

REPRESENTED BY **PAN PACIFIC I.R. LTD.**
 1790 - 999 WEST HASTINGS STREET
 VANCOUVER, BC, CANADA V6C 2W2
 TEL: (604) 669-7800 FAX: (604) 669-7816
 TOLL FREE TEL/FAX: 1-800-661-8831

CONTACT: Lorne Waldman
 President
 E-MAIL: shareholder@namtai.com
 WEB: www.namtai.com

NAM TAI ELECTRONICS, INC.
Q1 Sales Up 64%, Net Income Up 87%, EPS Up 78% to \$0.32 vs Q1 2004

VANCOUVER, CANADA -- May 3, 2005 -- Nam Tai Electronics, Inc. ("Nam Tai" or the "Company") (NYSE Symbol: NTE) announced unaudited results for the first quarter ended March 31, 2005.

KEY HIGHLIGHTS

(In thousands of US Dollars, except per share data and as otherwise stated)

	Quarterly Results		
	Q1/05	Q1/04	YoY(%)
Net sales	156,923	95,435	64.4
Gross Profit	18,417	14,296	28.8
% of sales	11.7%	15.0%	
Income from operations	9,734	6,931	40.4
% of sales	6.2%	7.3%	
<i>per share(diluted)</i>	\$0.23	\$0.17	35.3
Net income ^{(a) (b)}	13,806	7,387	86.9
<i>% of sales</i>	8.8%	7.7%	
Basic earnings per share	\$0.32	\$0.18	77.8
Diluted earnings per share	\$0.32	\$0.18	77.8
Weighted average number of shares ('000)			
<i>Basic</i>	42,675	41,231	-
<i>Diluted</i>	42,898	41,292	-

Notes:

(a) Included in net income is other income consisted of \$5.9 million gained from the partial disposal of the Company's interest in a subsidiary listed in Hong Kong, compared to \$1.4 million dividend income from TCL Mobile Communication Company Limited in 2004.

(b) The Company has also incurred a one -time charge of \$130,000 for the restructuring of its operations.

Nam Tai is pleased to announce another all time quarterly sales record. Sales growth was driven mainly by key components sub-assemblies, such as CMOS image sensor modules for cellular phones with built in camera function and flexible printed circuit board ("FPC") sub-assemblies. Net sales, and the proforma operating earnings per share exceeds and is within our guidance respectively. We also diversified our customer and product base. Most importantly, we believe our growth potential has enhanced, as we commenced operations, ahead of schedule, in our expanded production facilities.

The expansion of the Company's key components sub-assemblies business, especially the FPC sub-assemblies business, has been very successful. As a result, the gross profit margin was 11.7% compared

with sales, as expected. However, the gross profit has grown 28.8% compared with the first quarter of 2004

“Our performance in the first quarter provides a good momentum for our business this year. We shall continue to expand our business and strive to further enhance our profitability”, said Mr. Joseph Li, CEO of Nam Tai, “The new production facilities of Nam Tai have commenced operation. All key financial performance indicators show improvement and the Company is well-positioned to capture new business opportunities. The Company has already announced several new business opportunities. We look forward to achieving a new record sales and milestone in the second quarter of 2005. I would also like to thank the management team of our subsidiaries, especially Nam Tai Electronic & Electrical Products Limited (“NTEEP”), for their magnificent contribution after NTEEP’s listing in Hong Kong.”

The Company is working towards full compliance with the relevant sections of the Sarbanes-Oxley Act as scheduled. To further strengthen the management of NTEEP, the Company is proposing to inject Namtek, its software subsidiary, into NTEEP in exchange for shares of NTEEP. After completion of the transaction, the ownership of the Company in NTEEP will increase from 71.25% to 72.06%. The Company will make a profit of approximately \$20 million on this transaction at the company level. Such profit, however, will be eliminated upon consolidation at the group level under accounting principles.

Company Outlook

Based on current market situation and orders on hand, the Company is pleased to provide the following business projection for the second quarter of 2005.

(In millions of US Dollars, except for earnings per share)

	2Q 2005 (Estimated)	2Q 2004 (Actual)	2Q 2005 vs 2Q 2004	1Q 2005 (Actual)
Sales	\$170 - \$180	\$148	15% - 22%	\$157
Pro Forma Earnings per Share (diluted) ^(a) ^(b)	\$0.28 - \$0.32	\$0.31	(10)% - 3%	\$0.23

Notes:

- (a) The pro-forma earnings per share (diluted) is calculated based on income before income taxes, minority interests and equity in income(loss) of affiliated companies, less any one-time income or expense.
- (b) The diluted earnings per share will be affected by the fluctuation of the total number of outstanding shares.

