

WANA

S p o r t s

威 倫 堡

## WANASPORTS HOLDINGS LIMITED

(威倫堡控股有限公司\*)

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8020)

### Characteristics of the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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*This announcement, for which the directors (the “Directors”) of Wanasports Holdings Limited (the “Company”) collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. 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.*

\* For identification purpose only

### THIRD QUARTER RESULTS (UNAUDITED)

The board of Directors (the “Board”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the nine months ended 31 December 2004 together with the comparative unaudited figures for the corresponding periods in 2003 as follows:

### CONSOLIDATED PROFIT AND LOSS ACCOUNTS

	Note	Nine months ended 31 December		Three months ended 31 December	
		2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
Turnover	2	<b>5,189</b>	3,732	<b>441</b>	2,235
Cost of sales		<u><b>(4,605)</b></u>	<u>(2,481)</u>	<u><b>(610)</b></u>	<u>(1,347)</u>
Gross Profit		<b>584</b>	1,251	<b>(169)</b>	888
Other revenues	2	<b>(41)</b>	1,075	<b>(54)</b>	917
Selling and distribution expenses		–	–	–	–
General and administrative expenses		<u><b>(2,033)</b></u>	<u>(4,095)</u>	<u><b>936</b></u>	<u>(2,535)</u>
Operating profit/(loss)	4	<u><b>(1,490)</b></u>	<u>(1,769)</u>	<u><b>713</b></u>	<u>(730)</u>
Finance costs	3	<u><b>(9)</b></u>	<u>(3)</u>	<u><b>(3)</b></u>	<u>–</u>
Profit/(loss) before taxation		<u><b>(1,499)</b></u>	<u>(1,772)</u>	<u><b>710</b></u>	<u>(730)</u>
Taxation	5	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Share of loss of an associated company		–	(6)	–	–
Profit/(loss) attributable to shareholders		<u><u><b>(1,499)</b></u></u>	<u><u>(1,778)</u></u>	<u><u><b>710</b></u></u>	<u><u>(730)</u></u>
Dividend per share	6	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Earnings/(loss) per share – basic	7	<u><u>(0.29 cent)</u></u>	<u><u>(0.35 cent)</u></u>	<u><u>0.13 cent</u></u>	<u><u>(0.15 cent)</u></u>

**STATEMENT OF CHANGE IN EQUITY****Nine months ended 31 December 2004**

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Accumulated loss <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 1 April 2003	4,230	39,419	(52)	(42,539)	–	1,058
Adjustment on accumulated loss for the disposal of subsidiaries during the period	–	–	–	(728)	–	(728)
Share allotments in the period	846	7,614	–	–	–	8,460
Merger Reserve	–	–	(574)	–	–	(574)
Loss for the period	–	–	–	(1,778)	–	(1,778)
	<u>5,076</u>	<u>47,033</u>	<u>(626)</u>	<u>(45,045)</u>	<u>–</u>	<u>6,438</u>
As at 31 December 2003	<u>5,076</u>	<u>47,033</u>	<u>(626)</u>	<u>(45,045)</u>	<u>–</u>	<u>6,438</u>
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Accumulated loss <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 1 April 2004	5,076	46,842	(74)	(48,304)	(1)	3,539
Proceeds on disposal of Subsidiaries	–	–	–	500	–	500
Adjustment of expenses overstated in prior period	–	–	–	712	–	712
Loss for the period	–	–	–	(1,499)	–	(1,499)
	<u>5,076</u>	<u>46,842</u>	<u>(74)</u>	<u>(48,591)</u>	<u>(1)</u>	<u>3,252</u>
As at 31 December 2004	<u>5,076</u>	<u>46,842</u>	<u>(74)</u>	<u>(48,591)</u>	<u>(1)</u>	<u>3,252</u>

During the nine months ended 31 December 2003, certain subsidiaries were acquired and disposed. During the nine months ended 31 December 2004, certain subsidiaries were disposed with proceeds of HK\$500,000. The gain and loss of the disposals are dealt with in the profit and loss account, and the excess of investment cost over the fair net asset value of the subsidiaries acquired are reflected in the merger reserve account.

