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SINO GOLF HOLDINGS LIMITED

順龍控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00361)

**(A) PROPOSED CAPITAL REORGANISATION INVOLVING REDUCTION
OF ISSUED SHARES AND SUB-DIVISION OF UNISSUED SHARES;
(B) BONUS ISSUE OF SHARES;
AND
(C) CHANGE IN BOARD LOT SIZE**

Financial adviser to the Company

VEDA | CAPITAL
智 略 資 本

PROPOSED CAPITAL REORGANISATION

The Company proposes to implement the Capital Reduction involving the reduction of the paid-up capital of each of the issued Shares by cancelling the paid-up capital to the extent of HK\$0.09 per issued Share so that the nominal value of each issued Share will be reduced from HK\$0.10 to HK\$0.01. The credit arising from the Capital Reduction of approximately HK\$42,124,500 will be applied for the Bonus Issue and the balance of credit will be transferred to the capital reduction reserve of the Company and be applied for such purposes as permitted by the laws of Bermuda and the Bye-laws and as the Board considers appropriate.

Immediately following the Capital Reduction becoming effective, each authorised but unissued Share will also be sub-divided into ten (10) New Shares with a nominal value of HK\$0.01 each.

BONUS ISSUE

Subject to the Capital Reorganisation becoming effective, the Board proposes a Bonus Issue of New Shares on the basis of four (4) Bonus Shares for every one (1) New Share held by the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date.

The Bonus Shares to be allotted and issued will be credited as fully paid at par by way of capitalisation of an amount standing to the credit of the capital reduction reserve of the Company. The Bonus Shares, upon issue, will rank pari passu in all respects with the New Shares.

Application will be made to the Listing Committee of the Stock Exchange for the approval for the listing of, and permission to deal in, the Bonus Shares.

* For identification purpose only

CHANGE IN BOARD LOT SIZE

The Board proposes that subject to and upon the Capital Reorganisation and the Bonus Issue becoming effective, the board lot size be changed from 2,000 Shares to 20,000 New Shares.

GENERAL

The SGM is proposed to be convened and held for the Shareholders to consider and, if thought fit, to approve the Capital Reorganisation and the Bonus Issue. In compliance with the Listing Rules, all resolutions will be voted on by way of a poll at the SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolutions to be proposed at the SGM. A circular containing, amongst other things, details of the Capital Reorganisation, the Bonus Issue and the Change in Board Lot Size, together with the notice convening the SGM, will be despatched to the Shareholders on or before 14 December 2015.

PROPOSED CAPITAL REORGANISATION

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 1,000,000,000 Shares of par value of HK\$0.10 each, of which 468,050,000 Shares have been issued and are fully paid or credited as fully paid. The Board proposes the Capital Reorganisation to be implemented in the following manner:

- (i) paid-up capital of each of the issued Shares be reduced from HK\$0.10 to HK\$0.01 per issued Share by cancelling the paid-up capital to the extent of HK\$0.09 per issued Share by way of a reduction of capital, so as to form New Share with par value of HK\$0.01 each;
- (ii) the credit arising from the Capital Reduction of approximately HK\$42,124,500 will be applied for the Bonus Issue. The balance of credit (if any) will be transferred to the capital reduction reserve of the Company and be applied for such purposes as permitted by the laws of Bermuda and the Bye-laws and as the Board considers appropriate; and
- (iii) immediately following the Capital Reduction becoming effective, each authorised but unissued Share with par value of HK\$0.10 each be sub-divided into ten (10) New Shares with par value of HK\$0.01 each, and such New Shares shall rank pari passu in all respects with each other and have rights and privileges and be subject to the restrictions contained in the Bye-laws.

