SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-KSB

(Mark One)

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended April 30, 2002

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No. 0-26277

WPCS International Incorporated

(Name of Small Business Issuer in its charter)

Phoenix Star Ventures, Inc.

(Former Name of Small Business Issuer)

<TABLE>
<CAPTION>

<S>	<C>
Delaware	98-0204758
(State of incorporation)	(IRS Employer Identification No.)
140 South Village Avenue Exton, Pennsylvania	19341
(Address of Principal Executive Office)	Zip Code

</TABLE>

Registrant's telephone number, including Area Code: (610) 903-0400 Securities registered pursuant to Section 12(b) of the Act: None Securities registered pursuant to Section 12(g) of the Act:

Common Stock
(Title of Class)

Check whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

X
YES NO

Check if disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [X]

The Company's revenues during the year ended April 30, 2002 were nil.

The aggregate market value of the voting stock held by non-affiliates of the Company, 9,025,632 shares based upon the average bid and asked prices of the Company's common stock on July 26, 2002 was approximately $14,892,292.

Documents incorporated by reference: None

As of July 26, 2002 the Company had 9,025,632 issued and outstanding shares of common stock.

ITEM 1. DESCRIPTION OF BUSINESS As of April 30 ,2002, we did not have any material business operations. We are in the process of reorganizing our affairs, and, upon completion of this reorganization, we will be seeking candidates for merger or acquisition.

We were originally incorporated in Delaware on December 18, 1997, under the name Internet International Communications Ltd. On May 7, 1999, we changed our name to Paramount Services Corp.

On February 7, 2000 we acquired all of the outstanding shares of wowtown.com, Inc. a Nevada corporation in exchange for 10,000,000 pre-split shares of our common stock. On February 25, 2000 we changed our name from Paramount Services Corp. to wowtown.com, Inc. in order to properly reflect our new business and on February 21, 2000 the name of wowtown.com, Inc., the Nevada corporation which we acquired, was changed to wowtown.com (Nevada), Inc. in order to eliminate confusion between ourselves and our newly acquired subsidiary.

The Company's business originally involved establishing websites which provided information regarding certain cities in the United States, Canada and other countries. Each website had a directory of restaurants, hotels, sporting events, entertainment, tourist attractions and similar information. Those wanting more information regarding a particular business establishment were linked directly to the particular establishment's website.

The Company expected to generate revenues from listing business establishments in the Company's directory, designing and maintaining websites for particular business establishments, and by displaying advertising on the Company's websites. However, the Company was unsuccessful in establishing the necessary base of business listings and very minimal revenue was earned. Marketing and development operations were suspended and the Company currently has no business activity.

In April 2001 we sold all of the issued and outstanding shares of wowtown.com (Nevada), Inc. in exchange for the return to treasury of 1,900,000 shares of our common stock, the assumption of liabilities of approximately $165,000 and certain contractual commitments relating to wowtown.com (Nevada) Inc.'s business; and the forgiveness by 595796 B.C. Ltd. and any officer, employee, shareholder or affiliate of 595796 B.C. Ltd. of any loans or advances made by such persons to the Company. On April 12, 2001 we changed our name to Phoenix Star Ventures, Inc.

In connection with the disposition of wowtown.com (Nevada), Inc., the Company reduced the number of the Company's outstanding shares by approving reverse split of the shares of the Company's common stock such that each five outstanding shares of the Company's common stock automatically converted into one share of common stock.

Following the sale of wowtown.com (Nevada), Inc., the Company's management, with the exception of Stephen C. Jackson, resigned.

The Company is presently reorganizing its affairs and is attempting to merge with or acquire a new business but as yet has not identified any business which is available for merger or acquisition. Although the Company does not have any plans to appoint any new officers or directors at the present time, it may be expected that new officers and directors will be appointed if a new business is acquired.

All historical share data in this report has been adjusted to reflect a five-for-one reverse stock split that was effective April 12, 2001 and a nine-for-one reverse stock split that was effective November 30, 2001.

Employees

As of April 30, 2002 we had no full time employees.

Forward Looking Statements

This report contains various forward-looking statements that are based on our beliefs as well as assumptions made by and information currently available to us. When used in this prospectus, the words "believe", "expect", "anticipate", "estimate" and similar expressions are intended to identify forward-looking statements. Such statements may include statements regarding seeking business opportunities, payment of operating expenses, and the like, and are subject to certain risks, uncertainties and assumptions which could cause actual results to differ materially from our projections or estimates. Factors which could cause actual results to differ materially are discussed at length under the heading "Risk Factors". Should one or more of the enumerated risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. Investors should not place undue reliance on forward-looking statements, all of which speak only as of the date made.

Subsequent Event

On May 17, 2002, we entered into an Agreement and Plan of Merger with WPCS Acquisition Corp., a Delaware corporation wholly-owned by us ("Subsidiary"), WPCS Holdings, Inc., a Delaware corporation ("WPCS"), and Andy Hidalgo. Pursuant to the terms of the Agreement and Plan of Merger which closed on May 24, 2002, Subsidiary acquired all of the issued and outstanding shares of capital stock of WPCS from Mr. Hidalgo in exchange for an aggregate of 5,500,000 newly issued shares of the our common stock (the "Acquisition"). Concurrently with the Acquisition, WPCS was merged with and into Subsidiary. As a condition to the Acquisition, our director prior to the transaction was required to appoint Mr. Hidalgo as a member of our Board of Directors. Stephen C. Jackson, our former member of the Board of Directors, resigned effective as of the appointment of Mr. Hidalgo.

Concurrently with the Acquisition, and as a condition thereof, our principal stockholder returned shares of our common stock, without compensation. Century Capital Management Ltd. returned an aggregate of 500,000 shares of Common Stock to us. In addition, we changed our name to WPCS International Incorporation.

Business of WPCS International Incorporated

WPCS International Incorporated ("WPCS International") provides fixed wireless solutions including wireless products, engineering services and deployment. Fixed wireless solutions include the internal and external design and installation of a fixed wireless solutions to support voice/date/video transmission between two or more points without the utilization of a landline infrastructure. Depending on the requirements, fixed wireless solutions can use from T1 to gigabit bandwidth rates and can travel distances of over fifty miles. Fixed wireless solutions can be deployed in corporate, government, education and residential markets, however, WPCS International has focused its efforts toward providing fixed wireless solutions to corporations, government institutions and educational institutions.

WPCS International offers services in connection with the integration of solutions and products from a multitude of vendors in order to develop a fixed wireless communications system tailored for each client. There are multiple products associated with the deployment of a fixed wireless solution including radios, repeaters, amplifiers, antennas, cabling and specialty components. WPCS International purchases these products from a multitude of vendors, including, but not limited to Tech Data Corporation and Tessco Technologies. WPCS International provides a variety of services in connection with the installation of a fixed wireless high bandwidth solution such as spectrum analysis, site surveys, site design, tower construction, mounting and alignment. Site surveys are utilized to determine "line of site" issues and site design determines terrain status and where mounting and alignment will occur. WPCS International will perform spectrum analysis to study the performance of licensed and unlicensed frequencies in a specific area. Also, WPCS International will erect and scale towers, mount and align equipment, integrate all the products into one solution and finally test, document and support the installation.

Suppliers

Although we obtain products from a variety of suppliers, we have primary supplier relationships with Tech Data Corporation and Tessco Technologies, which each provide us with a variety of products including amplifiers, lightening arresters, adapters, power supplies, wireless radios, base stations, antennas, connectors and routers. Generally, we acquire these products, which are incorporated into our fixed wireless solution, within a 30% to 40% discount range. The products are generally shipped directly to an end user location. We believe that we enjoy a good relationship with these companies. However, if necessary, we believe that we could readily find replacement manufacturers. We are aware of multiple suppliers for these materials and would not anticipate a significant impact if we were to lose any suppliers.

