UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K/A

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities and Exchange Act of 1934

Date of Report (Date of earliest reported): December 30, 2002

WPCS INTERNATIONAL INCORPORATED
(Exact name of registrant as specified in charter)

Delaware	0-26277	98-0204758
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

140 South Village Avenue, Suite 20, Exton, Pennsylvania 19341
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (610) 903-0400

ITEM 1. ACQUISITION OR DISPOSITION OF ASSETS

Acquisition of Walker Comm, Inc.

On December 30, 2002, WPCS International Incorporated, a Delaware corporation (the "Company"), entered into and completed an Agreement and Plan of Merger with Walker Comm Merger Corp., a Delaware corporation wholly-owned by the Company (the "Subsidiary"), Walker Comm, Inc., a California corporation ("Walker"), Donald C. Walker ("D. Walker"), Gary R. Walker ("G. Walker"), and Tanya D. Sanchez ("T. Sanchez" and together with D. Walker and G. Walker, the "Walker Shareholders"). Pursuant to the terms of the Agreement and Plan of Merger (the "Acquisition"), the Company acquired all of the issued and outstanding shares of capital stock of Walker from the Walker Shareholders in exchange for an aggregate of 2,486,000 newly issued shares of the Company's common stock (the "Shares") and $1,000,000 total cash consideration. As part of the Acquisition, the Company's Board of Directors appointed G. Walker as a member of the Company's Board of Directors and appointed D. Walker as the Company's Executive Vice-President of the Project Services Division.

Walker is a full service voice, data and video contractor. Walker provides a full line of design, installation and testing services for fiber optics, data cabling, voice cabling and wireless solutions. Walker also offers network configuration services and data network audits to insure maximum network operability. Walker maintains a staff of highly trained project managers and engineers focused on customer satisfaction. Walker has a significant and growing customer base that includes, Cisco Systems, Stanford University and the State of California.

The 2,486,000 shares of common stock issued in the merger were not registered under the Securities Act of 1933, as amended (the "Act") and were issued in the reliance upon the exemption from registration provided by section 4(2) of the Act, on the basis that the Acquisition is a transaction not involving a public offering. All certificates evidencing the Shares bear a customary form of investment legend and may not be sold, pledged, hypothecated or otherwise transferred unless first registered under the Act or pursuant to an available exemption from such registration requirements.

As part of the Acquisition, the Company caused the Subsidiary and Walker to be merged pursuant to an Agreement of Merger filed with the Delaware and California Secretary of States on December 30, 2002. Walker survived the merger and the Company intends to continue to hold the surviving company as a wholly owned subsidiary and to continue its operations.

The amount of consideration paid to the Walker Shareholders for Walker was determined through arm's-length negotiations between these parties and the Company. Other than as disclosed herein, there are no material relationships between the Walker Shareholders and the Company or any of its affiliates, any directors or officers of the Company, or any associate of such directors or officers.

Following the closing of the merger, the Company had 13,078,844 shares of its common stock issued and outstanding.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(a) Financial Statements of businesses acquired.

1. Audited Financial Statements of Walker for the period from inception to December 31, 2000 and for the year ended December 31, 2001- Filed herewith.

2. Unaudited Financial Statements of Walker for the ten- month period ended October 31, 2002 - Filed herewith.

(b) Proforma Financial Information

Proforma Financial Information - Filed herewith.

(c) Exhibits.

3. Agreement and Plan of Merger by and among WPCS International Incorporated, Walker Comm Merger Corp., Walker Comm, Inc., Donald C. Walker, Gary R. Walker, and Tanya D. Sanchez made as of the 30th day of December, 2002 (previously filed).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WPCS INTERNATIONAL INCORPORATED

Date: February 14, 2003

/s/ ANDREW HIDALGO
Andrew Hidalgo, President

WALKER COMM, INC.

INDEX TO FINANCIAL STATEMENTS

<TABLE>
<CAPTION>

</TABLE>

LEONARD FRIEDMAN
CERTIFIED PUBLIC ACCOUNTANT
385 Old Westbury Road
East Meadow, New York 11554
Tel: (516) 735-0824 Fax: (516) 735-6301
E-mail: lenmar@optonline.net

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Shareholders of
Walker Comm, Inc.

I have audited the accompanying balance sheets of Walker Comm, Inc. as of December 31, 2001 and 2000, and the related statements of operations, shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Walker Comm, Inc. as of December 31, 2001 and 2000, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ LEONARD FRIEDMAN

East Meadow, New York
February 5, 2003

WALKER COMM, INC.

BALANCE SHEETS

DECEMBER 31,

<TABLE>
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ASSETS	2001	2000
CURRENT ASSETS		
Cash and cash equivalents	$ 137,863	$ 183,114
Contract receivable, net of allowance of $60,000 in 2001 and $35,000 in 2000	2,861,296	4,826,869
Costs and estimated earnings in excess of billings on uncompleted contracts	1,071,559	1,997,619
Insurance refund receivable and other current assets	401,345	25,662
Total current assets	4,472,063	7,033,264
PROPERTY AND EQUIPMENT, NET	469,194	430,626
OTHER ASSETS	23,827	10,271
Total Assets	$ 4,965,084	$ 7,474,161

</TABLE>

The accompanying notes are an integral part of these statements.

