

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.

Q3 Sales Up 48.1%, Operating Income Up 29.4%, EPS \$0.44 Up 120%

VANCOUVER, CANADA -- October 29, 2004 -- Nam Tai Electronics, Inc. ("Nam Tai" or the "Company") (NYSE Symbol: NTE; CBOE Symbol: QNA; Frankfurt Stock Exchange Symbol: 884852) is pleased to announce its unaudited results for the third quarter ended September 30, 2004.

KEY HIGHLIGHTS

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

	Quarterly Results			Nine Months Results		
	3Q 2004	3Q 2003	YoY(%)	9M 2004	9M 2003	YoY(%)
Net sales	137,986	93,157	48.1	381,085	297,852	27.9
Gross Profit	20,519	15,548	32.0	57,090	49,015	16.5
<i>% of sales</i>	<i>14.9%</i>	<i>16.7%</i>		<i>15.0%</i>	<i>16.5%</i>	
Income from operations	12,752	9,854	29.4	33,098	29,622	11.7
<i>% of sales</i>	<i>9.2%</i>	<i>10.6%</i>		<i>8.7%</i>	<i>9.9%</i>	
<i>per share(diluted)^(a)</i>	<i>\$0.30</i>	<i>\$0.24</i>	<i>25.0</i>	<i>\$0.78</i>	<i>\$0.73</i>	<i>6.8</i>
Net income ^(b)	18,936	8,392	125.7	109,350	30,096	263.3
<i>% of sales</i>	<i>13.7%</i>	<i>9.0%</i>		<i>28.7%</i>	<i>10.1%</i>	
Basic earnings per share ^(a)	\$0.44	\$0.21	109.5	\$2.58	\$0.75	244.0
Diluted earnings per share ^{(a) & (b)}	\$0.44	\$0.20	120.0	\$2.57	\$0.74	247.3
Weighted average number of shares ('000)						
Basic ^(a)	42,982	40,300	-	42,440	40,121	-
Diluted ^(a)	43,019	41,019	-	42,486	40,699	-

Notes:

(a) All share and earnings per share data have been adjusted for the 10 for 1 stock dividend effective November 7, 2003.

(b) After adjusting for the following one time items, pro-forma Net Income would have been \$10.2 million, and Pro-forma Earnings per Share (diluted) would have been \$0.24, after adjusting for the following:

GAAP based Net Income

Less: One time items:

- Dividend income from TCL Communication
- Loss on impairment of the value of our investment in Alpha Star Investment Limited
- Additional tax provision for \$0.6 million ^(c)

Total One Time Items

Pro-forma Net Income

	(USD Million)	(EPS Diluted USD)
	18.9	0.44
(15.9)	(15.9)	(0.37)
6.6	6.6	0.15
0.6	0.6	0.02
	(8.7)	(0.20)
	10.2	0.24

(c) The effective tax rate of the Company increased by 1% as a result of the recent enforcement of certain tax regulations by the PRC Government that has reduced the tax incentive in relation to the Company's Profit Re-investment Program. As a consequence, an additional tax provision of \$0.6 million was made in the third quarter of 2004 to cover the difference from January 1, 2003 to the end of the second quarter of 2004.

For the third quarter ended September 30, 2004, Nam Tai's sales was \$138.0 million, or 48.1% above the same quarter in 2003. Sales were driven mainly by CMOS image sensor modules for cellular phones with built in camera function, flexible printed circuit board sub-assemblies, LCD panels, Bluetooth™ cellular phone headsets, and optical and audio accessories for PlayStation®2.

Income from operations grew 29.4%, to \$12.8 million as compared to the same quarter last year.

As at September 30, 2004, Nam Tai had approximately \$135.0 million cash on hand after payment of previous three quarters' dividend of \$14.3 million and capital expenditure of \$31.3 million. In addition, the Company had marketable securities of \$64.1 million. This is equivalent to \$4.66 per share, made up of \$3.16 per share in cash and \$1.50 per share in marketable securities, based on 42,664,536 shares outstanding.

Commenting on the third quarter results, Nam Tai's Chairman, Mr. Tadao Murakami said, "Like many businesses, we are facing increasing pressure from rising oil and higher raw material prices, as well as changes to applicable PRC tax rules. This has squeezed our gross profit margin to 14.9%. However, I am pleased to see that this has been more than offset by our strong sales growth, which surged by over 48% when compared to the same quarter last year, achieving the upper expectation of our Company Outlook, as set out in our second quarter results announcement. Our continuing sales growth has contributed to the 29% growth in our operating income. Net Income surged a remarkable 125%, partly as a consequence of certain one time other income items, and our Diluted Earnings per Share of \$0.44 was higher than expected. The growth in operating income shows that our management's strategy of expansion and diversification in product mix continues to be successful, allowing our business to grow even under challenging market conditions. Our gross margins continue to be among the best in the industry."

