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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Sino Golf Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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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)

**PROPOSALS FOR GENERAL MANDATES TO  
ISSUE NEW SHARES AND REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
TERMINATION OF EXISTING SHARE OPTION SCHEME,  
ADOPTION OF NEW SHARE OPTION SCHEME,  
AMENDMENT OF BYE-LAWS,  
ADOPTION OF NEW BYE-LAWS AND  
NOTICE OF 2012 ANNUAL GENERAL MEETING**

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The notice of an annual general meeting of Sino Golf Holdings Limited (“the **Company**”) to be held at Kowloon Room I, M Floor, Kowloon Shangri-La Hong Kong, 64 Mody Road, Kowloon, Hong Kong on Tuesday, 5 June 2012 at 2:00 p.m. is set out in Appendix IV to this circular.

A form of proxy for the Annual General Meeting is also enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy for the Annual General Meeting in accordance with the instructions printed thereon to our Company’s Hong Kong branch share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

27 April 2012

\* For identification purpose only

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LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. Chu Chun Man, Augustine (*Chairman*)  
Mr. Chu Yuk Man, Simon  
Mr. Chang Hua Jung

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton, HM 11  
Bermuda

*Independent Non-executive Directors:*

Mr. Choy Tak Ho  
Ms. Chiu Lai Kuen, Susanna  
Mr. Hsieh Ying Min

*Head office and principal place of  
business in Hong Kong:*

Room 1901, 19/F., Delta House  
3 On Yiu Street, Shatin  
New Territories  
Hong Kong

Hong Kong, 27 April 2012

*To the Shareholders*

Dear Sirs or Madams,

**PROPOSALS FOR GENERAL MANDATES TO  
ISSUE NEW SHARES AND REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
TERMINATION OF EXISTING SHARE OPTION SCHEME,  
ADOPTION OF NEW SHARE OPTION SCHEME,  
AMENDMENT OF BYE-LAWS,  
ADOPTION OF NEW BYE-LAWS AND  
NOTICE OF 2012 ANNUAL GENERAL MEETING**

**INTRODUCTION**

On 2 June 2011, general mandates were given to the directors of the Company (the “**Directors**” or the “**Board**”) to issue shares of the Company (the “**Shares**”) and to exercise all the powers of the Company to repurchase its Shares. These general mandates will lapse at the conclusion of the 2012 Annual General Meeting of the Company (the “**AGM**”). It is therefore proposed to renew the general mandates to issue Shares and to repurchase Shares at the AGM.

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with information relating to the ordinary resolutions and special resolutions to be proposed at the AGM to be held on Tuesday, 5 June 2012, as required by the relevant rules set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). These include, among others, i) ordinary resolutions relating to the granting to the Directors general mandates to allot, issue and deal with new Shares, to repurchase Shares and to extend the general mandate to the nominal amount of any Shares repurchased by the Company; ii) ordinary resolution relating to the re-election of the retiring Directors; iii) ordinary resolutions relating to the termination of the existing share option scheme and adoption of a new share option scheme; and iv) special resolutions relating to amendment of the Company’s bye-laws (the “**Bye-laws**”)/and the adoption of a new set of bye-laws.

### **GENERAL MANDATE TO ISSUE SHARES**

At the AGM, an ordinary resolution will be proposed to grant to the Board a general and unconditional mandate to allot, issue, grant, distribute and otherwise deal with additional Shares not exceeding 10 per cent. of the Company’s issued share capital as at the date of such resolution (as adjusted in accordance with the resolution) for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) (“**Share Issue Mandate**”).

### **GENERAL MANDATE TO REPURCHASE SHARES**

At the AGM, an ordinary resolution will also be proposed to grant the Board a general and unconditional mandate to exercise all the powers of the Company to purchase Shares not exceeding 10 per cent. of the Company’s issued share capital as at the date of such resolution for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) (“**Repurchase Mandate**”).

In accordance with the Listing Rules, an explanatory statement is set out in Appendix I to this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed ordinary resolution for the grant of the Repurchase Mandate at the AGM. The fresh Repurchase Mandate, if granted, will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act 1981 of Bermuda (as amended), or any other applicable law of Bermuda to be held; and (iii) the date on which the authority is revoked or varied by the passing of an ordinary resolution of the shareholders of the Company (the “**Shareholders**”) in general meeting.

### **RE-ELECTION OF RETIRING DIRECTORS**

According to Bye-law 87(1), one-third of the Directors for the time being shall be subject to retirement by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. Mr. Chu Chun Man, Augustine and Mr. Chu Yuk Man, Simon shall retire from their offices at the AGM and being eligible, offer themselves for re-election pursuant to Bye-law 87(2).

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## LETTER FROM THE BOARD

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Details of the above Directors, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix II to this circular.

### **TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND ADOPTION OF THE NEW SHARE OPTION SCHEME**

In order to provide incentives to Eligible Participants (as defined below) for their performance and to help the Company and its subsidiaries (the “**Group**”) to retain existing employees and recruit new employees, the Board proposes to adopt a new share option scheme for the Company (the “**New Share Option Scheme**”) and to terminate the existing share option scheme adopted by the Company on 7 August 2002 (the “**Existing Share Option Scheme**”) (without prejudice to the rights and benefits of and attached to all those Options (as defined below), if any, granted under the Existing Share Option Scheme which are outstanding) subject to the approval of the Shareholders at the AGM. For the purpose of this circular, Option(s) shall have the meanings of option(s) granted or to be granted to Eligible Participant(s) to subscribe for Share(s) under the Existing Share Option Scheme or, after its termination and the adoption of the New Share Option Scheme, under the New Share Option Scheme.

The total issued share capital of the Company as at 23 April 2012 (the “**Latest Practicable Date**”) is HK\$46,005,000 divided into 460,050,000 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date to the date of the adoption of the New Share Option Scheme, the number of Shares which may fall to be allotted and issued upon exercise in full of the options granted under the New Share Option Scheme would be 46,005,000 Shares, representing 10% of the Shares in issue as at the Latest Practicable Date, which is within the overall limit of 30% prescribed under Rule 17.03(3) of the Listing Rules.

