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NAM TAI ELECTRONICS, INC.

Q3 Income From Operations Up 198% to \$9.9 Million vs. \$3.3 Million, EPS \$0.23 vs. \$0.19

VANCOUVER, CANADA -- October 24, 2003 -- Nam Tai Electronics, Inc. ("Nam Tai" or the "Company") (NYSE Symbol: NTE; CBOE Symbol: QNA) today announced unaudited results for the third quarter ended September 30, 2003.

KEY HIGHLIGHTS

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

	Quarterly Results			Nine Months Results		
	Q3/03	Q3/02	YoY(%)	9M/03	9M/02	YoY(%)
Net sales	93,157	56,872	63.8	297,852	160,400	85.7
Income from operations	9,854	3,305	198.2	29,622	13,439	120.4
<i>per share(diluted)</i>	<i>0.26</i>	<i>0.10</i>	<i>160.0</i>	<i>0.80</i>	<i>0.42</i>	<i>90.5</i>
Net income ⁽¹⁾	8,392	6,054	38.6	30,096	14,054	114.1
<i>% of sales</i>	<i>9.0%</i>	<i>10.6%</i>		<i>10.1%</i>	<i>8.8%</i>	
Basic earnings per share ^{(2) & (3)}	0.23	0.19	21.1	0.83	0.45	84.4
Diluted earnings per share ^{(2) & (3)}	0.23	0.19	21.1	0.81	0.44	84.1

Note: (1) Net income already included the deduction of professional fee \$702K in relation to the recently discontinued stock offering. For details, please refer to the consolidated statements of income.

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

(3) The number of outstanding shares (diluted) increased from 36.91 million in second quarter of 2003 to 37.29 million in the third quarter of 2003 as a result of the exercise of stock options.

With \$13.8 million of net cash provided by operating activities in the third quarter of 2003, the Company continues to maintain a strong financial position, with approximately \$85.5 million of cash on hand.

Supplementary Information (Unaudited) for the Third 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	93,157	63.8%	85.7%
4 th Quarter	75,616			
Total	236,016	297,852		

Note: (a) Sales of battery packs for the first and second quarters of 2002 were \$5.10 million and \$2.75 million respectively. Upon the disposal of our interest in BPC, a joint venture, 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	
	3 rd Quarter (%)	YTD (%)	3 rd Quarter (%)	YTD (%)
Assembling:				
- LCD Consumer Products	26%	32%	42%	38%
- Telecom. Components Assembly	63%	57%	37%	45%
Software Development Services	1%	1%	1%	1%
Parts & Components :				
- LCD Panels	10%	8%	14%	11%
- Transformers	0%	2%	6%	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

	<i>(unaudited)</i> As at September 30,		<i>(audited)</i> As at December 31,
	2003	2002	2002
Cash on Hand	\$85.5 million	\$57.5 million	\$82.5 million
Cash/Current Liabilities	1.21	1.35	1.21
Current Ratio	2.57	2.75	2.29
Total Assets/Total Liabilities	4.21	4.12	3.88
Debtors Turnover	61 days	67 days	79 days
Inventory Turnover	17 times	10 times	10 times

“The Company has been listed in the United States for 15 years and moved from NASDAQ to the New York Stock Exchange (“NYSE”) in January 2003. In these 15 years, Nam Tai has delivered solid financial performance and has been profitable each year.

Our results for this quarter are also encouraging with per share income from operations of \$0.26. Despite the expenses incurred for the Company’s discontinued stock offering and an increase in the number of outstanding shares caused by the exercise of stock options by our employees, we were still able to achieve an EPS of \$0.23, an increase of 21.1% when compared to the EPS for the third quarter of 2002, after adjustment for the stock split,” said Mr. Tadao Murakami, Chairman of Nam Tai.

“Net sales for the quarter increased by 63.8% and income from operations increased 198.2% when compared with the third quarter of 2002. However, sales in this quarter are comparatively lower than the sales in the second quarter for the following reasons:

- a. As mentioned in our analysts conference for the second quarter this year, we accelerated our production schedule, and built up inventory in the second quarter because of concerns over SARS to minimize any interruption of our business. By agreement of our customers, we were able to shift shipments of such inventory from the third quarter to the second quarter.