Marketing and Sales

We market and distribute our services directly to corporations, governments and educational institutions through account managers. We intend to recruit and train additional account managers capable of prospecting, qualifying, demonstrating, proposing and closing fixed wireless opportunities. We also market and distribute our services through our web site located at www.wpcs.com. Management believes that direct sales to end users should allow us to more efficiently and effectively meet customer needs by providing services which are tailored for the customer's individual requirements at a more economical price. We intend to recruit and train account managers capable of prospecting, qualifying, demonstrating, proposing and closing fixed wireless opportunities. We will work closely with suppliers in order to be given leads for follow-up. WPCS will seek out strategic alliances with competitive local exchanges and other communication infrastructure providers in order to obtain primary or sub-contracting assignments.

Competition

The size and financial strengths of some of our competitors in the fixed wireless market are substantially greater than ours. There are also a number of regional companies that have the ability to deploy a fixed wireless solution. In addition, we will also compete with incumbent local exchange carriers ("ILEC") that have established a complete landline network deployed in most markets. ILECs generally have a deployed landline however the "last mile" or "last distance" is generally copper and does not carry the high bandwidth requirements needed by corporations and government entities. We will also be competing with competitive local exchange carriers ("CLEC"), which have developed fiber networks together with a fixed wireless "last mile" strategy. In the future cable companies may also enter into the fixed wireless market.

We believe that we can effectively compete with these other companies because of the unique nature of our services and products. Our services uniqueness is primarily our ability to provide fixed wireless solutions on a cost effective basis. We believe this unique feature will allow our services to compete effectively in the market. We are not aware of any significant barriers to entry into the fixed wireless market.

Employees

As of April 30, 2002, we did not have any full time employees. After the

Agreement and Plan of Merger entered on May 17, 2002, we had five employees all of which are full time.

Legal Matters

We are not currently a party to any legal proceedings that we consider to be material.

ITEM 2. DESCRIPTION OF PROPERTY

On November 15, 2001, we entered into a lease for approximately 2,000 square feet of space for our Exton, Pennsylvania, headquarters pursuant to a three-year lease expiring on November 14, 2004, at approximately $2,500 per month. ITEM 3. LEGAL PROCEEDINGS.

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

A special meeting of the shareholders of the Company was held at Suite 215, 24318 Marine Drive, West Vancouver, British Columbia, Canada on November 30, 2001, at 10:00 A.M., and the following resolutions were adopted:

1) To approve a reverse split of the Company's common stock such that each nine outstanding shares of the Company's common stock will be converted into one share of common stock.

These resolution was approved by the following votes:

Resolution 1:	Votes in favor:	8,027,507
	Votes against:	1,111
	Votes abstaining:	0

ITEM 5. MARKET FOR THE COMPANY'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

As of July 26, 2002, we had 9,025,632 outstanding shares of common stock and approximately 238 stockholders of record. We believe the number of beneficial owners may be greater due to shares held by brokers, banks, and others for the benefit of their customers. Our common stock began trading on the National Association of Securities Dealers OTC Bulletin Board on March 9, 2000. Set forth below are the range of high and low closing prices for the periods indicated as reported by the NASD. The market quotations reflect interdealer prices, without retail mark-up, mark-down or commissions and may not represent actual transactions. The market quotations have been adjusted to reflect the one-for-five reverse split of the Company's stock which was effective April 12, 2001 as well as a one-for-nine reverse split of the Company's Common Stock which was effective November 30, 2001.
<TABLE>
<CAPTION>

		Closing Prices	
	Quarter Ended	High	Low
<S>	<C> <C>	<C>	<C>
	April 30, 2000	$7.50	$3.13
	July 31, 2000	7.34	4.38
	October 31, 2000	4.22	1.88
	January 31, 2001	0.75	0.33
	April 30, 2001	0.18	0.05
	July 31, 2001	0.15	0.05
	October 31, 2001	0.54	0.18
	January 31, 2002	0.45	0.15
	April 30, 2002	0.15	0.17

</TABLE>

The provisions in our Articles of Incorporation relating to our preferred stock would allow our directors to issue preferred stock with rights to multiple votes per share and dividends rights which would have priority over any dividends paid with respect to our common stock. The issuance of preferred stock with such rights may make the removal of management difficult even if such removal would be considered beneficial to stockholders generally, and will have the effect of limiting stockholder participation in certain transactions such as mergers or tender offers if such transactions are not favored by incumbent management.

Holders of our common stock are entitled to receive such dividends as may be declared by our board of directors out of funds legally available and, in the event of liquidation, to share pro rata in any distribution of our assets after payment of liabilities. Our board of directors is not obligated to declare a dividend. We have not paid any dividends on our common stock and we do not have any current plans to pay any common stock dividends.

Recent Sales of Unregistered Securities

During the past three years the Company has issued the following unregistered securities:

On February 7, 2000 10,000,000 pre-split common shares were issued to a company controlled by present and former directors and officers of the Company in exchange for wowtown.com (Nevada), Inc. This transaction was exempted from registration pursuant to section 4(2) of the Securities Act of 1933.

On February 7, 2000 200,000 pre-split common shares were issued to a company controlled by a former director of the Company for consulting services rendered in connection with the acquisition of wowtown.com (Nevada), Inc. and valued at $6,250. This transaction was exempted from registration pursuant to section 4(2) of the Securities Act of 1933.

On February 7, 2000 500 Series A preferred shares were issued to two purchasers for $500,000 cash. The sales of the Series A preferred shares were exempt from registration pursuant to Rule 506 of the Securities and Exchange Commission. Each Series A preferred share may be converted, at the option of the holder, into shares of our common stock equal in number to the amount determined by dividing $1,000 by the conversion price, which is 75% of the average closing bid price of our common stock for the ten trading days preceding the conversion date or $2.00, whichever amount is less. However, the terms of the Series A preferred stock provide that no less than 500 shares of common stock may be issued upon the conversion of any Series A preferred share.

On March 31, 2000 11,320 pre-split common shares were issued to a two companies controlled by former directors and officers of the Company for consulting services rendered and valued at $18,680. These transactions were exempted from registration pursuant to section 4(2) of the Securities Act of 1933.

On May 9, 2000 a holder of 250 Series A preferred shares converted these shares into 390,747 pre-split shares of our common stock. The Company did not receive any consideration for the conversion of these issuance of these shares. This transaction was exempted from registration pursuant to section 3a(9) of the Securities Act of 1933.

On May 30, 2000 200,000 pre-split common shares were issued to a shareholder of the Company for $150,000 cash. This transaction was exempted from registration pursuant to section 4(2) of the Securities Act of 1933.

On June 12, 2000 200,000 pre-split common shares were issued to two consultants of the Company as partial payment for marketing services valued at $226,000. These transactions were exempted from registration pursuant to section 4(2) of the Securities Act of 1933.

On July 17, 2000 30,000 pre-split common shares were issued to an advisor to the Company as payment for consulting services valued at $37,500. This transaction was exempted from registration pursuant to section 4(2) of the Securities Act of 1933.

On August 16, 2000 the Company issued 100,000 pre-split common shares to a contractor of the Company for a technology license valued at $87,500. This transaction was exempted from registration pursuant to section 4(2) of the Securities Act of 1933.

On November 1, 2000 the Company issued 25,000 pre-split common shares to a consultant for marketing services valued at $10,937.50. This transaction was exempted from registration pursuant to section 4(2) of the Securities Act of 1933.