Supplementary Information (Unaudited) for the First Quarter of 2005

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

Quarter	2005	2004	YoY(%) (Quarterly)	YoY(%) (Quarterly accumulated)
1 st Quarter	156,923	95,435	64.4	64.4
2 nd Quarter	-	147,664		
3 rd Quarter	-	137,986		
4 th Quarter	-	152,776		
Total*	156,923	533,861		

*Total sales for 2005 comprise only three months sales, whereas total sales for 2004 comprise full twelve months sales

2. Net Sales Breakdown by Product Segment

Segment	2005		2004	
	1Q (%)	YTD (%)	1Q (%)	YTD (%)
Consumer Electronics and Communication Products (a)	27%	27%	29%	29%
Telecom. Components Assembly:				
- Telecom. Components Assembly (b)	64%	64%	58%	58%
- Software Development Services (c)	1%	1%	1%	1%
Parts & Components:				
- LCD Panels (d)	8%	8%	12%	12%
	100%	100%	100%	100%

Note:

(a) Represents the sales of Nam Tai Electronic & Electrical Products Limited

(b) Represents the sales of Zastron Precision-Tech Limited

(c) Represents the sales of Namtek Software Development Company Limited

(d) Represents the sales of J.I.C. Technology Company Limited

3. Key Highlight of Financial Position

	(unaudited) As at March 31		(audited) As at December 31
	2005	2004	2004
Cash on Hand	\$164.5 million	\$63.3 million	\$160.6 million
Marketable Securities	\$40.3 million	-	\$41.9 million
Cash/Current Liabilities	1.47	0.85	1.38
Current Ratio	2.96	2.26	2.87
Total Assets/Total Liabilities	3.95	3.93	3.79
Debtors Turnover	56 days	56 days	62 days
Inventory Turnover	14 days	37 days	18 days
Average Payable Period	52 days	64 days	72 days

First Quarter Results Analyst Conference Call

The Company will hold a **conference call on Tuesday, May 3, 2005 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.namtai.com and clicking on the conference call link (under events) or over the phone by dialing **(612) 332-0228** just prior to its start time.

Dividends

The record date for the second quarter dividend of \$0.33 per share is June 30, 2005 and the payment date is after July 20, 2005.

Annual General Meeting

The Company will hold its Annual Shareholders' Meeting at 11:30 a.m. (ET) on Monday, June 6, 2005 at The Peninsula New York, Tribeca Room, 3rd Fl, 700 Fifth Avenue at 55th St, New York, NY. The record date for voting is April 22, 2005.

About Nam Tai Electronics, Inc.

We are an electronics manufacturing and design services provider to a select group of the world's leading OEMs of telecommunications and consumer electronic products. Through our electronics manufacturing services operations, we manufacture electronic components and sub-assemblies, including LCD panels, LCD modules, RF modules, FPC sub-assemblies and image sensors 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, digital camera accessories and Bluetooth™ wireless headset accessory for use with cellular phones.

Nam Tai has two Hong Kong listed subsidiaries, Nam Tai Electronic & Electrical Products Limited ("NTEEP") and J.I.C. Technology Company Limited ("JIC") and their First Quarter Results were announced earlier today in Hong Kong. Interested investors may go to the website of The Stock Exchange of Hong Kong at www.hkex.com.hk to obtain the information. The stock code of NTEEP and JIC on The Stock Exchange of Hong Kong are 2633 and 987 respectively. Investors are reminded to exercise caution when assessing such information and not to deal with the shares of the Company based solely on reliance of such information. The results of NTEEP and JIC only represent a part of the results of the Company and there are GAAP differences in the financial statements of NTEEP and JIC when compared with the financial statements of the Company. Furthermore, different subsidiaries of the Company may have different peak seasons during a year

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, by their nature, 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. These forward-looking statements include, without limitation, statements relating to the Company's projected sales and projected pro-forma earnings per share (diluted) for the second quarter of 2005, and the ability of the Company to finance investments and business expansions through internal resources in the foreseeable future. These forward-looking statements reflect our current views with respect to future events and are not a guarantee of our future performance. There are important factors that could cause the actual results to differ materially from the information set forth in these forward-looking statements. 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. Because of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this news release might not occur the way we expect, or at all. 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. These factors include, without limitation, lower than expected sales in the second quarter of 2005, unexpected changes to the Company's cash position, general economic, market and business conditions and other factors beyond the Company's control.

