

The Stock Exchange takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITION AND DISPOSAL OF CONCEPTS ONLY LIMITED, DISPOSAL OF WANASPORTS (B.V.I.) LIMITED

SUMMARY

The Acquisition and the CO Disposal

The Directors are pleased to announce that on 25 July 2003, the Company entered into the Acquisition Agreement with Mrs. Koh to acquire the entire issued share capital of Colonial Ventures, the sole asset of which was the entire issued share capital of Concepts Only. Pursuant to the Acquisition Agreement, the Company paid a consideration of HK\$500,000 in cash and the Acquisition was completed on 25 July 2003.

On 31 December 2004, in order to stay in line with the strategic long term business focus of the Company, the Board of Directors sold back Colonial Ventures to the Mrs. Koh at the same price as that of the Acquisition. On the same date, Mr. John Koh, as previously announced on 4 January 2005, resigned from his office.

As Mrs. Koh is the spouse of Mr. John Koh, an then executive Director, the Acquisition constituted a connected transaction for the Company but would be exempted from reporting, announcement and shareholders' approval requirements under then Rule 20.23(2) of the then GEM Listing Rules on the grounds that the Acquisition was conducted on normal commercial terms for a consideration of less than HK\$1,000,000. The CO Disposal constituted a connected transaction of the Company and may constitute a notifiable transaction under the GEM Listing Rules.

The Wanasports Disposal

On 25 July 2003, Wanasports Holdings BVI, a wholly-owned subsidiary of the Company, entered into the Wanasports Disposal Agreement with the Buyer for the disposal of the entire issued share capital of Wanasports BVI, which was then an investment holding company. The sole holding of Wanasports BVI was all the issued share capital of Wanasports International which was engaged in the franchisee business of the Group; and acted as the contracting party for the franchise agreements with the Group's Previous Franchisees. Save as disclosed herein, Wanasports BVI was not engaged in any other business. Pursuant to the Wanasports Disposal Agreement, the Company received a consideration of HK\$100,000 in cash and the Disposal was completed on 25 July 2003.

* for identification only

Based on (1) the unaudited net assets of Wanasports BVI as at 25 July 2003; and (2) the audited net tangible assets of the Group as at 31 March 2003 set out in the Company's latest published annual report, as adjusted by the unaudited net loss for the three months ended 30 June 2003 and the net proceeds for the placing of shares of the Company, details of which are set out in the Company's announcement dated 23 April 2003, the Wanasports Disposal does not constitute a notifiable transaction under the then GEM Listing Rules.

Trading of the shares of the Company

Trading of the Company's shares has been suspended from 11:22 a.m. on 24 June 2003, pending further update on the Group's financial position and operations in particular, the CO Disposal.

THE ACQUISITION AND DISPOSAL OF CONCEPTS ONLY LIMITED

Principal terms of the Acquisition Agreement

- The purchaser: The Company
- The vendor: Mrs. Koh. Mrs. Koh was the beneficial owner of the entire issued share capital of Colonial Ventures and Concepts Only before the Acquisition and after the CO Disposal.
- The acquisition assets: The entire issued share capital of Colonial Ventures, the sole asset of which is the entire issued share capital of Concepts Only.
- Consideration: HK\$500,000, which was paid by the Company in cash on 25 July 2003 and was financed by the Group's internal resources.

The then Directors were of the view that, taking into account the growing garments business of Concepts Only, which was in line with the Group's core business, which was the design, sourcing, distribution and promotion of branded clothing and accessories under the "Wanasports" and other brand names, and the expertise represented by Mrs. Koh in the garment industry, the Acquisition was in the interests of the Company and its shareholders as a whole.

The consideration was determined after arm's length negotiation and with reference to the price-to-earnings ratio for the Acquisition. The consideration represented approximately 3.2 times the unaudited net profit before tax of Concepts Only of approximately HK\$156,000 for the year ended 31 March 2003. The then Directors considered that the price-to-earnings ratio represented by the consideration to be not less favourable than industry average (i.e. two to four times, as estimated by the Directors).

The then Directors (including the independent non-executive Directors) consider that the Acquisition was on normal commercial terms and the consideration is fair and reasonable so far as the Company and its shareholders are concerned.

