

If you are in doubt as to any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sino Golf Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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SINO GOLF HOLDINGS LIMITED

順龍控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 361)

**PROPOSALS FOR GENERAL MANDATES TO
ISSUE NEW SHARES AND REPURCHASE SHARES,
RE-ELECTION OF A RETIRING DIRECTOR,
AMENDMENTS TO THE BYE-LAWS AND
NOTICE OF 2007 ANNUAL GENERAL MEETING**

The notice of an annual general meeting of Sino Golf Holdings Limited (“the Company”) to be held at Kowloon Room I, M Floor, Kowloon Shangri-La Hong Kong, 64 Mody Road, Kowloon, Hong Kong on Monday, 28 May 2007 at 2:00 p.m. is set out in Appendix III to this circular.

A form of proxy for the Annual General Meeting is also enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy for the Annual General Meeting in accordance with the instructions printed thereon to our Company’s share registrar, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong not less than 48 hours before the time fixed for holding the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.



SINO GOLF HOLDINGS LIMITED
順龍控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 361)

Executive Directors:

Mr. Chu Chun Man, Augustine (*Chairman*)

Mr. Chu Yuk Man, Simon

Mr. Chang Hua Jung

Registered Office:

Clarendon House

2 Church Street

Hamilton, HM 11

Bermuda

Independent Non-executive Directors:

Mr. Choy Tak Ho

Ms. Chiu Lai Kuen, Susanna

Mr. Tse Ying Man

*Head office and principal place of
business in Hong Kong:*

1901-13, Delta House

3 On Yiu Street, Shatin

New Territories

Hong Kong

27 April 2007

To the Shareholders

Dear Sirs or Madams,

**PROPOSALS FOR GENERAL MANDATES TO
ISSUE NEW SHARES AND REPURCHASE SHARES,
RE-ELECTION OF A RETIRING DIRECTOR,
AMENDMENTS TO THE BYE-LAWS AND
NOTICE OF 2007 ANNUAL GENERAL MEETING**

INTRODUCTION

On 24 May 2006, general mandates were given to the Directors to issue Shares and to exercise all the powers of the Company to repurchase its Shares. These general mandates will lapse at the conclusion of the 2007 Annual General Meeting of the Company (the "AGM"). It is therefore proposed to renew the general mandates to issue Shares and to repurchase Shares at the AGM.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information relating to the ordinary and special resolutions to be proposed at the AGM to be held on Monday, 28 May 2007, as required by the relevant rules set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). These include, among others, i) ordinary resolutions relating to the granting to the directors of the Company (the “Directors”) general mandates to allot, issue and deal with new shares of the Company and to repurchase shares of the Company and to extend the general mandate to the nominal amount of any shares repurchased by the Company; and ii) ordinary resolution relating to the re-election of the retiring Director; and iii) special resolution relating to the amendments to the bye-laws.

GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed to grant to the Board a general and unconditional mandate to allot, issue, grant, distribute and otherwise deal with additional Shares not exceeding 10 per cent. of the Company’s issued share capital as at the date of such resolution (as adjusted in accordance with the resolution) for the period until the conclusion of the next AGM of the Company (or such earlier period as stated in the resolution) (“**Share Issue Mandate**”). Taking into account some comments from a shareholder given at the 2006 annual general meeting, the ceiling for the Share Issue Mandate is proposed to be 10 per cent., 5 per cent. lower than that of the existing Share Issue Mandate.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will also be proposed to grant the Board a general and unconditional mandate to exercise all the powers of the Company to purchase Shares not exceeding 10 per cent. of the Company’s issued share capital as at the date of such resolution for the period until the conclusion of the next AGM of the Company (or such earlier period as stated in the resolution) (“**Repurchase Mandate**”).

In accordance with the Listing Rules, an explanatory statement is set out in Appendix I of this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed ordinary resolution for the grant of the Repurchase Mandate at the AGM.

RE-ELECTION OF RETIRING DIRECTOR

According to bye-law 87(1) of the Company’s bye-laws, one-third of the Directors for the time being shall be subject to retirement by rotation, with the exception of the Chairman of the Board, at every annual general meeting of the Company. Mr. Chang Hua Jung shall retire from his office at the AGM and being eligible, offer himself for re-election pursuant to bye-law 87(2).

Details of the above Director, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix II to this circular.

LETTER FROM THE BOARD

AMENDMENTS TO BYE-LAWS

The Listing Rules have been amended by the Stock Exchange by replacing the Code of Best Practice in Appendix 14 by a new Code on Corporate Governance Practices (the “CG Code”) and adding a new Appendix 23 on the requirements for a Corporate Governance Report to be included in annual reports of listed issuers. Subject to certain transitional arrangements, the amendments took effect on 1st January 2005.