WALKER COMM, INC.

BALANCE SHEETS

DECEMBER 31,

LIABILITIES AND SHAREHOLDERS' EQUITY	2001	2000
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$775,774	$3,379,587
Billings in excess of costs and estimated earnings on uncompleted contracts	93,724	796,973
Current maturities of equipment loans payable	86,494	98,553
Income taxes payable	61,180	49,980
Total current liabilities	1,017,172	4,325,093
EQUIPMENT LOANS PAYABLE, less current maturities	44,484	118,183
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Common stock - no par value; 1,000 shares authorized; 100 shares issued and outstanding in 2001 and 2000, respectively	20,000	20,000
Retained earnings	3,883,428	3,010,885
Total Shareholders' Equity	3,903,428	3,030,885
Total Liabilities and Shareholders' Equity	$ 4,965,084	$ 7,474,161

The accompanying notes are an integral part of these statements.

WALKER COMM, INC.

STATEMENTS OF OPERATIONS

YEAR ENDED DECEMBER 31,

	2001	2000

Contract revenue earned	$14,799,579	$23,665,896
Cost of revenue earned	11,137,763	19,584,117
Gross profit	3,661,816	4,081,779
Operating expenses		
Selling	45,749	59,812
General and administrative	2,413,750	1,947,929
Depreciation and amortization	187,055	176,176
Provision for bad debts	46,126	25,000
	2,692,680	2,208,917
Operating profit	969,136	1,872,862
Other income		
Interest income, net	14,607	12,487
Gain on disposition of fixed assets	-	7,280
	14,607	19,767
Earnings before income taxes	983,743	1,892,629
Income tax provision	11,200	28,330
NET INCOME	$ 972,543	$ 1,864,299

</TABLE>

The accompanying notes are an integral part of these statements.

WALKER COMM, INC.

STATEMENTS OF STOCKHOLDERS' EQUITY

YEAR ENDED DECEMBER 31, 2001 AND 2000

<TABLE>
<CAPTION>

<S>	<C>	CAPITAL STOCK <C>	RETAINED EARNINGS <C>	TOTAL <C>

Balance January 1, 2000	$ 20,000	$ 1,365,586	$ 1,385,586
Net Income for the year	-	1,864,299	1,864,299
Dividend distributions	-	(219,000)	(219,000)
Balance December 31, 2000	20,000	3,010,885	3,030,885
Net Income for the year	-	972,543	972,543
Dividend distributions	-	(100,000)	(100,000)
Balance December 31, 2001	$ 20,000	$ 3,883,428	$ 3,903,428

</TABLE>

The accompanying notes are an integral part of these statements.

WALKER COMM, INC.

STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31,

<TABLE>
<CAPTION>

	2001	2000
Cash flows from operating activities		
<S>	<C>	<C>
Net income	$ 972,543	$1,864,299
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	187,055	176,176
Provision for doubtful accounts	46,126	25,000
Changes in operating assets and liabilities:		
Contracts receivable	1,919,447	(3,484,494)
Costs and estimated earnings in excess of billings on uncompleted contracts	926,060	(942,129)
Insurance refund receivable and other assets	(389,239)	(18,154)
Accounts payable and accrued expenses	(2,603,813)	2,598,107
Billings in excess of costs and estimated earnings on uncompleted contracts	(703,249)	73,237
Income taxes payable	11,200	28,330
Net cash provided by operating activities	366,130	320,372
Cash flows used in investing activities		
Acquisition of property and equipment	(225,623)	(289,722)
Net cash used in investing activities	(225,623)	(289,722)
Cash flows from financing activities		
Proceeds from equipment loans payable	18,600	180,438
Repayment of equipment loans payable	(104,358)	(103,143)
Dividends paid	(100,000)	(219,000)

Net cash used in financing activities	(185,758)	(141,705)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(45,251)	(111,055)
Cash and cash equivalents, beginning of year	183,114	294,169
Cash and cash equivalents, end of year	$ 137,863	$ 183,114

</TABLE>

The accompanying notes are an integral part of these statements.

WALKER COMM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2001 and 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Walker Comm, Inc. (the "Company") is engaged in the business of fiber optics, data and voice cable installation. The Company was incorporated in 1997 and is headquartered in Fairfield, California with satellite offices in Livermore and Rocklin, California.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Cash and Cash Equivalents

Cash and cash equivalents include all cash and highly liquid investments with an original maturity of three months or less.

2. Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are provided for, using straight-line and accelerated methods, in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Leased property under capital leases is amortized over the shorter of the service lives of the assets or the term of the lease. Repairs and maintenance are charged to operations as incurred.

3. Revenue recognition on Long-term Contracts

The Company records profits on long-term contracts on a percentage-of-completion basis on the cost to cost method. Contracts in process are valued at cost plus accrued profits less earned revenues and progress payments on uncompleted contracts. Contracts are generally considered substantially complete when engineering is completed and/or site construction is completed. The Company includes pass-through revenue and costs on cost-plus contracts, which are customer-reimbursable materials, equipment and subcontractor costs when the Company determines that it is responsible for the engineering specification, procurement and management of such cost components on behalf of the customer.