On April 18, 2001 the Company issued 5,000,000 post-split common shares in settlement of a debt in the amount of $200,000. This resulted in the lender obtaining control of the Company. This transaction was exempted from registration pursuant to section 4(2) of the Securities Act of 1933.

On May 17, 2002, we entered into an Agreement and Plan of Merger with WPCS Acquisition Corp., a Delaware corporation wholly-owned by us ("Subsidiary"), WPCS Holdings, Inc., a Delaware corporation ("WPCS"), and Andy Hidalgo. Pursuant to the terms of the Agreement and Plan of Merger which closed on May 24, 2002, Subsidiary acquired all of the issued and outstanding shares of capital stock of WPCS from Mr. Hidalgo in exchange for an aggregate of 5,500,000 newly issued shares of the our common stock (the "Acquisition"). Concurrently with the Acquisition, WPCS was merged with and into Subsidiary. These foregoing securities were issued in reliance on Section 4(2) of the Securities Act of 1933.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

On April 12, 2001 we disposed of all of the outstanding shares of wowtown.com (Nevada), Inc. and changed our name from wowtown.com, Inc. to Phoenix Star Ventures, Inc. in order to disassociate the Company from our previous business involving wowtown.com (Nevada), Inc.

The Company's business originally involved establishing websites which provided directories of restaurants, hotels, sporting events, entertainment, tourist attractions and similar information for certain cities in the United States, Canada and other countries. The Company was unsuccessful in establishing the necessary base of business listings. Marketing and development operations were suspended and the Company halted business activity.

Prior to the acquisition of wowtown.com (Nevada), Inc. we had not generated any revenue and had not commenced any operations other than initial corporate formation and capitalization.

The financial data presented below should be read in conjunction with the more detailed financial statements and related notes which are included elsewhere in this report.

Summary Financial Data

Discontinued Operations:

	Year Ended April 30, 2001
Statement of Operations Information	
Operating Expenses	$ (1,555,059)
Gain on disposal of subsidiary	217,198
	$ (1,337,861)

We have not declared any common stock dividends since our inception.

Liquidity and Capital Resources

Since inception (June 9, 1999) and through April 30, 2002 our sources and use of cash were:

Cash used by operations	$(978,402)
Proceeds received from sale of Preferred Stock	500,000
Purchase of equipment	(29,925)
Other	(44,545)
Proceeds from sale of Common Stock	300,000
Proceeds from sale of equipment	7,026

The loans from shareholders were $32,000. The loan from a third party in the amount of $200,000 was converted into 5,000,000 post split shares of the Company on April 18, 2001.

We expect our expenses will decrease substantially over the next twelve months as on-going operations will be focused on searching out new business ventures for the Company.

We anticipate obtaining the capital which we will require through a combination of debt and equity financing. There is no assurance that we will be able to obtain capital we will need or that our estimates of our capital requirements will prove to be accurate. As of the date of this report we did not have any commitments from any source to provide additional capital.

On November 30, 2001 the Company's shareholders approved a resolution to reverse split the Company's outstanding common stock such that every nine shares of common stock were automatically converted into one share of common stock. A total of 8,027,507 shares voted in favor of the resolution and 1,111 shares voted against the resolution. The Company felt that this reverse split was necessary to better position the Company's capital structure to attract a suitable merger or acquisition candidate.

As at April 30, 2002, the Company did not have any material business operations. The Company was reorganizing its affairs and seeking to acquire a new business. The Company had identified a prospective business which was available for acquisition and on May 17, 2002 signed an Agreement and Plan of Merger with WPCS Acquisition Corp., WPCS Holdings Inc. and Andy Hidalgo, the shareholder of WPCS Holdings Inc. (the "Merger Agreement").

Pursuant to the Merger Agreement the Company acquired 100% of the issued and outstanding shares of WPCS Holdings Inc. for 5,500,000 common shares of the Company. All 250 issued and outstanding Series A-1 preferred shares were converted into 3,000,000 common shares and the Company issued 519 Series B convertible preferred shares for $519,000.

Also pursuant to the Merger Agreement 500,000 common shares were returned to the treasury of the Company for no consideration and the Company changed its name to WPCS International Incorporated.

ITEM 7. FINANCIAL STATEMENTS

See the financial statements attached to this report.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Effective April 10, 2001 we retained N.I. Cameron Inc. ("NIC") to act as our independent accountant. In this regard NIC replaced

PricewaterhouseCoopers LLP ("PWC") which audited our financial statements for the fiscal years ended April 30, 2000 and 1999. The reports of PWC for these fiscal years did not contain an adverse opinion, or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles. During our two most recent fiscal years and subsequent interim periods, there were no disagreements with PWC on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of PWC would have caused PWC to make reference to such disagreements in its reports.

We have authorized PWC to discuss any matter relating to our operations with NIC.

The change in our auditors was recommended and approved by our board of directors. We do not have an audit committee.

During the two most recent fiscal years and subsequent interim period ending April 10, 2001 we did not consult NIC regarding the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements, or any matter that was the subject of a disagreement or what is defined as a reportable event by the Securities and Exchange Commission.

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS, COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

Name	Age	Position
Andrew Hidalgo	46	President, CEO and a Director

Andrew Hidalgo became our Chairman and Chief Executive Officer on June 24, 2002. From September 2000 until December 2001, Mr. Hidalgo was President of Wireless Professional Communication Services Incorporated, a technology distribution company. From November 1999 until September 2000, Mr. Hidalgo was Chairman and Chief Executive Officer of CommSpan Incorporated, a holding company for the communications infrastructure subsidiaries acquired from Applied Digital Solutions. From December 1997 until September 1999, Mr. Hidalgo was Senior Vice President for Applied Digital Solutions, a telecommunications company, where is was responsible for the core business group that represented five divisions, 30 subsidiaries and $200 million in annual revenue. From December 1995 until December 1997, Mr. Hidalgo was Divisional Director of Bentley Systems Incorporated, a privately held engineering software company, where he developed and implemented the sales and marketing strategies for the manufacturing market sector.

Each director holds office until his successor is duly elected by the stockholders. Executive officers serve at the pleasure of the board of directors. Stephen Jackson devotes a limited amount of his time to our business.

ITEM 10. EXECUTIVE COMPENSATION

The following table sets forth in summary form the compensation received by our Chief Executive Officer. None of our former or current executive officers received in excess of $100,000 in compensation during the fiscal year ended April 30, 2002 or during any other twelve month period.

<TABLE>
<CAPTION>

Name and Principal Position	Fiscal Year	Salary	Bonus	Other Annual Compensation	Restricted Stock Awards	Options Granted
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Stephen C. Jackson	2002	$36,000	--	---	--	--
President, Secretary and Treasurer	2001	$15,085	--	$21,085	--	100,000

</TABLE>

For the year ended April 30, 2001, in connection with the sale of its subsidiary, the Company entered into a Consulting Agreement with Stephen Jackson under which the Company paid Mr. Jackson $6,000 during the two month period ending April 30, 2001. The Company also granted Mr. Jackson an option to purchase 100,000 shares of the Company's common stock at a price of $0.30 per share at any time prior to April 30, 2002. See Item 1 of this report. In addition, the Company agreed to include the shares issuable upon the exercise of the option to Mr. Jackson in any amended or future registration statement which may be filed by the Company.

Employment Agreements

We do not have any consulting or employment agreements with any person.

Our board of directors may increase the compensation paid to our officers depending upon a variety of factors, including the results of our future operations.

