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NAM TAI ELECTRONICS INC
Form 6-K
May 09, 2003

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

REPORT OF FOREIGN ISSUER

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Securities Exchange Act of 1934

For News Releases of:

May 5, 2003;
April 25, 2003;
April 14, 2003;
April 7, 2003;
March 31, 2003

NAM TAI ELECTRONICS, INC.
(Registrant's name in English)

15th Floor, China Merchants Tower, Shun Tak Centre
168-200 Connaught Road Central, Hong Kong

NEWS RELEASE

NAM TAI ELECTRONICS, INC.

REPRESENTED BY: PAN PACIFIC I.R. LTD.

SUITE 1790 - 999 WEST HASTINGS STREET VANCOUVER, B.C. CANADA V6C 2W2

TEL: (604) 669-7800 FAX: (604) 669-7816 TOLL FREE TEL/FAX: 1-800-661-8831

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NAM TAI ELECTRONICS, INC.

Announces \$4.2 Million Investment in FPC Sub-assembly Line

VANCOUVER, CANADA -- May 5, 2003 -- Nam Tai Electronics, Inc. ("Nam Tai" or the "Company") (NYSE Symbol: NTE; CBOE Symbol: QNA) today announced it has invested \$4.2 million for a new flexible printed circuit ("FPC") sub-assembly line. Historically, Nam Tai purchased finished FPC sub-assemblies from outside vendors to assemble LCD modules, PDAs and other products for its customers. With the installation of this new FPC sub-assembly line, the Company can penetrate into the FPC market and can produce its own FPC sub-assemblies at customers' specifications in-house. Hence, the Company can provide a broader range of services to customers and believes it can reduce their costs. The Company also believes that the new production line will further enhance the manufacturing capability of the Company for products such as LCD modules, RF modules, PDAs and cellular phones.

"It is exciting to witness the ongoing advancement of Nam Tai's manufacturing capabilities," said Mr. Tadao Murakami, Nam Tai's Chairman. "We already have COG

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and COF production lines. With this new FPC sub-assembly line, we are now positioned to pursue new business opportunities."

About Nam Tai

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, transformers, LCD modules and radio frequency modules. These components are used in numerous electronic products, including cellular phones, laptop computers, digital cameras, copiers, fax machines, handheld gaming devices and microwave ovens. We also manufacture finished products, including cordless 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.

Except for the historical information contained herein, matters discussed in this press release are forward-looking statements. For example, the Company's expectation of penetrating the FPC market is a forward-looking statement that is uncertain and depends on its ability to provide new FPC manufacturing processes and solutions that compare favorably on the basis of cost, time to introduction, and performance with in-house capabilities of OEMs and competitive third-party suppliers. Nam Tai's belief that it can reduce its customers' costs by producing FPC modules itself is also a forward-looking statement that is uncertain and depends on Nam Tai's ability to overcome potential problems it may encounter in implementing the new production line and achieving component reliability and the high quality expected by Nam Tai and required by its customers. Other factors that might cause differences in these and 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, 2002.

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NAM TAI ELECTRONICS, INC.

Q1 Operating Income Up 183% to \$8.9 Million vs. \$3.1 Million,
EPS \$0.83 vs. \$0.40

VANCOUVER, CANADA -- April 25, 2003 -- Nam Tai Electronics, Inc. ("Nam Tai" or the "Company") (NYSE Symbol: NTE; CBOE Symbol: QNA) announced unaudited results for the first quarter ended March 31, 2003. Net sales of \$88.0 million for the first quarter of 2003 was up 71.8% as compared to net sales of \$51.2 million for the first quarter of 2002. Income from operations for the first quarter of 2003 was \$8.9 million (\$0.72 per share) compared to income from operations of \$3.1 million (\$0.30 per share) in the first quarter of 2002. Net income for the first quarter of 2003 was \$10.2 million, an increase of 144.6% compared to net income of \$4.2 million in the first quarter of 2002. Basic and diluted earnings per share for the first quarter of 2003 were \$0.84 and \$0.83, respectively, compared to \$0.41 and \$0.40, respectively, in the first quarter of 2002.