The Company has numerous contracts that are in various stages of completion. Such contracts require estimates to determine the appropriate cost and revenue recognition. The Company has a history of making reasonably dependable estimates of the extent of progress towards completion, contract revenues and contract costs. However, current estimates may be revised as additional information becomes available. If estimates of costs to complete long-term contracts indicate a loss, provision is made currently for the total loss anticipated. The elapsed time from award of a contract to completion of performance may be up to two years.

NOTE A (continued)

4. Contracts receivable

In accordance with terms of long-term contracts, certain percentages of billings are withheld by customers until completion and acceptance of the contracts. In conformity with industry practice, however, the full amount of accounts receivable, including such amounts withheld, has been included in current assets.

5. Income Taxes

The Company has elected to be treated as an "S" Corporation under the applicable sections of the Internal Revenue Code. In general, corporate income or loss of an "S" Corporation is allocated to the Stockholders for inclusion in their personal Federal Income tax returns. Accordingly, there is no provision for Federal income tax in the accompanying financial statements.

The Company has also elected to be treated as an "S" Corporation for California state income tax purposes. However, the State of California does impose a tax on "S" Corporation income at a reduced rate and, accordingly, a provision for such tax is included in the accompanying financial statements.

6. Uses of Estimates and Fair Value of Financial Instruments

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Significant estimates are used when accounting for long-term contracts including customer and vendor claims, depreciation, employee benefit plans, taxes, and expected recoveries and contingencies, among others. Actual results could differ from those estimates.

Management of the Company believes that the fair value of financial instruments, consisting of cash, contracts receivable and debt, approximates carrying value due to the immediate or short-term maturity associated with its cash and accounts receivable and the interest rates associated with its debt.

NOTE B - CONTRACTS RECEIVABLE

Contracts receivable consist of the following at December 31,

<TABLE>
<CAPTION>

<S>	2001 <C>	2000 <C>
Contract billing	$2,571,346	$3,999,927
Retention on contracts	349,950	861,942
	2,921,296	4,861,869
Less: reserve for uncollectible accounts	60,000	35,000
	$2,861,296	$4,826,869

</TABLE>

NOTE C - COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS

Costs and estimated earnings on uncompleted contracts consist of the following at December 31,

<TABLE>
<CAPTION>

<S>	2001 <C>	2000 <C>
Costs incurred on uncompleted contracts	$6,741,687	$15,856,213
Estimated contract profit	2,289,485	2,674,688
	9,031,172	18,530,901

Less: billings to date	8,053,337	17,330,255
	977,835	1,200,646
Costs and estimated earnings in excess of billings	1,071,559	1,997,619
Billings in excess of costs and estimated earnings on uncompleted contracts	(93,724)	(796,973)
	$ 977,835	$ 1,200,646

</TABLE>

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

<TABLE>
<CAPTION>

	Estimated useful life (years)	2001	2000
<S>	<C> <C>	<C>	<C>
Furniture and equipment	5 - 7	$ 30,286	$19,688
Automobiles	5 - 7	558,726	535,441
Computer equipment	3 - 5	251,473	198,918
Leasehold improvements	3 - 10	149,012	7,746
		989,497	761,793
Less accumulated depreciation and amortization		520,301	331,167
		$ 469,196	$ 430,626

</TABLE>

Depreciation and amortization expense for property and equipment for the years ended December 31, 2001 and 2000 was approximately $187,055 and $176,176, respectively.

NOTE E - NOTES PAYABLE

Notes payable at December 31, 2001 and 2000 consist of the following:

<TABLE>
<CAPTION>

	2001	2000
<S> <C>	<C>	<C>
Note payable to credit unions and banks with principal and interest due monthly through February 2004, interest rates, fixed and variable, ranging from 6.20% to 9.15%, collateralized by vehicles	$ 130,978	$ 216,736
Less: current maturities	86,494	98,553
Long-term debt	$ 44,484	$ 118,183

</TABLE>

Related interest expense for the years ended December 31, 2001 and 2000 was $14,598 and $17,514, respectively.

NOTE F - LINE OF CREDIT

On July 10, 2002, the Company renewed its revolving credit agreement with a major bank that provided for a borrowing facility not to exceed $1,500,000. At December 31, 2001 this credit agreement had a borrowing facility of $1,000,000. There were no borrowings outstanding under the agreement as of that date. The agreement is secured by all assets of the Company along with the personal guarantees by the two major shareholders of the Company.

NOTE G - RELATED PARTY TRANSACTIONS

On March 1, 2001, the Company entered into a ten year lease with shareholder Gary R. Walker and Donald C. and Anita G. Walker for a building and land located in Fairfield, California, which will serve as the Company's headquarters. The lease calls for initial monthly rental payments of $6,934, with annual increases, calculated using the San Francisco-Oakland-San Jose Consolidated Metropolitan Statistical Area Consumer Price Index.