Principal Terms of the CO Disposal Agreement

The purchaser:	Mrs. Koh
The vendor:	The Company
The disposed assets:	The entire issued share capital of Colonial Ventures, the sole asset of which is the entire issued share capital of Concepts Only.
The consideration:	HK\$500,000 immediately payable in cash upon agreement on disposal.
Date of agreement of acquisition and the relevant completion date:	25 July 2003
Date of agreement of disposal and the relevant completion date:	31 December 2004

Information about Concepts Only

Concepts Only was established in 1998 and was principally engaged in fashion design and consulting, as well as the design, development, manufacture and supply of garments to well-known brand names in the United Kingdom and Australia. Concepts Only was mainly involved in the design and sourcing of various kinds of casualwear (including sports and leisure wear) for men, women and children. Concepts Only designs and sources a wide range of garments for its customers, ranging from high-fashion casualwear (such as jeans, jackets, blouses, shirts, trousers etc) for customers such as Ted Baker, Karen Millen, Whistles and Reiss of the United Kingdom and Scanlon & Theodore of Australia, to fashionable yet functional clothing, which is being designed and developed for a well-known United Kingdom outdoor clothing company. Concepts Only also received orders for the supply of garments to River Island and Marks & Spencer, both of which are well-established clothing retailers in the United Kingdom, in January 2004 and February 2004 respectively. The then Directors therefore believed that Concepts Only was well-placed to work on the design and manufacture of the Group's garment products. Concepts Only also provided design consultancy services to foreign brands as well as to manufacturers located in Hong Kong and Guangzhou. The Directors considered that the style and quality of the products of Concepts Only is in line with the business profile of the Group.

Concepts Only was beneficially owned by Mrs. Koh through Colonial Ventures before the Acquisition and after the CO Disposal. At the time of the Acquisition, Mrs. Koh and Colonial Ventures were the two directors of Concepts Only. Since the establishment of the Concepts Only and up to the date of acquisition, Mrs. Koh was the managing director of Concepts Only. Mrs. Koh was appointed as creative director of the Group at the quarterly board meeting of the Company held on 1 September 2003, and she was responsible for all aspects of the design, development and production of the Group's garment products. Mrs. Koh and Concepts Only were introduced to the Group via Mr. John Koh, who was referred to the Group by Mr. Chiang in May 2003.

Mrs. Koh was born in England and obtained a first-class honours degree in fashion from Trent University in the United Kingdom in 1989. She worked in the fashion industry throughout her career and gained significant experience in all aspects of clothing design, manufacturing and retailing for high fashion wear, casual wear, lifestyle wear and sports apparel in the United Kingdom, Hong Kong, the PRC and Taiwan.

According to the audited financial statements of Concepts Only for the year ended 31 March 2003, the audited turnover, net profit before and after taxation of Concepts Only amounted to approximately HK\$2,814,000, HK\$156,000 and HK\$137,000, respectively. For the year ended 31 March 2002, the audited turnover, net profit before and after taxation of Concepts Only amounted to approximately HK\$1,459,000, HK\$7,000 and HK\$7,000, respectively. As at 31 March 2003, the audited net assets of Concepts Only amounted to approximately HK\$121,000 and the shareholder's equity comprised issued share capital of HK\$100 and retained earnings of approximately HK\$120,000. As at the date of acquisition, Concepts Only had eight staff members, comprising one managing director, one assistant merchandising manager, one merchandiser, one product development executive, one accounting executive, one designer, one office manager and one office assistant.

Reason for the Acquisition

The Group is principally engaged in the distribution of branded garment products. The then Directors considered that the fashion design and consulting capabilities, as well as the sourcing and product development capabilities, of Concepts Only to be complimentary to the distribution business of the Group. The then Directors considered that the Acquisition brings into the Group Concepts Only's existing business and contacts in the region as well as the United Kingdom and Australia. Furthermore, Mrs. Koh has worked in the garment and fashion industry in Asia for 10 years, and had significant experience and contacts in a number of countries in the region. The Group intended to utilise fully Concepts Only's business contacts as well as Mrs. Koh's extensive experience, in order to further develop its garment distribution business. As such, the then Directors believed that the established business and client base of Concepts Only also represented a valuable foundation for the Group to further develop its garment business, not only in the region, but also in the United Kingdom and Australia. The then Directors expected that the Group's capabilities in building and supporting its garment product distribution network would be substantially strengthened with the addition of Concepts Only to the Group. The then Directors were of the view that the Acquisition is in the interests of the Company and its shareholders as a whole.

Reason for the CO Disposal

The Company was listed on the business objectives to establish a distribution business focusing on golf and other sports related apparel, through a network of franchisees. On or around July of 2003, the franchisees terminated the agreement with the Group (see below the section "THE DISPOSAL OF WANASPORTS (B.V.I.) LIMITED") and the Board decided to acquire Concepts Only so as to replace the lost franchise and to continue the business focus with minimal interruption and to provide continuity in terms of business focus and listing requirements.

