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

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

**CLARIFICATION ANNOUNCEMENT**  
**REGARDING**  
**NEW FRANCHISE AGREEMENT**

The Directors wish to clarify the press reports appearing in certain newspapers in Hong Kong regarding, among other things, the press conference held yesterday to announce the master franchise agreement that has been entered into between the Company and Tagalder.

***The Directors also confirm that no discussions have been had between Tagalder and the Company regarding any investment by Tagalder in the Company.***

This announcement is made at the request of the Stock Exchange.

The directors (the “Directors”) of Wanasports Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) refer to the press reports appearing today in certain newspapers in Hong Kong regarding the press conference held yesterday to announce the master franchise agreement that has been entered into between the Company and Tagalder International, Inc. (“Tagalder”) for the People’s Republic of China (the “PRC”), Hong Kong and Macau.

The Directors wish to confirm the following:–

**1. Master franchise agreement with Tagalder**

The Directors have advised that a master franchise agreement has been entered into on 31 December, 2003 between the Company and Tagalder. The Company, as the franchisor, will provide consultation and advice to Tagalder concerning the operation of franchise shops ***and the exploration of market opportunities in the PRC.*** The Company will also design, source and supply garments and accessories to Tagalder for sale in the franchise shops to be operated by Tagalder. ***The Company does not have any capital commitment in relation to the franchise agreement.***

The Directors have also confirmed that the signing of such a franchise agreement is within the ordinary course of business of the Group.

\* for identification only

## 2. Investment in the Company

The Directors note that certain newspaper reports referred to comments made by Mr. Peter Chun, the Chief Executive Officer of Tagalder, that Tagalder was considering taking a stake in the Company. The Directors wish to clarify that this was a statement of opinion of Tagalder itself and no comment on this issue was made by the Company. The Directors would also like to confirm that no discussions have been had between Tagalder and the Company regarding any investment by Tagalder in the Company. The Directors further confirm that, to date, no approaches have been made by Tagalder to the Company in respect of any investment by Tagalder in the Company.

Reference is 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, 8 January, 2004

*This announcement, for which the Directors 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 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).*