The Company continues to maintain a strong financial position, with \$5.04 of cash per share and \$17.52 of net book value per share, based on 12,130,668 shares outstanding as at March 31, 2003. The Company, as at March 31, 2003, had a cash to current liabilities ratio of 0.87, a current ratio of 2.26, a total

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assets to total liabilities ratio of 3.95, and approximately \$61.1 million of cash on hand.

Supplementary Information (unaudited) for the First Quarter of 2003

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

| Quarter | 2001 | 2002 | 2003 | YoY(%) |
|-------------|---------|------------|--------|--------|
| 1st Quarter | 51,487 | (a) 51,217 | 87,981 | 71.8% |
| 2nd Quarter | 55,882 | 52,311 | | |
| 3rd Quarter | 59,551 | 56,872 | | |
| 4th Quarter | 67,086 | 75,616 | | |
| Total | 234,006 | 236,016 | 87,981 | |

Note (a): Sales of battery packs for the first quarter of 2002 were \$5,096K. 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 | |
|---------------------------------|-----------------|---------|-----------------|---------|
| | 1st Quarter (%) | YTD (%) | 1st Quarter (%) | YTD (%) |
| Assembling: | | | | |
| - LCD Consumer Products | 41% | 41% | 36% | 36% |
| - Telecom. Components Assembly | 46% | 46% | 52% | 52% |
| - Software Development Services | 1% | 1% | 1% | 1% |
| Parts & Components : | | | | |
| - LCD Panels | 8% | 8% | 7% | 7% |
| - Transformers | 4% | 4% | 4% | 4% |
| | 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.

SARS Update

Today, the recent outbreak of severe acute respiratory syndrome or SARS ("the Outbreak") has already caused an adverse impact on the worldwide economy and aroused severe public concern. According to latest press reports, which are to the Company's comfort, the magnitude of the Outbreak in the southern part of China and Hong Kong seems to have been stabilized and controlled.

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Anyway, the Company has, since February, set up a special committee to closely monitor the situation and has taken a number of necessary and appropriate preventive measures for SARS, including but not limited to the reduction of business travel and meetings, use of electronic communication devices to maintain smooth running of the business, and distribution of quality respiratory masks to its employees, which has also extended to all its business partners, government agencies and hospitals.

Meanwhile, the Outbreak has thus far had no material impact on the Company's operations and business only that the SG&A expenses may slightly go up because of the preventive measures implemented.

First Quarter Results Analyst Conference Call

The Company will hold a conference call on Monday, April 28, 2003 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/news/news.htm and clicking on the conference call link or over the phone by dialing (651) 291-5254 just prior to its start time. Callers will be asked to register with the conference call operator.

Dividends

The record date for the second quarter dividend of \$0.15 per share is June 30, 2003 and the payment date is July 21, 2003.

Annual General Meeting

The Company will hold its Annual Shareholders' Meeting at 11:30 a.m. (ET) on Tuesday, July 8, 2003 at The Peninsula New York, 700 Fifth Avenue at 55th Street, New York, NY. The record date for voting is May 30, 2003.

Nam Tai Electronics, Inc. is an electronics manufacturing and design 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. Other factors that might cause differences in any 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, 2002.

