



SINO GOLF HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNUAL RESULTS

FOR THE YEAR ENDED 31 MARCH 2001

The Board of Directors (the "Board") of Sino Golf Holdings Limited ("the Company") announces the audited consolidated results of the Company and its subsidiaries ("the Group") for the year ended 31 March 2001 as follows:

		2001	2000
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
TURNOVER	2	300,215	211,540
Cost of sales		(191,402)	(139,581)
Gross profit		108,813	71,959
Other revenue		4,509	2,596
Selling and distribution costs		(8,652)	(7,920)
Administrative expenses		(16,570)	(13,920)
Other operating expenses		(6,254)	(4,993)
PROFIT FROM OPERATING ACTIVITIES	2, 3	81,846	47,722
Finance costs	4	(9,876)	(7,990)
PROFIT BEFORE TAX		71,970	39,732
Tax	5	(6,257)	(3,567)

PROFIT BEFORE MINORITY INTERESTS		65,713	36,165
Minority interests		-	194
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		65,713	36,359
Dividends	6	47,500	70,037
EARNINGS PER SHARE - Basic (HK cents)	7	26.67	17.00

Notes

1. Basis of consolidation and presentation

The Company was incorporated as an exempted company with limited liability in Bermuda on 8 August 2000 under the Companies Act 1981 of Bermuda. Its shares have been listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 20 December 2000.

The Group's consolidated financial statements have been prepared on the basis of merger accounting. On this basis, the Company and its subsidiaries resulting from the Group reorganisation on 5 December 2000 (the "Reorganisation") have been regarded as a continuing group and accordingly, the consolidated results of the Group for the years ended 31 March 2000 and 2001 include the results of the Group with effect from 1 April 1999 or since their respective dates of incorporation/acquisition, where this is a shorter period.

2. Turnover and segmental information

During the current year and prior year, the Group's turnover and operating profit are derived principally from the manufacturing and trading of golf equipment and accessories.

An analysis of the Group's turnover by geographical area of its shipments

is as follows:

	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>
North America	191,883	157,117
Europe	54,389	29,523
Asia (excluding Japan)	36,405	11,979
Japan	9,488	7,251
Others	8,050	5,670
	300,215	211,540

The contribution to operating profit by geographical area is substantially in line with the overall rate of contribution to turnover and accordingly a geographical analysis of contribution is not presented.

3. Profit from operating activities

The Group's profit from operating activities is arrived at after charging depreciation of HK\$8,728,000 (2000: HK\$7,706,000), and after crediting interest income of HK\$1,482,000 (2000: HK\$642,000).

4. Finance costs

	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank loans, overdrafts and other loans wholly repayable within five years	7,706	6,726
Interest on finance leases and hire purchase contracts	265	237
Total interest expenses	7,971	6,963
Bank charges	1,905	1,027
Total finance costs	9,876	7,990

5. Tax

Hong Kong profits tax has been provided at the rate of 16% (2000: 16%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>
Provision for the year:		
Hong Kong	5,625	3,200
Elsewhere	57	94
Underprovision/(overprovision) in prior year	375	(327)
Deferred tax	200	600
Tax charge for the year	6,257	3,567

6. Dividends

	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim dividends paid by a subsidiary of the Company		
to its then shareholders	-	70,037
Special dividends paid by a subsidiary of the Company		
to its then shareholders	26,500	-
Proposed final - HK7 cents per ordinary share	21,000	-
	47,500	70,037

The dividend rates and the number of shares ranking for interim dividends and special dividends declared and paid by a wholly owned subsidiary of the Company, Sino Golf Manufacturing Company Limited, to its then shareholders out of its retained profits prior to the Reorganisation are not presented as the Directors are of the opinion that such information is not

meaningful for the purpose of the Group's financial statements.

7. Earnings per share

The calculation of basic earnings per share is based on the net profit attributable to shareholders for the year of HK\$65,713,000 (2000: HK\$36,359,000) and the weighted average of 246,370,000 (2000: 213,841,000) ordinary shares deemed to be in issue during the year as if the capitalisation issue of 223,000,000 shares made to the then shareholders of the Company upon the completion of the public offer and the placing of 75,000,000 shares in the Company had been in issue from the respective dates the related existing shares were issued.

Diluted earnings per share for the years ended 31 March 2001 and 2000 has not been calculated as no diluting events existed during these years.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 25 July 2001 to Thursday, 2 August 2001, both days inclusive, during which period no transfer of shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged with the Company's share registrars in Hong Kong, Tengis Limited at 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong not later than 4:00 p.m. on Tuesday, 24 July 2001 in order to qualify for the final dividend mentioned above.

BUSINESS REVIEW

Overall speaking, year of 2000/2001 was a good year for golf industry because the demand for golf equipment continued to grow. Being one of the major golf club manufacturers in the world, the Group also enjoyed the satisfactory growth. Benefited from the economies of scale, the Group's continuous focus on complete packaged golf club set products with higher margin and the success of the Group's marketing strategies, the Group has been able to increase its gross profit margin from 34% for the year ended 31 March 2000 to 36% for the year ended 31 March 2001. In additions, the net profit attributable to shareholders

has increased by 81% as compared with that in last year.

FUTURE DEVELOPMENT STRATEGY AND PROSPECTS

Leveraging on its strengths in the manufacture of golf clubs, the Group aims to develop itself from only a golf club manufacturer to a one-stop shop golfing equipment and services provider to offer more diverse and tailor-made services in the golf industry. The Directors are optimistic about the future business of the Group and consider that the increasing popularity of golf worldwide will increase the demand for the Group's products.

With the expansion in production capacity and investment in research and development, the Directors truly believe that it will strengthen the Group's competitiveness and further enhance the Group's profitability in the near future.

China's entry into the World Trade Organisation will have a positive influence on the golf industry as well as the Group's businesses. As shown in the latest results, our established policy for development is both sound and healthy. We will keep moving ahead in this direction in the coming year.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my sincere appreciation and thanks to our shareholders, customers, suppliers, bankers and staff for their continuous support and invaluable contribution.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the period from 8 August 2000 (date of incorporation) to 31 March 2001.

CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange from the date of listing.

DETAILED RESULTS ANNOUNCEMENT ON THE WEBSITE OF THE STOCK EXCHANGE

A detailed results announcement containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules will be published on the website of the Stock Exchange in due course.

By order of the Board
Chu Chun Man, Augustine
Chairman

Hong Kong, 3 July 2001

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the first Annual General Meeting of Sino Golf Holdings Limited ("the Company") will be held at Rose room, Lower level II, Kowloon Shangri-La Hong Kong, 64 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 2 August, 2001 at 3:00 p.m. for the following purposes:-

1. to receive and consider the audited financial statements and the reports of the directors and of the auditors for the year ended 31 March 2001
2. to declare a final dividend for the year ended 31 March 2001
3. to re-elect the directors of the Company
4. to authorise the board of directors to fix the directors' remuneration; and
5. to re-appoint the auditors and to authorise the board of directors to fix

their remuneration.

By order of the Board
Chu Chun Man, Augustine
Chairman

Hong Kong, 3 July 2001

Notes:

1. Any member entitled to attend and vote at the above meeting is entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy and 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 of 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong not less than 48 hours before the time fixed for holding the meeting.

"Please also refer to the published version of this announcement in the Hong Kong i-mail"