NOTE H - MAJOR CUSTOMERS

Contract revenue for the years ended December 31, 2001 and 2000 include amounts from one major customer which accounted for 19% and 48% respectively, of the total contract revenue in those years. There were four and two other major customers, during 2001 and 2000 respectively, each of which accounted for 6% or more of the total contract revenue of the Company for those periods.

NOTE I - RETIREMENT PLAN AND CONTIGENCY

The Company contributes to union-sponsored multi-employer retirement plans in accordance with negotiated labor contracts. The retirement plans cover all of the Company's union employees, which represent substantially all of the Company's employees. Contributions, which are based on varying rates for the hours worked by the employees, totaled $260,634 and $366,473 for the years ended December 31, 2001 and 2000, respectively.

Governmental regulations impose certain requirements relative to multi-employer plans. In the event of plan termination or employer withdrawal, an employer may be liable for a portion of the plan's unfunded vested benefits. As of December 31, 2001, the Company's multi-employer plans are fully funded. The Company does not anticipate withdrawal from the plans, nor is the Company aware of any expected plan terminations.

NOTE J - COMMITMENTS AND CONTINGENCIES

Litigation

The Company from time to time is subject to certain legal proceedings and claims which have arisen in the ordinary course of its business. These actions when ultimately concluded will not, in the opinion of management, have a material adverse effect upon the financial position, results of operations or liquidity of the Company.

Lease Commitments

The Company leases its main office (see Note G) and sales office facilities pursuant to non-cancelable operating leases expiring through February 2011. The minimum rental commitments under these non-cancelable leases, at December 31, 2001, are summarized as follows:

<TABLE>
<CAPTION>

Year ending December 31,		
<S>	<C>	<C>
	2002	$ 152,615
	2003	151,265

2004	91,000
Thereafter	597,000

Total minimum lease payments	$ 991,880
Less current maturities	===========

</TABLE>

Rent expense for all operating leases was $157,242 and $65,681 in 2001 and 2000, respectively.

NOTE L - SUBSEQUENT EVENT

On December 30, 2002, the Board of Directors of the Company approved an Agreement and Plan of Merger with WPCS International, Inc. The merger closed effective December 30, 2002. The change in ownership resulting from the merger constitutes an event of default under the line of credit agreement with the Bank referred to in Note F.

WALKER COMM, INC.

INDEX TO FINANCIAL STATEMENTS

<TABLE>
<CAPTION>

</TABLE>

WALKER COMM, INC.

CONDENSED BALANCE SHEETS

<TABLE>
<CAPTION>

	September 30, 2002 (Unaudited)	December 31, 2001
ASSETS		
CURRENT ASSETS		
<S>	<C>	<C>
Cash and cash equivalents	$ 306,005	$ 137,863
Contract receivable, net of allowance of $85,000 in 2002 and $60,000 in 2001	1,554,484	2,861,296
Costs and estimated earnings in excess of billings on uncompleted contracts	540,808	1,071,559
Insurance Refund Receivable and other current assets	378,444	401,345
	----------	----------
Total current assets	2,779,741	4,472,063
PROPERTY AND EQUIPMENT, NET	467,499	

		469,194
OTHER ASSETS	21,809	23,827
Total Assets	$ 3,269,049	$ 4,965,084

</TABLE>

The accompanying notes are an integral part of these statements.

WALKER COMM, INC.

CONDENSED BALANCE SHEETS

<TABLE>
<CAPTION>

	September 30, 2002 (Unaudited)	December 31, 2001
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$557,810	$775,774
Billings in excess of costs and estimated earnings on uncompleted contracts	152,423	93,724
Current maturities of equipment loans payable	70,317	86,494
Income taxes payable	61,180	61,180
Total current liabilities	841,730	1,017,172
EQUIPMENT LOANS PAYABLE, less current maturities	26,557	44,484
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Common stock - no par value; 3,000 shares authorized; 100 shares issued and outstanding at September 30, 2002 and December 31, 2001, respectively	20,000	20,000
Retained earnings	2,380,762	3,883,428
Total Shareholders' Equity	2,400,762	3,903,428
Total Liabilities and Shareholders' Equity	$ 3,269,049	$ 4,965,084

</TABLE>

The accompanying notes are an integral part of these statements.

WALKER COMM, INC.

CONDENSED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	Nine months ended September 30, 2002	2001
Contract revenue earned	$5,815,286	$11,018,475
Cost of revenue earned	5,427,259	8,938,699
Gross profit	388,027	2,079,776
Operating expenses		
Selling	36,397	42,639
General and administrative	1,463,792	1,617,289
Depreciation and amortization	146,542	134,931
Provision for bad debts	25,600	62,830
	1,672,331	1,857,689
Operating profit (loss)	(1,284,304)	222,087
Other income		
Interest income, net	1,638	11,439
	1,638	11,439
Earnings (loss) before income taxes	(1,282,666)	233,526
Income tax provision	-	-
NET INCOME (LOSS)	$ (1,282,666)	$ 233,526

The accompanying notes are an integral part of these statements.

WALKER COMM, INC.

