
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Sino Golf Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)**

**MAJOR TRANSACTION
ACQUISITION OF THE ENTIRE EQUITY INTEREST IN
LUCKY FOUNTAIN HOLDINGS LIMITED
AND
NOTICE OF SPECIAL GENERAL MEETING**

Financial adviser to the Company

VEDA | CAPITAL
智 略 資 本

A notice convening the SGM (as defined herein) of the Company to be held at 8th Floor, Gloucester Tower, The Landmark, 15 Queen’s Road Central, Hong Kong, Hong Kong on Monday, 16 May 2016 at 11:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Whether or not you propose to attend the special general meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the special general meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending in person and voting at the special general meeting or any adjourned meeting (as the case may be) should you so wish. In such event, the form of proxy previously submitted shall be deemed to be revoked.

* *For identification purpose only*

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DEFINITIONS

In this circular, unless the contents otherwise requires, the following expressions have the meanings as set out below:

“Acquisition”	the proposed acquisition of the entire issued share capital of the Target Company under the Sale and Purchase Agreement
“Announcement”	the announcement of the Company dated 2 February 2016 in relation to the Acquisition
“associates”	as defined in the Listing Rules
“Billion Link”	Billion Link Ventures Limited, a company incorporated in BVI with limited liability and wholly owned by the Target Company
“Billion Ventures”	Billion Ventures (CNMI) Limited, a company incorporated in CNMI with limited liability and wholly owned by Billion Link
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“BVI”	the British Virgin Islands
“CNMI”	the Commonwealth of the Northern Mariana Islands
“Company”	Sino Golf Holdings Limited, a company incorporated in Bermuda as an exempted company with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00361)
“Completion”	completion of the sale and purchase of the Sale Share and the Sale Loan pursuant to the Sale and Purchase Agreement
“Completion Date”	the date which is the third (3rd) Business Day after the date on which the conditions precedent under the Sale and Purchase Agreement are satisfied or waived or such other date as the Purchaser and the Vendor may agree in writing

DEFINITIONS

“connected person(s)”	as defined in the Listing Rules
“Consideration”	the aggregate consideration of HK\$235,700,000 payable in respect of the Acquisition pursuant to the Sale and Purchase Agreement
“Delay Announcements”	the announcements of the Company dated 26 February 2016, 11 March 2016 and 24 March 2016 in relation to the delays in despatch of this circular
“Directors”	directors of the Company
“Enlarged Group”	the Group as enlarged by the Target Group immediately upon Completion
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) are third parties independent of the Group and its connected persons in accordance with the Listing Rules
“Independent Valuer”	Vigers Appraisal and Consulting Limited, an independent professional valuer appointed by the Purchaser to conduct the valuation on the Properties
“Latest Practicable Date”	18 April 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2016, or such later date as the Vendor and the Purchaser may agree in writing
“PRC”	the People’s Republic of China, for the purposes of this circular and for geographical reference only, excludes Taiwan, the Macao Special Administrative Region and Hong Kong

DEFINITIONS

“Promissory Notes”	12% interest bearing promissory notes in the principal amount of HK\$235,700,000 to be issued by the Company to the Vendor upon Completion
“Properties”	the twelve land parcels located in Saipan with a total site area of approximately 79,529 square metres
“Purchaser”	Future Success Group Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of the Company
“Relevant Periods”	Period from 19 March 2014 (date of incorporation) to 31 December 2014 and for the year ended 31 December 2015
“Sale and Purchase Agreement”	the agreement dated 2 February 2016 entered into between the Purchaser and the Vendor in relation to the sale and purchase of the entire issued share capital of the Target Company (as amended and supplemented by the Supplemental S&P Agreement)
“Sale Loan”	all obligations, liabilities and debts owing or incurred by the Target Group to the Vendor and its associates on or at any time prior to Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion
“Sale Share”	the entire issued share capital of the Target Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting of the Company to be held to consider and, if though fit, approve the Acquisition and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Supplemental Announcement”	the announcement of the Company dated 5 April 2016 in relation to the Supplemental S&P agreement
“Supplemental S&P Agreement”	the supplemental agreement dated 5 April 2016 entered into between the Purchaser and the Vendor in relation to the amendment of certain terms of the Sale and Purchase Agreement
“Target Company”	Lucky Fountain Holdings Limited, a company incorporated in BVI with limited liability and wholly owned by the Vendor
“Target Group”	Target Company and its subsidiaries
“Valuation Report”	the valuation report on the value of the Properties prepared by the Independent Valuer
“Vendor”	Top Force Ventures Limited, a company incorporated in BVI with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

For the purpose of this circular, unless otherwise indicated, the exchange rate of US\$1.00 = HK\$7.75 has been used, where applicable, for purpose of illustration only and it does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.