Mr. Murakami added, "Nam Tai has posted year-over-year sales growth with profit, and we remain well on track towards exceeding our long-term target growth rate of 22% per annum. In addition to increasing our business with established Japanese and European customers, we have also succeeded in gaining new customers in North America, further demonstrating our ability to compete in the global market place."

"We are aware of the uncertainties in the market, such as the shortage of skilled labor in the PRC, the likelihood of RMB revaluation, and power supply shortages. The Company reviews these, and many other issues on a regular basis, and takes appropriate steps to safeguard itself and to mitigate the impact on our revenue. For example, our comparatively good wages and staff benefits has meant that we continue to enjoy low staff turnover. We have marketable securities denominated in RMB to help cushion the effect of a RMB revaluation, and our in-house treasury closely monitors foreign currency exposures. Our factories have their own electricity generating capability to ensure minimum risk to a disruption in the grid supply."

"Despite our continuous sales growth, we continue to monitor our expenses, working to keep increases at reasonable levels relative to sales. Most importantly, Nam Tai continues to expand and strengthen its management team to support its long term growth strategy."

Company Outlook

Due to the uncertainty over rising oil and raw material prices, it is difficult to give an accurate projection of the Company's earnings per share in the coming quarter. Nevertheless, the Company is pleased to provide its business projection for the fourth quarter of 2004, based on current market conditions and the current order situation.

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

	4Q 2004 (Estimated)	4Q 2003 (Actual)	4Q 2004 vs 4Q 2003	3Q 2004 (Actual)
Sales	130 to 135	108	20% to 25%	138
Pro Forma Earnings per Share (diluted)#	\$0.21 to \$0.23	\$0.21	Up to 10%	\$0.24

#Note: Diluted Earnings per share includes tax expenses and the minority interest of 25% in NTEEP and approximately 12% in JIC and 20% in Namtek Software Development Company Limited

FACTORY UPDATE

Construction of our new factory in Baoan, PRC is slightly ahead of schedule, and is expected to be completed before the end of December 2004. Installation of machinery will take place over the historically quieter Chinese New Year period, and the factory is expected to be operational on or around April 1, 2005. After completion of the new factory, production area will be increased at our Baoan facilities from approximately 253,000 square feet to 488,000 square feet.

Nam Tai subsidiary, JIC commenced its factory relocation to Baoan, PRC in September. JIC is taking the relocation opportunity to upgrade its two twisted nematic (“TN”) production lines to super twisted nematic (“STN”) production lines. The relocation exercise will be complete and the factory fully operational by January 2005. Production area will increase from 152,000 square feet to 416,000 square feet.

We expect these new factories will meet our capacity expansion requirements for the next two and a half to three years. In the meantime, we are also considering other locations in anticipation of our capacity expansion needs beyond 2007.

UPDATE ON STRATEGIC INVESTMENTS

TCL

For TCL Communication Technology Holdings Limited (“TCL Com.”), the market value of our investment based on the closing share price as at September 30, 2004 was \$35.9 million, compared to our original cost basis of \$79.5 million. For TCL Corporation (“TCL Corp.”), the Company has accepted the recommendation of an independent financial adviser and valued the shares at a 48.6% discount to the market price. Accordingly, the value of our investment in TCL Corp. was discounted and included in our balance sheet as \$28.2 million, compared to its original cost of \$12.0 million.

Pursuant to US GAAP, there will be no impact on Nam Tai’s income statement until the TCL shares are sold. However, shareholders equity will fluctuate each quarter based on the closing market prices of TCL Com. and TCL Corp. Nam Tai remains optimistic towards the future prospects of TCL Com. and TCL Corp. , and believes that the current share price of both TCL Com. and TCL Corp. is not a clear reflection of their true value. It is Nam Tai’s intention to maintain our holding in TCL Com. and TCL Corp. until such time that the sale of the shares will bring about an appropriate investment return for our shareholders.

Stepmind

Nam Tai has disposed of its entire interest in Stepmind to Remote Reward SAS, one of the shareholders of Stepmind at the original subscription price for those shares. In this connection, Nam Tai was not required to recognize any possible impairment loss on the Company's investment in Stepmind in its third quarter results, as mentioned in the Second Quarter Results Announcement.

Alpha Star Update

In light of the competitive handset market in the PRC, the Company previously announced that it was considering whether it would be prudent to make an impairment on its \$10 million investment in Alpha Star. As a consequence, an impairment has been made, with a write down to fair value of approximately US\$3 million as at September 2004, based on the advice of an external valuer.