We do not have any compensatory plan or arrangement that results or will result from the resignation, retirement, or any other termination of any executive officer's employment with us or from a change in control of or a change in an executive officer's responsibilities following a change in control.

Options Granted During Fiscal Year Ending April 30, 2002:

No options were granted during the fiscal year ended April 30, 2002.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

No options were exercised during the fiscal year ended April 30, 2002.

Directors' Compensation

At present we do not pay our directors for attending meetings of the board of directors, although we expect to adopt a director compensation policy in the future. We have no standard arrangement pursuant to which our directors are compensated for any services provided as a director or for committee participation or special assignments.

Except as disclosed elsewhere in this report none of our directors received any compensation from us during the year ended April 30, 2002.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following table sets forth, as of July 22, 2002, information with respect to the only persons owning beneficially 5% or more of our outstanding common stock and the number and percentage of outstanding shares owned by each of our directors and officers and by our officers and directors as a group. Unless otherwise indicated, each owner has sole voting and investment powers over his shares of common stock.

Name and Address	Shares of Common Stock	Percent of Class
Andy Hidalgo 140 South Village Avenue Suite 20 Exton, Pennsylvania 19341	5,380,000	59.6%
All officers and directors (1 person)	5,380,000	59.6%

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

We have issued shares of our common stock to the following persons during the past two years, who are or were affiliated with the Company:

Name	Date of Issuance	Number of Shares	Consideration
Century Capital Management Ltd. (1)	04/01	5,000,000	Loan of $200,000

(1) The beneficial owner of Century Capital Management Ltd. is Andrew Hromyk.

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

Exhibits

Number	Exhibit
2.1	Agreement and Plan of Merger by and among Phoenix Star Ventures, Inc., WPCS Acquisition Corp., a Delaware corporation, WPCS Holdings, Inc., a Delaware corporation, and Andy Hidalgo, dated as of May 17, 2002. (1)
3.1	Certificate of Incorporation and Amendments (2)
3.2	Bylaws(2)
4.1	Certificate of Designation of Series A-1 preferred stock (2)
4.2	Certificate of Designation of Series B Preferred Stock (3)
10.1	Agreement Regarding Sale of wowtown.com

(Nevada), Inc. (4)

(1) Incorporated by reference to exhibit 1 in the Company's current report on Form 8-K/A (Commission File # 02677093).

(2) Incorporated by reference to the same exhibit number in the Company's registration statement on Form SB-2 (Commission File # 333-38802).

(3) Filed herewith.

(4) Incorporated by reference to exhibit 10 in the Company's annual report on Form 10-KSB (Commission File # 1707802).

Reports on Form 8-K

There were no reports on Form 8-K filed during the three months ended April 30, 2002.

SIGNATURES

In accordance with Section 13 or 15(a) of the Exchange Act, the Registrant has caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized on the 29th day of July, 2002.

WPCS INTERNATIONAL INCORPORATED

By: /s/ ANDREW HIDALGO

Andrew Hidalgo, President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

	Title	Date
/s/ ANDREW HIDALGO Andrew Hidalgo	President, CEO and Director	July 29, 2002

WPCS INTERNATIONAL INCORPORATED
(a development stage enterprise)
(formerly Phoenix Star Ventures, Inc.)

Consolidated Financial Statements
April 30, 2002 and April 30, 2001
(expressed in U.S. dollars)

AUDITORS' REPORT

To the Stockholders of
WPCS International Incorporated
(formerly Phoenix Star Ventures, Inc.)

We have audited the consolidated balance sheets of WPCS International Incorporated (a development stage enterprise) (formerly Phoenix Star Ventures, Inc.) as at April 30, 2002 and the consolidated statements of operations and cash flows for the two years then ended and the consolidated statement of stockholders' equity for the period from June 9, 1999 (date of incorporation) to April 30, 2002. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance 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.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at April 30, 2002 and April 30, 2001 and the results of its operations and its cash flows for the two years then ended in accordance with generally accepted accounting principles in the United States.

The accompanying financial statements have been prepared assuming that the company will continue as a going concern. As discussed in note 1 to the financial statements, the company has suffered losses from operations that raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

N.I. Cameron Inc. (signed)

Vancouver, B.C. CHARTERED ACCOUNTANTS
July 12, 2002

WPCS INTERNATIONAL INCORPORATED
(a development stage enterprise)
(formerly Phoenix Star Ventures, Inc.)
Consolidated Balance Sheet
April 30, 2002 and April 30, 2001
(expressed in U.S. dollars)

<TABLE>
<CAPTION>

	2002	2001
ASSETS		
CURRENT ASSETS		
<S>	<C>	<C>
Cash	$ 3,257	$ -
Prepaid expenses and deposits	7,500	-
	$ 10,757	$ -
LIABILITIES		
CURRENT LIABILITIES		
Bank overdraft	$ -	$ 18
Accounts payable and accrued liabilities (Note 5)	59,572	119,032
Advances from stockholder (Note 5)	32,000	27,251
	91,572	146,301
STOCKHOLDERS' DEFICIT		
CAPITAL STOCK (Notes 3 and 10)		
Authorized		
30,000,000 common shares at par value of $0.0001		
5,000,000 preferred shares at par value of $0.0001		
Issued		
1,025,632 common shares	103	623
250 preferred shares	1	1
OTHER CAPITAL ACCOUNTS	2,092,164	1,941,644
DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE	(2,173,083)	(2,088,569)
	(80,815)	(146,301)

	2002	2001
	$ 10,757	$ -

GOING CONCERN (Note 1)
CONTINGENT LIABILITIES (Note 9)
SUBSEQUENT EVENTS (Note 10)
</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

WPCS INTERNATIONAL INCORPORATED
(a development stage enterprise)
(formerly Phoenix Star Ventures, Inc.)
Consolidated Statement of Operations
For the Years Ended April 30, 2002 and April 30, 2001
(expressed in U.S. dollars)

<TABLE>
<CAPTION>

<S>	<C> 2002	<C> 2001
OTHER EXPENSES		
General and administrative	$ 89,354	$ 119,426
TOTAL OPERATING EXPENSES	89,354	119,426
OTHER INCOME (EXPENSES)		
Interest	-	561
Gain on settlement of debt	22,652	-
Expenses of former subsidiary (Note 9)	(17,812)	-
	4,840	(118,865)
NET LOSS FROM CONTINUING OPERATIONS	(84,514)	(118,865)
LOSS FROM DISCONTINUED OPERATIONS	-	(1,337,861)
NET LOSS FOR THE PERIOD	$ (84,514)	$ (1,456,726)
NET LOSS PER SHARE FROM CONTINUING OPERATIONS		
Basic and diluted	$ (0.10)	$ (0.34)
NET LOSS PER SHARE - Basic and diluted	$ (0.10)	$ (4.13)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	864,937	352,757

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

WPCS INTERNATIONAL INCORPORATED
(a development stage enterprise)
(formerly Phoenix Star Ventures, Inc.)
Consolidated Statement of Stockholders' Equity
For the Period from June 9, 1999 to April 30, 2002
(expressed in U.S. dollars)