LETTER FROM THE BOARD



SINO GOLF HOLDINGS LIMITED

順龍控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00361)

Executive Directors:

Mr. WONG Hin Shek

Mr. ZHANG Yi

Mr. CHU Chun Man, Augustine

Registered office:

Clarendon House

2 Church Street

Hamilton, HM 11

Bermuda

Independent non-executive Directors:

Ms. CHU Yin Yin, Georgiana

Mr. YIP Tai Him

Mr. CHAN Kai Wing

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

21st Floor

1 Duddell Street, Central

Hong Kong

21 April 2016

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
ACQUISITION OF THE ENTIRE EQUITY INTEREST IN
LUCKY FOUNTAIN HOLDINGS LIMITED
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

References are made to the Announcement, the Delay Announcements and the Supplemental Announcement.

The Board announces that on 2 February 2016 (after trading hours), the Purchaser and the Vendor entered into the Sale and Purchase Agreement (as amended and supplemented by the Supplemental S&P Agreement) pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell the Sale Share and the Sale Loan for the Consideration of HK\$235,700,000.

* *For identification purpose only*

LETTER FROM THE BOARD

The Target Company holds the entire equity interest of Billion Link and Billion Link holds the entire equity interest of Billion Ventures. The principal assets of the Billion Ventures are the Properties. The Properties are located at Saipan with a total site area of approximately 79,529 square metres.

The purpose of this circular is to provide you with, among other matters, (i) further details of the Acquisition; (ii) other information as required to be disclosed under the Listing Rules; and (iii) the notice of the SGM.

THE ACQUISITION

The Sale and Purchase Agreement

- Date : 2 February 2016 (after trading hours) (as amended and supplemented by the Supplemental S&P Agreement dated 5 April 2016)
- Parties : (i) Future Success Group Limited, a wholly owned subsidiary of the Company, as the Purchaser; and
- (ii) Top Force Ventures Limited, as the Vendor.

The Vendor is principally engaged in investment holding. As at the Latest Practicable Date, the Vendor owns the entire equity interest in the Target Company, a company incorporated in BVI with limited liability, with its principal activities being investment holding. The Target Company owns the entire equity interest in Billion Link, a company incorporated in BVI with limited liability. Billion Link owns the entire equity interest in Billion Ventures, a company incorporated in CMNI with limited liability.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the (i) Sale Share, representing the entire issued share capital of the Target Company; and (ii) Sale Loan, representing the shareholder's loan owing by the Target Group to the Vendor at Completion. As at 31 December 2015, the Sale Loan amounted to approximately US\$19,362,000 (equivalent to approximately HK\$150,054,000).

The principal assets of the Target Group are the Properties. Details of the Target Company, Billion Link, Billion Ventures and the Properties are set out in the paragraph headed "INFORMATION OF THE VENDOR, THE TARGET GROUP AND THE PROPERTIES" below.

LETTER FROM THE BOARD

The Purchaser shall not be obliged to purchase any of the Sale Share and the Sale Loan unless the sale and purchase of the Sale Share and the Sale Loan are completed simultaneously.

Consideration

The Consideration of HK\$235,700,000 shall be satisfied by the Purchaser to the Vendor by way of procuring the Company to issue the Promissory Notes to the Vendor upon Completion.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser after taking into account (i) the preliminary valuation prepared by the Independent Valuer, with an indication of the Properties' value in the amount of US\$31,000,000 (equivalent to approximately HK\$240,250,000) as at 31 December 2015; and (ii) the future prospects of the Target Company.

The Board understands that the value of the Properties have appreciated since the Target Company acquired Billion Link in July 2015 and the Board considers that such appreciation is mainly due to the grant of an exclusive casino resort developer license in Saipan in 2014 and the launch of the temporary casino in July 2015 by Imperial Pacific International Holdings Limited (stock code: 01076) ("**Imperial Pacific**"). Based on the information of Imperial Pacific available in public, the launch of the casino resort shall commence from 2016 onwards.

In addition, according to the statistics published in August 2015 by the Marianas Visitors Authority ("**MVA**"), in 2015 up to July, the total visitor arrivals in the islands of Saipan, Tinian and Rota were up approximately 12.2% as compared to the same period last year, with majority of these visitors from Korea, Japan and China. In addition, it is understood that MVA has further cooperated with various airlines in these countries for additional flights and new gateway cities to Saipan to attract more tourists.

Given the abovementioned development of Saipan, the Board is in the view that the prosperity of the location is still in an early development stage with unexploited growth potential and believes that the number of tourists and economy in Saipan shall continue to progress positively as tourist attractions and flights schedules are expected to be improved. The Acquisition provides the Group with opportunities to dip into the hospitality segment of Saipan and savor in the development of the tourism-and golf-related industries in Saipan and deliver a long-term value to the Shareholders. Accordingly, even though the value of the Properties has appreciated, the Board considers the Consideration to be fair and reasonable.