#### **Existing Share Option Scheme**

The existing share option scheme has been adopted by the Company on 7 August 2002 for the grant of Options to any employee (whether full time or part time), executives or officers, directors (including executive and non-executive) of the Company or any of its subsidiaries and any business consultants, agents, financial or legal advisers of the Company or any of its subsidiaries who, in the sole discretion of the Board, will contribute or have contributed to the Company or any of its subsidiaries (“**Subsidiaries**”).

As at the Latest Practicable Date, there are no outstanding Options granted under the Existing Share Option Scheme entitling the holders thereof to subscribe for Shares. The proposed termination of the Existing Share Option Scheme will not affect the rights of the outstanding Options, if any, granted or to be granted under the Existing Share Option Scheme prior to its termination.

#### **Termination of the Existing Share Option Scheme**

Under the terms of the Existing Share Option Scheme, the Company may at any time by ordinary resolution in general meeting terminate the operation of the Existing Share Option Scheme. It is proposed that the Existing Share Option Scheme is to be terminated upon adoption of the New Share Option Scheme subject to approval of the Shareholders.

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## **LETTER FROM THE BOARD**

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Upon termination of the Existing Share Option Scheme, no further Options can be offered thereunder but the provisions of the Existing Share Option Scheme shall remain in all other respects in full force and effect in respect of any Options granted prior to such termination but not yet exercised at the time of termination. The Directors confirm that prior to the AGM, they will not grant any Options under the Existing Share Option Scheme.

The Existing Share Option Scheme is going to be expired on 6 August 2012 if not terminated. In order to maintain an incentive scheme for the employees of the Group, the Directors consider that it is fair and reasonable to adopt the New Share Option Scheme to replace the Existing Share Option Scheme.

The main difference between the terms of the Existing Share Option Scheme and of the New Share Option Scheme is that under the New Share Option Scheme, the eligible participants under the New Share Option Scheme will include the employees of members of the Group as well as contracted celebrity, advisor, consultant, service provider, agent, customer, partner or joint-venture partner of the Company or any Subsidiary or any Invested Entity (as defined below) (including any director, whether executive or non-executive and whether independent or not, of the Company or any Subsidiary or any Invested Entity) who is in full-time or part-time employment with the Company or any Subsidiary or any Invested Entity at the time when an Option is granted to such employee, or any person who, in the sole discretion of the Board, have contributed or may contribute to the Group or any Invested Entity whereas under the Existing Share Option Scheme, the eligible participants do not include contracted celebrity, service provider, customer, partner or joint-venture partner of the Company or any Subsidiary or any Invested Entity. The Company considers that the extension of the scope of the eligible participants under the New Share Option Scheme is in the interests of the Company and the Shareholders as a whole as it allows additional flexibility for the Company to grant Options to those who contribute to the Group. Please refer to Appendix III of this circular for further details of the terms of the New Share Option Scheme.

### **New Share Option Scheme**

The purpose of the New Share Option Scheme is to replace the Existing Share Option Scheme and to enable the Company to continue to grant Options to the Eligible Participants who, in the sole discretion of the Board, have made or may make contribution to the Group or any Invested Entity as well as to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long term business objectives of the Group. The New Share Option Scheme shall be subject to the administration of the Directors whose decision on all matters arising in relation to the New Share Option Scheme or their interpretation or effect shall (save as otherwise provided herein) be final and binding on all persons who may be affected thereby.

The rules of the New Share Option Scheme provide that the Company may specify the Eligible Participants to whom Options shall be granted, the number of Shares subject to each Option and the date on which the Options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the New Share Option Scheme. There is no performance target specified in the New Share Option Scheme. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage Eligible Participant to acquire proprietary interests in the Company.

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## LETTER FROM THE BOARD

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Subject to the approval of the New Share Option Scheme by the Shareholders, a resolution will be proposed at the AGM for the Board to grant Options under the New Share Option Scheme and any other schemes for the subscription of not more than 10% of the entire issued capital of the Company (excluding, for this purpose, Options which have lapsed in accordance with the terms of any other share option scheme of the Group) as at the date of the passing of the relevant resolution.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the option value have not been determined. Such variables include but not limited to the exercise price, exercise period and lock-up period (if any). The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to Shareholders.

With respect to the operation of the New Share Option Scheme, the Company will, where applicable, comply with the relevant requirement under Chapter 17 of the Listing Rules.

### **Conditions**

The proposed adoption of the New Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution to adopt the New Share Option Scheme by the Shareholders at the AGM;
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares which may fall to be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme; and
- (c) if necessary, the Bermuda Monetary Authority granting consent to the allotment and issue of any Shares which may fall to be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme.

A summary of the principal terms of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the AGM is set out in Appendix III to this circular on pages 13 to 26. A copy of the rules of the New Share Option Scheme is available for inspection at the head office and principal place of business of the Company in Hong Kong at Room 1901, 19/F., Delta House, 3 On Yiu Street, Shatin, New Territories, Hong Kong during normal business hours from the date hereof up to and including the date of the AGM.

### **AMENDMENT OF BYE-LAWS AND ADOPTION OF A NEW SET OF BYE-LAWS**

The Stock Exchange has amended the Listing Rules relating to, among other things, the bye-laws or equivalent constitutional documents of listed issuers. The amendments to the Listing Rules came into effect on 1 January 2009 and on 1 April 2012. In addition, the Companies Amendments (No.2) Act 2011, which provides for significant amendments to the Companies Act 1981 of

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## LETTER FROM THE BOARD

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Bermuda, received assent and became operative on 18 December 2011. Accordingly, the Directors propose to seek the approval of the Shareholders for the amendments to the existing Bye-laws, so as to bring the constitution of the Company in line with current amendments made to the Listing Rules and the Companies Act 1981 of Bermuda. The Directors propose to seek the approval of the Shareholders by way of a special resolution at the AGM.

Details of the amendments of the Bye-laws are set out in the notice of the AGM. The major effects of the proposed amendments to the Bye-laws are summarised as follows:

1. all resolutions at general meetings of the Company shall be decided by poll other than resolution which relates purely to a procedural or administrative matter as may be permitted under the Listing Rules to be voted by a show of hands; and
2. to no longer permit a Director to disregard 5% or less interests when considering whether the Director has a material interest which would prevent him from forming part of the quorum or voting at a board meeting.

The Directors also propose to adopt a new set of bye-laws which consolidates all the proposed amendments to the Bye-laws as set out in special resolution 9 in the notice of AGM and all previous amendments to the Bye-laws made pursuant to resolutions passed by Shareholders at general meetings.