<TABLE>
<CAPTION>

	COMMON STOCK		PREFERRED STOCK		OTHER CAPITAL ACCOUNTS			
	Number of shares	Amount	Number of shares	Amount	Additional paid in capital	Accumulated other comprehensive income	Deficit	Total Stockholders' equity
<S>	<C>	<C>		<C>	<C>	<C>	<C>	<C>
Common stock issued on recapitalization of WOWtown.com (Nevada) Inc.	10,000,000	$ 1,000	-	$ -	$ -	$ -	$ (999)	$ 1
Common stock issued to Paramount Stockholders (Note 1)	4,498,000	450	-	-	-	-	(450)	-
Issuance of preferred stock	-	-	500	1	713,999	-	(214,000)	500,000
Common stock issued for consulting services	200,000	20	-	-	6,230	-	-	6,250
Common stock issued for consulting services	11,320	1	-	-	18,679	-	-	18,680
Comprehensive income Loss for the period	-	-	-	-	-	-	(416,394)	(416,394)
Accumulated other comprehensive income - foreign currency translation	-	-	-	-	-	5,789	-	5,789
Total comprehensive income	-	-	-	-	-	5,789	(416,394)	(410,605)
Balance - April 30, 2000 Carried Forward	14,709,320	1,471	500	1	738,908	5,789	(631,843)	114,326

</TABLE>

WPCS INTERNATIONAL INCORPORATED
(a development stage enterprise)
(formerly Phoenix Star Ventures, Inc.)
Consolidated Statement of Stockholders' Equity (Continued)
For the Period from June 9, 1999 to April 30, 2002
(expressed in U.S. dollars)

<TABLE>
<CAPTION>

	COMMON STOCK		PREFERRED STOCK		OTHER CAPITAL ACCOUNTS			
	Number of shares	Amount	Number of shares	Amount	Additional paid in capital	Accumulated other comprehensive income	Deficit	Total Stockholders' equity

equity

<S> <C> <C> <C> <C> <C> <C> <C> <C>

Balance Forward - - April 30, 2000	14,709,320	$1,471	500	$ 1	$ 738,908	$ 5,789	$ (631,843)	$ 114,326
Conversion of Preferred Stock to Common Stock (Note 3)	390,747	39	(250)	-	(39)	-	-	-
Shares issued for:								
Private Placement	200,000	20	-	-	149,980	-	-	150,000
Marketing Services	325,000	33	-	-	323,405	-	-	323,438
Consulting Services	30,000	3	-	-	37,497	-	-	37,500
Contribution by principal Stockholder (Note 3)	-	-	-	-	479,000	-	-	479,000
Common Stock Rollback	(12,524,055)	(1,253)	-	-	1,253	-	-	-
Cancellation of Stock (Note 3)	(1,900,000)	(190)	-	-	190	-	-	-
Settlement of stockholder loan for stock (Note 3)	5,000,000	500	-	-	199,500	-	-	200,000
Stock option compensation (Note 3)	-	-	-	-	11,950	-	-	11,950
Comprehensive income								
Translation adjustment for the year	-	-	-	-	-	(5,789)	-	(5,789)
Net Loss for the Year	-	-	-	-	-	-	(1,456,726)	(1,456,726)
Total comprehensive Income	-	-	-	-	-	(5,789)	(1,456,726)	(1,462,515)
Balance - April 30, 2001	6,231,012	623	250	1	$ 1,941,644	-	(2,088,569)	(146,301)
Shares issued for private placement	3,000,000	300	-	-	149,700	-	-	150,000
Common stock rollback	(8,205,380)	(820)	-	-	820	-	-	-
Net Loss for the Year	-	-	-	-	-	-	(84,514)	(84,514)
Balance - April 30, 2002	1,025,632	$ 103	250	$ 1	$ 2,092,164	-	$ (2,173,083)	$ (80,815)

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

WPCS INTERNATIONAL INCORPORATED
(a development stage enterprise)
(formerly Phoenix Star Ventures, Inc.)
Consolidated Statement of Cash Flows
For the Years Ended April 30, 2002 and April 30, 2001
(expressed in U.S. dollars)

<TABLE>
<CAPTION>

	2002	2001

Cash Flows Provided by (Used in) Operating Activities		
<S>	<C>	<C>
Net loss for the period	$ (84,514)	$(1,456,726)
Adjustments to reconcile net loss to net cash used in operating activities		
Amortization	-	49,938
Non-cash marketing fees in discontinued operations	-	839,938
Stock option compensation	-	11,950
Loss on disposal of capital assets	-	1,506
	(84,514)	(553,394)
Changes in Operating Assets and Liabilities		
Other receivables	-	7,318
Prepaid expenses and deposits	(7,500)	25,959
Accounts payable and accrued liabilities	(59,460)	(11,656)
Net cash used in operating activities	(151,474)	(531,773)
Cash Flows Provided by (Used in) Investing Activities		
Purchase of capital assets	-	(1,114)
Purchase and development of intangible assets	-	(15,821)
Proceeds from sale of capital assets	-	7,026
Net cash used in investing activities	-	(9,909)
Cash Flows Provided by Financing Activities		
Proceeds from issuance of common stock	150,000	150,000
Proceeds from demand loan	-	200,000
Advances from stockholder	4,749	27,251
Net cash provided by financing activities	154,749	377,251
Effect of exchange rates on cash	-	15,243
Net Increase (Decrease) in cash	3,275	(149,188)
Cash (deficiency) at beginning of Year	(18)	149,170
Cash (Deficiency) at end of Year	$ 3,257	$ (18)

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

On February 7, 2000, Paramount Services Corp. ("Paramount") acquired all the issued and outstanding shares of WOWtown.com (Nevada) Inc. ("WOWtown subsidiary") in exchange for 10,000,000 common shares, following which the name Paramount was changed to wowtown.com, Inc. ("wowtown parent"). As a result of this transaction, the former stockholders of WOWtown subsidiary obtained a majority interest in wowtown parent. For accounting purposes, the acquisition has been treated as a recapitalization of WOWtown subsidiary with WOWtown subsidiary as the acquirer (reverse acquisition) of wowtown parent. As wowtown parent was a non-operating entity, the reverse acquisition has been recorded as an issuance of 4,498,000 common shares for an amount of $nil and the excess of liabilities over assets of $28,471 has been charged to the statement of operations. The historical financial statements prior to February 7, 2000 , are those of WOWtown subsidiary. Pro forma information has not been presented as the recapitalization has not been treated as a business combination. The accounts of wowtown parent have been consolidated from February 7, 2000.

On March 5, 2001, wowtown.com, Inc. ("the Company") and its majority stockholder entered into an agreement to sell all of the issued and outstanding capital stock of WOWtown subsidiary to the Company's majority stockholder in exchange for the return of 9,500,000 (1,900,000 after reverse split - See Note 3) shares of the Company's common stock. This agreement was ratified by stockholders on April 4, 2001 and the sale completed on April 12, 2001.

On April 4, 2001, stockholders approved the change of name of the Company to Phoenix Star Ventures, Inc.

Nature of operations

Until April 12, 2001, the Company's principal business activities included the establishment of Internet web site portals for certain cities and local communities in North America. The portals were intended to provide an Internet user with a local resource guide for the community. The portals would also offer services for the user and provide the user with discounts and savings for purchases made from merchants featured on the community portal site. All operations discontinued as at April 12, 2001 and the Company was seeking a new business opportunity.

1. NATURE OF OPERATIONS AND GOING CONCERN (Continued)

Going concern

The Company has no revenues, has accumulated $2,173,083 in losses on past operations and has no assurance of future profitability. Subsequent to April 30, 2002, the Company acquired an operating company (Note 10), but there is no indication whether there will be material revenue producing operations; accordingly, there is substantial doubt about the Company's ability to continue as a going concern. These consolidated financial statements have been prepared on the basis that the Company will be able to continue as a going concern and realize its assets and satisfy its liabilities in the normal course of business, and do not reflect any adjustments which would be necessary if the Company is unable to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Development stage company

The Company's activities have primarily consisted of establishing facilities, recruiting personnel, development, developing business and financial plans and raising capital. Accordingly, the Company is considered to be in the development stage. The accompanying consolidated financial statements should not be regarded as typical for a normal operating period.