Supplementary Information (Unaudited) for the Third Quarter of 2004

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

Quarter	2004	2003	YoY(%) (Quarterly)	YoY(%) (Quarterly accumulated)
1 st Quarter	95,435	87,981	8.5%	8.5%
2 nd Quarter	147,664	116,714	26.5%	18.8%
3 rd Quarter	137,986	93,157	48.1%	27.9%
4 th Quarter		108,454		
Total*	381,085	406,306		

*Total sales for 2004 only relates to nine months sales, whereas total sales for 2003 is for full twelve months sales

2. Net Sales Breakdown by Product Segment

Segment	2004		2003	
	3Q (%)	YTD (%)	3Q (%)	YTD (%)
Consumer Electronics and Communication Products (a)	34%	32%	26%	32%
Telecom. Components Assembly:				
- Telecom. Components Assembly (b)	55%	57%	63%	57%
- Software Development Services (c)	1%	1%	1%	1%
Parts & Components:				
- LCD Panels (d)	10%	10%	10%	8%
- Transformers (e)	0%	0%	0%	2%
	100%	100%	100%	100%

Note:

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

(b) Represents the sales of Nam Tai Telecom(Cayman) Co., Ltd.

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

(d) Represents the sales of JIC

(e) In June 2003, we sold our transformers operation to a third party.

3. Key Highlight of Financial Position

	(unaudited) As at September 30		(audited) As at December 31
	2004	2003	2003
Cash on Hand	\$135.0 million	\$85.5 million	\$61.8 million
Marketable Securities	\$64.1 million	-	-
Cash/Current Liabilities	1.61	1.21	0.83
Current Ratio	3.70	2.57	2.25
Total Assets/Total Liabilities	4.91	4.21	3.88
Debtors Turnover	54 days	61 days	58 days
Inventory Turnover	15 times	17 times	13 times
Average Payable Period	49 days	60 days	60 days

Debtor's turnover was improved from 86 days in the second quarter of 2004 to 54 days in the third quarter of 2004. Inventory turnover was improved from 11 times in the second quarter of 2004 to 15 times in the third quarter of 2004.

Third Quarter Results Analyst Conference Call

The Company will hold a **conference call on Monday, November 1, 2004 at 10:00 a.m. Eastern Time** for analysts to discuss the third 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 (612) 288-0329 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 \$0.12 per share will be December 31, 2004 and the payment date is expected to be around January 21, 2005.

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 sensor 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 and digital camera accessories 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 Third Quarter Results were announced today after the close of market 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 the 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 (diluted) earnings per share for the fourth quarter of 2004, 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 fourth quarter of 2004, 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
FOR THE PERIODS ENDED SEPTEMBER 30, 2004 AND 2003
(In Thousands of US Dollars except share data)

	Note	Unaudited		Unaudited	
		Three months ended September 30		Nine months ended September 30	
		2004	2003	2004	2003
Net sales – related parties		\$ 9,592	\$ 2,174	\$ 28,921	\$ 13,939
Net sales – third parties		128,394	90,983	352,164	283,913
Total net sales		137,986	93,157	381,085	297,852
Cost of sales		117,467	77,609	323,995	248,837
Gross profit		20,519	15,548	57,090	49,015
Costs and expenses					
Selling, general and administrative expenses		6,453	4,657	20,379	16,618
Research and development expenses		1,314	1,037	3,613	2,775
		7,767	5,694	23,992	19,393
Income from operations		12,752	9,854	33,098	29,622
Interest income		339	161	587	553
Other income (loss) – net		15,809	(1,001)	88,772	(152)
Equity in income of an affiliated company		(6,932)	76	(6,806)	288
Income before income taxes and minority interests		21,968	9,090	115,651	30,311
Income tax expense		(1,130)	(470)	(1,719)	(1,329)
Income before minority interests		20,838	8,620	113,932	28,982
Minority interests		(1,902)	(228)	(4,582)	(865)
Income after minority interests		18,936	8,392	109,350	28,117
Discontinued operation		-	-	-	1,979
Net income		\$ 18,936	\$ 8,392	\$ 109,350	\$ 30,096
Net income per share					
Basic	(1)	\$ 0.44	\$ 0.21	\$ 2.58	\$ 0.75
Diluted	(1)	\$ 0.44	\$ 0.20	\$ 2.57	\$ 0.74
Weighted average number of shares ('000')					
Basic	(1)	42,982	40,300	42,440	40,121
Diluted	(1)	43,019	41,019	42,486	40,699

Note:

