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FOR IMMEDIATE RELEASE

**TAITRON SIGNS WITH
ORCHARD ELECTRONICS CORPORATION LTD.,
AND CFO RESIGNS**

LOS ANGELES, California – October 23, 2002 -- Taitron Components Incorporated (Nasdaq:TAIT) announced today a strategic alliance with Orchard Electronics Corporation Ltd., a Taiwanese based company. Orchard is a F.A.E. and solutions service provider specializing in product conceptualization, customized ASIC design, circuit design/test and product integration.

This strategic alliance is expected to strengthen and diversify Taitron's offering in a weakening OEM market in the United States. "Most of our customers are now looking overseas to engineer and build from a pricing standpoint" said Stewart Wang, CEO. "Our new alliance with Orchard should increase our competitiveness in this ever demanding market. Offering these services is expected to expand our service levels by providing one-stop shopping, and solidify our core business during this weak market."

"We are excited to form this new alliance with Taitron," said Mr. Richard Chu, Vice President of Orchard. "The alliance is significant to Orchard and we expect to channel most of our efforts toward this project for the remaining of this year."

About Orchard Electronics Corporation, Ltd.: Orchard, founded in 1990, has engineering and manufacturing facilities in China and employs over 650 people. Orchard's customer base includes Panasonic, Honeywell and Hitachi. Sales revenues for the year 2001 were \$16 million and revenue for 2002 year to date is expected to be approximately \$23 million.

Steven Dong, CFO has resigned effective October 31, 2002 to pursue other interests. Mr. Dong has agreed to remain in a consulting role to ensure a smooth transition of his position for the next six months. "Since beginning with Taitron in 1999, Mr. Dong has successfully organized and trained a professional accounting and financial team from which we expect to benefit for many years to come," said Mr. Wang who is expected to retain the role of CFO and Corporate Secretary.

Taitron, based in Valencia, California, is the "Discrete Components Superstore." The Company distributes a wide variety of transistors, diodes and other discrete semiconductors, optoelectronic devices and passive components utilized by other electronic distributors, original equipment manufacturers and contract electronic manufacturers.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: Any statements set forth above that are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Potential risks and uncertainties include, but are not limited to, such factors as general economic conditions, fluctuations in product demand, the Company's ability to maintain customer and vendor relationships, technological advancements, impact of competitive products and pricing, risks of foreign operations, and other information detailed from time to time in the Company's filings with the United States Securities and Exchange Commission.