LETTER FROM THE BOARD

Conditions precedent

Completion is conditional upon the satisfaction or waiver (as the case may be) of the following conditions:

- (i) the Purchaser being satisfied with the results of the due diligence review;
- (ii) (if applicable) all necessary consents and approvals in relation to the transactions contemplated under the Sale and Purchase Agreement having been obtained by the Vendor;
- (iii) (if applicable) all necessary consents and approvals in relation to the transactions contemplated under the Sale and Purchase Agreement having been obtained by the Purchaser;
- (iv) the passing of the ordinary resolution(s) by the relevant Shareholders at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Promissory Notes);
- (v) the obtaining of a CNMI legal opinion (in the form and substance satisfactory to the Purchaser) in relation to the transactions contemplated under the Sale and Purchase Agreement and the titles of the Properties;
- (vi) the Purchaser being satisfied that there are no title defects to the Properties and it is free from all encumbrances;
- (vii) production of written evidence by the Vendor to the satisfaction of the Purchaser that all debts and liabilities of the Target Company (other than the Sale Loan) having been discharged, released, waived or extinguished;
- (viii) the obtaining of a valuation report (in the form and substance satisfactory to the Purchaser) issued by the Independent Valuer appointed by the Purchaser showing that the valuation of the Properties in aggregated to be not less than HK\$240,000,000;
- (ix) the Purchaser being satisfied that there has not been any material adverse change in respect of the Target Company since the date of the Sale and Purchase Agreement; and
- (x) all warranties under Sale and Purchase Agreement remaining valid, true and correct in all respects.

The Purchaser may at any time waive in writing all or any of the conditions (i), (vi), (vii) and (x) as set out above. As at the Latest Practicable Date, save for the conditions (v), (vi), (vii) and (viii) above, none of the above conditions had been fulfilled.

LETTER FROM THE BOARD

If the conditions above are not fully satisfied or waived on or before 4:00 p.m. on the Long Stop Date, the Sale and Purchase Agreement shall cease and determine save as otherwise specified therein and neither party to the Sale and Purchase Agreement shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the Sale and Purchase Agreement.

Completion

Completion shall take place on the Completion Date, being the third (3rd) Business Day after the fulfilment (or waiver, as the case may be) of the conditions pursuant to the Sale and Purchase Agreement, or such other date as the Vendor and the Purchaser may agree in writing.

Upon Completion, the Target Company and its subsidiaries will become subsidiaries of the Company and their results, assets and liabilities will be consolidated into the consolidated financial statements of the Company.

THE PROMISSORY NOTES

The Company will issue the Promissory Notes in the principal amount of HK\$235,700,000 to the Vendor as part of the Consideration upon Completion. The Promissory Notes are unsecured and at an interest rate of 12% per annum. Subject to the receipt by the Company of a five (5) Business Days' prior written notice of the Vendor's intention to transfer or assign the Promissory Notes, the Promissory Notes are freely transferrable and assignable by the Vendor to any party (except to the connected person(s) of the Company) and will mature at the second (2nd) anniversary from the date of issue. The Promissory Notes contain events of default provisions which provide that on the occurrence of certain events of default specified therein, the Vendor may give notice to the Company that the Promissory Notes are immediately due and payable at its principal amount then outstanding together with interest accrued thereon.

The Promissory Notes may be redeemed early by the Company for any principal amount of not less than HK\$1,000,000 (or all the outstanding principal amount if such amount is less than HK\$1,000,000) together with the outstanding interest accrued on the redemption amount by not less than ten (10) Business Days' written notice to the Vendor.

The Board considers that the Promissory Notes will be redeemed by the Company by either equity and/or debt financing in future and as at the Latest Practicable Date, the Board has no concrete plan for such redemption. The Company will comply with the relevant requirements if any further concrete fund raising plan is made or any agreement is entered into as and when appropriate in accordance with the Listing Rules.

INFORMATION OF THE VENDOR, THE TARGET GROUP AND THE PROPERTIES

The Vendor, Top Force Ventures Limited, is a company incorporated in BVI with limited liability, with its principal activities being investment holdings.

As at the Latest Practicable Date, the Vendor owns the entire equity interest in the Target Company, a company incorporated in BVI with limited liability, with its principal activities being investment holdings.

LETTER FROM THE BOARD

According to the unaudited management accounts of the Target Company prepared in accordance with Hong Kong Financial Reporting Standards, for the period from 19 March 2014 (date of incorporation) to 31 December 2014, the Target Company had recorded nil revenue and income respectively, with an unaudited net asset value of US\$1.

On 10 July 2015, the Target Company purchased the entire equity interest of Billion Link, a company incorporated in BVI with limited liability, with its principal activities being investment holdings.

Billion Link owns the entire equity interest in Billion Ventures, a company incorporated in CNMI with limited liability, with its principal activities being real estate development and Billion Ventures holds the Properties.

The principal assets of the Target Group are the Properties.

Information of the Properties

The Properties comprise twelve land parcels with a total site area of approximately 79,529 square metres and are located in Saipan.

1. Parcel one situated on the beachfront directly adjacent to the Pau Pau Beach Park and fronting onto Chalan Pale Arnold Road and contains an area of 1,500 square metres.
2. Parcel two situated on the beachfront directly adjacent to the Pau Pau Beach Park and fronting onto Chalan Pale Arnold Road and contains an area of 500 square metres.
3. Parcel three situated on the beachfront directly adjacent to the Pau Pau Beach Park and fronting onto the Chalan Pale Arnold Road and contains an area of 500 square metres.
4. Parcel four situated on the beachfront directly adjacent to the Pau Pau Beach Park and fronting onto the Chalan Pale Arnold Road and contains an area of 3,584 square metres.
5. Parcel five situated on the beachfront directly adjacent to the Pau Pau Beach Park and fronting onto the Chalan Pale Arnold Road and contains an area of 15,000 square metres.
6. Parcel six situated on the beachfront directly adjacent to the Pau Pau Beach Park and fronting onto the Chalan Pale Arnold Road and contains an area of 2,500 square metres.
7. Parcel seven situated on the beachfront directly adjacent to the Pau Pau Beach Park and fronting onto the Chalan Pale Arnold Road and contains an area of 2,500 square metres.