NAM TAI ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002
(In Thousands of US Dollars except per share data)

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| | Unaudited Three months ended March 31 | |
|---------------------------------------------------|---------------------------------------------|----------|
| | 2003 | 2002 |
| Net sales - related parties | \$ 2,931 | \$ 5,096 |
| Net sales - third parties | 85,050 | 46,121 |
| Total net sales | 87,981 | 51,217 |
| Cost of sales | 72,835 | 43,466 |
| Gross profit | 15,146 | 7,751 |
| Costs and expenses | | |
| Selling, general and administrative expenses | 5,471 | 3,952 |
| Research and development expenses | 811 | 665 |
| | 6,282 | 4,617 |
| Income from operations | 8,864 | 3,134 |
| Interest income | 201 | 147 |
| Other income - net | 2,067 | 25 |
| Equity in income of affiliated companies | 75 | 1,135 |
| Income before income taxes and minority interests | 11,207 | 4,441 |
| Income tax expense | (384) | (165) |
| Income before minority interests | 10,823 | 4,276 |
| Minority interests | (613) | (101) |
| Net income | \$ 10,210 | \$ 4,175 |
| Net income per share | | |
| Basic | \$ 0.84 | \$ 0.41 |
| Diluted | \$ 0.83 | \$ 0.40 |
| Weighted average number of shares ('000') | | |
| Basic | 12,117 | 10,306 |
| Diluted | 12,266 | 10,476 |

NAM TAI ELECTRONICS, INC.
CONSOLIDATED BALANCE SHEETS
AS AT MARCH 31, 2003 AND DECEMBER 31, 2002
(In Thousands of US Dollars)

| | Unaudited March 31 2003 | Audited December 31 2002 |
|--|-------------------------------|--------------------------------|
|--|-------------------------------|--------------------------------|

ASSETS
Current assets:

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| | | | | |
|-------------------------------------------------|----|----------|----|----------|
| Cash and cash equivalents | \$ | 61,114 | \$ | 82,477 |
| Accounts receivable, net | | 57,168 | | 50,944 |
| Amount due from a related party | | 806 | | - |
| Inventories, net | | 32,113 | | 19,200 |
| Prepaid expenses and other receivables | | 7,139 | | 1,867 |
| Income taxes recoverable | | 952 | | 855 |
| | | | | ----- |
| Total current assets | | 159,292 | | 155,343 |
| Investments in affiliated companies | | 10,075 | | - |
| Convertible notes | | 5,128 | | 5,128 |
| Long term investment | | 16,366 | | 15,982 |
| Property, plant and equipment, at cost | | 118,600 | | 116,583 |
| Less: accumulated depreciation and amortization | | (43,455) | | (40,669) |
| | | | | ----- |
| | | 75,145 | | 75,914 |
| Goodwill | | 21,308 | | 21,308 |
| Other assets | | 1,411 | | 1,411 |
| | | | | ----- |
| Total assets | \$ | 288,725 | \$ | 275,086 |
| | | | | ===== |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| Current liabilities: | | | | |
| Notes payable | \$ | 2,030 | \$ | 985 |
| Long term bank loans - current portion | | 1,125 | | 13,985 |
| Accounts payable | | 54,071 | | 38,714 |
| Accrued expenses and other payables | | 10,790 | | 12,609 |
| Dividend payable | | 1,820 | | 1,442 |
| Income taxes payable | | 564 | | 200 |
| | | | | ----- |
| Total current liabilities | | 70,400 | | 67,935 |
| Long-term bank loans - non-current portion | | 2,531 | | 2,812 |
| Deferred income taxes | | 112 | | 112 |
| | | | | ----- |
| Total liabilities | | 73,043 | | 70,859 |
| Minority interests | | 3,117 | | 2,099 |
| Shareholders' equity: | | | | |
| Common shares | | 121 | | 120 |
| Additional paid-in capital | | 149,874 | | 147,828 |
| Retained earnings | | 62,572 | | 54,182 |
| Accumulated other comprehensive loss (Note 1) | | (2) | | (2) |
| | | | | ----- |
| Total shareholders' equity | | 212,565 | | 202,128 |
| Total liabilities and shareholders' equity | \$ | 288,725 | \$ | 275,086 |
| | | | | ===== |

NAM TAI ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002
(In Thousands of US Dollars)