CONDENSED STATEMENTS OF CASH FLOWS

	Nine months ended September 30, 2002	2001
Cash flows from operating activities		
Net income (loss)	$ (1,282,666)	$ 233,526
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		

Depreciation and amortization	146,542	134,931
Provision for doubtful accounts	25,600	62,830
Changes in operating assets and liabilities		
Contracts receivable	1,281,812	861,685
Costs and estimated earnings in excess of billings on uncompleted contracts	530,751	975,915
Prepaid expenses and other assets	24,919	(30,090)
Accounts payable and accrued expenses	(217,964)	(1,670,948)
Billings in excess of costs and estimated earnings on uncompleted contracts	58,699	(271,485)
Net cash provided by (used in) operating activities	567,693	296,364
Cash flows used in investing activities		
Acquisition of property and equipment	(145,447)	(217,742)
Net cash used in investing activities	(145,447)	(217,742)
Cash flows from financing activities		
Proceeds from equipment loans payable	32,017	18,600
Repayment of equipment loans payable	(66,121)	(79,932)
Dividends paid	(220,000)	(100,000)
Net cash used in financing activities	(254,104)	(161,332)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	168,142	(82,710)
Cash and cash equivalents, beginning of year	137,863	183,114
Cash and cash equivalents, end of year	$ 306,005	$ 100,404

</TABLE>

The accompanying notes are an integral part of these statements.

WALKER COMM, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

September 30, 2002

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited interim financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") for interim financial reporting and Securities and Exchange Commission ("SEC") regulations. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. In the opinion of the management, the unaudited interim consolidated financial statements reflect all adjustments, consisting of normal recurring items, necessary to fairly present the results of operations, financial position and cash flows for the periods presented. The results of operations for any interim period are not necessarily indicative of results for the full year. These financial statements should be read in conjunction with the audited financial statements and notes thereto included in this Form 8-K/A (Amendment No. 1) for the year ended December 31, 2001 and 2000.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Walker Comm, Inc. (the "Company") is engaged in the business of fiber optics, data and voice cable installation. The Company was incorporated in 1997 and is headquartered in Fairfield, California with satellite offices in Livermore and Rocklin, California.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Revenue recognition on Long-term Contracts

The Company records profits on long-term contracts on a percentage-of-completion basis on the cost to cost method. Contracts in process are valued at cost plus accrued profits less earned revenues and progress payments on uncompleted contracts. Contracts are generally considered substantially complete when engineering is completed and/or site construction is completed. The Company includes pass-through revenue and costs on cost-plus contracts, which are customer-reimbursable materials, equipment and subcontractor costs when the Company determines that it is responsible for the engineering specification, procurement and management of such cost components on behalf of the customer.

The Company has numerous contracts that are in various stages of completion. Such contracts require estimates to determine the appropriate cost and revenue recognition. The Company has a history of making reasonably dependable estimates of the extent of progress towards completion, contract revenues and contract costs. However, current estimates may be revised as additional information becomes available. If estimates of costs to complete long-term contracts indicate a loss, provision is made currently for the total loss anticipated. The elapsed time from award of a contract to completion of performance may be up to two years.

NOTE 2 (continued)

2. Income Taxes

The Company has elected to be treated as an "S" Corporation under the applicable sections of the Internal Revenue Code. In general, corporate income or loss of an "S" Corporation is allocated to the Stockholders for inclusion in their personal Federal Income tax returns. Accordingly, there is no provision for Federal income tax in the accompanying financial statements.

The Company has also elected to be treated as an "S" Corporation for California state income tax purposes. However, the State of California does impose a tax on "S" Corporation income at a reduced rate.

3. Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Significant estimates are used when accounting for long-term contracts including customer and vendor claims, depreciation, employee benefit plans, taxes, and expected recoveries and contingencies, among others. Actual results could differ from those estimates.

NOTE 3 - CONTRACTS RECEIVABLE

Contracts receivable consist of the following at September 30, 2002 and December 31, 2001:

Contract billing	$1,593,602	$2,571,346
Retention on contracts	45,882	349,950
	1,639,484	2,921,296
Less: reserve for uncollectible accounts	85,000	60,000
	$1,554,484	$2,861,296

NOTE 4 - COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS

Costs and estimated earnings on uncompleted contracts consist of the following at September 30, 2002 and December 31, 2001:

	September 30, 2002	December 31, 2001
Costs incurred on uncompleted contracts	$ 4,068,735	$ 6,741,687
Estimated contract profit	483,781	2,289,485
	4,552,516	9,031,172
Less: billings to date	4,164,131	8,053,337
	388,385	977,835
Costs and estimated earnings in excess of billings	540,808	1,071,559
Billings in excess of costs and estimated earnings on uncompleted contracts	(152,423)	(93,724)
	$ 388,385	$ 977,835

NOTE 5 - SUBSEQUENT EVENT

On December 30, 2002, the Board of Directors of the Company approved an Agreement and Plan of Merger with WPCS International, Inc. The merger closed effective December 30, 2002.

