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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)

DISCLOSEABLE TRANSACTIONS: DISPOSALS OF TWO PROPERTIES IN THE PRC

The Board announces that (i) on 9 March 2012, Zengcheng Sino Golf, an indirect wholly-owned subsidiary of the Company, has entered into the First Disposal Agreement with the First Purchaser whereby Zengcheng Sino Golf agreed to dispose of and the First Purchaser agreed to acquire the First Property for an aggregate consideration of RMB25,500,000 in cash; and (ii) on the same day, Sino Concept, an indirect wholly-owned subsidiary of the Company, has entered into the Second Disposal Agreement with the Second Purchaser whereby Sino Concept agreed to dispose of and the Second Purchaser agreed to acquire the Second Property for an aggregate consideration of RMB12,000,000 in cash.

As the relevant percentage ratios exceed 5% but below 25%, each of the Disposals constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

The Board announces that (i) on 9 March 2012, Zengcheng Sino Golf, an indirect wholly-owned subsidiary of the Company, has entered into the First Disposal Agreement with the First Purchaser whereby Zengcheng Sino Golf agreed to dispose of and the First Purchaser agreed to acquire the First Property for an aggregate consideration of RMB25,500,000 in cash; and (ii) on the same day, Sino Concept, an indirect wholly-owned subsidiary of the Company, has entered into the Second Disposal Agreement with the Second Purchaser whereby Sino Concept agreed to dispose of and the Second Purchaser agreed to acquire the Second Property for an aggregate consideration of RMB12,000,000 in cash. Details of the Agreements are set out below.

* *for identification purpose only*

THE FIRST DISPOSAL AGREEMENT

Date: 9 March 2012

Parties: (1) 增城市順龍高爾夫球製品有限公司 (Zengcheng Sino Golf Manufacturing Co., Ltd[#])
(2) 廣州超榮房地產發展有限公司 (Guangzhou Chaorong Property Development Co., Ltd.[#])

The First Purchaser is a company established in the PRC principally engaged in property development. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the First Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the First Purchaser and its ultimate beneficial owner(s) are not connected persons to the Second Purchaser and its ultimate beneficial owner(s).

Zengcheng Sino Golf is a company established in the PRC principally engaged in manufacturing and trading of golf equipment and accessories and is an indirect wholly owned subsidiary of the Company.

Assets to be disposed

Pursuant to the First Disposal Agreement, Zengcheng Sino Golf, an indirect wholly owned subsidiary of the Company, agreed to dispose of and the First Purchaser agreed to acquire the First Property.

The First Disposal is not inter-conditional with the Second Disposal.

Consideration

The aggregate consideration for the First Disposal is RMB25,500,000 in cash, of which shall be satisfied by the First Purchaser in the following manner:

- (a) as to RMB750,000 has been received by Zengcheng Sino Golf as deposit prior to the entering into of the First Disposal Agreement;
- (b) as to RMB7,100,000 shall be payable by the First Purchaser to Zengcheng Sino Golf within ten (10) days from the date of the First Disposal Agreement and Zengcheng Sino Golf shall commence the preparation of relevant information for application to the relevant PRC authorities for the transfer within twenty (20) working days after receipt of the full amount; and
- (c) as to the remaining balance of RMB17,650,000 shall be payable by the First Purchaser to Zengcheng Sino Golf on the same day upon the submission of the application to the relevant PRC authorities for the transfer.

In the event that the First Disposal Agreement cannot be completed as a result of force majeure, the First Disposal Agreement shall be terminated and Zengcheng Sino Golf shall refund the deposit (without interest) to the First Purchaser within 30 days from the date of termination.

The consideration for the First Disposal was arrived at after arm's length negotiations between the parties to the First Disposal Agreement after taking into consideration of various factors. Based on the financial statements of Zengcheng Sino Golf as adjusted to comply with the HKGAAP's, the book value of the First Property prior to valuation amounts to approximately HK\$31,869,000 as at 31 December 2011.

The Directors consider the terms and conditions of the First Disposal to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Completion of transfer of the First Property

Completion of transfer of the First Property shall be subject to the registration with the relevant PRC authority. Pursuant to the terms of the First Disposal Agreement, despite completion of the transfer of title or not, Zengcheng Sino Golf shall entitle to continue to use the First Property until 31 December 2013 and shall deliver vacant possession to the First Purchaser on 1 January 2014.