Basis of presentation

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary up to April 12, 2001. All significant intercompany transactions and balances have been eliminated on consolidation.

Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation and transactions

The functional currency of the Company's operations located in countries other than the U.S. is generally the domestic currency. The consolidated financial statements are translated to U.S. dollars using the period-end exchange rate for assets and liabilities and average exchange rates for the period for revenues and expenses. Translation gains and losses are deferred and accumulated as a component of other comprehensive income in stockholders' equity. Net gains and losses resulting from foreign exchange transactions are included in the consolidated statement of operations.

Income taxes

Income taxes are accounted for using an asset and liability approach, which requires the recognition of taxes payable or refundable for the current period and deferred tax liabilities and assets for future tax consequences of events that have been recognized in the Company's consolidated financial statements or tax returns. The measurement of current and deferred tax liabilities and assets is based on provisions of enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance, where, based on available evidence, the probability of realization of the deferred tax asset does not meet a more likely than not criterion.

Loss per share

Basic loss per share is computed by dividing loss for the period by the weighted average number of common shares outstanding for the period. Fully diluted loss per share reflects the potential dilution of securities by including other potential common stock, including convertible preferred shares, in the weighted average number of common shares outstanding for a period, if dilutive.

Stock based compensation

The Company accounts for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with SFAS No. 123 and the conclusions reached by the Emerging Issues Task Force in Issue No. 96-18, "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring or in Conjunction with Selling Goods or Services" (EITF 96-18). Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earlier of a performance commitment or completion of performance by the provider of goods or services as defined by EITF 96-18.

3. CAPITAL STOCK

Common stock

Holders of common shares are entitled to one vote per share and to share equally in any dividends declared and distributions in liquidation.

On May 30, 2000, 200,000 common shares were issued for cash consideration of $150,000.

On June 12, 2000, 100,000 common shares were issued as payment for marketing services. The shares cannot be traded for a period of one year from the date of issuance.

On June 12, 2000, as payment for marketing services, the Company paid $105,000 and issued 100,000 common shares. The shares cannot be traded for a period of one year from the date of issuance.

Both transactions on June 12, 2000 were recorded using the fair value of the Company's common shares as they are publicly traded. The market value of this security was $1.13 per share on June 12, 2000.

The Company issued 30,000 common shares of the Company to a person who became an advisor to the Company. The market value of this security was $1.25 per share on July 17, 2000. The shares cannot be traded for a period of one year from the date of issuance.

On August 16, 2000 the Company entered into a Technology Licensing Agreement for the nonexclusive use of certain technologies. The agreement was to be for an initial one year period and was to automatically renew for successive one year periods unless otherwise terminated by either party on 60 days notice. Under the terms of the agreement as amended, the Company issued 100,000 shares of the Company's common stock. The market value of this security was $0.875 per share on August 16, 2000. The shares cannot be traded for a period of one year from the date of issuance. After the shares were transferred, the licensing company went bankrupt and was unable to fulfil the agreement.

On September 14, 2000, the Company filed a registration statement on form SB-2 with the Securities and Exchange Commission to qualify the sales to the public of the following securities:

- 2,000,000 shares of the Company's common stock at a price of $1.00 per share;
- shares of the Company's common stock that are issuable upon the conversion of the Company's Series A preferred stock;
- 3,097,747 shares of the Company's common stock offered by certain of the Company's stockholders; and o 300,000 shares of the Company's common stock issuable upon the exercise of warrants.

3. CAPITAL STOCK (Continued)

Common stock (Continued)

The Company will not receive any funds upon the conversion of the Series A preferred shares or from the sale of the common stock by the selling stockholders.

The Company issued 25,000 shares of the common stock as consideration for marketing services for a term of three months commencing November

1, 2000. The market value of this security was $0.4375 per share on November 1, 2000. The shares cannot be traded for a period of one year from the date of issuance.

During the prior period, certain of the Company's principal stockholders entered into Agreements with third parties to provide services to the Company. Under the terms of these Agreements, the stockholders sold shares to the third parties at a discount to their fair market value. The stockholders also paid the sum of $150,000 cash under the terms of these Agreements. Accordingly, the Company has recorded $479,000 as additional paid in capital and recorded an expense of $479,000 in respect of the consulting services.

On April 12, 2001, there was a reverse split of the Company's stock such that each five outstanding shares of the Company's common stock were converted into one share of common stock.

As a result of the sale of the subsidiary as described in Note 1, 1,900,000 post-rollback shares were acquired by the Company and cancelled.

On April 18, 2001, debt in the amount of $200,000 was settled by the issue of 5,000,000 common shares. This resulted in the lender obtaining control of the Company.

On October 23, 2001, there was a private placement of 3,000,000 common shares for cash consideration of $150,000.

On November 30, 2001, there was a reverse split of the Company's stock such that each nine outstanding shares were converted into one share of common stock.

In addition, the Company entered into a consulting agreement effective March 1, 2001 with a director of the Company. Under the terms of the agreement and a subsequent amendment, the director was paid $6,000 and issued stock options to purchase 11,111 post November 30, 2001 rollback shares at a price of $2.70 per share; these options expire April 30, 2003. These options were valued at $11,950 using the Black-Scholes model with a risk-free rate of 5%, no expected dividends and an expected volatility of 100%.

3. CAPITAL STOCK (Continued)

Preferred stock

Each Series A preferred share may be converted, at the option of the holder, to common shares equal in number to the amount determined by dividing $1,000 by the conversion price, which is 75% of the average closing bid price of the common shares for the ten trading days preceding the conversion date or $2.00, whichever amount is less. In addition, all Series A preferred shares were to be automatically converted into shares of common stock on February 7, 2001 at the conversion price then in effect.

On May 30, 2000, 250 Series A preferred shares were converted into 390,747 common shares at a conversion price of $0.64 per share.

Effective February 1, 2001, the Series A preferred shares converted to Series A-1 preferred shares. At the option of the holder, these preferred shares may be converted into common shares equal in number to the amount determined by dividing $1,000 by the conversion price, which is 75% of the average closing bid price of the common shares for the ten trading days preceding the conversion date or $2.00, whichever amount is less.

4. FINANCIAL INSTRUMENTS AND CONCENTRATIONS OF CREDIT RISK

The Company's financial instruments consist of bank overdraft, accounts payable and advances from stockholder. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values.

(expressed in U.S. dollars)

5. RELATED PARTY TRANSACTIONS

a) Advances from stockholder are repayable on demand and bear no interest. The 2001 balance for advances from stockholder included $14,000 payable on demand bearing interest at 10% and $13,251 of accrued interest.
b) The Company incurred salaries and consulting fees in the amount of $13,295 (2001 - $110,306) to directors and former directors of the Company.
c) During the year, the Company incurred interest expense of $1,193 to a stockholder. As well, interest of $13,123 due to the stockholder was forgiven.
d) Accounts payable include $35,187 (2001 - $1,438) due to a stockholder.
e) The Company incurred consulting fees of $32,100 to a stockholder of the Company.

6. INCOME TAXES

The Company is subject to U.S. Federal income taxes.

As control of the Company changed on April 18, 2001, all net operating losses carried forward are eliminated. Hence, there are no deferred tax assets.