WPCS INTERNATIONAL INCORPORATED

INDEX TO UNAUDITED CONDENSED CONSOLIDATED PRO FORMA FINANCIAL INFORMATION

<TABLE>
<CAPTION>

</TABLE>

WPCS INTERNATIONAL INCORPORATED

INTRODUCTION TO PRO FORMA FINANCIAL INFORMATION

We are providing the following unaudited pro forma condensed combined financial information of WPCS International Inc.("WPCS") and its two new acquisitions, Invisinet Inc. ("Invisinet") and Walker Comm, Inc. ("Walker") to demonstrate what the results of operations and financial position of WPCS might have been had the mergers been completed at an earlier date.

ACQUISITION OF INVISINET INC.

On November 13, 2002, Invisinet Acquisition Corp, a newly formed, wholly owned subsidiary of WPCS acquired all of the outstanding common stock of Invisinet. Subsequently on that date, the susidiary was merged with and into Invisinet, with Invisinet being the surviving corporation. Invisinet then became a wholly owned subsidiary of WPCS.

The aggregate consideration paid by WPCS for the entire equity interest in Invisinet was approximately $1,750,000 subject to further adjustment. As a result of and at the effective time of the merger, all of the issued and outstanding shares of common stock of Invisinet were exchanged for aggregate merger consideration consisting of 1,000,000 shares of common stock of WPCS with a value of approximately, $1,750,000.

The acquisition of Invisinet was accounted for under the purchase method of accounting in accordance with Statement of Financial Accounting Standards No. 141, Business Combinations ("SFAS 141"). Under the purchase method of accounting, assets acquired and liabilities assumed are recorded at their estimated fair values. Goodwill is created to the extent that the merger consideration, including certain acquisition and closing costs, exceeds the fair value of the net identifiable assets acquired at the date of the merger. Based on the preliminary information currently available, the acquisition resulted in approximately $1,637,056 of goodwill. Upon completion of a formal purchase price allocation, there may be a decrease in the amount assigned to goodwill and a corresponding increase in tangible or other intangible assets.

ACQUISITION OF WALKER COMM, INC.

On December30, 2002, Walker Comm Merger Corp., a newly formed, wholly owned subsidiary of WPCS acquired all of the outstanding common stock of Walker. Subsequently on that date, the subsidiary was merged with and into Walker, with Walker being the surviving corporation. Walker then became a wholly owned subsidiary of WPCS.

The aggregate consideration paid by WPCS for the entire equity interest in Walker was approximately $5,574,000 subject to further adjustment. As a result of and at the effective time of the merger, all of the issued and outstanding shares of common stock, par value $1.00 per share, of Walker were exchanged for aggregate merger consideration consisting of $500,000 in cash, $500,000 payable in quarterly distributions equal to 75% of net income of Walker until paid in full, and the common stock of WPCS with a value of approximately $4,574,000, or 2,486,000 shares valued at $1.84 per share.

The acquisition of Walker was accounted for under the purchase method of accounting in accordance with the Statement of Financial Accounting Standards No. 141, Business Combinations ("SFAS 141"). Under the purchase method of accounting, assets acquired and liabilities assumed are recorded at their estimated fair values. Goodwill is created to the extent that the merger consideration, including certain acquisition and closing costs, exceeds the fair value of the net identifiable assets acquired at the date of the merger. Based on the preliminary information currently available, the acquisition resulted in approximately $3,208,238 of goodwill. Upon completion of a formal purchase price allocation there may be a decrease in the amount assigned to Goodwill and a corresponding increase in tangible or other intangible assets.

The unaudited pro forma condensed consolidated balance sheet of the Company gives effect to the merger as if it had occurred on October 31, 2002 and the unaudited pro forma condensed consolidated statement of operations of the Company gives effect to the merger as if it had occurred on May 1, 2001.

This unaudited pro forma condensed consolidated financial information is based on the estimates and assumptions set forth herein and in the notes thereto, and has been prepared utilizing (a) the interim unaudited financial statements of WPCS included in Form 10-QSB for the six months ended October 31, 2002; and (b) the interim unaudited pro forma financial statements of Invisinet and Walker for the six months period April 1, 2002 to September 30, 2002.

The following unaudited pro forma financial information is presented for informational purposes only and is not necessarily indicative of (i) the results of operations of the Company that actually would have occurred had the acquisition been consummated on the dates indicated or (ii) the results of operations of the Company that may occur or be attained in the future. The following information is qualified in its entirety by reference to and should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations", WPCS's audited consolidated financial statements, including the notes thereto contained in its Annual Report on Form 10-KSB for the year ended April 30, 2002 incorporated herein by reference, Invisinet's audited financial statements, including the notes thereto, for the years ended December 31, 2001 and 2000, Walker's audited financial statements, including the notes thereto, for the years ended December 31, 2001 and 2000, and other historical financial information appearing elsewhere herein.

