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*This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.*



## **Surplus Excel Limited**

*(Incorporated in BVI with limited liability)*

## **Sino Golf Holdings Limited 順龍控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock code: 00361)

### **JOINT ANNOUNCEMENT**

- (1) SHARE TRANSFER;  
(2) MANDATORY UNCONDITIONAL CASH OFFER BY**



**KINGSTON SECURITIES LTD.**

**FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE  
ALL THE ISSUED SHARES (OTHER THAN THOSE ALREADY OWNED BY  
THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT) IN  
SINO GOLF HOLDINGS LIMITED;**

**AND**

- (3) RESUMPTION OF TRADING**

**Financial adviser to the Offeror**



**KINGSTON CORPORATE FINANCE LTD.**

**Financial adviser to the Company**



**SOMERLEY CAPITAL LIMITED**

**Independent Financial Adviser to the Independent Board Committee**



**FIRST SHANGHAI CAPITAL LIMITED**  
第一上海融資有限公司

\* For identification purpose only

## **SHARE TRANSFER**

The Company was informed by the Vendors that the Vendors, the Offeror, Mr. Chu (as the warrantor to the Vendors) and Mr. Jiang (as the warrantor to the Offeror) entered into the Sale and Purchase Agreement on 30 June 2015 pursuant to which the Offeror has agreed to acquire from the Vendors an aggregate of 287,074,657 Shares, representing approximately 61.33% of the entire issued share capital of the Company as at the date of this joint announcement. Immediately following Completion which took place on 30 June 2015, the Offeror and parties acting in concert with it are interested in 287,074,657 Shares, representing approximately 61.33% of the entire issued share capital of the Company. The total consideration of HK\$306,681,856.08 at which the Sale Shares were acquired from the Vendors, representing approximately HK\$1.0683 per Sale Share, was fully settled in cash upon Completion.

## **MANDATORY UNCONDITIONAL CASH OFFER**

Prior to the Completion, the Offeror and parties acting in concert with it did not hold, own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion and as at the date of this joint announcement, the Offeror owns 287,074,657 Shares, representing approximately 61.33% of the entire issued share capital of the Company as at the date of this joint announcement. Pursuant to Rule 26.1 of the Takeovers Code, immediately upon Completion, the Offeror is required to make a mandatory unconditional cash offer for 180,975,343 Shares, representing all issued Shares which are not already beneficially owned or agreed to be acquired by the Offeror and parties acting in concert with it.

As at the date of this joint announcement, the Company has 468,050,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Kingston Securities, on behalf of the Offeror, will make the Offer in accordance with the Takeovers Code on the following basis:

**For each Offer Share . . . . . HK\$1.0684 in cash**

The Offer Price of HK\$1.0684 per Offer Share is referenced to the purchase price per Sale Share paid by the Offeror under the Share Transfer.

The principal terms of the Offer are set out under the section headed “MANDATORY UNCONDITIONAL CASH OFFER” below in this joint announcement. Kingston Corporate Finance, as the financial adviser to the Offeror is satisfied that there are sufficient financial resources available to the Offeror to satisfy the consideration payable for the full acceptance of the Offer.

#### **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. Choy Tak Ho, Ms. Chiu Lai Kuen Susanna and Mr. Zhu Shengli, has been formed to make a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and whether the Offer is in the interests of the Company and the Shareholders as a whole and as to the acceptance of the Offer.

First Shanghai Capital Limited has been appointed by the Board as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer and as to its acceptance. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

#### **COMPOSITE DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch an offer document containing the terms of the Offer, together with the Form of Acceptance, to the Shareholders within 21 days after the date of this joint announcement, or such later date as the Executive may approve.

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document (accompanied by the Form of Acceptance) in connection with the Offer setting out, inter alia, details of the Offer (including the expected timetable) and incorporating the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser on the Offer and as to acceptance will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code.

The Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and whether the Offer is in the interests of the Company and the Shareholders as a whole and as to the acceptance of the Offer, before deciding whether or not to accept the Offer.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 2 July 2015 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 13 July 2015.