7. DISCONTINUED OPERATIONS

As mentioned in Note 1, the Company has disposed of its subsidiary and hence discontinued its Internet web portal business. Financial data concerning this discontinued business are as follows:

<TABLE>
<CAPTION>

	Year Ended April 30, 2001
Statement of Operations information	
<S>	<C>
Operating expenses	$ (1,555,059)
Gain on disposal of subsidiary	217,198
	$ (1,337,861)
Balance Sheet information - as of April 12, 2001	
Other receivables	$ 5,021
Prepaid expenses	160
Capital assets	13,037
Intangible assets	6,127
Total assets of discontinued operations	$ 24,345
Accounts payable and accrued liabilities	$ 198,413
Advances payable	30,419
Total liabilities of discontinued operations	$ 228,832

</TABLE>

8. SUPPLEMENTAL CASH FLOW INFORMATION

<TABLE>
<CAPTION>

	2002	2001
<S>	<C>	<C>
Cash received for interest	$ -	$ 561
Cash paid for interest	1,193	-
Common stock issued for marketing and consulting services	-	360,938

</TABLE>

(expressed in U.S. dollars)

9. CONTINGENT LIABILITIES

In connection with the sale of the subsidiary, the purchaser assumed responsibility for certain liabilities and commitments of the subsidiary. However, with many of these liabilities it is unclear as to who the creditors had contracted with. As of April 30, 2002, the Company has entered into agreements with certain of these creditors and has paid $17,812 to extinguish approximately $91,000 of contingent debt. Approximately $6,500 of these liabilities remain outstanding as at April 30, 2002. The Company may be liable for all or some portion of this amount, depending on the purchaser's ability to discharge the liabilities and the legal obligations of the Company to a particular creditor.

10. SUBSEQUENT EVENTS

a) Subsequent to April 30, 2002, all 250 issued and outstanding Series A-1 preferred shares were converted into 3,000,000 common shares.

b) Subsequent to April 30, 2002, the Company issued 519 Series B convertible preferred shares for $519,000. Each Series B share may be repurchased by the Company one year after issuance by payment of $1,200. Each Series B preferred share may be converted, at the option of the holder, to common shares equal in number to the amount determined by dividing $1,000 by the conversion price, which is 75% of the average closing bid price for the ten trading days proceeding the conversion date, but in no case will the number of common shares be less then 1,000 shares or greater than 4,000 shares.

c) On May 17, 2002, the Company acquired 100% of the issued and outstanding shares of WPCS Holdings Inc. ("WPCS"), a private company, for 5,500,000 common shares of the Company. This transaction will be accounted for as a reverse takeover with WPCS deemed to be the acquirer. Selected unaudited information of WPCS as at April 30, 2002 is as follows:

<TABLE>
<CAPTION>

<S>	<C>
Revenue April 1, 2001 - April 30, 2002	$ 424,000
Gross Profit April 1, 2001 - April 30, 2002	$ 148,000
Income Before Income Tax April 30, 2001 - April 30, 2002	$ 36,200
Assets	$ 140,300
Liabilities	$ 104,100

</TABLE>

d) On May 24, 2002, the Company changed its name to WPCS International Incorporated.

e) On May 24, 2002, 500,000 common shares were returned to the treasury of the Company for no consideration.

f) Subsequent to April 30, 2002, the Company entered into a 12-month contract for investor relations services. The Company prepaid a fee of $175,000 as full payment for the entire term of the contract.

CERTIFICATE OF DESIGNATION

Stephen C. Jackson certifies that he is the President and Secretary of Phoenix Star Ventures Inc., a Delaware corporation (hereinafter referred to as the "Company") and that, pursuant to the Company's Certificate of Incorporation, as amended, and Section 151 of the General Business Corporation Law, the Board of Directors of the Company adopted the following resolutions on May 15, 2002, and that none of the shares of Series B Convertible Preferred Stock referred to in this Certificate of Designation have been issued.

Creation of Series B Convertible Preferred Stock

1. There is hereby created a series of preferred stock consisting of 1,000 shares and designated as the Series B Convertible Preferred Stock ("Preferred Stock"), having the voting powers, preferences, relative, participating, limitations, qualifications, optional and other special rights and the qualifications, limitations and restrictions thereof that are set forth below.

Repurchase Provisions.

2. Outstanding Preferred Stock may be repurchased by the Company from holders of shares of Preferred Stock by: (i) delivering notice in writing thereof to such holders prior to the date which is three hundred and sixty-five (365) calendar days following the date on which the Company received payment in full for the Preferred Stock from and issued the Preferred Stock to a particular holder of Preferred Stock (the "Issuance Date"); and (ii) by the payment to such holders of the sum of $1,200 per share of Preferred Stock so repurchased within three (3) business days of such notice by way of wire transfer, certified cheque of bank draft. The Company may not repurchase any shares of Preferred Stock for which it has received a Conversion Notice (as defined herein).

Conversion Provisions

3. The holders of Preferred Stock shall have conversion rights as follows (the "Conversion Rights"): Conversion

(a) Right to Convert. Subject to paragraph (k) hereof, from and after the thirtieth (30th) calendar day following the day on which the Company receives payment in full for Preferred Stock from and issues Preferred Stock to a particular holder of Preferred Stock (the "Issuance Date"), all Preferred Stock held by that holder shall be convertible at the option of the holder into such number of shares of common stock of the Company ("Common Stock") as is calculated by the Conversion Rate (as hereinafter defined). The Conversion Rate shall be that number of shares of Common Stock equal to $1,000 divided by seventy five per cent (75%) of the average Market Price (as hereinafter defined) of the shares of Common Stock for the ten trading days immediately prior to the Conversion Date (as hereinafter defined). Notwithstanding the foregoing, in no event shall the Conversion Rate be less than 1,000 shares of Common Stock or greater than 4,000 shares of Common Stock.

(b) Market Price. Market Price for a particular date shall be the closing bid price of the shares of Common Stock on such date, as reported by the National Association of Securities Dealers Automated Quotation System (`NASDAQ"), or the closing bid price in the over-the-counter market if other than NASDAQ.

(c) No Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock, and in lieu thereof the number of shares of Common Stock to be issued for each share of Preferred Stock converted shall be rounded down to the nearest whole number of shares of Common Stock. Such number of whole shares of Common Stock to be issued upon the conversion of one share of Preferred Stock shall be multiplied by the number of shares of Preferred Stock submitted for conversion pursuant to the Notice of Conversion (defined below) to determine the total number of shares of Common Stock to be issued in connection with any one particular conversions.

(d) Method of Conversion. In order to convert Preferred Stock into shares of Common Stock, a holder of Preferred Stock shall

(A) complete, execute and deliver to the Company the conversion certificate attached hereto as Exhibit A (the "Notice of Conversion"), and

(B) surrender the certificate or certificates representing the Preferred Stock being converted (the "Converted Certificate") to the Company.

Subject to paragraph 2(h) hereof, the Notice of Conversion shall be effective and in full force and effect for a particular date if delivered to the Company prior to 5:00 pm, eastern standard time, by facsimile transmission or otherwise, provided that particular date is a business day, and provided that the original Notice of Conversion and the Converted Certificate are delivered to and received by the Company within three (3) business days thereafter and that particular date shall be referred to herein as the "Conversion Date". The person or persons entitled to receive the shares of Common Stock to be issued upon conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of the Conversion Date. If the original Notice of Conversion and the Converted Certificate are not delivered to and received by the Company within three (3) business days following the Conversion Date, the Notice of Conversion shall become null and void as if it were never given and the Company shall, within two (2) business days thereafter, return to the holder by overnight courier any Converted Certificate that may have been submitted in connection with any such conversion. In the event that any Converted Certificate submitted represents a number of shares of Preferred Stock that is greater than the number of such shares that is being converted pursuant to the Notice of Conversion delivered in connection therewith, the Company shall deliver a certificate representing the remaining number of shares of Preferred Stock not converted.