WPCS INTERNATIONAL INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED PRO FORMA UNAUDITED BALANCE SHEET

<TABLE>
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	OCTOBER 31, 2002 WPCS	SEPTEMBER 30, 2002 INVISINET	SEPTEMBER 30, 2002 WALKER	PRO FORMA ADJUSTMENTS	CONSOLIDATED
		ASSETS			
Current Assets					
<S>	<C>	<C>	<C>	<C>	<C>
Cash	$ 78,607	$ 34,401	$ 306,005	(e) (419,013)	$ 0
Accounts receivable, net	130,966	159,438	1,554,484	-	1,844,888
Due from related party	-	164,514	-	-	164,514
Inventories	5,644	13,286	-	-	18,930
Costs and estimated earnings in excess of billings on uncompleted contracts	-		540,808		540,808
Prepaid expense and other current assets	2,559	2,372	378,444	-	383,375
	------------	----------	-----------	-------------	

Total current assets	217,776	374,011	2,779,741	(419,013)	2,952,515
Property and Equipment, net	25,186	5,003	467,499		497,688
Cost in excess of net assets acquired	-			(b) 1,637,056	
	-			(i) 3,208,238	4,845,294
Other Assets	2,242	350	21,809	-	24,401
	$ 245,204	$ 379,364	$ 3,269,049	$ 4,426,281	$ 8,319,898

</TABLE>

WPCS INTERNATIONAL INC AND SUBSIDIARIES

CONDENSED CONSOLIDATED PRO FORMA UNAUDITED BALANCE SHEET

<TABLE>
<CAPTION>

	OCTOBER 31, 2002 WPCS	SEPTEMBER 30, 2002 INVISINET	SEPTEMBER 30, 2002 WALKER	ADJUSTMENTS	PRO FORMA CONSOLIDATED
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Liabilities					
<S>	<C>	<C>	<C>	<C>	<C>
Bank Overdraft	$ 0	$ 0	$ 0	(e) $ 80,987	80,987
Accounts payable and accrued expenses	72,399	227,048	557,810	(b),(f) 60,000	917,257
Accounts payable - Related party		14,372	-		14,372
Billings in excess of costs and estimated earnings on uncompleted contracts			152,423		152,423
Current maturities of equipment loans payable	2,183	-	70,317	-	72,500
Income taxes payable			61,180		61,180
				(i) 774,670	774,670
Notes payable - shareholders		600,000		(a) (600,000)	-
	-	-	-	(e) 500,000	500,000
Total current liabilities	74,582	841,420	841,730	815,657	2,573,389
Noncurrent Liabilities					
Equipment loans payable, less					

current	5,783		26,557		-	32,340
Deferred taxes	4,150	-	-		-	4,150
Total noncurrent liabilities	9,933	-	26,557		-	36,490
Total liabilities	84,515	841,420	868,287		815,657	2,609,879
Stockholders' equity						
Preferred Stock:						
Series B Convertible Preferred Stock, 1,000 shares designated, 519 shares issued and outstanding at October 31,2002 liquidation preference of $519,000						
Common stock	903	1,000	20,000	(d),(h)	349	1,252
				(c)	(1,000)	
				(g)	(20,000)	
				(a)	600,000	
						6,164,264
				(b)	1,612,956	
				(c)	(525,528)	
				(g),(i)	3,799,081	
				(c)	525,528	
						(455,497)
				(i)	(774,670)	
	(455,497)	(525,528)	2,380,762	(g)	(1,606,092)	-
Total stockholders equity	160,689	(462,056)	2,400,762		3,610,624	5,710,019
	$ 245,204	$ 379,364	$3,269,049		4,426,281	$ 8,319,898

</TABLE>

WPCS INTERNATIONAL INC AND SUBSIDIARIES

CONDENSED CONSOLIDATED PRO FORMA UNAUDITED STATEMENT OF EARNINGS

FOR THE SIX MONTHS ENDED

<TABLE>
<CAPTION>

	OCTOBER 31, 2002 WPCS	SEPTEMBER 30, 2002 INVISINET	SEPTEMBER 30, 2002 WALKER	ADJUSTMENTS	PRO FORMA CONSOLIDATED
<S>	<C>	<C>	<C>		<C>
Net sales	$606,482	$656,295	3,899,536		5,162,313
Cost of sales	474,096	521,630	3,435,936		4,431,662
Gross margin	132,386	134,665	463,600	-	730,651
Operating expenses					
Selling expenses	7,019	-	20,473		27,492

General and administrative	389,729	172,516	906,959	-	1,469,204
Provision for doubtful accounts	26,285	6,000	10,000		42,285
Depreciation and amortization	3,085	3,366	100,868		107,319
Total operating expenses	426,118	181,882	1,038,300		1,646,300
Loss from operations	(293,732)	(47,217)	(574,700)		(915,649)
Other income (expenses), interest	-	(297)	2,713	-	2,416
Net loss	(293,732)	(47,514)	(571,987)		(913,233)
Imputed dividends accreted on convertible Series B Preferred stock	(173,000)	-	-		(173,000)
Net loss attributable to common stockholders	$ (466,732)	$ (47,514)	$ (571,987)		(1,086,233)
Basic and diluted loss per share of common stock					$ (0.09)
Common shares used in the calculation of loss per					12,511,632

</TABLE>

WPCS INTERNATIONAL INCORPORATED

NOTES TO PRO FORMA UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. WPCS is a publicly held corporation whose newly formed subsidiary, on November 13, 2002, merged with Invisinet, Inc. ("Invisinet"). For accounting purposes, this transaction has been treated as an acquisition with the net assets of Invisinet being stated at fair value in accordance with the purchase method of accounting.

