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

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

**ANNOUNCEMENT**  
**DISCLOSURE OF ADVANCES TO ENTITIES**  
**AND**  
**SUSPENSION OF TRADING OF SHARES**

The Directors announce that the Group recorded amounts due from New Diamond and Sino Phoenix, independent third parties, of approximately HK\$5,781,000 and approximately HK\$5,033,000, respectively, as at 31 March, 2003, representing approximately 546% and approximately 475%, respectively, of the Group’s audited net tangible assets as at 31 March, 2003 (within the meaning of note 2 to Rule 17.14 of the GEM Listing Rules). The amount due from New Diamond and Sino Phoenix are regarded as advances to entities from the Group under Rule 17.15 of the GEM Listing Rules and each represents more than 25% of the Group’s audited net tangible assets as at 31 March, 2003, as newly published by the Company in its annual report of the year ended 31 March, 2003 on 30 June, 2003. Such amounts represented the outstanding balances of certain sales transactions entered into by the Group in its ordinary course of business and on normal commercial terms. As at the date hereof, approximately 2% of the balance of New Diamond has been settled, whilst Sino Phoenix has not settled any of its balance.

Reference is also made to the teletext announcement on 24 June, 2003 in relation to the suspension of the Company’s shares. The Company is currently preparing a detailed announcement to update its business operation and financial position. At the request of the Company, trading in the Company’s shares has been suspended with effect from 11:22 a.m., 24 June, 2003, and will continue to be suspended pending release of such announcement.

The directors (the “Directors”) of Wanasports Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”) announce that the Group recorded amounts due from New Diamond Worldwide Limited (“New Diamond”) and Sino Phoenix Investment Limited (“Sino Phoenix”), independent third parties, of approximately HK\$5,781,000 and approximately HK\$5,033,000, respectively, as at 31 March, 2003, representing approximately 546% and approximately 475%, respectively, of the Group’s audited net tangible assets as at 31 March, 2003 (within the meaning of note 2 to Rule 17.14 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”). A disclosure obligation under Rule 17.15 of the GEM Listing Rules arises where the relevant advance to an entity from the Group exceeds 25% of its net tangible assets. The amount due from New Diamond and Sino Phoenix are regarded as advances to entities from the Group under Rule

17.15 of the GEM Listing Rules, and each represents more than 25% of the Group's audited net tangible assets as at 31 March, 2003, as newly published by the Company in its annual report of the year ended 31 March, 2003 on 30 June, 2003. Such amounts represented the outstanding balance of certain sales transactions entered into by the Group in its ordinary course of business and on normal commercial terms. As at the date hereof, approximately 2% of the balance of New Diamond has been settled, whilst Sino Phoenix has not settled any of its balance.

New Diamond and Sino Phoenix are customers of the Group and third parties independent of any of the directors, the chief executives, the management shareholders and the substantial shareholders of the Company and their respective associates.

Sales transactions with New Diamond and Sino Phoenix were conducted in the ordinary course of business of the Group and settlement of the accounts receivables were made in accordance with the arrangement agreed between New Diamond and Sino Phoenix with the Group. The sales transactions do not have any specified credit terms. No interest was charged on the trading balances. New Diamond and Sino Phoenix gave no collateral under the sales transactions.

Pursuant to Rules 17.15 and 17.17 of the GEM Listing Rules, particulars of such trading balances are required to be disclosed by way of announcement.

Reference is also made to the teletext announcement on 24 June, 2003 in relation to the suspension of the Company's shares. The Company is currently preparing a detailed announcement to update its business operation and financial position. At the request of the Company, trading in the Company's shares has been suspended with effect from 11:22 a.m., 24 June, 2003, and will continue to be suspended pending release of such announcement.

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

Hong Kong, 3 July, 2003

*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](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 only