### **NOTICE OF 2012 ANNUAL GENERAL MEETING**

Notice of the AGM is set out in Appendix IV to this circular. A form of proxy for use by the Shareholders at the AGM is enclosed with this circular and published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.sinogolf.com](http://www.sinogolf.com)). Whether or not you are able to attend the AGM in person, please complete the relevant form of proxy in accordance with the instructions printed thereof and return it to the Company's Hong Kong branch share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for holding the AGM. Completion and return of a form of proxy will not preclude you from attending and voting in person at the meeting and at any adjournment thereof should you so wish.

### **VOTING AT THE AGM BY POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The Chairman of the AGM will therefore demand a poll for every resolution put to the vote of the AGM pursuant to Bye-law 66 of the bye-laws of the Company.

To the best of the Directors' knowledge, information and belief, no Shareholders have a material interest in the granting of the Share Issue Mandate and the Repurchase Mandate, the extension of the Share Issue Mandate, the re-election of the retiring Directors, termination of the Existing Share Option Scheme and adoption of the New Share Option Scheme, the amendment of Bye-laws and adoption of a new set of bye-laws and accordingly no Shareholders will be required to abstain from voting at the AGM.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the granting of the Share Issue Mandate and the Repurchase Mandate, the extension of the Share Issue Mandate, the re-election of the retiring Directors, the termination of the Existing Share Option Scheme and adoption of the New Share Option Scheme, the amendment of Bye-laws and adoption of a new set of bye-laws are in the best interests of the Company and so recommend you to vote in favour of the resolutions at the AGM.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,  
For and on behalf of the Board  
**Chu Chun Man, Augustine**  
*Chairman*



**SHARE REPURCHASE RULES**

The Listing Rules require that all proposed repurchase of shares by a company with a primary listing on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) must be approved in advance by an ordinary resolution of its shareholders in general meeting, either by way of a general mandate or by a specific approval of a particular transaction. A maximum of 10 per cent. of the fully paid-up shares of a company as at the date of the passing of the relevant resolution may be repurchased on the Stock Exchange.

**SHARE CAPITAL**

As at 23 April 2012 (the “Latest Practicable Date”), the authorised share capital of the Company comprised 1,000,000,000 Shares of HK\$0.1 each and the number of Shares in issue was 460,050,000 Shares of HK\$0.1 each.

Subject to the passing of the relevant ordinary resolution and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 46,005,000 Shares during the period in which the Repurchase Mandate remains in force. Any Shares repurchased pursuant to the Repurchase Mandate must be fully paid-up.

**MARKET PRICES**

The highest and lowest prices at which Shares have been traded on the Stock Exchange in each of the twelve months preceding the Latest Practicable Date are as follows:–

	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2011</b>		
April	0.430	0.397
May	0.430	0.387
June	0.637	0.423
July	0.617	0.490
August	0.583	0.490
September	0.557	0.387
October	0.475	0.350
November	0.440	0.365
December	0.390	0.370
<b>2012</b>		
January	0.355	0.305
February	0.390	0.335
March	0.405	0.340
April (up to 23 April 2012)	0.380	0.335

**REASONS FOR REPURCHASE**

The Directors believe that the ability to repurchase Shares is in the interests of the Company and the Shareholders. Repurchases may, depending on the circumstances, result in an increase in net assets and/or earnings per Share. The Directors are seeking the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number(s) and class(es) of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

**FUNDING OF REPURCHASES**

Repurchases must be made out of funds which are legally available for such purpose in accordance with the memorandum and the Bye-laws of the Company and the laws of Bermuda. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company.

There may be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the financial year ended 31 December 2011) in the event that the proposed Share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or its gearing level which in the opinion of the Directors is from time to time appropriate for the Company.

**DIRECTORS' DEALINGS**

There are no Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any associates (as defined in the Listing Rules) of the Directors who have a present intention, in the event that the Repurchase Mandate is granted by the Shareholders, to sell Shares to the Company.

**DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Repurchase Mandate only in accordance with the Listing Rules and the laws of Bermuda.

**EFFECT OF THE TAKEOVERS CODE**

As at the Latest Practicable Date, CM Investment Company Limited was beneficially interested in 257,315,662 Shares representing 55.93 per cent. in the issued share capital of the Company. On the basis that 460,050,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be allotted and issued or repurchased before the AGM, if the Repurchase Mandate were exercised in full, the percentage interest of CM Investment Company Limited would increase to approximately to 62.15% of the issued Shares and would not give rise to any implication in that

regard under the Hong Kong Code on Takeovers and Mergers (“Takeovers Code”). The Directors do not propose or intend to repurchase Shares which could result in less than the prescribed minimum percentage of Shares in public hand of 25%.

Save as disclosed above, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any purchases made pursuant to the Repurchase Mandate.

#### **SHARE REPURCHASE MADE BY THE COMPANY**

No purchase has been made by the Company of Shares in the six months prior to the Latest Practicable Date.

#### **CONNECTED PERSONS**

No connected person (as defined in the Listing Rules) of the Company has notified it of a present intention to sell Shares to the Company and no such person has undertaken not to sell any such Shares to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

The following are the particulars of the Directors proposed to be re-elected at the AGM:

**1. Mr. Chu Chun Man, Augustine, Executive Director, aged 54**

Mr. Augustine Chu is the Chairman of the Company and a founder of the Group. He is also the Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. He is responsible for the strategic planning, corporate policy and overall management and marketing aspect of the Group. Mr. Chu holds a bachelor degree in commerce from the University of Calgary, Alberta, Canada and an executive master of business administration from the Chinese University of Hong Kong. He has over 28 years of experience in golf equipment manufacturing industry. He also serves various positions in the public sector including a membership of the 9th of The Chinese People's Political Consultative Conference (CPPCC) – Guangdong Province.