LETTER FROM THE BOARD

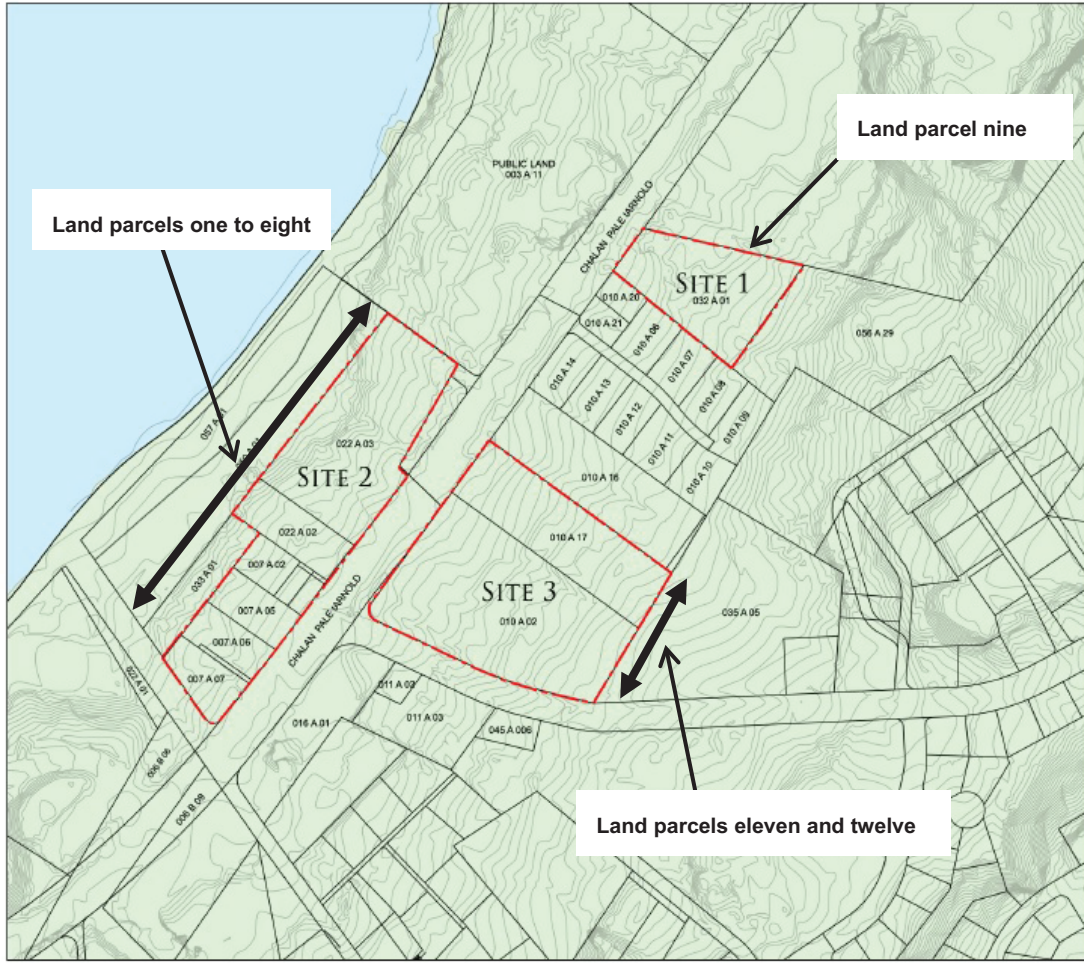
8. Parcel eight situated on the beachfront directly adjacent to the Pau Pau Beach Park and fronting onto the Chalan Pale Arnold Road and contains an area of 2,501 square metres.
9. Parcel nine situated in proximity to the Pau Pau Beach Park and fronting onto the Chalan Pale Arnold Road and contains an area of 9,352 square metres.
10. Parcel ten situated in Navy Hill near Garapan and fronting onto the Navy Hill Road and Gloria Drive and contains an area of 10,980 square metres.
11. Parcel eleven situated in proximity to the Pau Pau Beach Park and fronting onto the Chalan Pale Arnold Road and Matansa Drive and contains an area of 20,408 square metres.
12. Parcel twelve situated in proximity to the Pau Pau Beach Park and fronting onto the Chalan Pale Arnold Road and Matansa Drive and contains an area of 10,204 square metres.

Location of the Properties



LETTER FROM THE BOARD

The above 5 golf courses are located in close proximities to the Properties, with a maximum length of travel of approximately 20 minutes in between i.e. Site 1 to Coral Ocean Point Resort Club.



