

**WONG'S INTERNATIONAL (HOLDINGS) LIMITED***(Incorporated in Bermuda with limited liability)***ANNOUNCEMENT OF 2002 FINAL RESULTS**

The Directors announce that the results of the Group for the year ended 31st December, 2002 were as follows:—

BUSINESS RESULTS

	For the Year Ended 31st December,	
	2002	2001
	HK\$'000	HK\$'000
Turnover	1,808,752	2,221,624
Interest income	28,741	119,789
Other operating income	16,584	17,335
Changes in inventories of finished goods and work-in-progress	21,389	(22,420)
Raw materials and consumables used	(1,432,169)	(1,778,483)
Staff costs	(170,571)	(185,658)
Depreciation and amortisation expenses	(59,708)	(72,599)
Decrease in fair value of investment properties	(700)	(2,248)
Net unrealised holding gain (loss) on investments in securities	1,292	(2,291)
(Loss) gain on disposal of investments in securities	(62)	213
Impairment loss recognised in respect of leasehold properties	(1,140)	(7,345)
Other operating expenses	(148,785)	(170,335)
Profit from operations	63,623	117,582
Finance costs	(10,394)	(34,580)
Loss on disposal of interests in associates	(234)	—
Share of results of associates	3,350	1,466
Allowance for loan advanced to associates	(12,500)	(44,884)
Profit on disposal of discontinuing operations (Note 1)	—	38,756
Profit on privatisation of a subsidiary (Note 2)	—	43,032
Profit before taxation	43,845	121,372
Taxation (Note 3)	(10,278)	(9,838)
Profit before minority interests	33,567	111,534
Minority interests	207	(21,500)
Net profit for the year	33,774	90,034
Dividends	1,358,744	247,487
Earnings per share (Note 4)		
Basic	HK\$0.07	HK\$0.19
Diluted	HK\$0.07	HK\$0.19

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Notes:

1. The Group completed the sale of its printed circuit board business to an independent party ("Disposal") on 17th August 2000. Profits attributable to the Company from the Disposal in the amount of HK\$581,943,000 after deducting the minority interests of HK\$201,819,000 were booked in 2000. Profit on disposal of discontinued operations represents an additional bonus payment received and some price adjustments booked in 2001 in relation to the Disposal.
2. Profit on privatisation of a subsidiary represents the excess of net assets acquired over the proceeds paid to public shareholders and expenses incurred in the privatisation of Wong's Circuits (Holdings) Ltd, which was completed in November, 2001.
3. Hong Kong Profits Tax has been provided for at 16% (2001: 16%) on the estimated assessable profits for the year of each member of the Group in Hong Kong. Taxation on profits of overseas subsidiaries and associated companies has been provided in accordance with the relevant local laws. Deferred taxation has been provided, using the liability method, on all significant timing differences, other than those which are not expected to crystallize in the foreseeable future.
4. The calculation of the basic and diluted earnings per share is based on the profit attributable to shareholders of HK\$33,774,000 (2001: HK\$90,034,000) and the following data:

	2002	2001
Weighted average number of ordinary shares for the purposes of basic earnings per share	466,921,794	466,901,246
Effect of dilutive potential ordinary shares:		
Options	—	1,311,060
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>466,921,794</u>	<u>468,212,306</u>

DIVIDENDS

In October 2002, the Company paid an interim dividend of HK\$2.01 (2001: HK\$0.03) which included a special interim dividend of HK\$2.00 (2001: nil). In view of the lack of suitable investment opportunities for the substantial amount of surplus cash held by the Group as a result of the sale of the Printed Circuit Board Business in 2000, the Directors now recommend the payment of final dividend totalling HK\$0.90 per share comprising a final dividend of HK\$0.02 per share and a special final dividend of HK\$0.88 per share on Friday, 30th May, 2003 to the shareholders on the Register of Members on Tuesday, 20th May, 2003.