Mr. Augustine Chu is the brother of Mr. Chu Yuk Man, Simon, an Executive Director of the Company. He is a director and shareholder of A&S Company Limited and Fortune Belt Limited and a shareholder of CM Investment Company Limited, companies which are together being regarded as controlling shareholder of the Company. Save as aforesaid, he does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Augustine Chu has entered into a service contract with the Company commencing on December 1, 2000 which will continue thereafter unless terminated in accordance with the relevant clauses of the service contract. He is subject to retirement and re-election at annual general meetings of the Company in accordance with the Company's bye-laws. He is entitled to receive a salary and allowance of HK\$1,536,000 per annum, which are determined on the basis of the duties and responsibilities required of him taking into account his experience and the time to be devoted by him on the Company's affairs. He is also entitled to a discretionary bonus, the amount of which is decided by the Board at its entire discretion having regard to his performance and the operating results of the Group provided that the amount should not exceed 35 per cent. of the total discretionary bonuses payable by the Company in respect of that financial year.

Mr. Augustine Chu also acts as director of a number of subsidiaries of the Company. He did not hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

As at the Latest Practicable Date, Mr. Chu has personal interests in 6,942,104 Shares, interests in 257,315,662 Shares and 29,758,995 Shares through controlled corporations, CM Investment Company Limited and Fortune Belt Limited respectively, and interests in 150,000 Shares through his spouse, Ms. Hung Tze Nga, Cathy, representing 63.94 per cent. of the issued share capital of the Company. In addition, he also has long position in 30.98 per cent. interest of the non-voting deferred share capital in Sino Golf Manufacturing Company Limited, an associated corporation of the Company within the meaning of the Part XV of the Securities and Futures Ordinance ("SFO").

Save as disclosed, there are no other matters that need to be brought to the attention of the shareholders of the Company and there is no other information that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

**2. Mr. Chu Yuk Man, Simon, Executive Director, aged 56**

Mr. Simon Chu is a member of both the Remuneration Committee and Nomination Committee of the Company. He has over 14 years of experience in the golf equipment manufacturing industry. Mr. Simon Chu is responsible for the sales and marketing functions as well as the customer relation function of the Group. He graduated with a bachelor degree in science in the Leland Stanford Junior University in the United States and an executive master degree in business administration from the Chinese University of Hong Kong. Prior to joining the Group in November 1997, Mr. Simon Chu held an Asia Pacific director position with an international firm which is listed on NASDAQ in the United States.

Mr. Simon Chu is the elder brother of Mr. Chu Chun Man, Augustine, an Executive Director and the Chairman of the Company. He is a director and shareholder of A&S Company Limited and a shareholder of CM Investment Company Limited and Fortune Belt Limited, companies which are together being regarded as controlling shareholder of the Company. Save as aforesaid, he does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Simon Chu has entered into a service contract with the Company commencing on December 1, 2000 which will continue thereafter unless terminated in accordance with the relevant clauses of the service contract. He is subject to retirement and re-election at annual general meetings of the Company in accordance with the Company's bye-laws. He is entitled to receive a salary and allowance of HK\$1,350,000 per annum, which are determined on the basis of the duties and responsibilities required of him taking into account his experience and the time to be devoted by him on the Company's affairs. He is also entitled to a discretionary bonus, the amount of which is decided by the Board at its entire discretion having regard to his performance and the operating results of the Group provided that the amount should not exceed 25 per cent. of the total discretionary bonuses payable by the Company in respect of that financial year.

Mr. Simon Chu also acts as director of a number of subsidiaries of the Company. He did not hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

As at the Latest Practicable Date, Mr. Simon Chu has personal interests in 954,355 Shares, representing 0.21 per cent. of the issued share capital of the Company. In addition, he also has long position in 10.78 per cent. interest of the non-voting deferred share capital in Sino Golf Manufacturing Company Limited, an associated corporation of the Company within the meaning of the Part XV of SFO.

Save as disclosed, there are no other matters that need to be brought to the attention of the shareholders of the Company and there is no other information that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

*This appendix sets out further information of the New Share Option Scheme and also summarises the rules of the New Share Option Scheme but does not form part of nor was it intended to be, part of the New Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme.*

## **NEW SHARE OPTION SCHEME**

### **Summary of terms**

The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved by a resolution of the Shareholders at the AGM, notice of which is set out on pages 27 to 36 of this circular:

#### ***(a) Purpose of the New Share Option Scheme***

The purpose of the New Share Option Scheme is to replace the Existing Share Option Scheme and to enable the Company to continue to grant Option(s) to the Eligible Participants who, in the sole discretion of the Board, have made or may make contribution to the Group or any Invested Entity as well as to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long term business objectives of the Group.

#### ***(b) Who may join***

Any employee, contracted celebrity, advisor, consultant, service provider, agent, customer, partner or joint-venture partner of the Company or any Subsidiary or any entity in which the Group holds an equity interest (the “**Invested Entity**”) (including any director, whether executive or non-executive and whether independent or not, of the Company or any Subsidiary or any Invested Entity) who is in full-time or part-time employment with the Company or any Subsidiary or any Invested Entity at the time when an Option is granted to such employee, or any person who, in the sole discretion of the Board, has contributed or may contribute to the Group or any Invested Entity (the “**Eligible Participants**”).

#### ***(c) Administration of the New Share Option Scheme***

The New Share Option Scheme shall be subject to the administration of the Directors whose decision on all matters arising in relation to the New Share Option Scheme or their interpretation or effect shall be final and binding on all persons who may be affected thereby.

*(d) Subscription Price*

The price per Share (being not less than the nominal value of a Share) at which a Grantee (as defined below) may subscribe for Shares on the exercise of an Option pursuant to the terms of the New Share Option Scheme (the “**Subscription Price**”) shall be determined by the Board at its absolute discretion, provided that it shall be not less than the higher of:

- (1) the closing price of the Shares on the Stock Exchange (as stated in the Stock Exchange’s daily quotations sheet) on the date of the grant of Offer (the “**Offer Date**”), which must be a day on which the Stock Exchange is open for the business of dealing in securities (the “**Business Day**”);
- (2) the average closing price of the Shares on the Stock Exchange (as stated in the Stock Exchange’s daily quotations sheets) for the five Business Days immediately preceding the Offer Date; and
- (3) the nominal value of a Share on the Offer Date.

*(e) Grant of Options*

Subject to the terms of the New Share Option Scheme, the Board are entitled (but shall not be bound) at any time and from time to time on any Business Day within a period commencing on 5 June 2012, the date on which the New Share Option Scheme is conditionally adopted and approved by an ordinary resolution of the Shareholders (the “**Adoption Date**”), and expiring on the close of business of the Company on the date which falls ten (10) years after the Adoption Date (the “**Termination Date**”) to make an offer (the “**Offer**”) to such Eligible Participant as it may in its absolute discretion select, and subject to such conditions as the Board may think fit, to subscribe for such number of Shares (being a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof) as the Board may determine at the Subscription Price.