Information on the First Property

The First Property comprises land, factories, stock house and staff dormitories located in Zengcheng City, Guangdong Province, the PRC. The First Property has gross land area of approximately 31,397 sq. m. and gross floor area of approximately 18,515 sq. m.

The First Property is currently used by Zengcheng Sino Golf principally as production base for manufacture of golf equipment and accessories.

According to the financial statements of Zengcheng Sino Golf as adjusted to comply with the HKGAAPs, the book value of the First Property prior to valuation as at 31 December 2011 was approximately HK\$31,869,000.

Financial Effects of the First Disposal

The Board estimates that the net proceeds from the First Disposal (after deduction of relevant costs and expenses) will amount to approximately RMB25,450,000 (equivalent to approximately HK\$31,036,000). It is intended that the net proceeds from the First Disposal will be applied towards reduction of bank loans and general working capital of the Group.

Based on the unaudited management accounts of the Group as at 31 December 2011 and the aforesaid net proceeds from the First Disposal, it is expected that the Group will record a loss of approximately HK\$833,000 attributable to the First Disposal for the year ending 31 December 2012 and a decrease in the net assets of the Group by approximately HK\$833,000. In any event, the Board does not envisage that the First Disposal will create any significant adverse impact on the Group's financial position.

THE SECOND DISPOSAL AGREEMENT

Date: 9 March 2012

Parties: (1) 廣州順興高爾夫球製品有限公司 Guangzhou Sino concept Manufacturing Co., Ltd.
(2) 廣州致德紡織機械有限公司 (Guangzhou Zhide Textile Machinery Co., Ltd.#)

The Second Purchaser is a company established in the PRC principally engaged in the development and sale of weaving equipment and parts, and property letting. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Second Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Second Purchaser and its ultimate beneficial owner(s) are not connected persons to the First Purchaser and its ultimate beneficial owner(s).

Sino Concept is a company established in the PRC principally engaged in manufacturing and trading of golf equipment and accessories and is an indirect wholly owned subsidiary of the Company.

Assets to be disposed

Pursuant to the Second Disposal Agreement, Sino Concept, an indirect wholly owned subsidiary of the Company, agreed to dispose of and the Second Purchaser agreed to acquire the Second Property.

The Second Disposal is not inter-conditional with the First Disposal.

Consideration

The aggregate consideration for the Second Disposal is RMB12,000,000 in cash, of which shall be satisfied by the Second Purchaser in the following manner:

(a) as to RMB250,000 has been received by Sino Concept as deposit prior to the entering into of the Second Disposal Agreement;

- (b) as to RMB2,750,000 shall be payable by the Second Purchaser to Sino Concept within ten (10) days from the date of the Second Disposal Agreement and Sino Concept shall commence the preparation of relevant information for application to the relevant PRC authorities for the transfer within twenty (20) working days after receipt of the full amount; and
- (c) as to the remaining balance of RMB9,000,000 shall be payable by the Second Purchaser to Sino Concept on the day upon the submission of the application to the relevant PRC authorities for the transfer.

In the event that the Second Disposal Agreement cannot be completed as a result of force majeure, the Second Disposal Agreement shall be terminated and Sino Concept shall refund the deposit (without interest) to the Second Purchaser within 30 days from the date of termination.

The consideration for the Second Disposal was arrived at after arm's length negotiations between the parties to the Second Disposal Agreement after taking into consideration of various factors. Based on the financial statements of Sino Concept as adjusted to comply with the HKGAAP's, the book value of the Second Property prior to valuation amounts to approximately HK\$15,117,000 as at 31 December 2011.

The Directors consider the terms and conditions of the Second Disposal to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Completion of transfer of the Second Property

Completion of transfer of the Second Property shall be subject to the registration with the relevant PRC authority. Pursuant to the terms of the Second Disposal Agreement, despite completion of the transfer of title or not, Sino Concept shall entitle to continue to use the Second Property until 30 July 2012 and shall deliver vacant possession to the Second Purchaser on 30 August 2012.

Information on the Second Property

The Second Property comprises land and factories located in Guangzhou Economic and Technological Development District, Guangdong Province, the PRC. The Second Property has gross land area of approximately 15,000 sq. m. and gross floor area of approximately 12,742.76 sq. m.

The Second Property is currently used by Sino Concept principally as production base for manufacture of golf equipment and accessories.