## NOTES

### 1. Group reorganisation and basis of presentation

The unaudited consolidated results of the Group for the nine months ended 31 December 2004 include the results of the companies now comprising the Group as if the current group structure had been in existence through the period or since their respective dates of incorporation or establishment, whichever is a shorter period. All significant intra-group transactions and balances have been eliminated on consolidation.

The unaudited condensed financial statements of the Group have been prepared in accordance with all applicable Statements of Standard Accounting Practice (“SSAP”) and the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies and basis of presentation used in interpreting of these unaudited quarterly financial statements are the same as those used in the Group’s annual financial statements for the year ended 31 March 2004.

### 2. Turnover and revenue

The Group is engaged in the design, sourcing and distribution of casualwear, sportswear and lifestyle garment products and accessories. Revenues recognised during the period are as follows:

	Nine months ended		Three months ended	
	31 December		31 December	
	2004	2003	2004	2003
Note	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Turnover	5,189	3,732	441	2,235
Other revenues	(41)	1,075	(54)	917
Total revenues	<u>5,148</u>	<u>4,807</u>	<u>387</u>	<u>3,152</u>

Other revenue consists of consultancy fees from an associated company, interest from bank deposits and net income/(loss) derived from the trading of marketable securities for treasury purposes.

### 3 Finance costs

	Nine months ended		Three months ended	
	31 December		31 December	
	2004	2003	2004	2003
Note	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Bank charges	9	3	3	–
Bank interest	0	0	0	–
	<u>9</u>	<u>3</u>	<u>3</u>	<u>–</u>

#### 4 Operating profit/(loss)

The operating profit/(loss) is stated after charging the following: –

	Nine months ended		Three months ended	
	31 December		31 December	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost of inventories sold	<b>4,605</b>	2,481	<b>610</b>	1,347
Depreciation of fixed assets	<b>57</b>	45	<b>30</b>	23
Staff cost				
– basic salaries and allowances	<b>1,223</b>	785	<b>(549)</b>	530
– retirement scheme contributions	<b>109</b>	59	<b>25</b>	35

#### 5 Taxation

No Hong Kong profits tax has been provided for as the Group did not generate any assessable profits arising in Hong Kong during the period under review and the corresponding period in 2003.

No deferred tax assets have been recorded in the accounts as it is uncertain whether there will be sufficient taxable profits to utilize the tax loss carried forward.

#### 6 Dividend

The Directors do not recommend the payment of dividend for the period (2003: Nil).

#### 7 Earnings/(loss) per share

The calculation of the basic earnings/(loss) per share for the nine months ended 31 December 2004 is based on the unaudited consolidated loss attributable to shareholders of HK\$1,499,000 (2003: HK\$1,778,000) and the weighted average number of 507,600,000 (2003: 500,203,279) ordinary shares outstanding during the period.

No diluted loss per share for the nine months ended 31 December 2004 and the corresponding period in 2003 is presented because there were no dilutive potential ordinary shares in existence during the period.

## BUSINESS REVIEW

During the nine months ended 31 December 2004, business environment continued to be challenging, the Group could not generate sufficient turnover with contribution to cover the fixed costs. In an attempt to maintain the Group during hard times, on 4 February 2005 the board of directors of the Group agreed to waive their salaries and fees from 1 June 2004 and thereafter. Furthermore, the Group disposed of its main operating subsidiaries, Colonial Ventures Limited, Concepts Only (UK) Limited and Concepts Only Limited on 31 December 2004 as the Group decided to disengage in the fashion field and turn into another new core business. The subsidiaries were sold to a former executive director, Mr. Koh Ee Woon John with proceeds of HK\$500,000.

## FUTURE PROSPECTS

The Company has made an application for the resumption of trading of the Company's shares to the Stock Exchange. This application has been pending for some time and the Company has been working closely with its financial adviser, Grand Vinco Capital Limited, to address the Stock Exchange's questions and enquiries. An announcement regarding the restructuring of the Group and introduction of new core business will be released.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND DEBENTURES

As at 31 December 2004, the interests or short positions of the Directors in the shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Exchange:

### A. Long positions in the ordinary shares of HK\$ 0.01 each of the Company

Name of Director	Type of interest	Number of shares	Percentage of issued share capital
Mr. Wan Chi Keung	Corporate ( <i>Note 1</i> )	161,750,000	31.87%
Mr. Chiang Wee Tiong	Corporate ( <i>Note 2</i> )	138,846,000	27.35%

*Note 1:* Mr. Wan Chi Keung held these shares through Charming Heart Limited, a company in which Mr. Wan Chi Keung holds 90% of its issued share capital.