Unaudited

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| | Three months ended March 31 | |
|----------------------------------------------------------------------------------------|--------------------------------|-------------|
| | 2003 | 2002 |
| <hr/> | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 10,210 | \$ 4,175 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 2,869 | 2,547 |
| Net (gain)/loss on disposal of property, plant and equipment | (209) | 39 |
| Realized gain on marketable securities | - | (642) |
| Compensation expenses | 509 | - |
| Equity in (income) loss of affiliated companies | (75) | (1,135) |
| Minority interest | 613 | 101 |
| Changes in current assets and liabilities, net of effects of acquisition and disposal: | | |
| Proceeds from marketable securities | - | 10,147 |
| Increase in accounts receivable | (6,224) | (341) |
| Increase in amount due from a related party | (806) | - |
| (Increase) decrease in inventories | (12,913) | 1,277 |
| Increase in prepaid expenses and other receivable | (5,272) | (40) |
| Increase in income taxes recoverable | (97) | (726) |
| Increase (decrease) in notes payable | 1,045 | (751) |
| Increase (decrease) in accounts payable | 15,357 | (7,763) |
| Decrease in accrued expenses and other payable | (1,819) | (1,350) |
| Increase in amount due to a related party | - | 209 |
| Increase in income taxes payable | 364 | 257 |
| | <hr/> | <hr/> |
| Total adjustments | (6,658) | 1,829 |
| | <hr/> | <hr/> |
| Net cash provided by operating activities | \$ 3,552 | \$ 6,004 |
| <hr/> | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of long term investment | \$ (384) | \$ (11,957) |
| Purchase of property, plant and equipment | (4,218) | (10,763) |
| Proceed from partial disposal of subsidiary | 160 | - |
| Acquisition of affiliated companies | (10,000) | - |
| Proceeds from disposal of property, plant and equipment | 2,327 | 5 |
| | <hr/> | <hr/> |
| Net cash used in investing activities | \$ (12,115) | \$ (22,715) |
| <hr/> | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Share buy-back program | \$ - | \$ (3,528) |
| Dividends paid | (1,442) | (1,023) |
| - | | |
| Repayment of bank loan | (13,141) | (535) |
| Proceeds from shares issued on exercise of options and warrants | 1,783 | 789 |
| | <hr/> | <hr/> |
| Net cash used in financing activities | \$ (12,800) | \$ (4,297) |
| <hr/> | | |
| Foreign currency translation adjustments | - | (40) |
| | <hr/> | <hr/> |
| Net decrease in cash and cash equivalents | (21,363) | (21,048) |
| | <hr/> | <hr/> |
| Cash and cash equivalents at beginning of period | 82,477 | 58,676 |
| | <hr/> | <hr/> |
| Cash and cash equivalents at end of period | \$ 61,114 | \$ 37,628 |
| | <hr/> <hr/> | <hr/> <hr/> |

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NAM TAI ELECTRONICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE THREE MONTHS ENDED MARCH 31, 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 \$10,210 and \$4,140 for the three months ended March 31, 2003 and March 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.

| | Unaudited Three months ended March 31 | |
|---------------------------------|-----------------------------------------------------------------------------------------|------------|
| | 2003 | 2002 |
| Net sales: | | |
| - CEP | \$ 77,581 | \$ 45,841 |
| - LPT | 10,400 | 5,376 |
| | | |
| Total net sales | \$ 87,981 | \$ 51,217 |
| Net income: | | |
| - CEP | \$ 10,032 | \$ 4,069 |
| - LPT | 178 | 106 |
| | | |
| Total net income | \$ 10,210 | \$ 4,175 |
| | | |
| | Unaudited Audited March 31, 2003 Dec. 31, 2002 | |
| Identifiable assets by segment: | | |
| - CEP | \$ 238,747 | \$ 225,754 |
| - LPT | 49,978 | 49,332 |
| | | |
| Total assets | \$ 288,725 | \$ 275,086 |