An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time in its absolute discretion determine either generally or on a case-by-case basis specifying the number of Shares and the Option Period (as defined below) in respect of which the Offer is made and further requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised) (“**Personal Representative(s)**”) for a period of thirty (30) days from the Offer Date provided that no such Offer shall be open for acceptance after the earlier of the tenth anniversary of the Adoption Date or the termination of the New Share Option Scheme.

An Offer shall be deemed to have been accepted by an Eligible Participant in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company. Such remittance shall in no circumstances be refundable.

Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by such Eligible Participant and received by the Company together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof within thirty (30) days from the Offer Date (or such shorter period referred to above).

Upon an Offer being accepted by an Eligible Participant in whole or in part, an Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the date of such acceptance. To the extent that the Offer is not accepted within thirty (30) days in the manner indicated above it will be deemed to have been irrevocably declined.

The making of an Offer to any connected person of the Company (as defined under the Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Eligible Participant who accepts the Offer (the “Grantee”) of an Option).

***(f) Exercise of Options and price of Shares***

Subject to the terms of the New Share Option Scheme, an Option shall be exercisable in whole or in part in the circumstances and in the manner as set out below by the Grantee (or, as the case may be, his personal representative(s)) giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised (which, except where the number of Shares in respect of which the Option remains unexercised is less than one board lot or where the Option is exercised in full, must be for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be accompanied by a remittance for the full amount of the Subscription Price for Shares in respect of which the notice is given. Within twenty-one (21) days (seven (7) days in the case of exercise pursuant to paragraph 6.3(c) of the New Share Option Scheme) after receipt of the notice and, where appropriate, receipt of the certificate from the auditors of the Company or the independent financial adviser, the Company shall accordingly allot the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by a personal representative of a deceased Eligible Participant, to the estate of the Grantee) credited as fully paid and issue to the Grantee (or his estate in the event of an exercise by his personal representative(s) as aforesaid) a share certificate for every board lot of Shares so allotted and a share certificate for the balance (if any) of the Shares so allotted which do not constitute a board lot.



Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the by-laws of the Company for the time being in force and will rank pari passu in all respects with the existing fully paid Shares in issue on the date of the notice given by the Grantee in respect of the exercise of the Option in accordance with the terms of the New Share Option Scheme (the “**Exercise Date**”) or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered onto the register of members of the Company as the holder thereof.

There is no performance target which must be achieved before any of the Options can be exercised.

*(g) Maximum number of Shares available for issue*

- (a) The maximum number of Shares which may be issued upon exercise of all Options may be granted at any time under the New Share Option Scheme shall not, when aggregated with any Shares subject to any other schemes involving the issue or grant of option over Shares by the Company to, or for the benefit of the Eligible Participants, exceed such number of Shares as shall represent 10 per cent. of the issued share capital of the Company as at the Adoption Date (the “**Scheme Mandate Limit**”). Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (b) The Company may seek approval by its Shareholders in general meeting for “refreshing” the Scheme Mandate Limit under the New Share Option Scheme. However, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other schemes of the Company under the limit as “refreshed” must not exceed 10 per cent. of the Shares in issue as at the Adoption Date. Options previously granted under the New Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme or exercised Options) will not be counted for the purpose of calculating the Scheme Mandate Limit as “refreshed”. The Company must send a circular to its Shareholders containing the information required under rule 17.02 (2) (d) and the disclaimer required under rule 17.02 (4) of the Listing Rules.
- (c) The Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided the Options in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing a generic

description of the specified Eligible Participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose, the information required under rule 17.02(2)(d) and the disclaimer required under rule 17.02(4) of the Listing Rules.

- (d) The limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other schemes of the Company must not exceed 30 per cent. of the relevant class of Shares in issue from time to time. No Options may be granted under the New Share Option Scheme or any other schemes of the Company if this will result in this limit being exceeded.

*(h) Grant of Options to connected persons or any of their associates*

The making of an Offer to any connected person of the Company (as defined under the Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of an Option).

Any grant of Option to a Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates, under the New Share Option Scheme must be approved by the independent non-executive Directors (excluding an independent non-executive Director who is the proposed grantee of the Option). Where any grant of Options to a substantial shareholder (as defined in the Listing Rules) of the Company or an independent non-executive Director or any of their respective associates, would result in the Shares issued or to be issued upon exercise of all Options already granted or to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1 per cent. of the relevant class of Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of Options must be approved by the Shareholders. The Company must send a circular to the Shareholders. All connected persons (as defined in the Listing Rules) of the Company must abstain from voting in favour at such general meeting. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll and comply with the requirement under the Listing Rules. The circular must contain:

- (1) details of the number and terms (including, among other things, the Subscription Price) of the Options to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting and the date of Board meeting for

proposing such further grant to be taken as the Offer Date for the purpose of calculating the Subscription Price;

- (2) a recommendation from the independent non-executive Directors (excluding an independent non-executive Director who is the proposed grantee of the Options) to the independent Shareholders as to voting;
- (3) the information required under rules 17.02(2)(c) and (d) of the Listing Rules and the disclaimer required under rule 17.02(4) of the Listing Rules; and
- (4) the information required under rule 2.17 of the Listing Rules.

Shareholders' approval as required above is also required for any change in the terms of Options granted to an Eligible Participant who is a substantial Shareholder (as defined in the Listing Rules) of the Company or an independent non-executive Director, or any of their respective associates.

*(i) Maximum entitlement of each Eligible Participant*

Unless approved by the Shareholders in the manner set out below, the total number of Shares issued and to be issued upon exercise of the Options granted to each Eligible Participant (including both exercised and outstanding Options) in any 12-month period must not exceed 1 per cent. of the Shares in issue. Where any further grant of Options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1 per cent. of the Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his associates abstaining from voting. The Company shall send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Options to be granted (and Options previously granted to such Eligible Participant), the information required under rule 17.02(2)(d) and the disclaimer required under rule 17.02(4) of the Listing Rules. The number and terms (including the Subscription Price) of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant will be taken as the Offer Date for the purpose of calculating the Subscription Price.

Please also refer to paragraph (h) above for restrictions in respect of grant of Options to connected persons of the Company.

