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*This announcement, for which the directors of Wanasports Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for purpose of giving information with regard to Wanasports Holdings Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*The Announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.*



**WANASPORTS HOLDINGS LIMITED**  
**(威倫堡控股有限公司\*)**

*(incorporated in the Cayman Islands with limited liability)*

**DISCLOSEABLE TRANSACTION**  
**PLACING OF 84,600,000 EXISTING SHARES**  
**AND**  
**SUBSCRIPTION OF 84,600,000 NEW SHARES**  
**AND**  
**RESUMPTION OF TRADING**

**Placing Agent**



**CM-CCS SECURITIES LIMITED**  
**招商國通證券有限公司**

On 17 April 2003, EMP has entered into the Placing Agreement with the Placing Agent in relation to the placing by EMP through the Placing Agent of an aggregate of 84,600,000 Shares to independent professional and institutional investors on a fully underwritten basis at a price of HK\$0.10 per Share.

EMP is a substantial shareholder of the Company and is currently interested in approximately 29.55% in the existing issued share capital of the Company.

On 17 April 2003, EMP has entered into the Subscription Agreement with the Company pursuant to which the Company has agreed to issue to EMP and EMP has agreed to subscribe an aggregate of 84,600,000 new Shares at a price of HK\$0.10 per Share, representing 20% of existing issued share capital of the Company and approximately 16.67% of the issued share capital of the Company as enlarged by the Subscription Shares. After completion of the Placing but before completion of the Subscription, EMP will be interested in approximately 9.55% of the Company's existing issued share capital. The Subscription will then increase the shareholding of EMP to approximately 24.62% of the Company's issued share capital as enlarged by the Subscription Shares.

The Subscription is conditional upon, inter alia, completion of the Placing and the Stock Exchange granting the listing of and permission to deal in the Subscription Shares. The net proceeds receivable by the Company under the Subscription will be approximately HK\$8,260,000. It is presently intended that such net proceeds will be used as to approximately HK\$2.6 million for payment of the consideration under the agreement for the novation of the Co-operation Agreement and as to approximately HK\$5.66 million for general working capital purposes.

The new Shares will be issued and allotted under the general mandate to issue Shares granted to the Directors at the annual general meeting of the Company held on 17 July 2002.

The new Shares, when fully paid and issued, will rank pari passu in all respects with the other Shares then in issue.

The Subscription constitutes a discloseable transaction of the Company under Chapter 19 of the Listing Rules. A circular containing among other things, further details of the Transaction will be despatched to the Shareholders within 21 days after the publication of the Announcement.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 17 April 2003 pending the issue of the Announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 24 April 2003.

## **I. THE PLACING AGREEMENT**

Date: 17 April 2003

Parties: (i) Even More Profits Limited, the vendor  
(ii) CM-CCS Securities Limited, the Placing Agent

EMP is a company incorporated in the British Virgin Islands with limited liability and currently engaged in investment holdings. It is a substantial shareholder of the Company and is currently interested in 124,990,000 existing Shares, representing approximately 29.55% of the existing issued share capital of the Company. The ultimate beneficial owner of EMP is Mr. Chiu Chun Hung, a Director. Mr. Chiu intends to remain as executive Director, after completion of the Placing.

CM-CCS Securities Limited is a deemed licenced corporation under the Securities and Futures Ordinance and engaged in types 1, 4, 6, 7 and 9 regulated activities. It is an independent third party not connected with EMP or its associates or the directors, chief executive, substantial shareholders or management shareholders of the Company and its subsidiaries and their respective associates.

- Placing: The Placing Agent has conditionally agreed, on a fully underwritten basis, to place the Placing Shares at the Placing Price, or failing which itself as principal, to purchase the full amount of the Placing Shares.
- Placees: No less than six placees who are individuals, professional and/or institutional and/or other investors and are independent third parties not connected with EMP or its subsidiaries or the directors, chief executive, substantial shareholders or management shareholders of the Company and its subsidiaries and any of their respective associates. As at the date of this announcement, the list of placees has not yet been finalised.
- Placing Price: HK\$0.10 per Share, representing (i) a discount of about 4% to the closing price of HK\$0.104 per Share as quoted on the Stock Exchange on 16 April 2003, being the last trading day prior to the suspension of trading in the Shares pending the issue of the Announcement and (ii) a premium of about 21% to the average closing prices per Share of HK\$0.0826 as quoted on the Stock Exchange for the 10 consecutive trading days ending on 16 April, 2003. The Placing Price and other terms and conditions of the Placing Agreement were negotiated between the EMP and the Placing Agent on an arm's length basis and shall be satisfied by the Placing Agent in cash.
- Placing Shares: A total of 84,600,000 existing Shares, representing 20% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the New Shares following completion of the Subscription Agreement.
- Rights: The Placing Shares will be sold free from all liens, charges, encumbrances and third party rights and the holders thereof will receive all dividends and distribution declared, made or paid on or after the date of the Placing Agreement.
- Force Majeure: The Placing Agent is entitled, on the occurrence of certain events (including a material breach of any of the undertakings, warranties and representations given by the Vendor contained in the Placing Agreement), to terminate the Placing Agreement by giving notice to the Vendor prior to 10:00 a.m. on the date of completion of the Placing.
- Completion Date: Completion of the Placing is expected to take place on 24 April 2003 or such other date or time as the Vendor and the Placing Agent shall agree.