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

NAM TAI ELECTRONICS, INC
CONSOLIDATED BALANCE SHEETS
AS AT SEPTEMBER 30, 2004 AND DECEMBER 31, 2003
(In Thousands of US Dollars)

	Unaudited September 30, 2004	Audited December 31, 2003
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 135,014	\$ 61,827
Marketable securities	64,088	-
Accounts receivable, net	73,831	62,090
Amount due from a related party	-	2,707
Inventories	28,249	27,032
Prepaid expenses and other receivables	2,443	9,799
Income taxes recoverable	6,776	4,922
Total current assets	310,401	168,377
Investment in an affiliated company	3,049	9,855
Investments, at cost	385	16,366
Property, plant and equipment, at cost	147,991	127,930
Less: accumulated depreciation and amortization	(59,335)	(50,283)
	88,656	77,647
Deposit for fixed assets	10,437	3,327
Intangible assets	19,831	20,688
Other assets	1,435	1,435
Total assets	\$ 434,194	\$ 297,695
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	\$ 3,738	\$ 1,879
Long term bank loan – current portion	2,425	1,125
Accounts payable	56,526	55,674
Accrued expenses and other payables	14,698	13,633
Amount due to a related party	288	-
Dividend payable	5,120	2,062
Income taxes payable	1,194	530
Total current liabilities	83,989	74,903
Long-term bank loan – non-current portion	4,419	1,688
Deferred income taxes	78	78
Total liabilities	88,486	76,669
Minority interests	31,080	3,908
Shareholders' equity:		
Common shares	426	412
Additional paid-in capital	241,756	206,845
Retained earnings	103,909	9,863
Accumulated other comprehensive income (loss) (Note 1)	(31,463)	(2)
Total shareholders' equity	314,628	217,118
Total liabilities and shareholders' equity	\$ 434,194	\$ 297,695

NAM TAI ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED SEPTEMBER 30, 2004 AND 2003
(In Thousands of US Dollars)

	Unaudited Three months ended September 30		Unaudited Nine months ended September 30	
	2004	2003	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	\$ 18,936	\$ 8,392	\$ 109,350	\$ 30,096
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>				
Depreciation and amortization of property, plant and equipment	3,482	3,109	10,187	8,989
Amortization of intangible assets	23	69	70	69
Net (gain) loss on disposal of property, plant and equipment	19	59	(29)	(100)
Gain on disposal of a subsidiary net of minority interests	-	-	-	(1,979)
(Gain) loss on partial disposal of subsidiaries	-	-	(71,071)	151
Loss on disposal of long term investment	67	-	67	-
Loss on disposal of convertible notes	-	102	-	102
Compensation cost on partial disposal of a subsidiary	-	-	-	509
Equity in loss (income) of an affiliated company	6,932	(77)	6,806	(289)
Dividend income	(15,913)	-	(15,913)	-
Minority interests	1,902	228	4,582	865
Deferred income taxes	-	-	-	(25)
Changes in current assets and liabilities, net of effects of acquisition and disposal:				
(Increase) Decrease in accounts receivable	33,565	(2,829)	(11,741)	(13,369)
(Increase) Decrease in amount due from a related party	1,685	3,309	2,707	(2,074)
(Increase) Decrease in inventories	10,362	1,338	(1,217)	(1,473)
(Increase) Decrease in prepaid expenses and other receivables	696	450	2,076	(2,565)
Increase in income taxes recoverable	(532)	(1,000)	(1,854)	(3,436)
Increase (Decrease) in notes payable	(3,432)	259	1,859	575
Increase (Decrease) in accounts payable	(27,253)	3,023	852	16,801
Increase (Decrease) in accrued expenses and other payables	(699)	(2,506)	1,065	(2,128)
Increase (Decrease) in amount due to a related party	288	-	288	-
Increase in income taxes payable	375	376	664	1,204
Total adjustments	11,567	5,910	(70,602)	1,827
Net cash provided by operating activities	\$ 30,503	\$ 14,302	\$ 38,748	\$ 31,923
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of long term investment	\$ -	\$ -	\$ (25,084)	\$ (384)
Purchase of property, plant and equipment	(11,350)	(2,170)	(24,215)	(12,227)
Deposit for purchase of property, plant & equipment	(3,548)	(457)	(7,110)	(1,238)
Proceeds from disposal of property, plant and equipment	38	15	3,048	2,593
Proceeds from disposal of long term investment	5,224	-	5,224	-
Proceeds from disposal of a subsidiary	-	-	-	2,386
Proceeds from partial disposal of subsidiaries	-	-	92,767	453
Proceeds from disposal of convertible notes	-	5,026	-	5,026
Acquisition of an affiliated company	-	-	-	(10,000)
Net cash provided by (used in) investing activities	\$ (9,636)	\$ 2,414	\$ 44,630	\$ (13,391)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash dividends paid	\$ (6,629)	\$ (2,079)	\$ (14,294)	\$ (5,901)
Repayment of bank loans	(4,206)	(281)	(4,769)	(13,703)
Proceeds from bank loans	3,600	-	8,800	-
Proceeds from shares issued on exercise of options and warrants	-	1,536	72	4,120
Net cash used in financing activities	\$ (7,235)	\$ (824)	\$ (10,191)	\$ (15,484)
Net increase in cash and cash equivalents	13,632	15,892	73,187	3,048
Cash and cash equivalents at beginning of period	121,382	69,633	61,827	82,477
Cash and cash equivalents at end of period	\$ 135,014	\$ 85,525	\$ 135,014	\$ 85,525