To align bye-laws of the Company with certain provisions of the CG Code and the minor and housekeeping amendments to the Listing Rules that came into effect on 1st March 2006, the Directors propose to seek approval from the shareholders at the Annual General Meeting on the proposed amendments to the current Bye-laws. A summary of the proposed amendments are set out as follows:

- (i) Bye-law 86(2) shall be amended to provide that any director appointed to fill a casual vacancy on the Board shall hold office until the next following general meeting, instead of the next annual general meeting;
- (ii) Bye-law 86(4) shall be amended to provide that a director may be removed by an ordinary resolution in general meeting instead of a special resolution; and
- (iii) Bye-law 87(1) shall be amended to provide that every director of the Company shall be subject to retirement by rotation at least once every three years;

The full text of the special resolution containing details of the proposed amendments to the Bye-laws is set out in Resolution no. 9 in the notice of the AGM set out in Appendix III to this circular.

NOTICE OF 2007 ANNUAL GENERAL MEETING

Notice of the AGM is set out in Appendix III to this circular. A form of proxy for use by the Shareholders at the AGM is enclosed with this circular and published on the website of the Stock Exchange (www.hkex.com.hk). Whether or not you are able to attend the AGM in person, please complete the relevant form of proxy in accordance with the instructions printed thereof and return it to the Company’s share registrar, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for holding the AGM or any adjourned thereof. Completion and return of a form of proxy will not preclude you from attending and voting in person at the meeting and at any adjournment thereof should you so wish.

LETTER FROM THE BOARD

PROCEDURE FOR DEMANDING A POLL

Pursuant to bye-law 66 of the bye-laws of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) by a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

RECOMMENDATION

The Directors (including the independent non-executive directors) consider that the granting of the Share Issue Mandate and the Repurchase Mandate, the extension of the Share Issue Mandate, the re-election of the retiring Director and the amendments to the Company's bye-laws are in the best interests of the Company and so recommend you to vote in favour of the resolutions at the AGM.

Yours faithfully,
For and on behalf of the Board
Chu Chun Man, Augustine
Chairman

SHARE REPURCHASE RULES

The Share Repurchase Rules provide that all proposed repurchase of shares by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of its shareholders in general meeting, either by way of a general mandate or by a specific approval of a particular transaction. A maximum of 10 per cent. of the fully paid-up shares of a company as at the date of the passing of the relevant resolution may be repurchased on the Stock Exchange.

SHARE CAPITAL

As at 23 April 2007 (the "Latest Practicable Date"), the authorised share capital of the Company comprised 1,000,000,000 Shares of HK\$0.1 each and the number of Shares in issue was 302,200,000 Shares of HK\$0.1 each.

Subject to the passing of the relevant ordinary resolution and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 30,220,000 Shares during the period in which the Repurchase Mandate remains in force. Any Shares repurchased pursuant to the Repurchase Mandate must be fully paid-up.

MARKET PRICES

The highest and lowest prices at which Shares have traded on the Stock Exchange in each of the twelve months preceding the Latest Practicable Date are as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2006		
April	0.81	0.68
May	0.76	0.68
June	0.71	0.65
July	0.71	0.67
August	0.72	0.67
September	0.86	0.69
October	0.92	0.76
November	0.94	0.82
December	1.24	0.84
2007		
January	1.10	1.01
February	1.14	1.00
March	1.07	0.99
April (up to 23 April 2007)	1.04	0.87

REASONS FOR REPURCHASE

The Directors believe that the ability to repurchase Shares is in the interests of the Company and the Shareholders. Repurchases may, depending on the circumstances, result in an increase in net assets and/or earnings per Share. The Directors are seeking the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number(s) and class(es) of shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

FUNDING OF REPURCHASES

Repurchases must be made out of funds which are legally available for such purpose in accordance with the memorandum and the bye-laws of the Company and the laws of Bermuda. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company.

There may be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the financial year ended 31 December 2006) in the event that the proposed share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or its gearing level which in the opinion of the Directors is from time to time appropriate for the Company.

DIRECTORS' DEALINGS

There are no Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any associates (as defined in the Listing Rules) of the Directors who have a present intention, in the event that the repurchase mandate is granted by the Shareholders, to sell Shares to the Company.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Repurchase Mandate only in accordance with the Listing Rules and the laws of Bermuda.

EFFECT OF THE TAKEOVERS CODE

As at the Latest Practicable Date, CM Investment Company Limited was beneficially interested in 171,543,775 Shares representing 56.76 per cent. in the issued share capital of the Company. On the basis that 302,200,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be allotted and issued or repurchased before the AGM, if the Repurchase Mandate were exercised in full, the percentage interest of CM Investment Company Limited would increase to approximately to 63.07% of the issued Shares and would not give rise to any implication in that regard under the Hong Kong Code on Takeovers and Mergers ("**Takeovers Code**"). The Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any purchases made pursuant to the Repurchase Mandate.

SHARE REPURCHASE MADE BY THE COMPANY

No purchase has been made by the Company of Shares in the six months prior to the Latest Practicable Date.

CONNECTED PERSONS

No connected person (as defined in the Listing Rules) of the Company has notified it of a present intention to sell Shares to the Company and no such person has undertaken not to sell any such Shares to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

The following are the particulars of the Director proposed to be re-elected at the AGM:

Mr. Chang Hua Jung, Executive Director, aged 45

Mr. Chang was graduated from an industrial institution in Taiwan. Mr. Chang has over 24 years of experience in the golf equipment manufacturing industry. He joined the Group in August 1988 and is responsible for the production and the research and development functions of the Group.