### **WARNING**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares during the Offer Period. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.**

## **SHARE TRANSFER**

References are made to the announcements of the Company dated 15 September 2014, 13 October 2014, 13 November 2014, 17 November 2014, 12 December 2014, 12 January 2015, 12 February 2015, 12 March 2015, 10 April 2015, 8 May 2015, 8 June 2015 and 6 July 2015 in respect of the Possible Transaction involving the possible sale and purchase of the total interests in the Company held by the Vendors.

The Company was informed by the Vendors that on 30 June 2015, the Vendors, the Offeror, Mr. Chu (as the warrantor to the Vendors) and Mr. Jiang (as the warrantor to the Offeror) entered into the Sale and Purchase Agreement, pursuant to which the Offeror has agreed to acquire from the Vendors an aggregate of 287,074,657 Shares, representing approximately 61.33% of the entire issued share capital of the Company as at the date of this joint announcement. Immediately following Completion which took place on 30 June 2015, the Offeror and parties acting in concert with it are interested in 287,074,657 Shares, representing approximately 61.33% of the entire issued share capital of the Company as at the date of this joint announcement. The total consideration of HK\$306,681,856.08 at which the Sale Shares were acquired from the Vendors, representing approximately HK\$1.0683 per Sale Share, was fully settled in cash upon Completion.

The 61.33% interests sold to the Offeror was determined based on commercial negotiation after taking into account, among other things, the Offeror's preference on having over 50% control in the Company and becoming the single largest shareholder in the Company. It is the current intention of Mr. Chu to remain as director of certain subsidiaries of the Group and have his family to retain the 2.22% direct interest in the Company so as to show his commitment to continue to manage the existing businesses of the Group following Completion and to maintain staff stability for the normal daily operations of the Group in view of the change in control.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Offeror, its ultimate beneficial owners and parties acting in concert with any of them is a third party independent of and not connected with the Company and the Company's connected persons.

Set out below is the shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately following Completion and as at the date of this joint announcement.

	Immediately prior to Completion		Immediately following Completion and as at the date of this joint announcement	
	Shares	%	Shares	%
CM Investment	257,315,662	54.98	–	–
Fortune Belt	29,758,995	6.35	–	–
Mr. Chu	9,292,104	1.99	9,292,104	1.99
Ms. Hung Tze Nga, Cathy ( <i>Note 1</i> )	150,000	0.03	150,000	0.03
Mr. Chu Yuk Man, Simon ( <i>Note 2</i> )	<u>954,355</u>	<u>0.20</u>	<u>954,355</u>	<u>0.20</u>
Mr. Chu and parties acting in concert with him ( <i>Note 3</i> )	297,471,116	63.55	10,396,459	2.22
The Offeror and parties acting in concert with it	–	–	287,074,657	61.33
Other Shareholders	<u>170,578,884</u>	<u>36.45</u>	<u>170,578,884</u>	<u>36.45</u>
Total	<u><u>468,050,000</u></u>	<u><u>100.00</u></u>	<u><u>468,050,000</u></u>	<u><u>100.00</u></u>

Notes:

- Spouse of Mr. Chu
- Elder brother of Mr. Chu and one of the executive Directors
- Immediately prior to Completion, Mr. Chu was interested in 296,516,761 Shares by way of the followings: (i) 9,292,104 Shares were held directly by Mr. Chu; (ii) 150,000 Shares were held by Ms. Hung Tze Nga Cathy, the spouse of Mr. Chu; (iii) 257,315,662 Shares are held by CM Investment, of which, (a) approximately 78.31% of its issued share capital are owned by A & S Company Limited, (b) approximately 9.13% of its issued share capital are owned by Mr. Chu, (c) approximately 0.81% of its issued share capital is owned by Mr. Chu Yuk Man, Simon, (d) approximately 0.55% of its issued share capital is owned by the estate of another family member of Mr. Chu; and (e) approximately 11.20% of its issued share capital are held by the administratrix of the estate of Mr. Takanori Matsuura, a co-founder of the Company. A & S Company Limited is a company incorporated in the BVI and is owned as to approximately 64% by Mr. Chu, approximately 21.71% by Mr. Chu Yuk Man, Simon and 14.29% by the estate of another family member of Mr. Chu; and (iv) the remaining 29,758,995 Shares were held

by Fortune Belt, which is beneficially owned as to 62.5% by Mr. Chu, as to 22.5% by Mr. Chu Yuk Man, Simon and as to 15% by Ms. Chu Irene Ching Yee, the sister of Mr. Chu and Mr. Chu Yuk Man, Simon.