- b. The production of cellular phones in semi knocked down (“SKD”) form did not commence in the third quarter because of a change in design by our customer. However, we are pleased to announce that the pilot run of cellular phones in SKD form was completed now within October 2003 and mass production has been scheduled to start in November 2003.
- c. Furthermore, some of our customers discontinued production of some of their older model products in the third quarter and placed orders with us for their new models. The production of those new models started by the end of third quarter and will contribute to our sales in the fourth quarter.

Despite these factors, we have still been able to deliver encouraging third quarter results which exceeded management’s expectations. The gross profit margin of 17% for the quarter again beat the Company’s target gross profit margin of 15%.

With sales of our customers’ new models picking up and the launch of production of various new products, accordingly, the Company has started recruiting an additional 1,000 workers. The Company will continue to adopt its diversified business strategy and will endeavour to maintain a steady business growth to bring sustainable and healthy returns for our shareholders,” said Mr. Murakami.

Third Quarter Results Analyst Conference Call

The Company will hold a **conference call for analysts on Monday, October 27, 2003 at 10:00 a.m. Eastern Time** to discuss the third quarter results with management. Shareholders, media and interested investors are invited to listen to the live conference call over the internet by going to www.namtai.com and clicking on the conference call link, or over the phone by dialing **(651) 224-7497** just prior to its start time. Callers will be asked to register with the conference call operator.

Dividends

The record date for the fourth quarter dividend of \$0.05 per share is December 31, 2003 and the payment date is January 21, 2004.

Special Cash Dividend and Stock Dividend

To celebrate its fifteen consecutive profitable years, and especially the remarkable performance of the Company in this year and its fifteenth anniversary of listing, since its IPO in 1988, and its move to the NYSE earlier this year, the Board of Directors is pleased to declare a special cash dividend of \$0.80 per share, plus the issue of a stock dividend to shareholders at the ratio of one dividend share for every 10 shares held by the shareholders. The special dividend and the stock dividend are a reward for the loyalty and support of the shareholders of the Company.

The record date for such special dividend and stock dividend is November 7, 2003. No action is required on the part of shareholders to receive the special dividend and dividend shares. The special dividend and new shares are expected to be mailed from the Company’s transfer agent, Registrar and Transfer Company, before November 30, 2003.

As at September 30, 2003, the Company has \$85.5 million of cash on hand. The Company also sees significant growth in its sales and income this year when compared with previous years. Looking forward, the Company is confident to maintain the growth of the Company and the declaration of the special dividend will not affect its expansion plan and cash flow.

Regarding the dividend to be paid for the year of 2004, the Company will review its position at the end of the fourth quarter and an appropriate announcement will be included in the fourth quarter results announcement.

Set up of the PRC Headquarters in Macau

Nam Tai announced that the Company has set up the PRC's headquarters in Macau, PRC, due to its continuous increase in investment in PRC. Besides three major manufacturing facilities of Nam Tai in Shenzhen, PRC, Nam Tai has offices in Hong Kong, Shekou and Shanghai, PRC. In light of its substantial investment and its intention to expand its manufacturing facilities to other cities of PRC, Nam Tai finds it necessary to have a headquarters in the PRC and to oversee its operations there.

The Company has considered various locations for such headquarters. Macau, like Hong Kong, is a special administrative region of the PRC. It has recently introduced an incentive program to attract investments in Macau. The Company therefore decided to set up the PRC headquarters in Macau. The Company's application has been approved by the Macau government and the PRC headquarters of the Company commenced operation at the beginning of October 2003.

Change of Auditors

The Company's auditors, Messrs Grant Thornton, do not have an office in Macau and do not have a licence to handle Macau statutory tax filings. After discussion with the Company, Grant Thornton tendered its resignation as auditors of the Company.