Mr. Chang does not have any relationship with any directors, senior management, or substantial or controlling shareholders of the Company.

Mr. Chang has entered into a service contract with the Company commencing on December 1, 2000 which will continue thereafter until terminated by either party thereto giving to the other, not less than three months' prior notice in writing to terminate the appointment. He shall retire and offer for re-election at the 2007 annual general meeting of the Company in accordance with the Company's bye-laws. He is entitled to receive a salary and allowance of HK\$720,000 and a fixed bonus of HK\$120,000 per annum, which are determined on the basis of the duties and responsibilities required of him taking into account his experience and the time to be devoted by him on the Company's affairs. He is also entitled to a discretionary bonus, the amount of which is decided by the Board at its entire discretion having regard to his performance and the operating results of the Group provided that the amount should not exceed 20 per cent. of the total discretionary bonuses payable by the Company in respect of that financial year.

Save as disclosed, Mr. Chang does not hold any position with the other members of the Company's Group. He has not held any directorships in other listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Chang has personal interests in 1,000,000 underlying shares in respect of share options granted by the Company to him as beneficial owner. In addition, he also has long position in 0.09 per cent. interest of the non-voting deferred share capital in Sino Golf Manufacturing Company Limited, an associated corporation of the Company within the meaning of the Part XV of the Securities and Futures Ordinance.

Save as disclosed, there are no other matters that need to be brought to the attention of the Shareholders of the Company and there is no other information that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

**SINO GOLF HOLDINGS LIMITED****順龍控股有限公司**

(Incorporated in Bermuda with limited liability)

(Stock Code: 361)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Kowloon Room I, M Floor, Kowloon Shangri-La Hong Kong, 64 Mody Road, Kowloon, Hong Kong on Monday, 28 May 2007 at 2:00 p.m. for the following purposes:

As Ordinary Business

1. to receive and consider the audited financial statements and the reports of the directors and of the auditors for the year ended 31 December 2006;
2. to declare a final dividend for the year ended 31 December 2006;
3. to re-elect a director of the Company;
4. to authorise the board of directors to fix the directors' remuneration;
5. to re-appoint the auditors and to authorise the board of directors to fix their remuneration;

As Special Business

6. to consider and if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT:

- (a) subject to sub-paragraph (c) of this Resolution, pursuant to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

- (b) the approval in sub-paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in sub-paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) any issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company (“Shares”); or (iii) the exercise of any options granted under the share option scheme of the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of the dividend on Shares in accordance with the bye-laws of the Company, shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended), or any other applicable law of Bermuda to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by the passing of an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares, or offer or issue of warrants, options or other securities of the Company giving rights to subscribe for Shares, open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China).”

7. to consider and, if thought fit, pass with or without amendment(s) the following resolution as an Ordinary Resolution:

“**THAT:**

- (a) subject to sub-paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase Shares on Stock Exchange or any other exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases (“Recognised Stock Exchange”) subject to and in accordance with all applicable laws and the requirements of the Listing Rules as amended from time to time or that of any other Recognised Stock Exchange, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Shares which may be purchased by the Company pursuant to the approval in sub-paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution:

“Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended), or any other applicable law of Bermuda to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by the passing of an ordinary resolution of the shareholders of the Company in general meeting.”

8. to consider and, if thought fit, pass with or without amendment(s) the following resolution as an Ordinary Resolution:

“**THAT** conditional upon Resolution 6 and Resolution 7 set out in the notice convening this meeting of which this resolution forms part being passed, the aggregate nominal amount of the share capital of the Company which are repurchased by the Company after the date of the passing of this Resolution (up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as stated in Resolution 7 set out in the notice convening this meeting of which this resolution forms part) shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company under the authority granted pursuant to Resolution 6 set out in the notice convening this meeting of which this resolution forms part.”

9. To consider, and, if thought fit, pass the following resolution as a special resolution:

”**THAT** the bye-laws of the Company be amended as follows:

- (i) By substituting the existing bye-law 86(2) with the following new bye-law 86(2):

‘86(2) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorization by the Members in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting.’

- (ii) By deleting the words ‘special resolution’ in bye-law 86(4) and substituting therefor the words ‘ordinary resolution’.

- (iii) By substituting the existing bye-law 87(1) with the following new bye-law 87(1):–

‘87(1) Notwithstanding any other provisions in the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.’”

On behalf of the Board
Chu Chun Man, Augustine
Chairman

Notes:

- 1) Any shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint another person or his proxy to attend and vote for him. A proxy need not be a shareholder of the Company. A shareholder who is a holder of two or more shares may appoint more than one proxy to attend and vote on the same occasion.
- 2) In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of authority must be deposited at the Company's share registrar, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the meeting.
- 3) The register of members of the Company will be closed from 23 May 2007 to 28 May 2007 both days inclusive during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and attending the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on 22 May 2007.
- 4) Members are recommended to read the circular of the Company containing information concerning the resolutions proposed in this notice.