Effect of the Capital Reorganisation

Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the date on which the Capital Reorganisation becomes effective, the share capital structure of the Company will be as follows:

	As at the date of this announcement	Immediately after the Capital Reorganisation becoming effective
Par value	HK\$0.10 per Share	HK\$0.01 per New Share
Amount of the authorised share capital	HK\$100,000,000	HK\$100,000,000
Number of authorised shares	1,000,000,000	10,000,000,000
Amount of issued share capital	HK\$46,805,000	HK\$4,680,500
Number of issued shares	468,050,000	468,050,000

The New Shares will rank pari passu in all respects with each other.

A credit of approximately HK\$42,124,500 will arise as a result of the Capital Reduction. Such credit will be applied for the Bonus Issue and the balance of credit will be transferred to the capital reduction reserve of the Company and be applied for such purposes as permitted by the laws of Bermuda and the Bye-laws and as the Board considers appropriate.

As at the date of this announcement, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Shareholders and potential investors should note that the credit arising in the books of the Company from the Capital Reorganisation will be subject to change depending on the number of Shares in issue immediately prior to the Capital Reorganisation becoming effective.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (i) the passing of a special resolution by the Shareholders at the SGM to approve the Capital Reorganisation;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares;
- (iii) the compliance with the relevant procedures and the requirements under the laws of Bermuda and the Listing Rules to effect the Capital Reorganisation; and
- (iv) the obtaining of all necessary approvals from the regulatory authorities, or as may otherwise be required, in respect of the Capital Reorganisation.

Listing and Dealings

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or, under contingent situation, such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The New Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. All necessary arrangements will be made for the New Shares to be admitted into CCASS.

Free exchange of share certificates

Subject to the Capital Reorganisation becoming effective, the Shareholders can submit their existing share certificates for the Shares to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange for the new share certificates for the New Shares free of charge between 9:00 a.m. and 4:30 p.m. on any Business Day from Monday, 25 January 2016 to Monday, 29 February 2016 (both days inclusive). After the expiry of such period, existing share certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each existing share certificate cancelled or each new share certificate issued (whichever number of share certificates involved is higher).

The new share certificates will be issued in blue colour in order to be distinguished from the existing share certificates which are in green colour.

PROPOSED BONUS ISSUE

Subject to the Capital Reorganisation becoming effective and fulfillment of the conditions set out under the section headed "Conditions of the Bonus Issue" below, the Bonus Shares will be issued and credited as fully paid at par on the basis of four (4) Bonus Shares for every one (1) New Share held by the Qualifying Shareholders on the Record Date. On the basis of 468,050,000 New Shares after the Capital Reorganisation becoming effective, and assuming no further New Shares will be issued or repurchased prior to the Record Date, it is anticipated that 1,872,200,000 Bonus Shares will be issued under the Bonus Issue. The Bonus Shares to be allotted and issued will be credited as fully paid at par by way of capitalisation of an amount standing to the credit of the capital reduction reserve of the Company.

Conditions of the Bonus Issue

The Bonus Issue is conditional upon:

- (i) the Capital Reorganisation becoming effective;
- (ii) the passing of an ordinary resolution(s) by the Shareholders at the SGM to approve the Bonus Issue;
- (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares;
- (iv) the compliance with the relevant procedures and the requirements under the laws of Bermuda and the Listing Rules to effect the Bonus Issue; and
- (v) the obtaining of all necessary approvals from the regulatory authorities, or as may otherwise be required, in respect of the Bonus Issue.

Application will be made to the Listing Committee of the Stock Exchange for the approval for the listing of, and permission to deal in, the Bonus Shares.

Fraction of Bonus Shares

On the basis of four (4) Bonus Shares for every one (1) New Share to be held by the Qualifying Shareholders on the Record Date, no fractional entitlement will arise. Fractional entitlements to the Bonus Shares (if any) will not be allotted or issued to Shareholders.

Closure of register of members

The Bonus Shares will be issued to the Qualifying Shareholders. Arrangement for the Non-qualifying Shareholders are further elaborated below under the section headed "Overseas Shareholders".