*(j) Time of exercise of Options*

Subject to the terms of the New Share Option Scheme, an Option may be exercised in whole or in part at any time during the period to be determined and notified by the Board to each grantee at the time of making an Offer for the grant of an Option, but in any event no

later than 10 years from the date of grant but subject to the early termination of the New Share Option Scheme (the “**Option Period**”).

There is no specified minimum period under the New Share Option Scheme for which an Option must be held or the performance target which must be achieved before an Option can be exercised under the terms of the New Share Option Scheme.

***(k) Restrictions on the time of grant of Options***

No Offer shall be made:

- (1) after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published by the Company;
- (2) during the period commencing 60 days immediately preceding the earlier of: (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company results for any year (whether or not required under the Listing Rules); (b) the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the financial results of the Company (whether or not required under the Listing Rules); and (c) the deadline for the Company to publish an announcement of its results for any year under the Listing Rules (whether or not required under the Listing Rules); and
- (3) during the period commencing 30 days immediately preceding the earlier of: (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company results for any half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (b) the deadline for the Company to publish an announcement of its results for any half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules).

***(l) Rights are personal to grantees***

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do.

***(m) Rights on cessation of employment by dismissal***

If the grantee of an Option is an employee and ceases to be an employee on one or more of the grounds that he has been guilty of persistent or serious misconduct, or has become bankrupt or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which

in the opinion of the Directors does not bring the Grantee or the Company and its subsidiaries into disrepute), his or her Option (to the extent not already exercised) will lapse on the date of cessation of his or her employment.

***(n) Rights on death***

If the grantee of an Option is an employee and ceases to be an employee by reason of his or her death before exercising the Options in full and none of the events referred to in paragraph (m) above as ground for termination of his or her Options arises, his or her personal representative(s) may exercise the Option (to the extent not already exercised) within a period of 12 months following the date of death (or such longer period as the Board may determine), failing which it will lapse.

***(o) Rights on cessation of employment for other reasons***

If the grantee of an Option who is an employee and ceases to be an Eligible Participant for any other reason, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination and shall not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the terms of the New Share Option Scheme within such period as the Directors may determine following the date of such cessation.

***(p) Rights on takeover***

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the Shareholders, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert (as defined in the Takeovers Code) with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, with the necessary change having been made, and assuming that they will become, by the exercise in full of the Options granted to them, the Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, the Grantee shall, notwithstanding any other terms on which his Options were granted, be entitled to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in accordance with the terms of the New Share Option Scheme at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be.

***(q) Rights on winding up***

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date or as soon as after it despatches such notice to each member of the Company give notice thereof to all Grantees (containing an extract of the provisions of this paragraph) and thereupon, each Grantee or his

Personal Representative(s) shall be entitled to exercise all or any of his Options (to the extent not already exercised) at any time not later than five Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee credited as fully paid.

***(r) Rights on reconstruction, compromise or arrangement***

In the event of a compromise or arrangement between the Company and its members or creditors being proposed for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement and any Grantee (or his Personal Representative(s)) may by notice in writing to the Company accompanied by a remittance of the full amount of the Subscription Price in respect of which the notice is given (such notice to be received by the Company not later than five Business Days prior to the proposed meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise of the Option credited as fully paid and register the Grantee as holder thereof.

***(s) Cancellation of Options***

Any cancellation of Options granted but not exercised shall require approval of shareholders of the Company in general meeting, and the relevant Grantees and their respective associates shall abstain from voting. Any vote taken at the general meeting for approving such cancellation shall be taken by poll. Cancelled Options may be re-issued after such cancellation has been approved, provided that the re-issue Options shall only be granted in compliance with the terms of the New Share Option Scheme. For the avoidance of doubt, Options which have been exercised shall not be included as cancelled Options.

***(t) Reorganisation of capital structure***

In the event of any alteration in the capital structure of the Company by way of capitalisation of profits or reserves, rights issue to Shareholders, consolidation, sub-division or reduction of the share capital of the Company, the Company shall, upon receipt of a notice from a Grantee in accordance with the terms of the New Share Option Scheme, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the Auditors or the independent financial adviser obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditors or an independent financial adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with the terms of the New Share Option Scheme.

*(u) Ranking of Shares*

Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the bye-laws of the Company for the time being in force and will rank pari passu in all respects with the existing fully paid Shares in issue on the Exercise Date or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered onto the register of members of the Company as the holder thereof.

*(v) Duration of the New Share Option Scheme*

Subject to the terms of the New Share Option Scheme, the New Share Option Scheme shall be valid and effective until the Termination Date, after which period no further Options will be issued but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme.

*(w) Alterations to the terms of the New Share Option Scheme*

The New Share Option Scheme may be altered in any respect by a resolution of the Board except:

- (a) any alteration to the advantage of the Eligible Participants in relation to any matter contained in rule 17.03 of the Listing Rules;
- (b) any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted except alterations which take effect automatically under the existing terms of the New Share Option Scheme;
- (c) any change to the authority of the Directors in relation to any alteration to the terms of the New Share Option Scheme; and
- (d) the provisions of the New Share Option Scheme as to the definitions of “Eligible Participant”, “Grantee”, “Option Period” and “Termination Date” in the rules of the New Share Option Scheme

which shall only be altered with the prior sanction of a resolution of the Company in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or

sanction of such majority of the Grantees as would be required of the Shareholders under the memorandum of association and the bye-laws for the time being of the Company for a variation of the rights attached to Shares. Any alterations to the terms and conditions of the New Share Option Scheme shall comply with the relevant requirements of chapter 17 of the Listing Rules.

**(x) *Conditions of the New Share Option Scheme***

The New Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution to adopt the New Share Option Scheme by the Shareholders;
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares which may fall to be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme; and
- (c) if necessary, the Bermuda Monetary Authority granting consent to the allotment and issue of any Shares which may fall to be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme.

**(y) *Lapse of Options***

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) subject to terms of the New Share Option Scheme, the expiry of the Option Period;
- (b) the expiry of any of the periods referred to in paragraphs (n) to (s);
- (c) the date on which the Grantee, being an employee of a member of the Group or any Invested Entity, ceases to be an Eligible Participant by reason of a termination of his employment on any one or more of the grounds that he has been guilty of persistent or serious misconduct, or has become bankrupt or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Company and its Subsidiaries into disrepute); and
- (d) the date on which the Directors shall exercise the Company's right to cancel the Option by reason of a breach of paragraph (l) by the Grantee in respect of that or any other Option.