## **MANDATORY UNCONDITIONAL CASH OFFER**

Prior to the Completion, the Offeror and parties acting in concert with it did not hold, own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it owns 287,074,657 Shares, representing approximately 61.33% of the entire issued share capital of the Company as at the date of this joint announcement. Pursuant to Rule 26.1 of the Takeovers Code, immediately upon Completion, the Offeror is required to make a mandatory unconditional cash offer for 180,975,343 Shares, representing all issued Shares which are not already beneficially owned or agreed to be acquired by the Offeror and parties acting in concert with it.

As at the date of this joint announcement, the Company has 468,050,000 Shares in issue. Save for the aforesaid, the Company does not have any other outstanding options, derivatives or warrants or other securities which are convertible or exchangeable into the Shares and has not entered into any agreement for the issue of such options, derivatives or warrants or other securities of the Company.

### **Principal terms of the Offer**

Kingston Securities, on behalf of the Offeror, will make the Offer to acquire all the issued Shares other than those already owned by the Offeror and parties acting in concert with it in accordance with the Takeovers Code on the following basis:

**For each Offer Share . . . . . HK\$1.0684 in cash**

The Offer Price of HK\$1.0684 per Offer Share is referenced to the purchase price per Sale Share paid by the Offeror under the Share Transfer pursuant to the Sale and Purchase Agreement and was arrived at after arm's length negotiations between the Offeror and the Vendors. The Offer Shares to be acquired under the Offer shall be fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them, including the right to receive all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of the Composite Document.

The Offer will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

## **Comparison of value**

The Offer Price of HK\$1.0684 per Offer Share represents:

- (i) a discount of approximately 27.32 to the closing price of HK\$1.47 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 29.06% to the average closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day of HK\$1.506 per Share;
- (iii) a discount of approximately 27.32% to the average closing price of the Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day of HK\$1.47 per Share;
- (iv) a discount of approximately 20.61% to the average closing price of the Shares as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day of approximately HK\$1.3457 per Share; and
- (v) a premium of approximately 60.86% over the audited consolidated net asset value attributable to owners of the Company of approximately HK\$0.6642 per Share (based on the number of issued Shares as at the date of this joint announcement) as at 31 December 2014, the date to which the latest audited financial results of the Group were made up.

## **Highest and lowest Share price**

During the six-month period preceding the Last Trading Day:

- (i) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.6 per Share on 12 June 2015; and
- (ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.81 per Share on 11 and 12 March 2015.

## **Total value of the Offer**

As at the date of this joint announcement, the Company has 468,050,000 Shares in issue (of which the Offeror and parties acting in concert with it are interested in 287,074,657 Shares). The Company does not have any outstanding options, derivatives or warrants or other securities which are convertible or exchangeable into the Shares and has not entered into any agreement for the issue of such options, derivatives or warrants or other securities of the Company. Assuming there is no change in the issued share capital of the company prior to the close of the Offer, 180,975,343 Shares will be subject to the Offer.

Based on the Offer Price of HK\$1.0684 per Offer Share and on the basis of full acceptance of the Offer, the cash consideration payable by the Offeror under the Offer will amount to approximately HK\$193,354,056.46.

### **Financial resources available to the Offeror**

The Offeror intends to finance the aggregated consideration payable under the Offer through a loan facility granted by Kingston Securities. Kingston Corporate Finance, as financial adviser to the Offeror is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Offer.

### **Effects of accepting the Offer**

By validly accepting the Offer, the Shareholders will sell their tendered Shares to the Offeror free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them, including the right to receive all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of the Composite Document.