LETTER FROM THE BOARD

Despite the fact that the Target Group recorded net liabilities as at 31 December 2015, the Board considers the Acquisition to be fair and reasonable and in the interests of the Company and the Shareholders as a whole as (i) 5% withholding tax imposed by the CNMI government in relation to the sale of property in Saipan would be subject to if the Company purchases the Properties directly from the Vendor in which additional transaction cost would be incurred for the Acquisition and less favourable to the benefits of the Shareholders; and (ii) under the Acquisition, the Purchaser will acquire the Sale Loan upon Completion and the sale liability of the Target Group will be released and eliminated as disclosed in unaudited pro forma financial information of the Enlarged Group as disclosed in Appendix III to this circular.

As set out in “Financial Information of the Target Group” in Appendix II to this circular, the Directors noted that the reporting accountants of the Target Company provided a disclaimer opinion on the accountants’ reports of the Target Group for the year ended 31 December 2015. The Directors understand that the disclaimer opinion was provided as the reporting accountants of the Target Company were unable to obtain sufficient appropriate audit evidence about the validity of the going concern basis made by the sole director of the Target Company, which depends upon the financial support from its sole shareholder.

The Directors consider that the accountants’ disclaimer opinion has no material adverse impact on the Acquisition as (i) the Company has agreed to provide adequate funds for the Target Group to meet its liabilities as they fall due upon Completion; (ii) the reporting accountant of the Company has expressed an opinion, with the Directors’ opinion, that, in the absence of unforeseeable circumstances, the working capital available to the Enlarged Group is sufficient for the Enlarged Group’s requirements for at least 12 months from the date of this circular; and (iii) the Company are intended to conduct either equity and/or debt financings for the estimated initial development costs for the Properties (details are set out in the section headed “REASONS FOR AND BENEFITS OF THE ACQUISITION” below).

Therefore, the Directors consider that the disclaimer opinion contained in the Accountants’ Reports of the Target Group shall not affect the Acquisition and the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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

Following the change of control of the shareholding of the Company on 14 September 2015 as disclosed in the composite and offer document dated 24 August 2015 jointly issued by the Company and Surplus Excel Limited, the Board has been exploring appropriate business opportunities and/or investment to expand the revenue sources and enhance the long-term growth potential of the Group.

CNMI is a United States of America Territory with “commonwealth” status, comprising fifteen islands in the Pacific Ocean. Saipan is the largest island in the CNMI and is a popular tourism destination. The economies of Saipan are vitally driven by tourism and are well-known

LETTER FROM THE BOARD

as a perfect getaway for tourists around the world featuring the rich cultural history and tropical marine weather that offer year-round outdoor activities including but not limited to, world class diving and golfing. In addition, CNMI has recently awarded Best Sunshine International an exclusive casino license in Saipan to construct and operate a casino and an integrated resort in Saipan to energise its tourism and hotel industries.

Saipan is an attractive market for golf related tourism and is home to a host of golf courses, including but not limited to (i) The Lao Lao Bay Golf Resort; (ii) Kingfisher Golf Links; (iii) The Coral Ocean Point Resort Club; (iv) The Marianas Country Club; and (v) The Saipan Country Club. The Properties are located in close proximities to these golf courses and based on the zoning of the twelve land parcels as illustrated in the above section “Location of the Properties”, the Board is in the preliminary view to precede the development of hotel resorts and/or timeshare condominiums on the Properties in four phases upon Completion (the “**Development Plan**”). In the 1st phase of the Development Plan, the Board will construct, on land parcel nine (as detailed under the section “Information of the Properties” above) with a site area of approximately 9,352 square metres, a 3-star 8-storey timeshare condominium resort comprising 80 room units with a gross floor area of 8,000 square metres. In addition, the condominium resort will feature a pitch and putt practice golfing facilities, an electronic indoor golf simulator, a golf-pro shop, a health and wellness spa, bars and restaurants, conference facility and a swimming pool and also situates in close proximities to the golf courses on the island. The commencement of the 1st phase of the Development Plan is estimated to be around 3rd quarter of 2016 and the required time for the construction of the 1st phase of the Development Plan is estimated to be around 26 months and its development cost is preliminary estimated to be approximately US\$17.6 million (equivalent to approximately HK\$136.4 million). The Group expects that the development cost will be sourced from either equity and/or debt financing and the Company will comply with the relevant requirements if any further concrete fund raising plan is made or any agreement is entered into as and when appropriate in accordance with the Listing Rules.

Save for the land parcel nine being in the 1st phase of the Development Plan, the Group intends to keep the remaining land parcels as land reserves of the Group for future development and as at the Latest Practicable Date, the Board has not finalised the development details on the other phases. It is confirmed by the Company that as at the Latest Practicable Date, the 1st phase and the remaining phases of the Development Plan are for accommodation purposes in Saipan Island and the Board has no intention to involve in any gambling activities. It is preliminarily projected that the remaining land parcels are also intended to be developed into hotel resorts for accommodation purposes for Saipan’s tourists. However, the exact design and concept will depend on Saipan’s tourists sentiment upon the launch of the casino and the Saipan’s tourism industry becoming more established. The Board understands that (i) the growth in Chinese visitor arrivals in Saipan kept its prominent impact on the hotel market in 2015. Saipan posted achieved occupancy of 97.4% and average rate of US\$150.10, a respective 14.2% and 18.7% year-on-year growth as compared to 2014. While visitor arrivals are increasing at an accelerating pace since 2012, the hotel room supply remained generally flat; and (ii) the reduction of length of stay for every travel for Chinese tourist from seven days to five days in Macau have hindered many of the previous Chinese gamblers to visit Macau for