However, in June 2004, Mrs. Koh resigned from her position as both designer and director. Loss of this key member of staff and the Company's inability to replace such an experienced member of staff resulted in several customers moving their business elsewhere. Over the period from July 2004 to December 2004 the directors of the Company concluded that without a design team the business model would have to rely upon sourcing goods in the Asia region to satisfy customer demand. In December 2004 the Board finally

concluded that, given the highly competitive nature of the garment industry, the garment industry was not an areas considered long-term in the enhancement of shareholders' value. Therefore, the correct commercial decision was the sale of Concepts Only back to the original owners who were prepared to continue what was deemed to be a business that could not compete in a competitive market environment.

As Mrs. Koh is the spouse of Mr John Koh, the then executive Director, the Acquisition constituted a connected transaction for the Company but would be exempted from reporting, announcement and shareholders' approval requirements under then Rule 20.23(2) of the GEM Listing Rules on the grounds that the Acquisition was conducted on normal commercial terms for a consideration of less than HK\$1,000,000. The CO Disposal constituted a connected transaction of the Company and may constitute a notifiable transaction under the GEM Listing Rules. Further announcement would have to be made in respect of the CO Disposal according to the GEM Listing Rules.

THE DISPOSAL OF WANASPORTS (B.V.I.) LIMITED

Principal terms of the Wanasports Disposal Agreement

The purchaser: Mr. Zhang, who was principally engaged in property investment as well as certain retail distribution of garment in the PRC and has been engaging in the garment trading business in PRC for years.

The vendor: Wanasports Holdings BVI, a wholly-owned subsidiary of the Company

The disposal assets: The entire issued share capital of Wanasports BVI (representing 100% equity interests in it). The sole asset of Wanasports BVI was the entire issued share capital of Wanasports International (representing 100% equity interests in it). Wanasports International was the contracting party for the franchise agreements with the Previous Franchisees. Save as disclosed in the paragraphs headed "Information about Wanasports BVI" below, Wanasports BVI was not engaged in any other business.

Consideration: HK\$100,000, which was received by the Company in cash on 25 July 2003.

The consideration was determined after arm's length negotiation and represents premium of approximately HK\$116,000 over the unaudited consolidated net liabilities of Wanasports BVI of approximately HK\$16,000 as at 25 July 2003. Such consolidated net liabilities of Wanasports BVI was arrived at after the write-off in inventory and provision for receivables during the audit of the financial statements for the year ended 31 March 2003 of the Group. Details of the write-off and the provision and other financial information are set out under the paragraphs headed "Information about Wanasports BVI" below. Having considered the asset value of Wanasports BVI and the legal exposure of Wanasports International, the Directors consider that the consideration is fair and reasonable so far as the Company and its shareholders are concerned.

Completion date: 25 July 2003

Before the Wanasports Disposal, the Company has unconditionally waived all debt due from Wanasports BVI and Wanasports International up to 25 July 2003. The amounts waived were HK\$577 (from Wanasports BVI) and HK\$31,098,913 (from Wanasports International) respectively. According to the unaudited financial statements of the Company, as at 25 July 2003, no amount due from Wanasports BVI and Wanasports International was recorded.

Relationship between Mr. Zhang and the Group

In early 2003, Mr. Zhang approached the Group with reference to the particulars of the Group's franchise programme posted in the Group's web site. However, the Group did not reach any franchisee agreement with Mr. Zhang in early 2003. In early July 2003 when the Directors were considering the possibility of the disposal of Wanasports BVI and Wanasports International, the Group approached Mr. Zhang regarding the Wanasports Disposal. At that time, Mr. Zhang indicated that he would be interested in buying inventory of the Group. After considering the then requirement of the Group to reduce its legal exposure and the low net realisable value of the accounts receivable held by Wanasports BVI, the Company offered to Mr. Zhang to purchase Wanasports BVI, which via Wanasports International held the inventory. For the legal exposure of Wanasports International and the original book cost of the inventory and the amount provided for in the audited accounts for the year ended 31 March 2003 of the Group, please refer to paragraphs headed "Information about Wanasports BVI" below. The structure of the Wanasports Disposal was then determined after arm's length negotiations.