### **Hong Kong stamp duty**

The seller's Hong Kong ad valorem stamp duty on acceptances of the Offer (or part thereof) at a rate of 0.1% of the consideration payable in respect of the relevant acceptances by the Independent Shareholders or if higher, the market value of the Offer Shares, will be deducted from the amount payable to the Independent Shareholders who accept the Offer.

The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptances of the Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

### **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

### **Taxation advice**

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Kingston Securities, Kingston Corporate Finance, Somerley



Capital Limited and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

### **Overseas Shareholders**

As the Offer to persons not residing in Hong Kong might be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should obtain information about and observe any applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offer. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions). Any acceptance by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

### **Other arrangements**

For the six months immediately prior to 6 July 2015 (being the date of commencement of the offer period pursuant to Rule 3.7 of the Takeovers Code), save for the Share Transfer, the Offeror and parties acting in concert with it had not dealt in nor did they have any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

The Offeror confirms that as at the date of this joint announcement:

- (i) save for the Offeror's interest in the Sale Shares under the Share Transfer, none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives, of the Company;
- (ii) the Offeror, its ultimate beneficial owners, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept the Offer;
- (iii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror, its ultimate beneficial owners and/or any person acting in concert with any of them;

- (iv) save for the Share Transfer and the deposit of the Sale Shares and the Offer Shares to be acquired by the Offeror through the Offer in favour of Kingston Securities as security for the loan facilities granted by Kingston Securities, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company and which may be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (v) there is no agreement or arrangement to which the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; and
- (vi) there is no relevant security (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, its ultimate beneficial owners, and/or any party acting in concert with any of them has borrowed or lent.

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares during the Offer Period. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.**

#### **Information on the Offeror**

The Offeror is an investment holding company incorporated on 1 May 2015 in BVI with limited liability. As at the date of this joint announcement, the Offeror is owned as to 80% by Mr. Jiang and as to 20% by Mr. Yan and the sole director of the Offeror is Mr. Jiang. Mr. Jiang and Mr. Yan are business acquaintances.

Mr. Jiang, aged 40, has extensive experience in the financial services and investment industry in the PRC. Mr. Jiang has been engaged in equity investment, trust investment and pawnshop business in Beijing. Mr. Jiang used to be the general manager of a major non-banking financial institution in the PRC which is principally engaged in, among others, money-lending, guarantee and pawning businesses.

Mr. Yan, aged 53. Mr. Yan is an experienced entrepreneur and has extensive experience in the marine transportation industry and in the investment, development, production, processing, operation and trading of the mining and steel industry. Mr. Yan was appointed as Justice of Peace and was granted a Doctor of Philosophy Honoris Causa from Lansbridge University, Canada. He was also honoured as World Outstanding Chinese in 2010. He is currently the chairman, an executive director and the co-founder of Great Harvest Maeta Group Holdings Limited (Stock code: 3683), the shares of which are listed on the Main Board of the Stock Exchange and a director of Adex Mining Inc. (TSXV Stock code: ADE), a company listed on the TSX Venture Exchange in Canada. He is also a fellow of the Hong Kong Institute of Directors and the chairman of the Hong Kong Energy and Minerals United Associations (International) Limited. He is also active in social affairs and was appointed as the Honorary Chairman of Hong Kong Association of Youth Development, the Honorary President of Sha Tin District Junior Police Call, the Honorary President of the Fire Safety Ambassador Club and Shatin Sports Association.

## Information on the Group

The Company is incorporated in Bermuda as an exempted company with limited liability and was listed on the Stock Exchange. The principal activity of the Company is investment holding. The Group is principally engaged in the manufacturing and trading of golf equipment, golf bags and other accessories.

The following table is a summary of certain consolidated audited financial information of the Group for the two financial years ended 31 December 2013 and 31 December 2014, respectively.