## II. THE SUBSCRIPTION AGREEMENT

- Date: 17 April 2003
- Parties: (i) The Company, the issuer  
(ii) Even More Profits Limited, the subscriber
- Subscription: The Company has agreed to allot and issue to EMP and EMP has agreed, conditionally as referred to below, to subscribe the Subscription Shares at the Subscription Price.
- Subscription Price: HK\$0.10 per Share, which is the same as the Placing Price under the Placing Agreement, which shall be satisfied by EMP in cash.
- All the commission, costs and expenses incurred in relation to the Placing and the Subscription will be borne by the Company and interest accrued on the net Placing proceeds from the date of completion and settlement of the Placing to the date of completion of the Subscription will be attributable to the Company.
- Subscription Shares: A total of 84,600,000 new Shares, representing 20% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares following completion of the Subscription Agreement.
- General mandate to issue the new Shares: The Placing Shares will be issued and allotted under the general mandate to issue Shares granted to the Directors at the annual general meeting of the Company held on 17 July 2002.
- Ranking: The Subscription Shares, when fully paid and issued, will rank pari passu in all respects with the other Shares then in issue.
- Use of proceeds: The net proceeds from the Subscription are estimated to be approximately HK\$8,260,000. It is presently intended that such net proceeds will be used as follows:
- (i) as to HK\$2,600,000 shall be applied in paying the consideration under a conditional agreement dated 17 April 2003 between Quest Capital Markets Limited, an independent third party, and the Company under which Quest Capital Markets Limited has agreed to procure the novation of all rights and obligations of Quest Capital Markets Limited under the Co-operation Agreement to the Company; and
  - (ii) as to the balance of HK\$5,660,000 to be used as general working capital of the Company. No specific breakdown as to the use of the general working capital has been made. The Directors consider that depending on the outcome of negotiation with third parties, part of such HK\$5.66 million net proceeds may be used to settle

any claims or disputes of the Company. Saved as disclosed in the previous announcements of the Company dated 11 March, 2003 and 16 December, 2002, the Group has no other claims or disputes with any third parties and there has been no new development as to the claims and disputes subsequent to the release of the respective announcements.

- Conditions: Completion of the Subscription Agreement is conditional upon:
- (i) completion of the Placing pursuant to the terms of the Placing Agreement;
  - (ii) the Stock Exchange confirming in writing that they have no further comment on the Announcement and the issue of the Announcement in accordance with the Listing Rules; and
  - (iii) the listing of and permission to deal in the Subscription Shares being granted by the Listing Committee of the Stock Exchange (and such permission and listing not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares).
- Completion Date: Completion of the Subscription is expected to take place on or before 30 April 2003 or such other time as may be agreed between EMP and the Company. If the Subscription is not completed within 14 days from the date of the Placing Agreement, the Company shall comply with the requirements under Chapter 20 of the Listing Rules and further announcement will be made by the Company.
- Application for listing: Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares to be issued by the Company pursuant to the Subscription Agreement on the Stock Exchange.

### **III. REASONS FOR AND BENEFITS OF THE PLACING AND SUBSCRIPTION**

#### **Reasons**

Currently, under the Co-operation Agreement, The Stellar Group and Quest Capital Markets Limited agreed to co-operate on an exclusive basis in the management of sports people and planning and holding sport events in the PRC. However, no such sports event has been held by the parties. According to the Co-operation Agreement, the parties, namely The Stellar Group Limited and Quest Capital Markets Limited, intended to become shareholders in a new company to be incorporated in the PRC, and to consider joining a third party to the new company at some time and to enter into a shareholders agreement to govern the day-to-day running and conduct of business of the new company. However the percentage of shareholding among the parties has not been determined and no third party has been identified. The Co-operation Agreement is of no fixed duration, and is terminable by either party giving to the other party no less than 12 months written notice.

