

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1999
FOR
WONG'S INTERNATIONAL (EUROPE) LIMITED**



WONG'S INTERNATIONAL (EUROPE) LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER 1999**

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WONG'S INTERNATIONAL (EUROPE) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 1999**

DIRECTORS:

W S Wong
J Wong
M Wong
B Wong
G Chan

SECRETARY:

D S P Systems Limited

REGISTERED OFFICE:

65 High Street
Marlow
Buckinghamshire
SL7 1AB

REGISTERED NUMBER:

1995383 (England and Wales)

AUDITORS:

Richardson Jones
Chartered Accountants
& Registered Auditors
2 Chapel Street
Marlow
Bucks
SL7 1DD

WONG'S INTERNATIONAL (EUROPE) LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 1999**

The directors present their report with the financial statements of the company for the year ended 31st December 1999.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a representative office for Wong's Industrial (Holdings) Limited.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 1999.

DIRECTORS

The directors during the year under review were:

W S Wong
J Wong
M Wong
B Wong
G Chan

The directors holding office at 31st December 1999 did not hold any beneficial interest in the issued share capital of the company at 1st January 1999 or 31st December 1999.

The directors stated above are also directors of Wong's International (Holdings) Limited, the company's ultimate holding company. Their interests in the shares of group companies are disclosed in the directors' report of Wong's International (Holdings) Limited.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Richardson Jones, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



W S Wong - DIRECTOR

Dated: 12/4/00

WONG'S INTERNATIONAL (EUROPE) LIMITED

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
WONG'S INTERNATIONAL (EUROPE) LIMITED**

We have audited the financial statements on pages four to nine which have been prepared under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

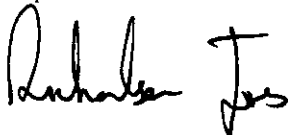
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Richardson Jones
Chartered Accountants
& Registered Auditors
2 Chapel Street
Marlow
Bucks
SL7 1DD

Dated: 12/1/00

WONG'S INTERNATIONAL (EUROPE) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1999**

		31.12.99	31.12.98
	Notes	£	£
TURNOVER		278,202	267,377
GROSS PROFIT		<u>278,202</u>	<u>267,377</u>
Administrative expenses		201,648	249,616
OPERATING PROFIT	3	76,554	17,761
Interest receivable and similar income		1,123	1,171
		<u>77,677</u>	<u>18,932</u>
Interest payable and similar charges	4	(1,243)	2,236
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		78,920	16,696
Tax on profit on ordinary activities	5	5,614	16,329
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		73,306	367
Retained profit brought forward		39,279	38,912
RETAINED PROFIT CARRIED FORWARD		<u><u>£112,585</u></u>	<u><u>£39,279</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

WONG'S INTERNATIONAL (EUROPE) LIMITED

**BALANCE SHEET
31ST DECEMBER 1999**

		31.12.99		31.12.98	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		5,223		5,828
CURRENT ASSETS:					
Debtors	7	17,785		20,248	
Cash at bank and in hand		101,223		63,890	
		<u>119,008</u>		<u>84,138</u>	
CREDITORS: Amounts falling due within one year	8	<u>11,546</u>		<u>50,587</u>	
NET CURRENT ASSETS:			<u>107,462</u>		<u>33,551</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£112,685</u>		<u>£39,379</u>
CAPITAL AND RESERVES:					
Called up share capital	10		100		100
Profit and loss account			<u>112,585</u>		<u>39,279</u>
Shareholders' funds	12		<u>£112,685</u>		<u>£39,379</u>

ON BEHALF OF THE BOARD:

.....
G Chan - DIRECTOR

Approved by the Board on 12/7/00.....

