

**SUNLINK INTERNATIONAL HOLDINGS LTD:
FOR A CHANGE, A COMPANY THAT IS MAKING THE GRADE**

If the future of most businesses is linked to the personal computer – as surely it is – then companies, involved in the business of supplying computer parts, such as semiconductors, etc, and consumer electronics, must surely be in the running for big profits in the years to come.

Such a company would appear to be Sunlink International Holdings Ltd (Code; 2336, Main Board, The Stock Exchange of Hongkong Ltd), which went public in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) on February 18, 2003.

Sunlink International is a company that is about 14 years old, the core company, having been founded by Messrs Dennis To Wai Hung and Stanley Kwan Kim Fai.

Within about 2 years of its '*birth*', Mr Wong Shu Wing, the current Chairman, acquired 40 percent of the Issued and Fully Paid-Up Share Capital of Sunwave Development Ltd, a company, which is, today, a wholly owned subsidiary of Sunlink International.

Mr Wong Shu Wing paid just \$HK40,000 for his interest in Sunwave Development, the other 60-percent interest, being owned equally by Mr Dennis To Wai Hung and an independent third party.

From these seemingly humble beginnings, today, this Company can boast of earning a Net Profit Attributable to Shareholders of about \$HK30 million.

For the past 45 months, in spite of international problems that have plagued the world, Sunlink International may be said to have done extraordinarily well, all things considered.

The following track record indicates the growth of the Company's Bottom line from January 1, 1999 to September 30, 2002:

	Financial Year ended December 31			Nine Months to September 30
	1999	2000	2001	2002
	All Figures are Denominated in \$HK'000 (except where otherwise indicated)			
Turnover	339,224	376,204	359,260	311,544
Cost of Sales	(297,319)	(324,148)	(297,822)	(260,253)
Gross Profit	41,905	52,056	61,438	51,291
Gross Profit Margin*	12.35 percent	13.84 percent	17.10 percent	16.46 percent
Other Operating Income	3,209	8,512	6,032	5,246
Selling and Distribution Costs	(10,406)	(14,199)	(12,920)	(9,598)
General and Administrative Expenses	(18,311)	(19,388)	(21,030)	(16,175)

Profit from Operations	16,397	26,981	33,520	30,764
Financing Costs	Nil	(340)	(1,500)	(1,844)
Profit before Taxation	16,397	26,641	33,020	28,920
Taxation	(2,471)	(4,225)	(5,456)	(4,833)
Profit before Minority Interests	13,926	22,416	26,564	24,087
Minority Interests	(979)	(2,991)	(2,928)	(1,189)
Profit for the Year/Period	12,947	19,425	23,636	22,898
Net Profit Margin*	3.82 percent	5.16 percent	6.58 percent	7.35 percent

* These are **TARGET**'s calculations

Impressive is the fact that there have been consistent improvements in the Profit Margins of this Company.

The forecast 2002 Net Profit Attributable to Shareholders was in the bag, so to speak, at the time of this flotation since, at Page 89 of the Prospectus, it is stated that the Unaudited Net Profits for the last quarter of the 2002 Financial Year, to December 31, was about \$HK7.53 million.

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