As at 30 June 2003, Wanasports International held approximately 30,000 pieces of inventory. The original book cost of the inventory transferred to Mr. Zhang on 25 July 2003 amounted to approximately HK\$2,700,000. However, as the inventory had been fully provided for in the audit for the year ended 31 March 2003, the book cost of such inventory at the time of the Wanasports Disposal was effectively zero. The then Directors understood that Mr. Zhang intended to sell the stock in his own garment retail outlets in Shenzhen and Guangzhou, the PRC. The then Directors also believed that it is in the interests of Mr. Zhang to maximise the marketability of the stock, it was unlikely that he would do anything to undermine the Group's brand. In addition, the Company removed the Wanasports logo and name tag in the inventories before handing over such to Mr. Zhang. The Directors considered that the logo and the name tag are detachable part of the garment products and the removal of them would not lead to material damage to the garment products.

Mr. Zhang was an Independent Third Party. Save as disclosed above and prior to the Wanasports Disposal, the Group or the management shareholders, substantial shareholders or the directors of the Company had no business or other relationship with Mr. Zhang. Mr. Zhang advised the Directors that he had no relationship with the Previous Franchisees and their respective associates.

Information about Wanasports BVI

Wanasports BVI was incorporated on 23 April 2001 in the British Virgin Islands and was an investment holding company. The sole holding of Wanasports BVI was Wanasports International, which was engaged in the franchisee business of the Group; and acted as the contracting party for the franchise agreements with the Previous Franchisees and lease agreements for shops of the Group and one of the Previous Franchisees. Wanasports BVI and Wanasports International have been the Group's vehicles to operate the franchise programme since 2001 up to the completion of the Wanasports Disposal. Save as disclosed herein, Wanasports BVI was not engaged in any other business. On the other hand, the previous operations of the Group's own store in Tsimshatsui, Hong Kong was carried out by another indirectly wholly-owned subsidiary of the Company, namely Wanagolf Company Limited. Since the closure of the Group's own store in Tsimshatsui, Hong Kong in September 2002, Wanagolf Company Limited remained dormant.

During the course of annual audit for the year ended 31 March 2003, inventory held by Wanasports BVI through Wanasports International in the amount of original book cost of approximately HK\$3.7 million was written off and receivables in the amount of original book cost of approximately HK\$11.1 million was written off. This was due to continuous worsening of the retail market. In particular, the effect of

SARS has led to substantial impact on the business of the Previous Franchisees of the Group. In particular, taking into account (a) in June 2003, the Previous Franchisees informed the Group of their respective financial difficulty due to the worsening retail environment in southern China; (b) unfavourable retail sentiments in Hong Kong and southern PRC; and (c) the Previous Franchisees stopped payments to the Group in respect of merchandise supplied since December 2002 and March 2003 respectively, the Directors believed that it would be unlikely that the Previous Franchisees would settle the outstanding amount. The Directors understand that since the Previous Franchisees have no establishment in Hong Kong, the costs of pursuing the outstanding payment would be high. Such costs could include fees payable to legal advisors. The Previous Franchisees were understood by the Company to be both companies incorporated in the British Virgin Islands with operations in the PRC.

According to the unaudited financial statements of Wanasports BVI, for the year ended 31 March 2003, the unaudited net loss before and after taxation of Wanasports BVI amounted to approximately HK\$6,000 and HK\$6,000. For the year ended 31 March 2002, the unaudited net loss before and after taxation of Wanasports BVI amounted to approximately HK\$6,000 and HK\$6,000. As at 31 March 2003, the unaudited net assets of Wanasports BVI amounted to approximately HK\$16,000.

Wanasports International was in dispute with prior landlords for shops in Hong Kong due to early termination of the lease agreements by Wanasports International. The lease agreements were terminated accordingly due to closure of the shops as a result of poor sales performance. The Group and one of the Previous Franchisees vacated the premises on 4 September 2002 and 11 March 2003 respectively. The then Directors believed that, however, it was still possible for the landlords to claim for the rental for the remaining period as set out in the original term, as the agreements did not provide for the occupants to terminate earlier. The deposits of HK\$784,000 and HK\$316,000 were placed in the hands of the landlords upon signing of the lease. The Group had requested for offsetting of the claims; however, the landlords, through their solicitors, indicated that they would treat the deposit as forfeited, as the agreements did not provide for the proper treatment of such deposit. They took the position that all rental deposit Wanasports International paid was forfeited and refused the Group's proposal to offset deposit against their claim. In particular, they claimed to reserve all rights under the rental agreement i.e. to claim the rent under the outstanding lease period to the fullest extent with all their losses and damages. There was a preliminary hearing for the claim by the landlord of the Causeway Bay shop in the court on 28 April 2003. However, such hearing was adjourned pending further submission by the solicitor for the landlord and its proposal for a new court hearing date. On the other hand, the solicitors representing the landlord of the Tsimshatsui shop was still in the process of preparing its detailed submission before proposing a date for court hearing. No specific development was heard from both landlord up to 25 July 2003 (i.e. date of the Wanasports Disposal).