	<b>Year ended</b> <b>31 December 2013</b> <i>HK\$'000</i>	<b>Year ended</b> <b>31 December 2014</b> <i>HK\$'000</i>
Turnover	434,087	400,962
Gross profit	75,634	72,416
Profit before taxation	16,001	8,719
Profit for the year	13,653	8,295
	<b>As at</b> <b>31 December 2013</b> <i>HK\$'000</i>	<b>As at</b> <b>31 December 2014</b> <i>HK\$'000</i>
Consolidated net asset value attributable to owners of the Company	302,452	310,884

## OFFEROR'S INTENTION ON THE COMPANY

Following the close of the Offer, the Offeror intends to continue the existing principal businesses of the Group. The Offeror will conduct a review on the financial position and the operations of the Company and will formulate long-term business plans and strategy of the Company, explore other business opportunities and consider whether any asset disposal, asset acquisition, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Company. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules. The Offeror has no intention to (i) discontinue the employment of any employees of the Group; or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business.

## Proposed change of Board composition

The Board is currently made up of six Directors, comprising (i) Mr. Chu, Mr. Chu Yuk Man Simon and Mr. Chang Hua Jung as executive Directors; and (ii) Mr. Choy Tak Ho, Ms. Chiu Lai Kuen Susanna and Mr. Zhu Shengli as independent non-executive Directors. Pursuant to the terms of the

Sale and Purchase Agreement, the Vendors shall cause such Directors as may be notified by the Offeror to the Vendors to give notice to resign as Directors with effect from the earliest time permitted under the Takeovers Code. Such resignation will not take effect earlier than the date of the close of the Offer.

In addition, pursuant to the terms of the Sale and Purchase Agreement, the Vendors shall cause such persons as the Offeror may nominate to be validly appointed as Directors with effect from the earliest time permitted under the Takeovers Code. Such appointment will not take effect earlier than the date of despatch of the Composite Document in relation to the Offer, subject to the requirements of the Takeovers Code. A further announcement will be made on any further proposed change of the composition of the Board. Any changes to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules.

### **Maintaining the listing status of the Company**

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer and each of the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that a sufficient public float exists for the Shares.

In the event that after the completion of the Offer, the public float of the Company falls below 25%, the Offeror and the Company will undertake to the Stock Exchange that they will take appropriate steps to restore the minimum public float as required under the Listing Rules as soon as possible following the close of the Offer to ensure that sufficient public float exists for the Shares.

**The Stock Exchange has stated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.**

### **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee, comprising all three independent non-executive Directors has been formed to make a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and whether the Offer is in the interests of the Company and the Shareholders as a whole and its acceptance.

First Shanghai Capital Limited has been appointed by the Board as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer and as to its acceptance. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

## **COMPOSITE DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch an offer document containing the terms of the Offer, together with the Form of Acceptance, to the Shareholders within 21 days after the date of this joint announcement, or such later date as the Executive may approve.

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document (accompanied by the Form of Acceptance) in connection with the Offer setting out, inter alia, details of the Offer (including the expected timetable) and incorporating the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser on the Offer and as to acceptance will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code.

The Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and whether the Offer is in the interests of the Company and the Shareholders as a whole and its acceptance, before deciding whether or not to accept the Offer.

## **GENERAL**

### **Securities in the Company**

As at the date of this joint announcement, the Company has a total of 468,050,000 Shares in issue. Save as aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

### **Dealings disclosure**

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined in the Takeovers Code) of the Company and the Offeror (including their respective shareholders having interests of more than 5% of the relevant securities) are reminded to disclose their dealings in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company under Rule 22 of the Takeovers Code.

### **Responsibilities of stockbrokers, banks and other intermediaries**

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates (as defined in the Takeovers Code) and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant

rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any seven day period is less than HK\$1 million. This dispensation does not alter the obligation of principals, associates (as defined in the Takeovers Code) and other person themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to cooperate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that the stockbrokers and other intermediaries will supply the Executive with the relevant information as to those dealings, including identities of clients, as part of that co-operation.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 2 July 2015 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 13 July 2015.