The register of members of the Company will be closed from Wednesday, 13 January 2016 to Thursday, 14 January 2016 (both days inclusive), during which no transfer of New Shares will be registered, in order to determine the entitlement of the Shareholders under the Bonus Issue.

Shareholders are reminded that in order to qualify for the Bonus Issue, they must ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 12 January 2016. The exact total number of Bonus Shares to be issued under the Bonus Issue will not be capable of determination until after the Record Date.

Overseas Shareholders

If as at the close of business on the Record Date, any Shareholder's address as recorded on the register of members of the Company is in a place outside Hong Kong, the Board will make enquiries as to whether extending the Bonus Issue to the Overseas Shareholders may contravene the applicable securities legislation of the relevant jurisdictions or the requirements of the relevant regulatory bodies or stock exchanges.

If, after making such enquiry, the Board is of the opinion that there is no legal restriction(s) under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, such Overseas Shareholder will be permitted to participate in the Bonus Issue. If, however, after making such enquiry, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restriction(s) under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, to exclude such Overseas Shareholder, no issue of the Bonus Shares will be made to such Overseas Shareholder.

Overseas Shareholders receiving a copy of the circular concerning the Bonus Issue may not treat it the same as an invitation to participate in the Bonus Issue unless such invitation could lawfully be made to him/her/it without having to comply with any registration or other legal requirements in the relevant territory.

In circumstances where any Overseas Shareholders are not permitted to participate in the Bonus Issue, arrangements will then be made for the Bonus Shares which would otherwise have been issued to those Overseas Shareholders to be sold in the market as soon as practicable after dealings in Bonus Shares commence. Any net proceeds of such sale, after deduction of expenses, of HK\$100 or more will be distributed in Hong Kong dollars to the Non-qualifying Shareholders, if any, pro rata to the respective shareholding and remittances will be posted to them, at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100, in which case it will be retained for the benefit of the Company.

Status of Bonus Shares

The Bonus Shares, upon issue, will rank pari passu with the New Shares then existing in all respects, including the entitlement of receiving dividends and other distributions, the record date for which is on or after the date of allotment and issue of those Bonus Shares.

Certificates of Bonus Shares

It is expected that share certificates for the Bonus Shares will be despatched by ordinary post to the Qualifying Shareholders on Friday, 22 January 2016 at the risk of the Qualifying Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date. Dealing in the Bonus Shares on the Stock Exchange is expected to commence at 9:00 a.m. on Monday, 25 January 2016.

CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are traded on the Stock Exchange in board lot size of 2,000 Shares. The Board proposes that subject to and upon the Capital Reorganisation and the Bonus Issue becoming effective, the board lot size be changed from 2,000 Shares to 20,000 New Shares. The Change in Board Lot Size will not affect any of the relative rights of the Shareholders.

Based on the closing price of HK\$1.08 per Share as at the date of this announcement, the value of each board lot of 20,000 New Shares, assuming the Capital Reorganisation, the Bonus Issue and the Change in Board Lot Size had already become effective, would be HK\$4,320.

Odd Lot Arrangements

In order to alleviate the difficulties arising from the existence of odd lots of the New Shares as a result of the Bonus Issue and the Change in Board Lot Size, the Company has appointed Head & Shoulders Securities Limited as an agent to provide matching services on a best effort basis to the Shareholders who wish to top up or sell their holdings of odd lots of the New Shares during the period from 9:00 a.m. on Monday, 25 January 2016 to 4:00 p.m. on Wednesday, 17 February 2016, both days inclusive. Holders of the New Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the New Shares or to top up their odd lots to a full new board lot may directly or through their brokers to contact Mr. Alan Yu at Room 2511, 25/F., Cosco Tower, 183 Queen's Road Central, Hong Kong or at telephone number (852) 3103 8398 during office hours (i.e. 9:00 a.m. to 6:00 p.m. within such period). Holders of the New Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the New Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above arrangement.