**(z) Disclosure**

The Company shall disclose in its annual report and interim report the following information in relation to: (i) each of its Directors, chief executive or substantial Shareholders (as defined in the Listing Rules), or their respective associates; (ii) each Eligible Participant with Options granted in excess of the individual limit; (iii) aggregate figures for employees working under employment contracts that are regarded as “continuous contracts” for the purposes of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong); (iv) aggregate figures for suppliers of goods or services; and (v) all other Eligible Participants as an aggregate whole:

- (1) particulars of outstanding Options at the beginning and at the end of the financial year/period, including number of Options, date of grant, vesting period, Option Period and Subscription Price;
- (2) particulars of Options granted during the financial year/period, including number of Options, date of grant, vesting period, Option Period, Subscription Price and the closing price of the Shares immediately before the date on which the Options were granted;
- (3) the number of Options exercised during the financial year/period with the Subscription Price and (for Options over the Shares) the weighted average closing price of the Shares immediately before the dates on which the Options were exercised;
- (4) the number of Options cancelled during the financial year/period together with the Subscription Price of the cancelled Options; and
- (5) the number of Options which lapsed in accordance with the terms of the New Share Option Scheme during the financial year/period.

**(aa) Termination**

The Company by ordinary resolution in general meeting may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

Details of the Options granted, including Options exercised or outstanding under the New Share Option Scheme, shall be disclosed in a circular to the Shareholders seeking approval of the first new scheme to be established after such termination.

***(bb) Miscellaneous***

The New Share Option Scheme shall not form part of any contract of employment between the Company or any Subsidiary or any Invested Entity and any Eligible Participant and the rights and obligations of any Eligible Participant under the terms of his office or employment shall not be affected by his participation in the New Share Option Scheme or any right which he may have to participate in it and the New Share Option Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

The New Share Option Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

The Company shall bear the costs of establishing and administering the New Share Option Scheme, including any costs of the Auditors and the independent financial advisers in relation to the preparation of any certificate by them or providing any other service in relation to the New Share Option Scheme.

A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to Shareholders at the same time or within a reasonable time of any such notices or documents being sent to the Shareholders.

Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong and, in the case of the Grantee, his address in Hong Kong as notified to the Company from time to time or, if none or incorrect or out of date, his last place of employment with the Company or the Company's principal place of business in Hong Kong from time to time.

Any notice or other communication if sent by the Grantee shall be irrevocable and shall not be effective until actually received by the Company.

Any notice or other communication if sent to the Grantee shall be deemed to be given or made:

- (a) one (1) day after the date of posting, if sent by mail; and
- (b) when delivered, if delivered by hand.

A Grantee shall, before accepting an Offer or exercising his Option, obtain all necessary consents that may be required to enable him to accept the Offer or to exercise the Option and the Company to allot and issue to him in accordance with the provisions of the New Share Option Scheme the Shares falling to be allotted and issued upon the exercise of his Option. By accepting an Offer or exercising his Option, the Grantee thereof is deemed to have represented to the Company that he has obtained all such consents. Compliance with this sub-paragraph

shall be a condition precedent to an acceptance of an Offer by a Grantee and an exercise by a Grantee of his Options.

A Grantee shall pay all tax and discharge all other liabilities to which he may become subject as a result of his participation in the New Share Option Scheme or the exercise of any Option.

By accepting an Offer an Eligible Participant shall be deemed irrevocably to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever to any sum or other benefit to compensate him for loss of any rights under the New Share Option Scheme.

The New Share Option Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong in force from time to time.

Any dispute arising in connection with the New Share Option Scheme shall be referred to the decision of the Auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.



**SINO GOLF HOLDINGS LIMITED**  
**順龍控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 00361)

**Notice of Annual General Meeting**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at Kowloon Room I, M Floor, Kowloon Shangri-La Hong Kong, 64 Mody Road, Kowloon, Hong Kong on Tuesday, 5 June 2012 at 2:00 p.m. for the following purposes:-

**As Ordinary Business**

1. to receive and consider the audited financial statements and the reports of the directors and of the auditors for the year ended 31 December 2011;
2. to re-elect directors of the Company;
3. to authorise the board of directors to fix the directors' remuneration;
4. to re-appoint the auditors and to authorise the board of directors to fix their remuneration;

**As Special Business**

5. to consider and if thought fit, pass with or without amendment(s), the following resolution as an Ordinary Resolution:-

**“THAT:-**

- (a) subject to sub-paragraph (c) of this Resolution, pursuant to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and Options, including warrants to subscribe for shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

\* For identification purpose only

- (b) the approval in sub-paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and Options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an Option or otherwise) by the Directors pursuant to the approval in sub-paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) any issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company (“Shares”); or (iii) the exercise of any Options granted under the share Option scheme of the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of the dividend on Shares in accordance with the Bye-laws of the Company, shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:–

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended), or any other applicable law of Bermuda to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by the passing of an ordinary resolution of the Shareholders in general meeting.

“Rights Issue” means an offer of shares, or offer or issue of warrants, Options or other securities of the Company giving rights to subscribe for Shares, open for a period fixed by the Directors to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China).”

6. to consider and, if thought fit, pass with or without amendment(s) the following resolution as an Ordinary Resolution:

**“THAT:–**

- (a) subject to sub-paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase Shares on Stock Exchange or any other exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases (“Recognised Stock Exchange”) subject to and in accordance with all applicable laws and the requirements of the Listing Rules as amended from time to time or that of any other Recognised Stock Exchange, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Shares which may be purchased by the Company pursuant to the approval in sub-paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution:–

“Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:–

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended), or any other applicable law of Bermuda to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by the passing of an ordinary resolution of the Shareholders in general meeting.”

7. to consider and, if thought fit, pass with or without amendment(s) the following resolution as an Ordinary Resolution:

**“THAT** conditional upon Resolution 5 and Resolution 6 set out in the notice convening this meeting of which this Resolution forms part being passed, the aggregate nominal amount of the share capital of the Company which are repurchased by the Company after the date of the passing of this Resolution (up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as stated in Resolution 6 set out in the notice convening this meeting of which this Resolution forms part) shall be added to the aggregate nominal amount of share capital that may be allotted or agreed

conditionally or unconditionally to be allotted and issued by the Directors under the authority granted pursuant to Resolution 5 set out in the notice convening this meeting of which this Resolution forms part.”