## **WARNING**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares during the Offer Period. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.**

## **DEFINITIONS**

In this joint announcement, unless the context otherwise requires, the following terms have the meanings set out below:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“CM Investment”	CM Investment Company Limited, a company incorporated in the BVI with limited liability

“Company”	Sino Golf Holdings Limited, a company incorporated in Bermuda as an exempt company with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00361)
“Completion”	completion of the Share Transfer
“Composite Document”	the composite offer and response document proposed to be jointly issued by or for and on behalf of the Offeror and the Company to all Shareholders in connection with the Offer in accordance with the Takeovers Code containing, amongst other things, detailed terms of the Offer, and the letters of advice from the Independent Board Committee and the Independent Financial Adviser on the Offer
“controlling Shareholder”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Executive”	Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Form of Acceptance”	the form of acceptance and transfer of Shares in respect of the Offer
“Fortune Belt”	Fortune Belt Limited, a company incorporated in the BVI with limited liability
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Choy Tak Ho, Ms. Chiu Lai Kuen Susanna and Mr. Zhu Shengli, formed to make recommendation to the Independent Shareholders in relation to the terms of the Offer and its acceptance

“Independent Financial Adviser”	First Shanghai Capital Limited, a licensed corporation permitted to carry out businesses in type 6 (advising on corporate finance) regulated activity as defined under the SFO and the independent financial adviser appointed in accordance with the Takeovers Code in respect of the Offer
“Independent Shareholders”	the Shareholders other than the Offeror, its ultimate beneficial owners and parties acting in concert with any of them
“Kingston Securities”	Kingston Securities Limited, a corporation licensed to carry out business in type 1 (dealing in securities) regulated activity under the SFO
“Kingston Corporate Finance”	Kingston Corporate Finance Limited, a corporation licensed to carry out businesses in type 6 (advising on corporate finance) regulated activity under the SFO and the financial adviser to the Offeror in respect of the Offer
“Last Trading Day”	30 June 2015, being the last trading day for the Shares prior to the suspension of trading in the Shares pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chu”	Mr. Chu Chun Man Augustine, the executive Director, the chairman of the Board and one of the ultimate beneficial owners of the Vendors as at the date of this joint announcement
“Mr. Jiang”	Mr. Jiang Jianhui (姜建輝), beneficially owns as to 80% of the Offeror and the sole director of the Offeror as at the date of this joint announcement
“Mr. Yan”	Mr. Yan Kim Po (殷劍波), beneficially owns as to 20% of the Offeror
“Offer”	the mandatory unconditional cash offer to be made by Kingston Securities for and on behalf of the Offeror for all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code
“Offer Period”	has the meaning ascribed to it in the Takeovers Code



“Offer Price”	the price per Offer Share at which the Offer will be made, being HK\$1.0684 per Offer Share
“Offer Share(s)”	all the Share(s) in issue, other than those Shares already owned by the Offeror and parties acting in concert with it
“Offeror”	Surplus Excel Limited, a company incorporated in the BVI with limited liability
“Overseas Shareholder(s)”	Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“Possible Transaction”	the possible sale and purchase of the 287,074,657 Shares held by the Vendors as initially disclosed in the announcement of the Company dated 15 September 2014
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“relevant securities”	has the meaning as defined in Note 4 to Rule 22 of the Takeovers Code
“Sale and Purchase Agreement”	the sale and purchase agreement dated 30 June 2015 entered into among Mr. Chu, Mr. Jiang, the Vendors and the Offeror for the Share Transfer
“Sale Shares”	an aggregate of 287,074,657 Shares, representing approximately 61.33% of the total issued share capital of the Company as at the date of the Sale and Purchase Agreement, acquired by the Offeror pursuant to the Share Transfer
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Transfer”	the acquisition by the Offeror of the Sale Shares pursuant to the Sale and Purchase Agreement

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Vendors”	CM Investment and Fortune Belt
“%”	per cent

**Surplus Excel Limited**  
**Jiang Jianhui**  
*Sole Director*

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

Hong Kong, 10 July 2015

*As at the date of this joint announcement, the Board 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. ZHU Shengli.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than the opinion expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.*

*As at the date of this joint announcement, Mr. Jiang is the sole director of the Offeror.*

*The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Vendors and parties acting in concert with any one of them), and confirms, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement (other than the opinion expressed by the Group, the Vendors and parties acting in concert with any one of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.*

*The English text of this joint announcement shall prevail over its Chinese text.*