As stated in the announcement of the Company of 14 May 2003, the landlords issued initial claims in the aggregate amount of approximately HK\$717,000 (i.e. the Group's own store in Tsimshatsui with monthly rental of HK\$249,000 for August 2002 to September 2002; and one of the Previous Franchisees' shop in Causeway Bay with monthly rental of HK\$105,000 for February 2003 to March 2003) for the period when the premises were occupied but rental not paid. The Directors considered that the longer the claim remained outstanding, the higher the possibility that the landlords would be claiming the HK\$717,000 plus the rental that could have been become payable should the leases have not been terminated earlier. The maximum possible claim with reference to the full term of the tenancy agreements would be HK\$4.2 million. The HK\$4.2 million was made up of 11 months rental for the previous Tsimshatsui shop (monthly rental of HK\$249,000 for August 2002 to June 2003) of HK\$2.8 million; and 13 months rental for the previous Causeway Bay shop (monthly rental of HK\$105,000 for February 2003 to March 2004) of HK\$1.4 million.

Up to 25 July 2003 (i.e. the date of the Wanasports Disposal Agreement), the trial date for the abovementioned dispute had not been fixed pending a further submission and additional claim by the landlord. The Directors have received no information on the latest development of the litigation since the completion of the Wanasports Disposal on 25 July 2003.

Reason for the Wanasports Disposal

The then Directors believed that they exercised their reasonable business judgement and due diligence in dealing with the franchisees. The then Directors expended substantial effort in procuring more franchisees before the Wanasports Disposal in July 2003 with an aim to diversify the risk of concentration of customers, however to no avail. The efforts included placing advertisements on television, in magazines, internet, street light boxes; appointing spokespersons; holding road shows; and other promotion activities in Shanghai and Shenzhen in mid 2002. The then Directors believed that in order to support the franchisees' business, continuous supply of full set of merchandise is necessary. Therefore, the Group continued supplying New Diamond and Sino Phoenix till December 2002. New Diamond and Sino Phoenix have made regular payments to the Group up to December 2002 and March 2003 respectively. The Group stopped supplying merchandise to both franchisees since January 2003 as one of its measures to push them to improve their settlement on accounts. The Directors confirm that they had been in close contact with the franchisees; monitored their business on an ongoing basis; and reminded them to keep up with the payment. However, with the ever-deteriorating retail environment and the unsatisfactory operating results of the franchisees in the first half of 2003, the Directors considered it in the interests of the Group to terminate its relationship with the franchisees by ceasing to be the contracting party with the Previous Franchisees by way of the Wanasports Disposal.

In June 2003, the Previous Franchisees informed the Group of their proposed resignation from its franchise programme and the inability to repay the amount payable to the Group in the aggregate amount of approximately HK\$11.1 million due to the difficult retail markets and their respective financial problem. The Group's franchise agreement mainly stipulates the support to be provided by the Group, but does not contain any penalty for the franchisee on resignation from the franchise programme. New Diamond, one of the Previous Franchisees which operated two retail shops in the PRC, indicated that it planned to resign from the Group's franchise programme around mid September 2003 so that it could have sufficient time to dispose of its remaining inventory. As a result, the Group's prospects of selling the inventory to the Previous Franchisees were seriously affected. Prior to the Wanasports Disposal, there was no formal resignation submitted by the Previous Franchisees; nor termination of the franchisee agreement by the Group or the Previous Franchisees.

As mentioned above, as at 30 June 2003, Wanasports International held approximately 30,000 units of inventory. The Wanasports Disposal would therefore allow the Group to save the cost of maintaining those fully written-off inventory, which had been originally planned to be supplied to the Previous Franchisees and had come to be of minimal value to the Group. Upon completion of the Wanasports Disposal, the Group is no longer a party privy with the Previous Franchisees. As such, the Group is not in a position to collect the receivables payable by them.

On the other hand, the Wanasports Disposal would allow the Group to eliminate the legal exposure suffered by Wanasports International due to dispute with the landlords as described above. As stated above, the Company considered that the longer the claim remained outstanding, the higher the possibility that the landlords would be claiming the HK\$717,000 plus the rental that could have been become payable should the leases have not been terminated earlier. The maximum possible claim with reference

to the full term of the tenancy agreements would be HK\$4.2 million. On the basis of the abovementioned, the Directors consider it in the interests of the Company and its shareholders as a whole to dispose of Wanasports International to avoid any unnecessary legal costs and management time to defend the case and the uncertainty brought about by the cases.