REVIEW OF BUSINESS ACTIVITIES

The Group's turnover and profit from operations decreased by 18.6% and 45.9% respectively compared to 2001. The turnover decline was mainly caused by a decrease in sales of the Electronic Manufacturing Service Division ("EMS Division"), previously known as the Electronic Products Assembly Division, while the reduction in profits is mainly attributable to reduced interest income.

The turnover of the EMS Division fell by 21% compared to 2001 due to the sluggishness of the global economy and the termination of the production of mobile phones by a customer in the second half of 2001. Nevertheless, as a result of improvements in operational efficiency and reduction of cost and expenses, the Division's profit before taxation increased by 39.5%. During the year under review, the Division completed the construction of its new manufacturing facility in Suzhou, China and made considerable improvements to its facility in Mexicali, Mexico. In June 2002, its factory in Shajin, Shenzhen obtained QS 9000 certification. In order to enhance its competitiveness, the Division increased its emphasis on the provision of value engineering services to customers and this strategy has helped the Division to acquire new strategic customers.

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During the year under review, BroadMax Technologies, the Original Broadband Communication Development and Marketing Division of the Group, continued its efforts to market and sell Asymmetric Digital Subscriber Line (ADSL) Customer Premises Equipment (CPE) modems. Volume delivery to a strategic customer in the United States began in the second half of 2002. The Division also established businesses with several reputable OEM customers in China. Due to the weak global telecommunication market and strong competition from Taiwan, the Division's sales revenue for 2002 was only about HK\$40 million and there was no improvement in operating results when compared to 2001.

In 2002, the residential property market in Hong Kong continued to be very slow. In relation to the property development project in Kowloon Tong, which was undertaken by an associated company, the Group had made an additional provision of HK\$12.5 million to bring the project's net book value more in line with its market value. As to the project in the Mid-levels, a large portion of the unsold units have been leased out at satisfactory rental rates and the Directors do not deem it necessary to make additional provision in respect of the Project.

FINANCE

As at 31st December, 2002, the Group's cash deposits exceeded its bank borrowings by HK\$231 million. The Group's pro forma equity and net bank debt to equity ratio assuming the 2002 final dividend of HK\$0.90 per share was paid on the year-end date are HK\$595 million and 31.8% respectively. The Directors are comfortable with this level of gearing and expect that the Group's return to equity will improve considerably as a result.

CAPITAL STRUCTURE

There has been no material change in the capital structure of the Group since 31st December, 2001.

EMPLOYEES

As at 31st December, 2002, the Group employed approximately 3,950 (2001: 2,750) employees, out of which approximately 2,700 (2001: 1,800) are production workers. In addition to the provision of annual bonuses, medical and life insurances and inhouse and external training programs, discretionary bonuses and share options are also available to employees based on their performance. The remuneration policy and packages of the Group are reviewed from time to time.

PROSPECTS

As a result of an increase in orders from customers including new customers acquired during the year, the EMS Division's turnover for the second half of 2002 increased by about 18.4% compared to the first half of 2002. Barring unforeseen circumstances including the uncertainties caused by the current situation in the Middle East, based on anticipated businesses from customers, the Directors are optimistic about the business prospect of the Division in 2003. The new customers acquired in 2002 are expected to contribute positively to the Division's business in 2003. Another source of growth is expected to be derived from the new plant in Suzhou, which commenced operations in January 2003 and is strategically located in the Yangtze River Delta, one of the foremost and most rapidly growing manufacturing areas in China and near a number of large customers.

BroadMax Technologies will strengthen its sales efforts in China and the United States and endeavour to diversify to other markets, namely Japan, Europe, South-east Asia and Latin America. It will focus on developing new models with better features and lower cost and improving the effectiveness of its supply chain function so as to reduce the cost of its products. It will also centralize its product development work in its facilities in Shenzhen in order to reduce cost and be in a position to respond quickly to the market explosion in China. The Directors are confident that upon the recovery of the global telecommunication market, the Division will make greater contributions to the Group's business in the long term.

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During the latter part of 2002, the Group has set up Emerging Technologies to focus on the Original Mobile Product Development and Marketing for the global market. It is expected that most of the year 2003 will be engaged in the product and business development work. The Directors are confident that the major contribution to the Group can be realized in 2004.

