary	-	-	854	-
Proceeds from disposal of intangible assets	-	-	800	-
Proceeds from disposal of property, plant and equipment	460	415	628	698
Increase in other assets	(25)	(38)	(25)	(38)
Net cash used in investing activities	<u>\$ (6,142)</u>	<u>\$ (7,961)</u>	<u>\$ (33,760)</u>	<u>\$ (35,438)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Share buy-back program	\$ -	\$ (1,461)	\$ (3,528)	\$ (3,353)
Dividends paid	(13,112)	(1,032)	(16,654)	(3,947)
Repayment of bank loan	(817)	-	(2,703)	-
Repayment of short term debt	-	-	-	(24)
Proceeds from shares issued on exercise of options and warrants	32,159	1	36,470	4,307
Proceeds from bank loan	-	15,000	4,500	15,000
Net cash provided by financing activities	<u>\$ 18,230</u>	<u>\$ 12,508</u>	<u>\$ 18,085</u>	<u>\$ 11,983</u>
Foreign currency translation adjustments	-	-	(26)	-
Net increase (decrease) in cash and cash equivalents	<u>24,955</u>	<u>18,568</u>	<u>23,801</u>	<u>(220)</u>
Cash and cash equivalents at beginning of period	<u>57,522</u>	<u>40,108</u>	<u>58,676</u>	<u>58,896</u>
Cash and cash equivalents at end of period	<u>\$ 82,477</u>	<u>\$ 58,676</u>	<u>\$ 82,477</u>	<u>\$ 58,676</u>

NAM TAI ELECTRONICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE PERIODS ENDED DECEMBER 31, 2002 AND 2001

(In Thousands of US Dollars)

1. Accumulated other comprehensive income represents foreign currency translation adjustments. The comprehensive income of the Company was \$20,006 and \$9,065 for the twelve months ended December 31, 2002 and December 31, 2001, 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>	
	2002	2001	2002	2001
NET SALES:				
- CEP	\$ 66,040	\$ 58,319	\$ 200,755	\$ 198,048
- LPT	9,576	8,767	35,261	35,958
Total net sales	<u>\$ 75,616</u>	<u>\$ 67,086</u>	<u>\$ 236,016</u>	<u>\$ 234,006</u>
NET INCOME (LOSS) FROM OPERATIONS:				
- CEP	\$ 4,986	\$ 7,874	\$ 20,214	\$ 6,133
- LPT	(500)	791	(191)	2,912
Total net income	<u>\$ 4,486</u>	<u>\$ 8,665</u>	<u>\$ 20,023</u>	<u>\$ 9,045</u>
			<i>Unaudited</i>	<i>Audited</i>
			<i>Dec. 31,</i>	<i>Dec. 31,</i>
			2002	2001
IDENTIFIABLE ASSETS BY SEGMENT:				
- CEP			\$ 225,754	\$ 188,262
- LPT			49,332	36,311
Total assets			<u>\$ 275,086</u>	<u>\$ 224,573</u>

3. 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>	
	2002	2001	2002	2001
NET SALES FROM OPERATIONS WITHIN:				
- Hong Kong:				
Unaffiliated customers	\$ 74,670	\$ 57,583	\$ 223,709	\$ 206,902
Inter-companies sales	53	-	979	-
- PRC, excluding Hong Kong:				
Affiliated customers	-	7,919	7,849	21,072
Unaffiliated customers	946	1,584	4,458	6,032
Inter-companies sales	62,981	45,791	179,411	160,503
- Inter-companies eliminations	<u>(63,034)</u>	<u>(45,791)</u>	<u>(180,390)</u>	<u>(160,503)</u>
Total net sales	<u>\$ 75,616</u>	<u>\$ 67,086</u>	<u>\$ 236,016</u>	<u>\$ 234,006</u>
NET INCOME (LOSS) FROM OPERATIONS WITHIN:				
- PRC, excluding Hong Kong	\$ 6,664	\$ 5,017	\$ 17,930	\$ 4,848
- Hong Kong	<u>(2,178)</u>	<u>3,648</u>	<u>2,093</u>	<u>4,197</u>
Total net income	<u>\$ 4,486</u>	<u>\$ 8,665</u>	<u>\$ 20,023</u>	<u>\$ 9,045</u>
IDENTIFIABLE ASSETS BY GEOGRAPHIC AREA:				
- PRC, excluding Hong Kong			\$ 88,942	\$ 60,866
- Hong Kong			<u>186,144</u>	<u>163,707</u>
Total assets			<u>\$ 275,086</u>	<u>\$ 224,573</u>