REASONS FOR THE PROPOSED CAPITAL REORGANISATION AND THE BONUS ISSUE

The Board considers that the proposed Capital Reorganisation will enable the nominal value of the Shares to be reduced from HK\$0.10 each to HK\$0.01 each. Given that the Company is not permitted to issue new Shares below their nominal value, the Company is of the view that the Capital Reorganisation will give greater flexibility for future equity fund raising by the Company and will capture the market opportunities in a timely manner as and when the same arise. Except for those expenses to be incurred in relation to the Capital Reorganisation, the proposed Capital Reorganisation will not have a material adverse effect on the financial position of the Group and will also have no effect on the underlying assets, business operations, management or financial position of the Group or the proportionate interests of the Shareholders.

Part of the credit arising from the Capital Reorganisation of approximately HK\$18,722,000 will be capitalised into the share capital account of the Company under the Bonus Issue. The balance of credit arising from the Capital Reorganisation will be transferred to the capital reduction reserve of the Company and be applied for such purposes as permitted by the laws of Bermuda and the By-laws and as the Board considers appropriate.

The Company has considered the corresponding advantages and disadvantages of the Bonus Issue. Despite the fact that the share price per Share on an ex-entitlement basis might be reduced by the same proportion and that the Bonus Issue is not expected to increase the Shareholders' proportionate interests in the Company, the Bonus Issue will increase the number of Shares to be held by the Shareholders and will capitalise part of the capital reduction reserve of the Company without affecting the retained profits of the Company which are available for dividend distribution in the future. While the Bonus Issue will not increase the proportionate interests of each of the Shareholders, the Bonus Issue will increase the number of Shares to be held by the Shareholders and may have a return in the long run. The Directors are of the view that the Bonus Issue is in the interests of the Company and the Shareholders as a whole. Shareholders are advised to consult their professional advisers if they are in doubt about the corresponding advantages and disadvantages of the Bonus Issue.

Based on the closing price of HK\$1.08 per Share as quoted on the Stock Exchange as at the date of this announcement (equivalent to a theoretical ex-entitlement price of HK\$0.216 per Share upon the allotment and issue of the Bonus Shares), the market value of each board lot of 2,000 Shares is HK\$2,160 and the market value of each board lot of 2,000 New Shares upon the allotment and issue of the Bonus Shares is estimated to be HK\$432. With the Change in Board Lot Size, the market value of each board lot of 20,000 New Shares is estimated to be HK\$4,320, based on the theoretical ex-entitlement price of HK\$0.216 per Share upon the allotment and issue of the Bonus Shares. Save as disclosed herein, the Change in Board Lot Size will not affect the rights of the Shareholders. As illustrated above, it is expected that the Bonus Issue will bring about a corresponding downward adjustment in the trading price per board lot of the New Shares on the Stock Exchange. The Change in Board Lot Size will help to restore the market value of each board lot in order to comply with the Listing Rules for the minimum value of each board lot of the Shares upon completion of the Bonus Issue and reduce the overall transaction costs for dealing in the New Shares which are calculated on per board lot basis.

Having considered the abovementioned, the Board considers that the proposed Capital Reorganisation, the Bonus Issue and the Change in Board Lot Size are in the interests of the Company and the Shareholders as a whole.

EXPECTED TIMETABLE

The expected timetable for the Capital Reorganisation, the Change in Board Lot Size and the Bonus Issue is set out below:

Events	2015
Despatch of circular in relation to the Capital Reorganisation, the Change in Board Lot Size and the Bonus Issue (including the notice of SGM) and the related proxy form to the Shareholders	Monday, 14 December
	2016
Latest date and time of lodgment of form of proxy for the SGM	10a.m. on Monday, 4 January
Date and time of the SGM	10a.m. on Wednesday, 6 January
Publication of the announcement of the results of the SGM	Wednesday, 6 January
<i>The following events are conditional on the approval of Capital Reorganisation and Bonus Issue at the SGM.</i>	
Effective date of the Capital Reorganisation	Thursday, 7 January
Last day of dealings in Shares on a cum-entitlement basis	Friday, 8 January
First day of dealing in Shares on an ex-entitlement basis	Monday, 11 January
Latest time for lodging transfer of Shares for registration in order to qualify for the Bonus Shares	4:30 p.m. on Tuesday, 12 January