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

Unaudited
Three months ended
March 31

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| | 2003 | 2002 |
|-----------------------------------|----------------|---------------|
| ----- | | |
| Net sales from operations within: | | |
| - Hong Kong: | | |
| Unaffiliated customers | \$ 84,386 | \$ 44,934 |
| Related party | 2,931 | - |
| Inter-companies sales | 155 | 477 |
| - PRC, excluding Hong Kong: | | |
| Unaffiliated customers | 664 | 1,187 |
| Related party | - | 5,096 |
| Inter-companies sales | 73,955 | 37,673 |
| - Inter-companies eliminations | (74,110) | (38,150) |
| | ----- | ----- |
| Total net sales | \$ 87,981 | \$ 51,217 |
| | ===== | ===== |
| Net sales from operations within: | | |
| - PRC, excluding Hong Kong | \$ 8,547 | \$ 2,235 |
| - Hong Kong | 1,663 | 1,940 |
| | ----- | ----- |
| Total net income | \$ 10,210 | \$ 4,175 |
| | ===== | ===== |
| | Unaudited | Audited |
| | March 31, 2003 | Dec. 31, 2002 |
| | ----- | ----- |
| Long-lived assets within: | | |
| - PRC, excluding Hong Kong | \$ 56,318 | \$ 54,481 |
| - Hong Kong | 18,827 | 21,433 |
| | ----- | ----- |
| Total long-lived assets | \$ 75,145 | \$ 75,914 |
| | ===== | ===== |

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NAM TAI ELECTRONICS, INC.

New Record-Breaking Sales in Q1/03

VANCOUVER, CANADA -- April 14, 2003 -- Nam Tai Electronics, Inc. ("Nam Tai" or the "Company") (NYSE Symbol: NTE; CBOE Symbol: QNA) today announced it achieved a new quarterly sales record of \$88 million in the first quarter of 2003, an increase of 71.8% compared to the sales of \$51.2 million in the first quarter of 2002. Strong sales of LCD modules and the Company's expanded customer and product base contributed significantly to the overall growth. Details of the unaudited first quarter results for the period ended March 31, 2003, will be released on April 28, 2003 after the review by the Company's auditor. To cope with the increase of business, the Company has successfully recruited more workers for its production facilities. The total number of employees in Nam Tai has therefore increased from 4,246 (as at December 31, 2002) to 5,300 (as at April 9, 2003).

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"Despite today's sluggish market conditions, we are very pleased that Nam Tai was able to achieve such a good result. This encouraging performance on sales demonstrates the Company's ability to grow in the competitive market. Meanwhile, we are also looking forward to satisfactory first quarter earning results on April 28, 2003. In addition, with our strong financial position and further expansion of business operations, we are well-equipped to seize more business opportunities and enhance our sales revenues in the coming future," commented Mr. Tadao Murakami, Nam Tai's Chairman.

Q1/03 Results & Analyst Conference Call

The Company will release its unaudited first quarter results for the period ended March 31, 2003 before the market opens on Monday, April 28, 2003. The Company will hold a conference call on Monday, April 28, 2003 at 10:00 a.m. Eastern Time for analysts to discuss the first quarter results with management. Analysts who wish to receive the toll free dial-in number for this conference call are invited to contact the Investor Relations Office at 1-800-661-8831 no later than 6:00 p.m. Eastern Time on Friday, April 25, 2003.

Shareholders, media, and interested investors are invited to listen to the live conference call over the Internet by going to www.namtai.com/news/news.htm and clicking on the conference call link or over the phone by dialing (651) 291-5254 just prior to its start time. Users will be asked to register with the conference call operator.

Dividend Reminder

The Company will pay the first quarter 2003 dividend of \$0.15 per share on April 21, 2003 to shareholders of record at the close of business on March 31, 2003. On February 14, 2003 the Company announced, for the tenth consecutive year, an increase in its dividend.