The notes form part of these financial statements

WONG'S INTERNATIONAL (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1999

1. ACCOUNTING POLICIES

Going concern

The financial statements have been prepared on a going concern basis. The directors consider this to be appropriate whilst the ultimate parent company requires a sales representative office in the United Kingdom. Accordingly, the financial statements do not include any adjustments that would result from a withdrawal of support by the ultimate parent company.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents fees receivable from the parent company, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 33% on cost

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company is a wholly-owned subsidiary undertaking and the voting rights attaching to the issued shares are controlled within the group. Consolidated accounts for this group are publicly available.

2. STAFF COSTS

	31.12.99	31.12.98
	£	£
Wages and salaries	48,802	71,887

The average monthly number of employees during the year was as follows:

	31.12.99	31.12.98
Administration	1	1
Sales	1	1
	<u>2</u>	<u>2</u>

WONG'S INTERNATIONAL (EUROPE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1999**

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.99	31.12.98
	£	£
Depreciation - owned assets	4,223	5,709
Loss on disposal of fixed assets	-	3,225
Auditors' remuneration	<u>3,500</u>	<u>3,500</u>
Directors' emoluments	<u>-</u>	<u>-</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.99	31.12.98
	£	£
Fines and penalties	-	202
Interest - late payment of tax	(1,422)	1,582
Currency charges	<u>179</u>	<u>452</u>
	<u>(1,243)</u>	<u>2,236</u>

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.99	31.12.98
	£	£
UK corporation tax	5,614	14,339
Corporation tax underprovided in previous years	<u>-</u>	<u>1,990</u>
	<u>5,614</u>	<u>16,329</u>

UK corporation tax has been charged at 30% (1998 - 31%).

WONG'S INTERNATIONAL (EUROPE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1999**

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Computer equipment	Totals
	£	£	£
COST:			
At 1st January 1999	7,185	14,352	21,537
Additions	-	3,617	3,617
At 31st December 1999	7,185	17,969	25,154
DEPRECIATION:			
At 1st January 1999	4,182	11,526	15,708
Charge for year	751	3,472	4,223
At 31st December 1999	4,933	14,998	19,931
NET BOOK VALUE:			
At 31st December 1999	2,252	2,971	5,223
At 31st December 1998	3,003	2,825	5,828

**7. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.99 £	31.12.98 £
V.A.T.	5,944	5,576
Accrued income	-	9,750
Prepayments	3,646	4,922
Amounts owed by group undertakings	3,695	-
Corporation tax payments on account	4,500	-
	17,785	20,248

**8. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.99 £	31.12.98 £
Trade creditors	88	1,495
Social security & other taxes	270	2,114
Corporation tax	5,614	37,827
Accrued expenses	5,574	9,151
	11,546	50,587

WONG'S INTERNATIONAL (EUROPE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1999**

9. OBLIGATIONS UNDER LEASING AGREEMENTS

The following payments are committed to be paid within one year:

	31.12.99	31.12.98
	£	£
Land and buildings operating leases		
Expiring:		
Within one year	2,700	-
Between one and five years	-	5,400
	<u>2,700</u>	<u>5,400</u>

10. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.99	31.12.98
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

11. RELATED PARTY DISCLOSURES

Turnover represents amounts wholly receivable from Wong's Industrial (Holdings) Limited. The ultimate control of the group, and consequently the company, resides with the Wong family.

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.99	31.12.98
	£	£
Profit for the financial year	73,306	367
NET ADDITION TO SHAREHOLDERS' FUNDS	<u>73,306</u>	<u>367</u>
Opening shareholders' funds	39,379	39,012
CLOSING SHAREHOLDERS' FUNDS	<u>112,685</u>	<u>39,379</u>
Equity interests	<u>112,685</u>	<u>39,379</u>

13. ULTIMATE AND IMMEDIATE PARENT COMPANIES

Wong's Industrial (Holdings) Ltd, a company incorporated in Hong Kong, is the immediate parent company and Wong's International (Holdings) Ltd, incorporated in Bermuda, is the ultimate parent company. The financial statements of the ultimate parent company may be obtained by applying to the Secretary, Wong's International (Europe) Ltd, 65 High Street, Marlow, Buckinghamshire. SL7 1AB.