Closure of register of members for registration of transfer of the New Shares to determine Shareholders' entitlement to the Bonus Shares	Wednesday, 13 January to Thursday, 14 January
Record Date for determining entitlement to the Bonus Shares	Thursday, 14 January
Re-opening of register of members of the Company	Friday, 15 January
Despatch of share certificates for the Bonus Shares	on or before Friday, 22 January
Last day of trading of old board lot size of 2,000 New Shares	Friday, 22 January
Dealing in the Bonus Shares commences	9:00 a.m. on Monday, 25 January
Effective date of change of board lot size from 2,000 New Shares to 20,000 New Shares	Monday, 25 January
First day of free exchange of existing certificates for the Shares into new certificates for the New Shares	Monday, 25 January
Designated broker starts to stand in the market to provide matching services for sale and purchase of odd lots of the New Shares	9:00 a.m. on Monday, 25 January
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of the News Shares	4:00 p.m. on Wednesday, 17 February
Last day of free exchange of existing certificates for the Shares into new certificates for the New Shares	Monday, 29 February

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

GENERAL

The SGM is proposed to be convened and held for the Shareholders to consider, and if thought fit, to approve the Capital Reorganisation and the Bonus Issue. In compliance with the Listing Rules, all resolutions will be voted on by way of a poll at the SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolutions to be proposed at the SGM. A circular containing, amongst other things, details of the Capital Reorganisation, the Bonus Issue and the Change in Board Lot Size, together with the notice convening the SGM, will be despatched to the Shareholders on or before 14 December 2015.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Board”	the board of Directors
“Bonus Issue”	the issue of Bonus Shares to the Qualifying Shareholders on the basis of four (4) Bonus Shares for every one (1) New Share held on the Record Date
“Bonus Share(s)”	New Share(s) to be allotted and issued by way of Bonus Issue by the Company
“Business Day”	a day on which the Stock Exchange is open for transaction of business
“Bye-laws”	the bye-laws of the Company
“Capital Reduction”	the reduction of the paid-up capital of each of the issued Shares by cancelling the paid-up capital to the extent of HK\$0.09 per issued Share so that the nominal value of each issued Share will be reduced from HK\$0.10 to HK\$0.01
“Capital Reorganisation”	the Capital Reduction and the sub-division of unissued Shares
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change of board lot size of the Company’s securities for trading on the Stock Exchange from 2,000 Shares to 20,000 New Shares
“Company”	Sino Golf Holdings Limited, a company incorporated in Bermuda as an exempted company with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00361)
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company immediately after the Capital Reorganisation becoming effective

“Non-qualifying Shareholders”	Overseas Shareholder(s) who is/are excluded from the Bonus Issue
“Qualifying Shareholders”	the Shareholders whose names appear on the register members of the Company on the Record Date and who are entitled to the Bonus Issue
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register are in a jurisdiction outside Hong Kong
“Record Date”	Monday, 11 January 2016, being the record date for the purpose of determination of entitlement to the Bonus Issue of each Qualifying Shareholder
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Capital Reorganisation and the Bonus Issue
“Share(s)”	ordinary share(s) of HK0.10 each in the share capital of the Company prior to the Capital Reorganisation
“Shareholder(s)”	holder(s) of the Shares or New Shares, as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Sino Golf Holdings Limited
WONG Hin Shek
Chairman

Hong Kong, 30 November 2015

As at the date of this announcement, the Board comprises Mr. WONG Hin Shek, Mr. ZHANG Yi and Mr. CHU Chun Man, Augustine, all being executive Directors; and Ms. CHU Yin Yin, Georgiana, Mr. YIP Tai Him and Mr. CHAN Kai Wing, all being independent non-executive Directors.