(e)

Absolute Obligation to issue Common Stock. Upon receipt of a Notice of Conversion, the Company shall absolutely and unconditionally be obligated to cause a certificate or certificates representing the number of shares of Common Stock to which a converting holder of Preferred Stock shall be entitled as provided herein, which shares shall constitute fully paid and non-assessable shares of Common Stock and shall be issued to, delivered by overnight courier to, and received by such holder by the sixth (6th) business day following the Conversion Date. Such delivery shall be made at such address as such holder may designate therefor in its Notice of Conversion or in its written instructions submitted together therewith.

(f) Minimum Conversion. No less than 10 shares of Preferred Stock may be converted at any one time by a particular holder, unless the holder then holds less than 10 shares and converts all such shares held by it at that time.

Adjustments to Conversion Rate

(g) Reclassification, Exchange and Substitution. If the Common Stock to be issued on conversion of the Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification, reverse stock split or forward stock split or stock dividend or otherwise (other than a subdivision or combination of shares provided for above), the holders of the Preferred Stock shall, upon its conversion be entitled to receive, in lieu of the Common Stock which the holders would have become entitled to receive but for such change, a number of shares of such other class or classes of stock that would have been subject to receipt by the holders if they had exercised their rights of conversion of the Preferred Stock immediately before that changes.

(h) Reorganizations, Mergers, Consolidations or Sale of Assets. If at any time there shall be a capital reorganization of the Company's common stock (other than a subdivision, combination, reclassification or exchange of shares provided for elsewhere in this Section 3) or merger of the Company into another corporation, or the sale of the Company's properties and assets as, or substantially as, an entirety to any other person, then, as a part of such reorganization, merger or sale, lawful provision shall be made so that the holders of the Preferred Stock receive the number of shares of stock or other securities or property of the Company, or of the successor corporation resulting from such merger, to which holders of the Common Stock deliverable upon conversion of the Preferred Stock would have been entitled on such capital reorganization, merger or sale if the Preferred Stock had been converted immediately before that capital reorganization, merger or sale to the end that the provisions of this paragraph (including adjustment of the Conversion Rate then in effect and the number of shares purchasable upon conversion of the

Preferred Stock) shall be applicable after that event as nearly equivalently as may be practicable.

(i) No Impairment. The Company will not, by amendment of its Articles of Incorporation or through any reorganization, recapitalization, transfer of assets, merger, dissolution, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Section 3 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Preferred Stock against impairment.

(j) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Rate for any shares of Preferred Stock pursuant to paragraphs 2(g) or (h) hereof, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Preferred Stock effected thereby a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth: (i) such adjustments and readjustments; (ii) the Conversion Rate at the time in effect; and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of such holder's shares of Preferred Stock

(k) Limitation on Conversion. Notwithstanding anything to the contrary set forth herein the Preferred Stock held by a particular Purchaser shall not convert if, upon giving effect to such conversion, the aggregate number of shares of Common Stock beneficially owned by that Purchaser and its affiliates exceed 4.99% of the outstanding shares of the Common Stock following such conversion.

Liquidation Provisions

4. In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, holders of Preferred Stock shall be entitled to receive an amount equal to $1,000.00 per share, plus any accrued and unpaid dividends. After the full preferential liquidation amount has been paid to, or determined and set apart for the Preferred Stock and all other series of preferred stock hereafter authorized and issued, if any, the remaining assets of the Company available for distribution to shareholders shall be distributed ratably to the holders of the Common Stock. In the event the assets of the Company available for distribution to its shareholders are insufficient to pay the full preferential liquidation amount per share required to be paid to the holders of Company's Preferred Stock, the entire amount of assets of the Company available for distribution to shareholders shall be paid up to their respective full liquidation amounts first to the holders of Preferred Stock, then to any other series of preferred stock hereafter authorized and issued, all of which amounts shall be distributed ratably among holders of each such series of preferred stock, and the Common Stock shall receive nothing. A reorganization or any other consolidation or merger of the Company with or into any other corporation, or any other sale of all or substantially all of the assets of the Company, shall not be deemed to be a liquidation, dissolution or winding up of the Company within the meaning of this Section 4, and the Preferred Stock shall be entitled only to: (i) the rights provided in any agreement or plan governing the reorganization or other consolidation, merger or sale of assets transaction; (ii) the rights contained in the Delaware General Business Corporation Law; and (iii) the rights contained in other Sections hereof.

Dividend Provisions

5. The holders of shares of Preferred Stock shall not be entitled to receive any dividends.
Reservation of Stock to be issued upon Conversion

6. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the conversion of the shares of the Preferred Stock such number of its shares of Common Stock as shall from time to time be sufficient, based on the Conversion Rate then in effect, to effect the conversion of all then outstanding shares of the Preferred Stock. If at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, then, in addition to all rights, claims and damages to which the holders of the Preferred Stock shall be entitled to receive at law or in equity as a result of such failure by the Company to fulfill its obligations to the holders hereunder, the Company will

take any and all corporate or other action as may, in the opinion of its counsel, be helpful, appropriate or necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

Notices

7. In the event of the establishment by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any distribution, the Company shall mail to each holder of Preferred Stock at least twenty (20) days prior to the date specified therein a notice specifying the date on which any such record is to be taken for the purpose of such distribution and the amount and character of such distribution.

8. Any notices required by the provisions hereof to be given to the holders of shares of Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid and return receipt requested, and addressed to each holder of record at its address appearing on the books of the Company or to such other address of such holder or its representative as such holder may direct.

Voting Provisions

9. Except as otherwise expressly provided or required by law, the Preferred Stock shall have no voting rights.

IN WITNESS WHEREOF, the Company has caused this Certificate of Designation of Series B Convertible Preferred Stock to be duly executed by its President and attested to by its Secretary this 22nd day of May, 2002, who, by signing their names hereto, acknowledge that this Certificate of Designation is the act of the Company and state to the best of their knowledge, information and belief, under the penalties of perjury, that the above matters and facts are true in all material respects.

PHOENIX STAR VENTURES INC.

Stephen C. Jackson,
President and Secretary

EXHIBIT A

CONVERSION CERTIFICATE
PHOENIX STAR VENTURES INC.
Series B Convertible Preferred Stock

The undersigned holder (the "Holder") is surrendering to Phoenix Star Ventures Inc., a Delaware corporation (the "Company"), one or more certificates representing shares of Series B Convertible Preferred Stock of the Company (the "Preferred Stock") in connection with the conversion of all or a portion of the Preferred Stock into shares of Common Stock, $0.01 par value per share, of the Company (the "Common Stock") as set forth below.

1. The Holder understands that the Preferred Stock was issued by the Company pursuant to the exemption for registration under the United States Securities Act of 1933, as amended (the "Securities Act"), provided by Regulation D promulgated thereunder.

2. The Holder represents and warrants that all offers and sales of the Common Stock issued to the Holder upon such conversion of the Preferred Stock shall be made (a) pursuant to an effective registration statement under the Securities Act, (in which case the Holder represents that a prospectus has been delivered) (b) in compliance with Rule 144, or (c) pursuant to some other exemption from registration.

Number of Shares of Preferred Stock being Converted: ---------------------

Applicable Conversion Rate: ---

OR

Applicable Alternative Conversion Rate: ---------------------------------

Number of Shares of Common Stock To be issued: --------------------------

Conversion Date: --

Delivery instructions for certificates of Common Stock and for new certificates representing any remaining shares of Preferred Stock:

Name of Holder - Printed

Signature of Holder