NOTE 2. WPCS is a publicly held corporation whose newly formed subsidiary, on December 30, 2002, merged with Walker Comm, Inc. ("Walker"). For accounting purposes, this transaction has been treated as an acquisition with the net assets of Walker being stated at fair value in accordance with the purchase method of accounting.

NOTE 3. The unaudited pro forma consolidated balance sheet at October 31, 2002 presented herein has been prepared as if the merger had been consummated on October 31, 2002.

The unaudited pro forma condensed consolidated statement of operations for the six months ended October 31, 2002 presented herein has been prepared as if the merger described above had been consummated as of May 1, 2002. WPCS began its operations in December 2001; therefore no pro forma financial information is presented for any prior years.

NOTE 4. Pro forma adjustments have been made for the following:

Acquisition of Invisinet:

(a) To record the conversion of Notes Payable- Related party of $600,000 by Invisinet into additional paid-in capital

(b) To reflect the excess of acquisition cost over the estimated fair value of the net assets acquired (goodwill). The allocation of the purchase price is based on financial information of Invisinet as of September 30, 2002. Upon completion of a formal purchase price allocation there may be a decrease in the amount assigned to goodwill and a corresponding increase in tangible or other intangible assets. However, we do not believe that the final purchase price allocation will have a material impact on our pro forma results of operations or financial position. The purchase price and purchase price allocation are summarized as follows:

<TABLE>
<CAPTION>

Purchase price paid as:	
<S>	<C>
Common stock issued	$ 1,750,000
Cash paid	-
Transaction costs	25,000
Total purchase price consideration	1,775,000
Allocated to:	
Historical net book value of Walker at September 30, 2002	$ 137,944
Cost in excess of net assets acquired	$ 1,637,056

</TABLE>

(c) To reflect the elimination of the shareholders' equity accounts of Invisinet of ($525,528) and the issuance of WPCS common stock. To effect the merger, WPCS issued 1,000,000 shares of WPCS common stock with a value of approximately $1,750,000, based upon the average closing price of $1.75 per share a few days before and after the date of merger.

(d) To reflect the issuance of 1,000,000 shares of WPCS common stock to effect the merger as if these shares were outstanding at the beginning of the periods presented.

Acquisition of Walker Comm, Inc.

(e) To reflect cash consideration paid $500,000 and record Note payable to Walker shareholders in an amount of $500,000 to effect the merger.

(f) To reflect the transaction cost payable in an amount of $35,000.

(g) To reflect the elimination of the shareholders' equity accounts of Walker of $2,400,762 and the issuance of WPCS common stock. To effect the merger, WPCS issued 2,486,000 shares of WPCS common stock with a value of approximately $4,574,000, based upon the average closing price of $1.84 per share a few days before and after the date of merger.

(h) To reflect the issuance of 1,000,000 shares of WPCS common stock to effect the merger as if these shares were outstanding at the beginning of the periods presented.

(i) To reflect the excess of acquisition cost over the estimated fair value of the net assets acquired (goodwill). The allocation of the purchase price is based on financial information of Walker as of September 30, 2002. Upon completion of a formal purchase price allocation there may be a decrease in the amount assigned to goodwill and a corresponding increase in tangible or other intangible assets. However, we do not believe that the final purchase price allocation will have a material impact on our pro forma results of operations or financial position. The purchase price and purchase price allocation are summarized as follows:

<TABLE>
<CAPTION>

Purchase price paid as:	
<S>	<C>
Common stock issued	$ 4,574,000
Cash paid	500,000
Note payable - Walker shareholders	500,000

Transaction costs		35,000
Total purchase price consideration		5,609,000
Allocated to:		
Historical net book value of Walker at September 30, 2002	$	2,400,762
Cost in excess of net assets acquired	$	3,208,238

</TABLE>

WPCS INTERNATIONAL INCORPORATED

NOTES TO PRO FORMA UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(j) To reflect $774,670 dividend payable to Walker shareholders prior to the closing of the transaction.

NOTE 5. Both Invisinet and Walker, prior to their merger with WPCS, were taxed as a Subchapter S corporation for income tax purposes. In lieu of corporate income taxes, the shareholders of a Subchapter S Corporation are taxed on their proportionate share of the Company's taxable income. For the purpose of these pro forma condensed consolidated financial statements, both Invisinet and Walker were considered as C corporations in determining the appropriate tax provisions for the period.

Based on the current losses and uncertainty of future taxable income, no tax benefit has been recorded in these pro forma condensed consolidated financial statements.

NOTE 6. The statement of operations of WPCS was derived from its interim unaudited financial statements on Form 10Q-SB for the six months ended October 31, 2002.

The statement of operations of Invisinet was derived from its interim unaudited financial statements for the nine months ended September 30, 2002, less unaudited financial statements for the three months ended March 31, 2002.

The statement of operations of Walker was derived from its interim unaudited financial statements for the nine months ended September 30, 2002, less unaudited financial statements for the three months ended March 31, 2002.