



**Contact:**

John G. Nesbett

Ryan Daniels

Lippert/Heilshorn & Associates

212-838-3777

e-mail: [jnesbett@lhai.com](mailto:jnesbett@lhai.com)

**DIRECTORS EXERCISE OPTIONS IN DESWELL INDUSTRIES INC.**

HONG KONG (June 17, 2002) - Deswell Industries, Inc. (Nasdaq: DSWL) ("the Company") today announced that its executive directors Richard Lau and C.W. Leung exercised options totaling 45,000 Common Shares of the Company on June 1, 2002, and June 17, 2002. Proceeds to Deswell totaled \$0.7 million, which will be used for working capital and general corporate purposes.

Deswell manufactures injection-molded plastic parts and components, electronic products and subassemblies, and metallic products for original equipment manufacturers ("OEMs") and contract manufacturers at its factories in the People's Republic of China. The Company produces a wide variety of plastic parts and components used in the manufacture of consumer and industrial products; printed circuit board assemblies using surface mount ("SMT"), and pin-through hole ("PHT") interconnection technologies; and finished products such as telephones, telephone answering machines, sophisticated studio-quality audio equipment and computer peripherals. The Company's customers include Kyocera Mita Industrial Co. (H.K.) Limited, Epson Precision (H.K.) Ltd., Inter-Tel Incorporated, Vtech Communications Ltd., Peavey Electronics Corporation and Emerson.

To learn more about Deswell Industries, Inc., please visit the Company's web site at [www.deswell.com](http://www.deswell.com).