The annual dividend was increased to \$0.60 per share for 2003 up from \$0.48 per share in 2002.

About Nam Tai

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, transformers, 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 and microwave ovens. We also manufacture finished products, including cordless 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.

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NAM TAI ELECTRONICS, INC.

Manufactures Attachable Cameras for Cellular Phones of New Customer

VANCOUVER, CANADA -- April 7, 2003 -- Nam Tai Electronics, Inc. ("Nam Tai" or the "Company") (NYSE Symbol: NTE; CBOE Symbol: QNA) today announced that it has

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received a new order to manufacture 50,000 attachable cameras for cellular phones from a new customer. These attachable cameras are the video graphics array (VGA) resolution digital camera accessory products of 300,000 pixels that can be supported by cellular phones. Nam Tai expects to deliver the attachable cameras during the second quarter of 2003.

"Besides manufacturing snap-on cameras for an existing customer, we are pleased to be offered an opportunity to manufacture attachable cameras for cellular phones of another customer. This new order demonstrates that customers have recognized Nam Tai's manufacturing technology and capability. We also believe it illustrates Nam Tai's ability to compete in this market segment of the electronics industry," said Mr. Tadao Murakami, Chairman of Nam Tai. "We believe that the demand for cellular phones with digital cameras is giving a boost to the electronic manufacturing industry and that Nam Tai will benefit from the business opportunities arising in this area."

Atypical Pneumonia or SARS

There has been a recent outbreak of atypical pneumonia, which is being referred to as severe acute respiratory syndrome or SARS, in Hong Kong and China where our operations are located. This outbreak is being investigated by the World Health Organization and several other health agencies and has been widely reported by news services around the world. To date, we are not aware that any of our employees have contracted this illness. For the personal safety of our employees, we have issued directions to our employees, to minimize business travel so as to reduce the possibility of contracting SARS. We have also distributed N95 particulate filter respiratory masks to our employees in Hong Kong and China. We currently do not believe that this condition has had a material impact on our operations or financial results of the first quarter and second quarter to date. A prolonged outbreak or further limitations on our business activities however could negatively impact our future operating results.

About Nam Tai

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, transformers, 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 and microwave ovens. We also manufacture finished products, including cordless 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.

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NAM TAI ELECTRONICS, INC.

To Receive Cash Dividend of \$1.46 Million from TCL Mobile

VANCOUVER, CANADA -- March 31, 2003 -- Nam Tai Electronics, Inc. ("Nam Tai" or the "Company") (NYSE Symbol: NTE; CBOE Symbol: QNA) today announced that it has received notice from cellular phone maker Huizhou TCL Mobile Communication Co. Ltd. ("TCL Mobile") that it has declared a dividend of \$48.16 million for the

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year ended December 31, 2002. For the year ended December 31, 2002, TCL Mobile announced sales of approximately \$1.0 billion (HK\$7,875.8 million), an increase of 289% from the sales it reported for the year ended December 31, 2001 and an increase for 2002 in profit attributable to shareholders of 290% to approximately \$153.6 million compared with such profit for the year ended December 31, 2001. With an effective 3.033% holding interest in TCL Mobile, Nam Tai expects to receive its share of the cash dividend of approximately \$1.46 million.

"Being a shareholder and supplier of TCL Mobile, we are pleased to see TCL Mobile's outstanding performance during 2002," said Mr. Tadao Murakami, Chairman of Nam Tai. "We are confident that TCL Mobile will continue to grow and bring returns to its shareholders."

About Nam Tai

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, transformers, 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 and microwave ovens. We also manufacture finished products, including cordless 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.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the Undersigned thereunto duly authorized.

For and on behalf of
Nam Tai Electronics, Inc.

/s/ MING KOWN KOO

MING KOWN KOO
CHIEF FINANCIAL OFFICER

Date: May 9, 2003