LETTER FROM THE BOARD

gambling purpose and now the Chinese gamblers favour other gambling locations with integrated family-entertainment and leisure complex experience. Given the change of trend of the Chinese gamblers, the exceptional leisure experience offered and the limited accommodation supply in Saipan, the Board strongly believes that the potential of the gaming, tourism and hotel market in Saipan is huge as these markets have just started to grow. In addition, given the favourable location of the Properties (eleven land parcels are located along the coast), the Board expects that upon the proper launch of the casino and the tourism industry in Saipan becomes mature, the land demand will start to increase and subsequently the land value in Saipan will appreciate, while the Acquisition which allows the Group to secure several pieces of land with good location can mitigate the risks for bearing high land cost when the Group decides to expand its footprint on the island. Therefore, the Board is of the view that acquiring all land parcels at this stage is in the interest to the Group and Shareholders as a whole.

The Company will comply with the relevant requirements if any further development plan and/or concrete fund raising plan is made or any agreement is entered into as and when appropriate in accordance with the Listing Rules.

According to the legal opinion prepared by the USA Legal Adviser, additional licenses and permits for the purpose of (i) zoning compliance (including the conditional use permit), (ii) environmental compliance and (iii) building permits are required for the 1st phase of the Development Plan. The obtaining of the relevant licenses and permits are often granted and there is no unforeseeable risk that the first phase development will be unable to obtain the requisite licenses and permits.

The Board would like to further emphasise that the Development Plan and the relevant development details, schedules and costs represent only current indications of how the Board wishes to proceed, and are subject to revision and all relevant regulatory and other approvals, including those required under the Listing Rules, having been duly obtained. It is believed by the Board that the development of the Properties can offer an unique golf-theme accommodation experience to Saipan's tourists and is able to help promoting the tourism industry of Saipan.

The Board further believes that the Acquisition allows the Group to enjoy synergy effect with the existing business of the Group. Given the fact that the Group's principal business activity is golf-products related and has gained certain reputation within the golf industry, the Board is of the view that upon Completion, the Group will possess negotiation ability to approach the golf courses in Saipan for collaboration including but not limited to (i) supply of golf-related products to the golf courses; (ii) sponsor of international golf competition alongside with the Group's existing customers (who are first tier golf name brands) to promote their own brands, which will also strengthen the Group's business relationship with the existing customers; and (iii) the promotion of golf experience and tourism industry of Saipan on an international basis as the Group's existing customers span across the globe that can directly enhance the image and the number of travelers of the location.

Given that (i) the Group has extensive golf-related experience through the manufacturing and trading of golf equipment, golf bags and other accessories; (ii) Mr. Wong Hin Shek ("**Mr. Wong**"), the executive Director and chairman of the Company, possesses of experience

LETTER FROM THE BOARD

in hotel-related operations (during February 2005 to April 2011, Mr. Wong was an executive director of Kingston Financial Group Limited (formerly known as Golden Resorts Group Limited, stock code: 1031) which was principally engaged in the provision of entertainment and hospitality services in Macau); and (iii) the positive tourism prospect of Saipan, it is believed by the Board that the Acquisition represents an excellent opportunity for the Enlarged Group to expand its business portfolio into a unique market, comprising the hospitality sector and golf theme. The Board is also of the view that the Acquisition is in line with the Group's intention to expand its existing business for better growth potential and presents good investment opportunities for the Group with a potential of capital appreciation in the long run. Therefore, the Board considers that the Acquisition is in the interests of the Shareholders and the Company as a whole.

As at the Latest Practicable Date, the Company has not entered into any agreement or arrangement and did not have any current intention of, understanding or negotiation with any third parties in respect of any acquisitions, disposals, termination or scaling down of the Group's existing businesses or assets.

FINANCIAL EFFECT OF THE ACQUISITION

Upon completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company. Its results, assets and liabilities will therefore be consolidated into the financial statements of the Group. Set out in Appendix III to this circular is the unaudited pro forma financial information of the Enlarged Group which illustrates the financial effects of the Acquisition on the assets and liabilities of the Group assuming the Acquisition has been completed on 31 December 2015.

Based on the unaudited pro forma financial information of the Enlarged Group in Appendix III to this circular, upon completion of the Acquisition and assuming the Acquisition has been completed on 31 December 2015, the total assets of the Group would increase from approximately HK\$343,707,000 to approximately HK\$557,578,000 and its total liabilities would increase from approximately HK\$168,351,000 to approximately HK\$382,222,000.