NAM TAI ELECTRONICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE PERIODS ENDED SEPTEMBER 30, 2004 AND 2003

(In Thousands of US Dollars)

1. Accumulated other comprehensive income represents foreign currency translation adjustments and unrealized loss on marketable securities. The comprehensive income of the Company was \$77,889 (including an unrealized loss on marketable securities of US\$31,461 in relation to TCL Com. and TCL Corp.) and \$30,096 for the nine months ended September 30, 2004 and September 30, 2003, respectively.
2. Business segment information – The Company operates primarily in three segments, the Consumer Electronics and Communication Products (“CECP”) segment, Telecom. Components Assembly (“TCA”) segment, and the LCD Panels and Transformers (“LCDP”) segment.

	Unaudited Three months ended September 30		Unaudited Nine months ended September 30	
	2004	2003	2004	2003
NET SALES:				
- CECP	\$ 46,601	\$ 24,855	\$ 121,395	\$ 94,884
- TCA	77,608	58,994	222,201	172,024
- LCDP	13,777	9,308	37,489	30,944
Total net sales	\$ 137,986	\$ 93,157	\$ 381,085	\$ 297,852
NET INCOME:				
- CECP	\$ 4,695	\$ 4,340	\$ 14,326	\$ 16,206
- TCA	13,121	2,930	92,569	11,058
- LCDP	1,120	1,122	2,455	2,832
Total net income	\$ 18,936	\$ 8,392	\$ 109,350	\$ 30,096

	Unaudited Sept. 30, 2004	Audited Dec. 31, 2003
IDENTIFIABLE ASSETS BY SEGMENT:		
- CECP	\$ 132,181	\$ 85,799
- TCA	246,265	162,366
- LCDP	55,748	49,530
Total assets	\$ 434,194	\$ 297,695

3. The following is a summary of the net sales, net income and long-lived assets by geographical area. Geographical area is determined by the place of delivery, as requested by the customer, and does not necessarily represent the geographical location of our customers, or the ultimate destination of products :

	Unaudited <i>Three months ended</i> <i>September 30</i>		Unaudited <i>Nine months ended</i> <i>September 30</i>	
	2004	2003	2004	2003
NET SALES FROM OPERATIONS WITHIN:				
- Hong Kong:				
Unaffiliated customers	\$ 13,777	\$ 76,939	\$ 37,489	\$ 268,167
Related party	-	2,166	-	13,931
Inter-companies sales	204	1	450	390
- PRC, excluding Hong Kong:				
Unaffiliated customers	114,617	14,044	314,675	15,746
Related party	9,592	8	28,921	8
Inter-companies sales	-	69,027	4,393	244,254
- Inter-companies eliminations	(204)	(69,028)	(4,843)	(244,644)
Total net sales	<u>\$ 137,986</u>	<u>\$ 93,157</u>	<u>\$ 381,085</u>	<u>\$ 297,852</u>
NET INCOME WITHIN:				
- PRC, excluding Hong Kong and Macao	\$ 9,584	\$ 9,190	\$ 25,982	\$ 27,233
- Macao	4,932	-	10,619	-
- Hong Kong	4,420	(798)	72,749	2,863
Total net income	<u>\$ 18,936</u>	<u>\$ 8,392</u>	<u>\$ 109,350</u>	<u>\$ 30,096</u>
			Unaudited <i>Sept. 30,</i> 2004	Audited <i>Dec. 31,</i> 2003
LONG-LIVED ASSETS WITHIN:				
- PRC, excluding Hong Kong and Macao			\$ 73,935	\$ 59,399
- Macao			145	180
- Hong Kong			14,576	18,068
Total long-lived assets			<u>\$ 88,656</u>	<u>\$ 77,647</u>