The Directors intend to use the proceeds from the Wanasports Disposal as the Group's general working capital.

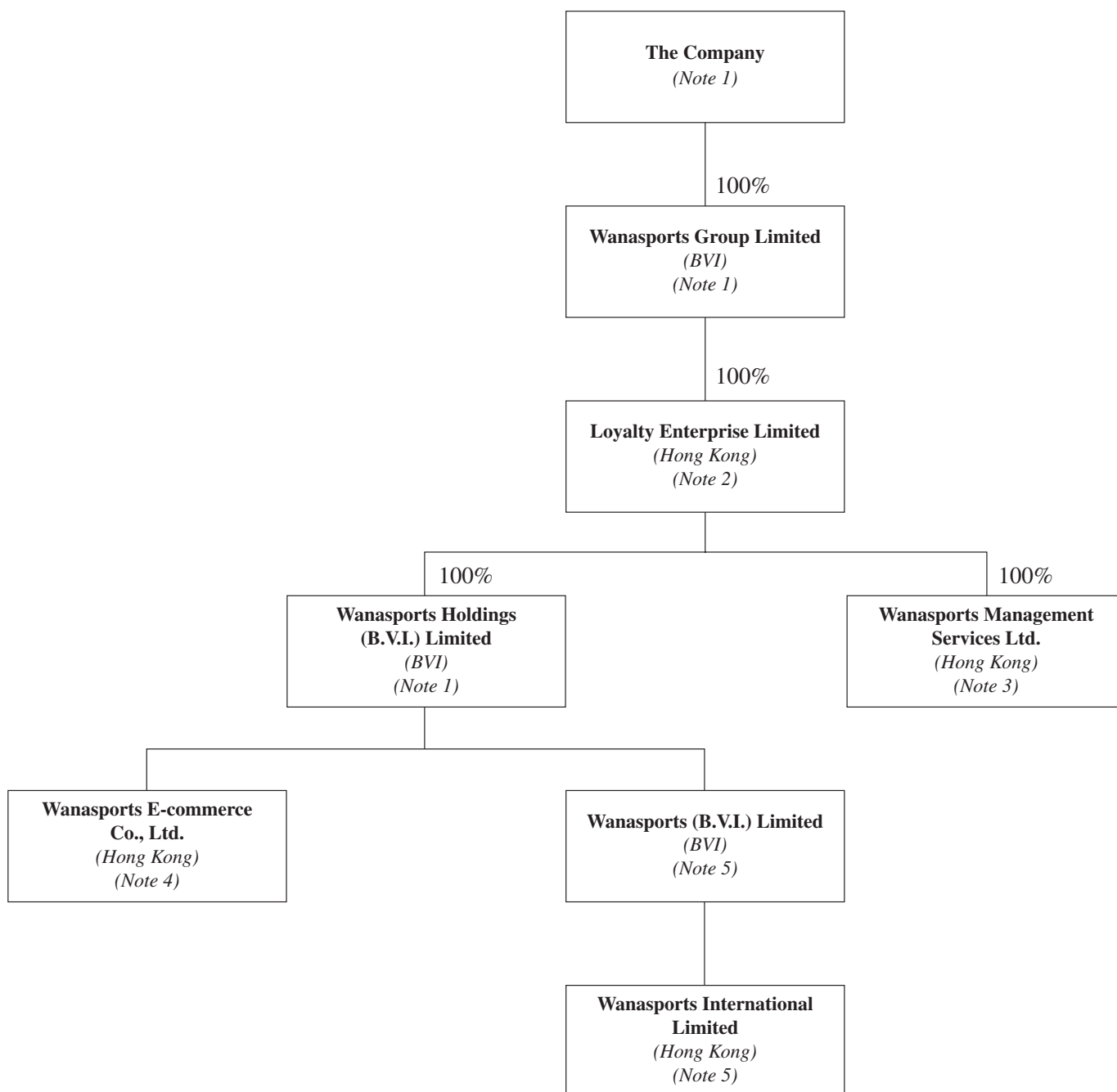
Compliance with GEM Listing Rules

Based on (1) the unaudited net assets of Wanasports BVI as at 25 July 2003; and (2) the audited net tangible assets of the Group as at 31 March 2003 set out in the Company's latest published annual report, and as subsequently adjusted by the unaudited net loss for the three months ended 30 June 2003 and the net proceeds from the placing of shares of the Company, details of which are set out in the Company's announcement dated 23 April 2003, the Wanasports Disposal does not constitute a notifiable transaction under the then GEM Listing Rules.