It should be noted that the above financial effects of the Acquisition are for illustration purpose only. The exact financial effects are dependent on the consolidated net assets value of the Target Group on the Completion Date, and are subject to the review by the Company's auditors.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) of the Acquisition is expected to exceed 25% but are lower than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. Therefore, the Acquisition will be subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

SGM

The SGM will be convened and held for the purposes of considering and, if thought fit, approving the Acquisition. The voting in relation to the Acquisition at the SGM will be conducted by poll whereby any Shareholders and their close associates (as defined under the Listing Rules) who have a material interest in the Acquisition shall abstain from voting on the resolution in relation to the Acquisition to be proposed at the SGM.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder and his/her/its close associates (as defined under the Listing Rules) has a material interest in the Acquisition. As such, no Shareholder is required to abstain from voting under the Listing Rules at the SGM approving the Acquisition.

You will find the enclosed proxy form for use at the SGM. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof to the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. The completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

Shareholders and potential investors should note that Completion is subject to the satisfaction or waiver of various conditions as stated in the section headed "Conditions precedent" of this circular. Shareholders and potential investors are therefore urged to exercise caution when dealing in the Shares.

RECOMMENDATION

The Directors believe that the terms of the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders to vote in favour of the resolution to be proposed at the SGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

The English text of this circular, the notice of the SGM and the form of proxy for use at the SGM shall prevail over the Chinese text in case of inconsistency.

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

1. FINANCIAL SUMMARY OF THE GROUP

Details of the financial information of the Group for the each of the years ended 31 December 2013, 2014 and 2015 have been set out in the in the respective annual/interim reports and annual results announcement per below:

- (i) the financial information of the Group for the year ended 31 December 2015 is disclosed in the annual results announcement of the Company for the year ended 31 December 2015 from pages 1 to 17;

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0330/LTN201603301571.pdf>

- (ii) the financial information of the Group for the year ended 31 December 2014 is disclosed in the annual report of the Company for the year ended 31 December 2014 from pages 40 to 107; and

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0424/LTN20150424906.pdf>

- (iii) the financial information of the Group for the year ended 31 December 2013 are disclosed in the annual report of the Company for the year ended 31 December 2013 from pages 41 to 101.

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0424/LTN20140424607.pdf>

All of which have been published on the websites of the Company (<http://www.sinogolf.com/>) and the Stock Exchange (<http://www.hkexnews.hk>).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 29 February 2016, being the latest practicable date for the purpose of this statement of indebtedness prior to printing of this circular, the indebtedness of the Enlarged Group was as follows:

(i) Bank and other borrowings

The Enlarged Group's bank borrowings in aggregate of approximately HK\$73,494,000 were secured by certain of the Group's property, plant and equipment and prepaid lease payments with carrying amount in aggregate of approximately HK\$118,687,000.

The Enlarged Group's unsecured loan plus accrued interest in aggregate of approximately HK\$5,174,000 was unsecured in which the principal amount of HK\$5,000,000 was interest bearing of 12% per annum.

(ii) Other indebtedness

The Enlarged Group had outstanding indebtedness of approximately HK\$150,054,000 due to the Vendor, which was unsecured, non-interest bearing and repayable on demand.

The Enlarged Group had outstanding indebtedness of approximately HK\$57,744,000 due to a related company which was beneficially owned by a director of the Company. The balance was unsecured, non-interest bearing and repayable on demand.

The Enlarged Group had outstanding indebtedness of approximately HK\$1,482,000 due to a related company which was beneficially owned by the substantial shareholder of the Company. The balance was unsecured, non-interest bearing and repayable on demand.

(iii) Contingent liabilities

Apart from the section headed “Litigation” in Appendix V of this circular, the Group had no other material contingent liabilities.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptance or acceptance credits, debentures, mortgages, charges, hire purchase or finance lease commitments, guarantees or other material contingent liabilities.

For the purpose of the above indebtedness statement, the foreign currency, Renminbi and US\$, has been translated into HK\$ at the approximate rate of 0.83:1 and 7.75:1, respectively.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, in the absence of unforeseeable circumstances, after taking into account the Enlarged Group’s business prospects, the financial resources available to the Enlarged Group including internally generated funds and the available credit facilities, and the effect of the Acquisition, the working capital available to the Enlarged Group is sufficient for the Enlarged Group’s requirements for at least 12 months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Board confirms that there had been no other material change in the financial or trading position of the Group since 31 December 2015, being the date to which the latest published audited consolidated accounts of the Group were made up.

5. BUSINESS REVIEW AND FINANCIAL AND TRADING PROSPECTS

Based on the unaudited financial information for the year ended 31 December 2015, the golf equipment business stayed depressed in 2015 in light of the uncertainties and challenges about the business with certain major customers. Meanwhile, the golf bags business was also badly hit by the international economic downturn, in which the purchasing power of customers was significantly dampened. According to the profit warning announcement dated 18 February

2016, overall, the Group's revenue declined significantly in 2015 and a substantial loss for the year attributable to owners of the Company was noted in contrast to a profit in 2014. The turnaround was mainly due to the combined effect of (i) significant decrease in sales in the current year; (ii) one-off loss incurred on the disposal of retired fixed assets and excess and impaired inventories; and (iii) an impairment loss on goodwill was recognised in the current year in view of the reduced manufacturing scale of the Company. It is anticipated that the golf equipment business would remain depressed in 2016 under the unfavourable market conditions. Nevertheless, the Group is devoted to cooperating and working closely with the customers to promote business and strengthen the competitive edge for 2016 in light of the current business condition and lower order volume.