Deloitte Touche Tohmatsu ("Deloitte"), had been the auditors of the Company from 1998 to 2001. Deloitte has indicated its willingness to be appointed as auditors of the Company for 2003 at a reasonable fee. The Company has therefore appointed Deloitte as the Company's auditors in place of Grant Thornton with effect from October 24, 2003. Grant Thornton will, however, continue to provide tax advisory services to the Company, other than with respect to Macau.

Changes of the Chairman of Audit Committee and Corporate Secretary

Nam Tai is pleased to announce that Mr. Mark Waslen has been appointed as Chairman of the Audit Committee, effective September 22, 2003, following Mr. Stephen Seung's resignation as Chairman and member of the Audit Committee. Mr. Seung continues as a non-executive director. Mr. Seung replaced Mr. Lorne Waldman as Corporate Secretary of Nam Tai, effective October 15, 2003.

Mr. Seung has been a director of the Company since 1995 and is familiar with the corporate matters of the Company. Mr. Mark Waslen is also a Chartered Accountant and was the Group Financial Controller of Nam Tai from 1990 to 1995.

The Company believes these changes in directorship and Corporate Secretary will further strengthen the management control of the Company which is in the interest of its shareholders.

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 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 SEPTEMBER 30, 2003 AND 2002

(In Thousands of US Dollars except share data)

	Note	Unaudited Three months ended September 30,		Unaudited Nine months ended September 30,	
		2003	2002	2003	2002
Net sales – related parties		\$ 2,174	\$ -	\$ 13,939	\$ 7,849
Net sales – third parties		90,983	56,872	283,913	152,551
Total net sales		93,157	56,872	297,852	160,400
Cost of sales		77,609	48,673	248,837	132,514
Gross profit		15,548	8,199	49,015	27,886
Costs and expenses					
Selling, general and administrative expenses		4,657	4,277	16,618	12,502
Research and development expenses		1,037	617	2,775	1,945
		5,694	4,894	19,393	14,447
Income from operations		9,854	3,305	29,622	13,439
Gain on disposal of land		9	-	9	-
Interest income		161	222	553	558
Other (loss) income – net	(1)	(1,010)	3,160	1,972	(639)
Equity in income of affiliated companies		76	-	288	2,104
Income before income taxes and minority interests		9,090	6,687	32,444	15,462
Income tax expense		(470)	(598)	(1,329)	(1,215)
Income before minority interests		8,620	6,089	31,115	14,247
Minority interests		(228)	(35)	(1,019)	(193)
Net income		\$ 8,392	\$ 6,054	\$ 30,096	\$ 14,054
Net income per share					
Basic	(2)	\$ 0.23	\$ 0.19	\$ 0.83	\$ 0.45
Diluted	(2)	\$ 0.23	\$ 0.19	\$ 0.81	\$ 0.44
Weighted average number of shares ('000')					
Basic	(2)	36,636	31,422	36,474	31,222
Diluted	(2)	37,290	31,647	36,999	31,731

Note: (1) During the quarter ended September 30, 2003, we recorded charges of \$702,000 for professional fees related to a discontinued stock offering. The total cost of \$1.75 million in relation to the stock offering was shared and paid by the beneficiaries of the offering on a pro-rata basis according to the number of shares proposed to be offered and the anticipated proceeds of each party, thus 60%, or \$1.05 million, was borne by the selling shareholders whilst 40%, or \$702,000, was borne by the Company.

(2) All share and earnings per share data have been adjusted to give effect to the 3 for 1 stock split effective June 30, 2003.