NAM TAI ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
FOR THE THREE MONTHS ENDED MARCH 31, 2005 AND 2004
(In Thousands of US Dollars except share data)

	Unaudited	
	<i>Three months ended</i>	
	<i>March 31</i>	
	2005	2004
Net sales – related parties	\$ 5,105	\$ 7,735
Net sales – third parties	151,818	87,700
Total net sales	156,923	95,435
Cost of sales	138,506	81,139
Gross profit	18,417	14,296
Costs and expenses		
Selling, general and administrative expenses	7,202	6,323
Research and development expenses	1,481	1,042
	8,683	7,365
Income from operations	9,734	6,931
Interest income	673	75
Gain on partial disposal of subsidiaries	5,870	-
Other (loss) income - net	(497)	1,164
Interest expense	(82)	(21)
Income before income taxes, minority interests and equity in income of affiliated companies	15,698	8,149
Income taxes expense	(141)	(278)
Income before minority interests	15,557	7,871
Minority interests	(1,751)	(576)
Income after minority interests	13,806	7,295
Equity in income of affiliated companies	-	92
Net income	\$ 13,806	\$ 7,387
Net income per share		
Basic	\$ 0.32	\$ 0.18
Diluted	\$ 0.32	\$ 0.18
Weighted average number of shares ('000')		
Basic	42,675	41,231
Diluted	42,898	41,292

NAM TAI ELECTRONICS, INC.
CONSOLIDATED BALANCE SHEETS

AS AT March 31, 2005 AND DECEMBER 31, 2004

(In Thousands of US Dollars)

	Unaudited March 31 2005	Audited December 31, 2004
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 164,546	\$ 160,649
Marketable securities	40,275	41,906
Accounts receivable, net	93,700	90,362
Amount due from a related party	-	66
Inventories	21,544	23,096
Prepaid expenses and other receivables	2,859	12,087
Income taxes recoverable	7,124	6,566
Total current assets	<u>330,048</u>	<u>334,732</u>
Investment in affiliated companies	3,049	3,049
Property, plant and equipment, at cost	169,337	158,147
Less: accumulated depreciation and amortization	<u>(64,421)</u>	<u>(60,706)</u>
	104,916	97,441
Deposits for property, plant and equipment	4,657	7,701
Intangible assets	16,267	16,290
Other assets	1,260	1,260
Total assets	<u>\$ 460,197</u>	<u>\$ 460,473</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	\$ 3,158	\$ 2,080
Long term bank loan – current portion	3,075	2,875
Accounts payable	75,302	89,570
Accrued expenses and other payables	14,673	16,661
Amount due to a related party	1,116	-
Dividend payable	14,101	5,120
Income taxes payable	171	183
Total current liabilities	<u>111,596</u>	<u>116,489</u>
Long-term bank loan – non-current portion	5,044	5,163
Total liabilities	<u>116,640</u>	<u>121,652</u>
Minority interests	39,813	33,768
Shareholders' equity:		
Common shares	427	426
Additional paid-in capital	242,700	241,756
Retained earnings	56,029	56,324
Accumulated other comprehensive income (Note 1)	4,588	6,547
Total shareholders' equity	<u>303,744</u>	<u>305,053</u>
Total liabilities and shareholders' equity	<u>\$ 460,197</u>	<u>\$ 460,473</u>

NAM TAI ELECTRONICS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2005 AND 2004

(In Thousands of US Dollars)