CURRENT BUSINESS OF THE GROUP

Following the CO Disposal and the Wanasports Disposal, the Group is in the process of reorganising its structure to continue carrying on its distribution business for golf and other sports-related products, including developing a distribution network through a network of franchisees.

The following chart summarise the Group structure immediately before the Acquisition, CO Disposal and Wanasports Disposal:



Note 1: These are investment holding companies.

Note 2: Loyalty Enterprise Limited is currently holding the trademarks of Wanasports.

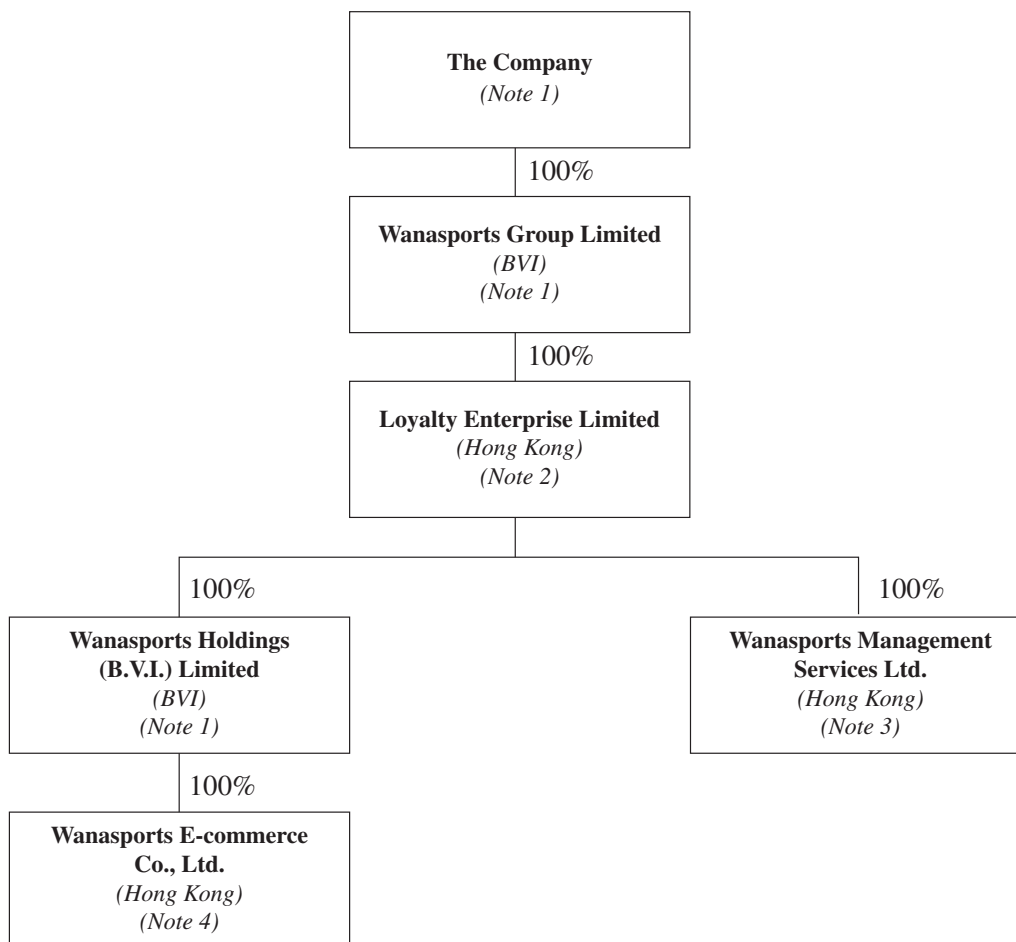
Note 3: Wanasports Management Services Ltd. is currently holding two golf club memberships.

Note 4: Wanasports E-commerce Co., Ltd. is contracting party for tenancy agreement of the Group's office in Kwai Chung.

Note 5: For business of Wanasports BVI and Wanasports International, please refer to section headed "Information about Wanasports BVI".

Note 6: Subsidiaries of the Company which are inactive are not shown in the chart above.

The following chart shows the Group structure of the Group after the Acquisition, CO Disposal and the Wanasports Disposal:



Note 1: These are investment holding companies.