NAM TAI ELECTRONICS, INC.
CONSOLIDATED BALANCE SHEETS

AS AT SEPTEMBER 30, 2003 AND DECEMBER 31, 2002

(In Thousands of US Dollars)

	Unaudited September 30, 2003	Audited December 31, 2002
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 85,525	\$ 82,477
Accounts receivable, net	64,313	50,944
Amount due from a related party	2,074	-
Inventories, net	19,951	19,200
Prepaid expenses and other receivables	5,522	1,867
Income taxes recoverable	4,291	855
Total current assets	181,676	155,343
Investments in affiliated companies	9,646	-
Convertible notes	-	5,128
Long term investments	16,366	15,982
Property, plant and equipment, at cost	123,526	116,583
Less: accumulated depreciation and amortization	(47,426)	(40,669)
	76,100	75,914
Intangible assets	21,635	21,308
Other assets	1,411	1,411
Total assets	\$ 306,834	\$ 275,086
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	\$ 1,560	\$ 985
Long term bank loans – current portion	1,125	13,985
Accounts payable	54,504	38,714
Accrued expenses and other payables	10,316	12,609
Dividend payable	1,838	1,442
Income taxes payable	1,404	200
Total current liabilities	70,747	67,935
Long-term bank loans – non-current portion	1,969	2,812
Deferred income taxes	87	112
Total liabilities	72,803	70,859
Minority interests	2,907	2,099
Shareholders' equity: **		
Common shares	368	360
Additional paid-in capital	152,130	147,754
Retained earnings	78,628	54,016
Accumulated other comprehensive loss (Note 1)	(2)	(2)
Total shareholders' equity	231,124	202,128
Total liabilities and shareholders' equity	\$ 306,834	\$ 275,086

Note (**): Shareholders' equity for September 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 SEPTEMBER 30, 2003 AND 2002

(In Thousands of US Dollars)

	Unaudited Three months ended September 30,		Unaudited Nine months ended September 30,	
	2003	2002	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	\$ 8,392	\$ 6,054	\$ 30,096	\$ 14,054
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>				
Depreciation and amortization	3,178	2,818	9,058	7,872
Amortization of advisors' warrants and options	-	-	-	10
Dividend withheld	-	(394)	-	(394)
Share redemption	-	(3,125)	-	(3,125)
Net loss (gain) on disposal of property, plant and equipment	59	90	(100)	205
Gain on disposal of intangible assets	-	-	-	(60)
Realized gain on marketable securities	-	-	-	(642)
Gain on disposal of a subsidiary	-	-	(2,133)	(17)
Loss on partial disposal of subsidiaries	-	-	151	-
Loss on disposal of convertible notes	102	-	102	-
Loss on reverse merger of subsidiaries	-	-	-	2,655
Compensation expenses	-	-	509	-
Equity in income of affiliated companies	(77)	-	(289)	(2,104)
Dividend income from affiliated companies	-	-	-	32
Loss on partial disposal of investment in affiliated companies	-	-	-	469
Minority interests	228	35	1,019	193
Deferred income taxes	-	-	(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	(2,829)	3,234	(13,369)	2,977
Decrease (increase) in amount due from a related party	3,309	-	(2,074)	-
Decrease (increase) in inventories	1,338	(3,165)	(1,473)	(5,324)
(Increase) decrease in prepaid expenses and other receivables	(7)	371	(3,803)	538
(Increase) decrease in income taxes recoverable	(1,000)	414	(3,436)	(232)
Increase (decrease) in notes payable	259	34	575	(1,229)
Increase in accounts payable	3,023	1,153	16,801	6,119
Decrease in accrued expenses and other payables	(2,506)	(1,429)	(2,128)	(3,395)
Decrease in amount due to a related party	-	-	-	(2,766)
Increase in income taxes payable	376	158	1,204	652
Total adjustments	5,453	194	589	12,581
Net cash provided by operating activities	\$ 13,845	\$ 6,248	\$ 30,685	\$ 26,635
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of long term investments	\$ -	\$ -	\$ (384)	\$ (11,968)
Purchase of property, plant and equipment	(2,170)	(3,605)	(12,227)	(17,035)
Proceeds from disposal of property, plant and equipment	15	153	2,593	168
Proceeds from disposal of intangible assets	-	-	-	800
Acquisition of additional shares in subsidiaries	-	(437)	-	(437)
Proceeds from disposal of a subsidiary	-	2,131	2,386	854