8. to consider and, if thought fit, pass with or without amendment(s) the following resolution as an Ordinary Resolution:

“**THAT** the existing share option scheme (the “**Existing Share Option Scheme**”) of the Company adopted on 7 August 2002 be and is hereby terminated and conditional upon The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of and permission to deal in the shares (the “**Shares**”) of HK\$0.1 each in the capital of the Company falling to be issued pursuant to the new share option scheme (the “**New Share Option Scheme**”), the terms of which are set out in the document marked “A” which has been produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the rules of the New Share Option Scheme be and are hereby approved and adopted and the Directors be and are hereby authorised to grant Options and to allot, issue and deal with Shares pursuant to the exercise of any Option granted thereunder and to take all such steps as they may consider necessary or expedient to implement the New Share Option Scheme.”

9. to consider and, if thought fit, pass with or without amendment(s) the following resolution as a Special Resolution:

“**THAT** the bye-laws of the Company (the “**Bye-law (s)**”) be amended in the following manner:

**(a) Bye-law 1**

By adding the following new definition after the definition of “Statutes”:

““substantial shareholder” a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the rules of the Designated Stock Exchange from time to time) of the voting power at any general meeting of the Company.”;

**(b) Bye-law 3(3)**

By deleting the existing Bye-law 3(3) in its entirety and replacing it with the following:

“(3) Subject to compliance with the rules and regulations of the Designated Stock Exchange and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.”;

**(c) Bye-law 6**

By deleting the existing Bye-law 6 in its entirety and replacing it with the following:

“6. The Company may from time to time by special resolution, subject to any confirmation or consent required by law, reduce its authorised or issued share capital or, save for the use of share premium as expressly permitted by the Act, any share premium account or other undistributable reserve.”;

**(d) Bye-law 44**

By deleting the existing Bye-law 44 in its entirety and replacing it with the following:

“44. The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon during business hours by members of the public without charge at the Office or such other place at which the Register is kept in accordance with the Act. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.”;

**(e) Bye-law 46**

By deleting the existing Bye-law 46 in its entirety and replacing it with the following:

“46. Subject to these Bye laws, any Member may transfer all or any of his shares in any manner permitted by and in accordance with the rules of the Designated Stock Exchange or by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.”;



**(f) Bye-law 66**

By deleting the existing Bye-law 66 in its entirety and replacing it with the following:

- “66. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye laws, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorized representative), or by proxy (ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Bye-law, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman’s duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.
- (2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:
- (a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
  - (b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one tenth of the total voting rights of all Members having the right to vote at the meeting; or
  - (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the

Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Member.”;

**(g) Bye-law 67**

By deleting the existing Bye-law 67 in its entirety and replacing it with the following:

“67. Intentionally deleted”;

**(h) Bye-law 68**

By deleting the existing Bye-law 68 in its entirety and replacing it with the following:

“68. Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”;

**(i) Bye-law 69**

By deleting the existing Bye-law 69 in its entirety and replacing it with the following:

“69. Intentionally deleted”;

**(j) Bye-law 70**

By deleting the existing Bye-law 70 in its entirety and replacing it with the following:

“70. Intentionally deleted”;

**(k) Bye-law 80**

By deleting the existing Bye-law 80 in its entirety and replacing it with the following:

“80. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.”;

**(l) Bye-law 84 (2)**

By adding the words “, where a show of hands is allowed,” after the words “the relevant authorisation including” in the second last line of the existing Bye-law 84 (2);

**(m) Bye-law 103 (iii)**

By deleting the existing Bye-law 103 (iii) in its entirety and replacing it with the following:

“(iii) Intentionally deleted”;

**(n) Bye-law 103 (2)**

By deleting the existing Bye-law 103 (2) in its entirety and replacing it with the following:

“(2) Intentionally deleted”;

**(o) Bye-law 103 (3)**

By deleting the existing Bye-law 103 (3) in its entirety and replacing it with the following:

“(3) Intentionally deleted”;

**(p) Bye-law 122**

By adding the following sentence immediately after the end of the existing Bye-law 122:

“Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.”

**(q) Bye-law 127 (1)**

By deleting the existing Bye-law 127 (1) in its entirety and replacing it with the following:

“127. (1) The officers of the Company shall consist of the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Act and, subject to Bye-law 132 (4), these Bye laws.”;

**(r) Bye-law 127 (2)**

By deleting the existing Bye-law 127 (2) in its entirety and replacing it with the following:

“(2) Intentionally deleted”;

**(s) Bye-law 132 (3)**

By deleting the existing Bye-law 132 (3) in its entirety and replacing it with the following:

“(3) The Register of Directors and Officers shall be open to inspection by members of the public without charge at the Office between 10:00 a.m. and 12:00 noon during business hours.”; and

(t) **Bye-law 138**

By deleting the existing Bye-law 138 in its entirety and replacing it with the following:

“138. No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.””

10. to consider and, if thought fit, pass with or without amendment(s) the following resolution as a special resolution:

“**THAT** the bye-laws of the Company in the form of the document marked “B” and produced to this meeting and for the purpose of identification signed by the chairman of this meeting, which consolidates all of the proposed amendments referred to in Resolution 9 above and all previous amendments made pursuant to resolutions passed by the shareholders of the Company at general meetings be approved and adopted as the new bye-laws of the Company in substitution for and to the exclusion of the existing bye-laws of the Company with immediate effect.”

On behalf of the Board  
**Chu Chun Man, Augustine**  
*Chairman*

27 April 2012

*Notes:*

- 1) Any Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his proxy to attend and vote for him. A proxy need not be a Shareholder. A Shareholder who is a holder of two or more Shares may appoint more than one proxy to attend and vote on the same occasion.
- 2) In order to be valid, a form of proxy in the prescribed form together with 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 Hong Kong branch share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting.
- 3) The register of members of the Company will be closed from Monday, 4 June 2012 to Tuesday, 5 June 2012 both days inclusive during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 1 June 2012.
- 4) Shareholders are recommended to read the circular of the Company containing information concerning the Resolutions proposed in this notice.