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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)

REFUND OF SHORTFALL IN GUARANTEED PROFIT

SUMMARY

Reference is made to the announcement of the Company dated 23 December 2003 regarding the connected transaction of the Company whereby SGMCL, entered into a sale and purchase agreement with the Vendor for the acquisition of 11.5% of the ordinary share capital of CTB such that after the acquisition, CTB was owned as to 62.5% and 37.5% by SGMCL and the Vendor respectively.

Reference is also made to the announcement of the Company dated 27 July 2005 regarding the acquisition by SGMCL of the remaining 37.5% of the ordinary share capital of CTB from the Vendor. Immediately after the acquisition, CTB became wholly owned by SGMCL and an indirectly wholly owned subsidiary of the Company. Since then, the Vendor has become an independent third party of the Company and its associates as defined under the Listing Rules.

Refund of Shortfall in Guaranteed Profit

Pursuant to the sale and purchase agreement dated 22 December 2003 in respect of the acquisition of 11.5% of the ordinary share capital of CTB by SGMCL, the Vendor guaranteed that the Actual Profit for each of the accounting year during the period of the Profit Guaranteed Year shall not be less than HK\$8,522,000 (the "Guaranteed Profit"). Any shortfall between the Actual Profit and the Guaranteed Profit, as multiplied by 11.5%, should be refunded to SGMCL by the Vendor after issue of the audited consolidated financial statements of CTB.

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The audited consolidated financial statements of CTB for the year ended 31 December 2006 have been issued recently. The Actual Profit for the year ended 31 December 2006 is HK\$2,111,639, which is less than the Guaranteed Profit by an amount of HK\$6,410,361. Pursuant to the sale and purchase agreement dated 22 December 2003, the Vendor has fulfilled his obligations under the guarantee and refunded HK\$737,192 to the order of SGMCL in September 2007 in accordance with the provisions of the said agreement. As reported in the Company's 2006 annual report, the amount receivable from the Vendor had been accounted for in the balance sheet under other receivables and as a deferred income under other payables until the end of the Profit Guaranteed Year. This accounting treatment was considered appropriate and had been agreed by the auditors of the Company. The receipt of refund from the Vendor in September 2007 has been applied to settle the other receivables accordingly.

The Directors (including the independent non-executive Directors) are of the opinion that the Vendor had fulfilled his obligations in relation to his guarantee of the Actual Profit for the year ended 31 December 2006.

DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings set out below:

"Actual Profit"	audited consolidated profit after taxation but before the Extraordinary Items of CTB
"Company"	Sino Golf Holdings Limited, an exempted company incorporated in Bermuda with limited liability

“CTB”	CTB Golf (HK) Limited, a company incorporated in Hong Kong with limited liability and has an issued share capital of HK\$12,730,000 divided into 10,000,000 ordinary shares of HK\$1.00 each and 2,730,000 non-voting preference shares of HK\$1.00 each (held by an independent third party), all of which having been fully paid-up
“Directors”	the directors of the Company
“Extraordinary Items”	income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise and therefore are not expected to recur frequently or regularly
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	Rules governing the listing of securities on the Stock Exchange
“Profit Guaranteed Year”	the five accounting years commencing from 1 January 2004
“SGMCL”	Sino Golf Manufacturing Company Limited, an indirect wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Mr. Chen Chien Hsiang

By order of the Board
Sino Golf Holdings Limited
Chu Chun Man, Augustine
Chairman

Hong Kong, 14 September 2007

As at the date hereof, the board of directors of the Company comprises 6 directors, of which 3 are Executive Directors, namely Mr. CHU Chun Man, Augustine, Mr. CHU Yuk Man, Simon and Mr. CHANG Hua Jung, and the rest of 3 are Independent Non-executive Directors, namely Mr. CHOY Tak Ho, Ms. CHIU Lai Kuen, Susanna and Mr. TSE Ying Man.