	Unaudited Three months ended March 31	
	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 13,806	\$ 7,387
<i>Adjustments to reconcile net income to net cash (used in) provided by operating activities:</i>		
Depreciation and amortization of property, plant and equipment	3,844	3,280
Amortization of intangible assets	23	23
Net (gain) loss on disposal of property, plant and equipment	(29)	31
Gain on partial disposal of subsidiaries	(5,870)	-
Equity in income of an affiliated companies	-	(92)
Minority interests	1,751	576
Changes in current assets and liabilities, net of effects of acquisition and disposal:		
(Increase) Decrease in accounts receivable	(3,338)	7,293
Decrease (Increase) in amount due from a related party	66	(455)
Decrease (Increase) in inventories	1,552	(6,004)
(Increase) decrease in prepaid expenses and other receivables	(991)	1,589
Increase in income taxes recoverable	(558)	(170)
Increase (Decrease) increase in notes payable	1,078	(1,032)
(Decrease) Increase in accounts payable	(14,268)	769
Decrease in accrued expenses and other payables	(1,988)	(2,863)
Increase in amount due to a related party	1,116	-
(Decrease) Increase in income taxes payable	(12)	215
Total adjustments	<u>(17,624)</u>	<u>3,160</u>
Net cash (used in) provided by operating activities	<u>\$ (3,818)</u>	<u>\$ 10,547</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	\$ (11,328)	\$ (5,607)
Deposits for property, plant and equipment	3,044	(699)
Acquisition of long term investment	-	(11)
Proceeds from partial disposal of subsidiaries	20,055	-
Proceeds from disposal of property, plant and equipment	38	21
Net cash provided by (used in) investing activities	<u>\$ 11,809</u>	<u>\$ (6,296)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	\$ (5,120)	\$ (2,466)
Proceeds from bank loan	800	-
Repayment of bank loan	(719)	(282)
Proceeds from shares issued on exercise of options and warrants	945	-
Net cash used in financing activities	<u>\$ (4,094)</u>	<u>\$ (2,748)</u>
Net increase in cash and cash equivalents	<u>3,897</u>	<u>1,503</u>
Cash and cash equivalents at beginning of period	<u>160,649</u>	<u>61,827</u>
Cash and cash equivalents at end of period	<u>\$ 164,546</u>	<u>\$ 63,330</u>

NAM TAI ELECTRONICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE THREE MONTHS ENDED MARCH 31, 2005 AND 2004

(In Thousands of US Dollars)

1. Accumulated other comprehensive income represents foreign currency translation adjustments and unrealized gain (loss) on marketable securities. The comprehensive income of the Company was \$11,847 (including an unrealized loss on marketable securities of US\$1,959 in relation to TCL Communication Technology Holdings Limited and TCL Corporation) and \$7,387 for the three months ended March 31, 2005 and March 31, 2004, respectively.
2. Business segment information – The Company operates primarily in three segments, the Consumer Electronics and Communication Products (“CECP”) segment, Telecommunication Components Assembly (“TCA”) segment and the LCD Panels (“LCDP”) segment.

	Unaudited Three months ended March 31	
	2005	2004
<hr/>		
NET SALES :		
- CECP	\$ 42,028	\$ 27,478
- TCA	102,622	56,871
- LCDP	12,273	11,086
	<hr/>	
Total net sales	\$ 156,923	\$ 95,435
	<hr/>	
NET INCOME :		
- CECP	\$ 3,882	\$ 3,239
- TCA	9,315	3,463
- LCDP	609	685
	<hr/>	
Total net income	\$ 13,806	\$ 7,387
	<hr/>	
	Unaudited	Audited
	March 31,	Dec. 31,
	2005	2004
<hr/>		
IDENTIFIABLE ASSETS BY SEGMENT:		
- CECP	\$ 138,539	\$ 134,473
- TCA	267,881	274,664
- LCDP	53,777	51,336
	<hr/>	
Total assets	\$ 460,197	\$ 460,473
	<hr/>	

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>	
	2005	2004
NET SALES FROM OPERATIONS WITHIN:		
- Hong Kong and Macao:		
Unaffiliated customers	\$ 12,273	\$ 11,086
Related party	-	-
Intercompany sales	186	106
- PRC, excluding Hong Kong and Macao:		
Unaffiliated customers	144,650	76,614
Related party	-	7,735
Intercompany sales	5,105	2,682
- Intercompany eliminations	<u>(5,291)</u>	<u>(2,788)</u>
Total net sales	<u>\$ 156,923</u>	<u>\$ 95,435</u>
NET INCOME WITHIN:		
- PRC, excluding Hong Kong & Macao	\$ 5,023	\$ 6,388
- Macao	5,514	258
- Hong Kong	<u>3,269</u>	<u>741</u>
Total net income	<u>\$ 13,806</u>	<u>\$ 7,387</u>
	Unaudited	Audited
	<i>March 31,</i>	<i>Dec. 31,</i>
	2005	2004
LONG-LIVED ASSETS WITHIN :		
- PRC, excluding Hong Kong & Macao	\$ 92,131	\$ 84,453
- Macao	130	134
- Hong Kong	<u>12,655</u>	<u>12,854</u>
Total long-lived assets	<u>\$ 104,916</u>	<u>\$ 97,441</u>