The Stellar Group Limited is a global sports management consultancy with more than 300 professional sportsmen from different sports such as soccer, golf, cricket, rugby and athletics under their management. Headquartered in the United Kingdom, the Stellar Group has offices in the United Kingdom, Italy, Holland, South Africa, Bulgaria, Greece and Turkey. The Stellar Group Limited is majority owned by Mr. Jonathan Barnett and Mr. David Manasseh. Quest Capital Markets Limited is a company incorporated in Hong Kong and is an investment holding company which invests in sports related businesses. Quest Capital Markets Limited is majority owned by Ms. Tan Gek Huang. Both Quest Capital Markets Limited and The Stellar Group Limited are independent to and not connected with the directors, substantial shareholders and management shareholders of the Company and their respective associates (as defined in the Rules Governing Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited).

The Directors understand that Quest Capital Markets Limited agreed to transfer the exclusive co-operation right with The Stellar Group to the Company for a commercially acceptable price and consider that it is in the interest of the proposed joint venture that The Stellar Group Limited can operate in conjunction with a reputable Hong Kong listed company which has current sports related business operated in the PRC.

Part of the net proceeds from the Subscription amounting to approximately HK\$2.6 million will be used to procure novation of the Co-operation Agreement. According to the agreement between the Company and Quest Capital Markets Limited, the consideration should be paid no later than the second business day after the Subscription and the novation shall be completed on the date when the payment is made.

On completion of the novation, the Company will replace Quest Capital Markets Limited in the Co-operation Agreement, which offers the Company the opportunity to work in conjunction with The Stellar Group Limited on an exclusive basis and leverage on its reputation, expertise and experience for the Company to co-operate with The Stellar Group Limited, which will be engaged in the business of managing sportsmen and planning and holding sports events in the PRC. No other benefit to the Group is provided under the Co-operation Agreement. The Directors consider that the Group's participation in sports events to be organised by The Stellar Group Limited in the PRC would be a very effective way to promote the "Wanasports" brand name. The Directors also expect that the Group will also have the opportunity to have the sports professional under the management of The Stellar Group Limited to promote the "Wanasports" brand name. However, no details of such promotion activities are provided under the Co-operation Agreement. The Group is not required to commit any capital under the Co-operation Agreement. The Group also will not be engaged directly in the business of sports professional management business or holding sports events of The Stellar Group Limited. The Directors consider that as the Group's main obligation under the Co-operation Agreement is to provide assistance and guidance in operations in the PRC, no significant financial or other resources from the Group will be required. The Group is currently, through Quest Capital Markets Limited, in discussion with The Stellar Group Limited in order to formulate a concrete plan for the proposed business in the PRC pending completion of the novation. As at the date of this announcement, such business plan is not yet confirmed. Having considered the reputation and expertise of The Stellar Group Limited, its relationship with various well known sports professionals and the potential of the PRC market, the co-operation is in the interests of the Company and its shareholders as a whole.

As the proposed co-operation with The Stellar Group is intended to assist the Group in promoting the “Wanasports” brand name, the Directors consider that the entering into of the Co-operation Agreement is in line with its business objectives as set out in its prospectus dated 4 December, 2001. Should there be any material change derivation from its previously stated business objectives and there be any other business and/or benefit to the Group arising out of the Co-operation Agreement, the Company will make relevant disclosure and obtain shareholders’ approval in accordance with Rule 17.26 of the Listing Rules. In addition, should there be future transaction between the Group and The Stellar Group Limited and/or Quest Capital Markets Limited within the a 12 month period after the novation of the Co-operation Agreement, the value of such future transaction and that for the novation of the Co-operation Agreement may be required aggregated for determining whether any future transaction of the Group be considered notifiable transaction under the Listing Rules. In such case, the Company will have to comply with the requirements for the relevant classification of the transaction under the Listing Rules when aggregated.

The remaining net proceeds from the Subscription amounting to approximately HK\$5.66 million will be used as general working capital of the Group.

Having considered the prevailing market conditions, the Directors believe that the terms of the Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole, represent a good opportunity to raise capital for the Company to broaden the shareholder base and capital base of the Company and will strengthen the financial position of the Company.