Proceeds from partial disposal of subsidiaries	-	-	453	-
Proceeds from disposal of convertible notes	5,026	-	5,026	-
Acquisition of affiliated companies	-	-	(10,000)	-
Net cash provided by (used in) investing activities	<u>\$ 2,871</u>	<u>\$ (1,758)</u>	<u>\$ (12,153)</u>	<u>\$ (27,618)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Share buy-back program	\$ -	\$ -	\$ -	\$ (3,528)
Dividends paid	(2,079)	(1,306)	(5,901)	(3,542)
Repayment of bank loans	(281)	(816)	(13,703)	(1,886)
Proceeds from bank loans	-	-	-	4,500
Proceeds from shares issued on exercise of options and warrants	1,536	-	4,120	4,311
Net cash (used in) financing activities	<u>\$ (824)</u>	<u>\$ (2,122)</u>	<u>\$ (15,484)</u>	<u>\$ (145)</u>
Foreign currency translation adjustments	-	-	-	(26)
Net increase (decrease) in cash and cash equivalents	<u>15,892</u>	<u>2,368</u>	<u>3,048</u>	<u>(1,154)</u>
Cash and cash equivalents at beginning of period	<u>69,633</u>	<u>55,154</u>	<u>82,477</u>	<u>58,676</u>
Cash and cash equivalents at end of period	<u><u>\$ 85,525</u></u>	<u><u>\$ 57,522</u></u>	<u><u>\$ 85,525</u></u>	<u><u>\$ 57,522</u></u>

NAM TAI ELECTRONICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE PERIODS ENDED SEPTEMBER 30, 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 \$30,096 and \$14,037 for the nine months ended September 30, 2003 and September 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>September 30,</i> 2003		Unaudited <i>Nine months ended</i> <i>September 30,</i> 2003	
NET SALES:				
- CEP	\$ 83,849	\$ 45,513	\$ 266,908	\$ 134,715
- LPT	9,308	11,359	30,944	25,685
Total net sales	\$ 93,157	\$ 56,872	\$ 297,852	\$ 160,400
NET INCOME:				
- CEP	\$ 7,270	\$ 5,539	\$ 27,264	\$ 13,745
- LPT	1,122	515	2,832	309
Total net income	\$ 8,392	\$ 6,054	\$ 30,096	\$ 14,054

	Unaudited <i>Sept. 30,</i> 2003	Audited <i>Dec. 31,</i> 2002
IDENTIFIABLE ASSETS BY SEGMENT:		
- CEP	\$ 260,561	\$ 225,754
- LPT	46,273	49,332
Total assets	\$ 306,834	\$ 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>September 30,</i> 2003		Unaudited <i>Nine months ended</i> <i>September 30,</i> 2003	
NET SALES FROM OPERATIONS WITHIN:				
- Hong Kong:				
Unaffiliated customers	\$ 76,939	\$ 55,623	\$ 268,167	\$ 149,039
Related party	2,166	-	13,931	-
Inter-company sales	1	2	390	926
- PRC, excluding Hong Kong:				
Unaffiliated customers	14,044	1,249	15,746	3,512
Related party	8	-	8	7,849
Inter-company sales	69,027	41,163	244,254	116,430
- Inter-company eliminations	(69,028)	(41,165)	(244,644)	(117,356)
Total net sales	<u>\$ 93,157</u>	<u>\$ 56,872</u>	<u>\$ 297,852</u>	<u>\$ 160,400</u>
NET INCOME FROM OPERATIONS WITHIN:				
- PRC, excluding Hong Kong	\$ 9,190	\$ 1,845	\$ 27,233	\$ 11,266
- Hong Kong	(798)	4,209	2,863	2,788
Total net income	<u>\$ 8,392</u>	<u>\$ 6,054</u>	<u>\$ 30,096</u>	<u>\$ 14,054</u>
			Unaudited <i>Sept. 30,</i> 2003	Audited <i>Dec. 31,</i> 2002
LONG-LIVED ASSETS WITHIN:				
- PRC, excluding Hong Kong			\$ 57,756	\$ 54,481
- Hong Kong			18,344	21,433
Total long-lived assets			<u>\$ 76,100</u>	<u>\$ 75,914</u>