*Note 2:* Mr. Chiang Wee Tiong held shares through the following companies:

Company name	Percentage control	Number of shares	Percentage of issued share capital
Even More Profits Limited	100%	124,990,000	24.62%
Soundtrade International Limited	100%	9,464,000	1.86%
Paulon Assets Limited	50%	4,392,000	0.8%
Quest Asset Management (Holdings) Limited	50%	4,392,000	0.8%

Save as disclosed above, none of the Directors had any interests in the share capital of the Company or its associated corporations. During the reporting period, there were no debt securities issued by the Group at any time.

**B. Rights to acquire ordinary shares of HK\$ 0.01 each of the Company**

The Company has conditionally adopted a Share Option Scheme (the “Scheme”) on 20 November 2001. A summary of the principal terms of the Scheme is set out in the subsection headed “Share Option Scheme” in Appendix IV to the prospectus. As at 31 December 2004, no option has been granted or agreed to be granted by the Company under the Scheme.

**C. Short positions in associated corporations**

Save as disclosed above, none of the Directors or their associates had, as at 31 December 2004, any interests or short positions in any shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Exchange.

## INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2004, the persons or corporations (not being a Director or the chief executive of the Company) who have interests or short positions in the shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or which have otherwise been notified to the Company were as follows:

<b>Name of shareholder</b>	<b>Number of shares</b>	<b>Percentage of issued share capital</b>
Charming Heart Limited ( <i>Note 1</i> )	161,750,000	31.87%
Even More Profits Limited ( <i>Note 2</i> )	124,990,000	24.62%
Ms. Tan Gek Huang ( <i>Note 3</i> )	138,846,000	27.35%

*Note 1:* Charming Heart Limited is a private company owned as to 90% by Mr. Wan Chi Keung and 10% by Ms. Yim Wai Ling, Catherina.

*Note 2:* Even More Profits Limited is a private company wholly owned by Mr. Chiang Wee Tiong.

*Note 3:* Ms Tan Gek Huang is the wife of Mr Chiang Wee Tiong and is deemed to be a substantial shareholder by virtue of her spousal relationship with Mr Chiang and her control of 50% of Paulon Assets Limited and Quest Asset Management (Holdings) Limited. Reference should be made to the details of the interests of Mr Chiang disclosed in the section above entitled “directors’ and chief executive’s interests and short positions in shares and debentures”

## INTERESTS AND SHORT POSITIONS OF OTHER PERSONS

As at 31 December 2004, no other persons or corporations (other than those already disclosed above) have interests or short positions in the shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or which have otherwise been notified to the Company

## SHARE OPTION SCHEME

The Company has conditionally adopted the Scheme on 20 November 2001. As at 31 December 2004, no option has been granted or agreed to be granted by the Company under the Scheme.

## COMPETING INTERESTS

As at 31 December 2004, none of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) has an interest in a business which competes or may compete with the business of the Group.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the nine months ended 31 December 2004, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.



## AUDIT COMMITTEE

The Company established an audit committee on 12 July 2001. The audit committee now has three members comprising of three Independent Non-Executive Directors, Mr. Terry Butcher, Mr. Chan Cher Boon and Mr. Vincent Yu. Mr. Terry Butcher was appointed as the chairman of this committee. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control of the Group.

By order of the Board  
**Chiang Wee Tiong**  
*Executive Director*

Hong Kong, 4 February 2005

As at the date thereof, the Board comprises the following directors:

### *Executive Directors*

Mr. Wan Chi Keung  
Ms. Luk Siu Hung  
Mr. Chiang Wee Tiong  
Mr. Ian George Dallas

### *Independent Non-Executive Directors*

Mr. Terry Butcher  
Mr. Vincent Yu  
Mr. Chan Cher Boon

*This announcement will remain on the “Latest Company Announcements” page of the GEM website ([www.hkgem.com](http://www.hkgem.com)) for at least 7 days from its date of publication.*