#### IV. EFFECTS ON SHAREHOLDING

The effects of the Placing and Subscription on the shareholding of EMP are as follows:–

	Before the Placing and the Subscription		After the Placing but before the Subscription		After the Placing and the Subscription	
	No. of Shares	% of the existing issued share capital	No. of Shares	% of the existing issued share capital	No. of Shares	% of the existing issued share capital
EMP ( <i>Note 1</i> )	124,990,000	29.55	40,390,000	9.55	124,990,000	24.62
Charming Heart Limited ( <i>Note 2</i> )	161,756,000	38.24	161,756,000	38.24	161,756,000	31.87
Placeses under the Placing	0	0	84,600,000	20.00	84,600,000	16.67
Public shareholders	136,254,000	32.21	136,254,000	32.21	136,254,000	26.84
Total	423,000,000	100.00	423,000,000	100.00	507,600,000	100.00

*Note 1:* EMP is wholly owned by Mr. Chiu Chun Hung, an executive Director

*Note 2:* Charming heart Limited is owned as to 90% by Mr. Wan Chi Keung and 10% by Ms. Yim Wai Ling Catherina. Mr. Wan is an executive Director.

## **V. DISCLOSEABLE TRANSACTION**

The Subscription represents approximately 48.5% of the published net tangible assets of the Group as at 30 September 2002 adjusted for the loss of the Group for the nine months ended 31 December 2002 and thus the Subscription constitutes a discloseable transaction of the Company under Chapter 19 of the Listing Rules. A circular containing among other things, further details of the Transaction will be despatched to the Shareholders within 21 days after the publication of the Announcement.

The consideration for the novation represents approximately 14.9% of the adjusted net tangible assets of the Group, and therefore, does not constitute a notifiable transaction of the Company. On the other hand, there is no consideration or amount of investment specified in the Co-operation Agreement. Therefore, the entering into the Co-operation Agreement by the Company also does not constitute a notifiable transaction of the Group.

## **VI. OTHER INFORMATION**

The Group is principally engaged in investment holding, distribution of golfing and other sports-related products.

The Directors confirm that there is no new material development relating to the matters disclosed in announcement of the Company dated 15 April, 2003 containing information about the latest business development of the Group.

## **VII. SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES OF THE COMPANY**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 17 April 2003 pending the issue of the Announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 24 April 2003.

## **VIII. DEFINITIONS**

“Announcement”	this announcement issued by the Company in relation to the Placing Agreement and the Subscription Agreement, and the transaction contemplated thereunder
“associate(s)”	as defined in the Listing Rules
“Company”	Wanasports Holdings Limited, a company incorporated in Cayman Islands with limited liability whose shares are listed on GEM
“Co-operation Agreement”	An agreement dated 13 December 2002 entered into by Quest Capital Markets Limited and The Stellar Group Limited setting out the terms and conditions under which those parties have agreed to cooperate on an exclusive basis in the management of sportspeople and the planning and holding of sporting events in the PRC.



“Directors”	the directors of the Company
“EMP”	Even More Profits Limited, a company incorporated in the British Virgin Islands with limited liability and beneficially owned by Mr. Chiu Chun Hung, a Director
“GEM”	the Growth Enterprise Market of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	has the meaning ascribed to such term in the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on GEM
“Placing”	the placing of the Placing Shares on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	CM-CCS Securities Limited, the placing agent for the Placing
“Placing Agreement”	the conditional placing agreement dated 17 April 2003 entered between (i) EMP as the vendor and (ii) the Placing Agent as the placing agent, pursuant to which the Placing Agent shall place the Placing Shares, on a fully underwritten basis, at the Placing Price to individual, professional and/or institutional and/or other investors (who will not be connected persons of EMP and the Company)
“Placing Price”	placing at a price of HK\$0.10 per Share
“Placing Shares”	a total of 84,600,000 new Shares owing by EMP to be placed by or on behalf of the Placing Agent as agent for EMP pursuant to the Placing Agreement, being 20% of the existing issued share capital of the Company
“PRC”	People’s Republic of China
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by EMP on the terms and subject to the conditions set out in the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 17 April 2003 entered between (i) the Company as the issuer and (ii) EMP as the subscriber, pursuant to which EMP shall subscribe the Subscription Shares at the Placing Price

“Subscription Shares”	a total of 84,600,000 new Shares to be issued and allotted by the Company and subscribed by EMP pursuant to the Subscription Agreement
“Transaction”	the Placing and the Subscription
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the board of Directors  
**Wan Chi Keung**  
*Director*

Hong Kong, 23 April 2003

*This announcement will remain on the GEM website with the domain name of [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the Company’s website at [www.wanasports.net](http://www.wanasports.net).*

\* *for identification purpose only*