Note 2: Loyalty Enterprise Limited is currently holding the trademarks of Wanasports.

Note 3: Wanasports Management Services Ltd. is currently holding one corporate golf club membership.

Note 4: Wanasports E-commerce Co., Ltd. is the contracting party for the tenancy agreement for the Group's office in Kwai Chung.

Note 5: Subsidiaries of the Company which are inactive are not shown in the chart above.

TRADING OF SHARES OF THE COMPANY

Trading of the Company's shares has been suspended from 11:22 a.m. on 24 June 2003, pending further update on the Group's financial position and operations in particular, the CO Disposal.

DEFINITION

“Acquisition”	the acquisition of the issued share capital of Colonial Ventures by the Company under the Acquisition Agreement
“Acquisition Agreement”	the share purchase agreement dated 25 July 2003 entered into by the Company and the Mrs. Koh in relation to the sale and purchase of the issued share capital of Colonial Ventures, which holds the entire issued share capital of Concepts Only
“associate”	as defined under the GEM Listing Rules
“Buyer” or “Mr. Zhang”	Mr. Zhang Jin Fu, being the buyer under the Wanasports Disposal Agreement
“Colonial Ventures”	Colonial Ventures Limited, a company incorporated in the British Virgin Islands on 10 May 2000 and wholly-owned by the Mrs. Koh prior to the Acquisition and after the CO Disposal
“Company”	Wanasports Holdings Limited, a company incorporated in Cayman Islands with limited liability and whose shares are listed on GEM
“Concepts Only”	Concepts Only Limited, a company incorporated in Hong Kong on 27 March 1998
“CO Disposal”	the disposal of the issued share capital of Concepts Only Limited
“CO Disposal Agreement”	the agreement entered into by the Company and the Mrs. Koh on 31 December 2004 in relation to the sale and purchase of the issued share capital of Concepts Only
“Directors”	the directors of the Company, and “Director” means any one of them
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of the Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party”	a party not connected with and independent from the directors, chief executive, management shareholders and substantial shareholders of the Company or any of its subsidiaries and their respective associates
“Mr. Chiang”	A Singaporean with over 20 years experience in international business and is a director of the Company and Murchison Holdings Limited which is a company listed on the Australian Stock Exchange
“Mrs. Koh”	Mrs. Katherine Padget-Koh, the spouse of Mr. John Koh, an then executive Director, who was the vendor and buyer of the entire issued share capital of Colonial Ventures in relation to the Acquisition and CO Disposal respectively
“New Diamond”	New Diamond Worldwide Limited, a company incorporated in the British Virgin Islands
“PRC”	the People’s Republic of China
“Previous Franchisees”	New Diamond and Sino Phoenix. Each of them had contracted with Wanasports International as franchisees of the Group
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holders of the Share(s)
“Sino Phoenix”	Sino Phoenix Investment Limited, a company incorporated in the British Virgin Islands
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wanasports BVI”	Wanasports (B.V.I.) Limited, a company incorporated in the British Virgin Islands and which was a wholly-owned subsidiary of the Company before the completion of the Disposal Agreement
“Wanasports Disposal”	the disposal of the issued share capital of Wanasports BVI by Wanasports Holdings BVI under the Wanasports Disposal Agreement
“Wanasports Disposal Agreement”	the share purchase agreement dated 25 July 2003 entered into by Wanasports Holdings BVI, a wholly-owned subsidiary of the Company, and the Buyer in relation to the sale and purchase of the issued share capital of Wanasports BVI
“Wanasports Holdings BVI”	Wanasports Holdings (B.V.I.) Limited, a company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of the Company. Wanasports Holdings BVI held the entire issued share capital of Wanasports BVI before the completion of the Disposal Agreement

“Wanasports International”	Wanasports International Limited, a company incorporated in Hong Kong and which was a wholly-owned subsidiary of Wanasports BVI
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the board of Directors
Chiang Wee Tiong
Director

Hong Kong, 12 April 2005

For information purposes, the directors at the time of the Acquisition and the Wanasports Disposal were:

Executive Directors

Mr. Wan Chi Keung
Mr. Yam Tat Wah
Mr. Chiu Chun Hung

Independent non-executive Directors

Ms Chung Siu Lung
Mr. Kan Wing Fai, Terry

As at the date hereof, the Company has the following Directors:

Executive Directors

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

Independent non-executive Directors

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

This announcement, for which the Directors collectively and individually accept responsibility, includes particulars given in compliance with 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.

This announcement will remain on the GEM website with the domain name of 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.