According to the financial statements of Sino Concept as adjusted to comply with the HKGAAPs, the book value of the Second Property prior to valuation as at 31 December 2011 was approximately HK\$15,117,000.

Financial Effects of the Second Disposal

The Board estimates that the net proceeds from the Second Disposal (after deduction of relevant costs and expenses) will amount to approximately RMB11,950,000 (equivalent to approximately HK\$14,573,000). It is intended that the net proceeds from the Second Disposal will be applied towards reduction of bank loans and the general working capital of the Group.

Based on the unaudited management accounts of the Group as at 31 December 2011 and the net proceeds from the Second Disposal, it is expected that the Group will record a loss of approximately HK\$544,000 attributable to the Second Disposal for the year ending 31 December 2012 and a decrease in the net assets of the Group by approximately HK\$544,000. In any event, the Board does not envisage that the Second Disposal will create any significant impact on the Group's financial position.

REASONS FOR THE DISPOSALS

The Group is principally engaged in manufacturing and trading of golf equipment, bags and other accessories.

With the establishment of other subsidiaries by the Group in the PRC, the operation level of both Zengcheng Sino Golf and Sino Concept has reduced and it is expected that the daily operation originally undertaken by Zengcheng Sino Golf and Sino Concept has been gradually taken up by other PRC subsidiaries of the Group.

In light of the reduction in the operation level of Zengcheng Sino Golf and Sino Concept, the Directors have considered to streamline the operations of the Group and to reallocate the resources of the Group. In this regard, the Directors consider that the Disposals represent a good opportunity to realize the investment of the Group in the First Property and the Second Property and the proceeds from the Disposals can further strengthen the cash flow of the Group.

Furthermore, pursuant to the terms of the First Disposal Agreement, Zengcheng Sino Golf can continue to use the First Property until 31 December 2013, which allows additional time for the Group to reallocate its resources and streamline its operations. The Directors therefore consider that the Disposals will not create any significant adverse impact on the Group's operation.

Taking into consideration of the aforesaid, the Directors consider that the terms and conditions of the Agreements are fair and reasonable and the Disposals are in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION

As the relevant percentage ratios exceed 5% but below 25%, the First Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

As the relevant percentage ratios exceed 5% but below 25%, the Second Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agreements”	together with the First Disposal Agreement and the Second Disposal Agreement
“Board”	the board of Directors
“Company”	Sino Golf Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
“Directors”	directors of the Company
“Disposals”	the disposals of the First Property and the Second Property pursuant to the Agreements
“First Disposal”	the disposal of the First Property pursuant to the terms of the First Disposal Agreement
“First Disposal Agreement”	the agreement dated 9 March 2012 and entered into between Zengcheng Sino Golf and the First Purchaser in relation to the disposal of the First Property by Zengcheng Sino Golf to the First Purchaser
“First Property”	the property located in Zengcheng City, Guangdong Province, the PRC and owned by Zengcheng Sino Golf
“First Purchaser”	廣州超榮房地產發展有限公司(Guangzhou Chaorong Property Development Co., Ltd.#), a company established in the PRC and an Independent Third Party
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Second Disposal”	the disposal of the Second Property pursuant to the terms of the Second Disposal Agreement
“Second Disposal Agreement”	the agreement dated 9 March 2012 and entered into between Sino Concept and the Second Purchaser in relation to the disposal of the Second Property by Sino Concept to the Second Purchaser
“Second Property”	the property located in Guangzhou Economic and Technological Development District, Guangdong Province, the PRC and owned by Sino Concept
“Second Purchaser”	廣州致德紡織機械有限公司 (Guangzhou Zhide Textile Machinery Co., Ltd. [#]), a company established in the PRC and an Independent Third Party
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Sino Concept”	廣州順興高爾夫球製品有限公司 Guangzhou Sino Concept Manufacturing Co., Ltd., a company established in the PRC and an indirect wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zengcheng Sino Golf”	增城市順龍高爾夫球製品有限公司 (Zengcheng Sino Golf Manufacturing Co., Ltd. [#]), a company established in the PRC and an indirect wholly owned subsidiary of the Company
“HKGAAPs”	Hong Kong Generally Accepted Accounting Principles

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

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

Hong Kong, 9 March 2012

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. HSIEH Ying Min.

The English transliteration of the Chinese name(s) in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s)