On behalf of the Directors, I would like to thank our employees for their loyal, diligent and professional services to the Group. I would also like to thank our customers, suppliers and business partners for their continued confidence in and support for the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31st December, 2002, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CODE OF BEST PRACTICE

In the opinion of the Directors, during the year ended 31st December, 2002, the Company has complied with Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, except that Non-executive Directors are not appointed for a specific term but are subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws of the Company.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters.

DETAILED RESULTS ANNOUNCEMENT

A detailed results announcement containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited will be published on The Stock Exchange of Hong Kong Limited's website in due course.

WONG CHUNG MAT, BENEDICT
Chairman

Hong Kong, 1st April, 2003



WONG'S INTERNATIONAL (HOLDINGS) LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Island Ballroom, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Hong Kong on Tuesday, 20th May, 2003 at 12:00 noon for the following purposes:

1. To receive and consider the accounts and the reports of the directors and joint auditors for the year ended 31st December, 2002;
2. To declare a final dividend and a special final dividend;
3. To elect directors and to fix their remuneration;
4. To appoint joint auditors and to fix their remuneration;
5. As special business, to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“THAT there be granted to the Directors an unconditional general mandate to issue, allot and deal with additional shares in the capital of the Company, and to make or grant offers, agreements and options in respect thereof, subject to the following conditions:

- (A) such mandate shall not extend beyond the Relevant Period (as defined below) save that the Directors may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (B) the aggregate nominal amount of share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors otherwise than pursuant to (i) a Rights Issue (as defined below), (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company, or any securities which are convertible into ordinary shares of the Company, and (iii) any employee share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution;
- (C) such mandate shall be additional to the authority given to the Directors at any time to allot and issue additional shares in the capital of the Company arising from the exercise of subscription rights under any warrants or the exercise of any options under any employee share option scheme of the Company; and
- (D) for the purposes of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law of Bermuda to be held; or
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors made to holders of the shares and/or warrants on, as the case may be, the Register of Members and the Register of Warrant holders of the Company on a fixed record date in proportion to their then holdings of such shares and/or warrants (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, or in any territory outside, Hong Kong).”

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6. As special business, to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:
- “**THAT** there be granted to the Directors an unconditional general mandate to repurchase shares of HK\$0.10 each in the capital of the Company (“Shares”), and that the exercise by the Directors of the Company of all powers of the Company to repurchase Shares subject to and in accordance with all applicable laws, rules and regulations be and is hereby generally and unconditionally approved, subject to the following conditions:
- (A) such mandate shall not extend beyond the Relevant Period (as defined below);
 - (B) such mandate shall authorise the Directors to procure the Company to repurchase Shares at such prices as the Directors may at their discretion determine;
 - (C) the aggregate nominal amount of the Shares to be repurchased by the Company pursuant to this resolution during the Relevant Period shall be no more than 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution; and
 - (D) for the purposes of this resolution, “Relevant Period” means the period from the date of passing of this resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law of Bermuda to be held; or
 - (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
7. As special business, to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:
- “**THAT**, conditional upon the passing of Resolutions 5 and 6 set out in the notice convening this meeting, the aggregate nominal amount of the shares of the Company which are repurchased by the Company pursuant to and in accordance with Resolution 6 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with Resolution 5.”

By Order of the Board
Chan Tsze Wah, Gabriel
Company Secretary

Hong Kong, 1st April, 2003

Notes:

1. Any member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto but if more than one such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the Register of Members in respect of such share shall alone be entitled to vote in respect thereof.
3. The form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited at the principal office of the Company at Wong's Industrial Centre, 180A Wai Yip Street, Kwun Tong, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting.
4. The Register of Members will be closed from Wednesday, 14th May, 2003 to Tuesday, 20th May, 2003, both days inclusive, during which period no transfer of shares will be effected. To qualify for the above dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's registrars, Standard Registrars Limited, G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Tuesday, 13th May, 2003.

Please also refer to the published version of this announcement in The Standard dated on 2-4-2003.