It is envisaged that the economic environment and the global economy will remain volatile and fluctuate to pose new challenges and uncertainties for the business sector going forward. To strengthen the Group's competitive edge in a dynamic market, the Group pursued to reinforce the business reengineering and cost control initiatives to continually rationalise its operations to enhance efficiency and optimise costs. During the year, the Group accomplished the exercise to scale down the Guangdong manufacturing facility to further relocate the golf equipment production capacity to Shandong manufacturing facility. The move aimed to take a greater advantage of the cost favourable operating environment and a more stable labour market in the northern part of the PRC, which contributes to mitigate the impact brought about by the cost hikes and labour supply issues prevailing in southern China in recent year.

To substantiate the long term development, the Group pursues the strategy to devoting effort to explore business opportunities with reputable golf name brands that are actively looking for high quality supply sources under the highly competitive economy as well as strengthening the existing customer tie to promote business and expansion. The Group has successfully added some new customers for both golf segments with reasonable performance and growth potential. The Group has been endeavouring to work closely with the existing customers to expand the business and provide better services to support them for mutual benefits and success. The Group will continue to search and participate in diversification opportunities as justified to make effective utilisation of the Group's resources to generate revenues. Our management is obliged to keep continuous awareness of the market changes and development to ensure a timely and swift response with appropriate actions to safeguard the Group's interest.

ACCOUNTANT'S REPORT ON LUCKY FOUNTAIN HOLDINGS LIMITED

21 April 2016

The Board of Directors
Sino Golf Holdings Limited
21st Floor
1 Duddell Street, Central
Hong Kong

Dear Sirs,

INTRODUCTION

We set out below our report on the consolidated financial information of Lucky Fountain Holdings Limited (“Lucky Fountain”) and its subsidiaries (collectively referred to as the “Lucky Fountain Group”), which comprises the consolidated statements of financial position as at 31 December 2014 and 2015, the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and the consolidated statements of cash flows for the period from 19 March 2014 (date of incorporation) to 31 December 2014 and for the year ended 31 December 2015 (the “Relevant Periods”) and together with the notes thereto (the “Financial Information”). The Financial Information has been prepared by the sole director of Lucky Fountain for inclusion in the Appendix II of the circular dated 21 April 2016 (the “Circular”) issued by Sino Golf Holdings Limited (the “Company”) in connection with the proposed acquisition of the entire equity interest in Lucky Fountain (the “Acquisition”).

Lucky Fountain was incorporated in the British Virgin Islands (the “BVI”) with limited liability on 19 March 2014. Lucky Fountain is principally engaged in investment holding. The addresses of the registered office and principal place of business of Lucky Fountain are P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, BVI and Unit 3302, West Tower Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong, respectively.

At 31 December 2014, 31 December 2015 and at the date of this report, Lucky Fountain has the following subsidiaries:

Name of subsidiary	Date and place of incorporation	Issued and fully paid share capital	Equity interest attributable to the Lucky Fountain Group		Principal activity
			As at 31 December 2014	Up to Date of this report	
Billion Link Ventures Limited (“Billion Link”)	8 August 2014, the BVI	US\$1	–	100% (note 1)	100% Investment holding

Name of subsidiary	Date and place of incorporation	Issued and fully paid share capital	Equity interest attributable to the Lucky Fountain Group			Principal activity
			As at 31 December 2014	As at 31 December 2015	Up to Date of this report	
Billion Ventures (CNMI) Limited (“Billion Ventures”)	5 September 2014, Commonwealth of the Northern Mariana Islands (the “CNMI”)	US\$500,000	–	100% (note 1)	100%	Properties holding

Note:

- On 10 July 2015, Lucky Fountain completed the acquisition of entire equity interest in Billion Link and its shareholder’s loan of US\$1,738,844 with the consideration of HK\$150,000,000, equivalent to US\$19,354,838, in which Billion Link held entire equity interest in Billion Ventures immediately before the acquisition of Billion Link. As a result of the acquisition, Lucky Fountain beneficially owned entire equity interest in Billion Link and Billion Ventures and the financial performance of Billion Link and Billion Ventures is consolidated in the financial statements of Lucky Fountain from 10 July 2015, the completion date of the acquisition.

All the companies comprising the Lucky Fountain Group have adopted 31 December as their financial year end date.

At the date of this report, no audited financial statements have been prepared for Lucky Fountain and Billion Link since their respective dates of incorporation as there is no statutory audit requirement under the relevant rules and regulations in its jurisdictions of incorporation. No audited financial statements have been prepared for Billion Ventures since the date of incorporation. For the purpose of this report, we have, however, reviewed all relevant transactions of the Lucky Fountain Group since its date of incorporation to 31 December 2014 and year ended 31 December 2015 and carried out such procedures as we considered necessary for inclusion of the financial information relating to the Lucky Fountain Group in the Financial Information.

BASIS OF PREPARATION

The Financial Information for the Relevant Periods was prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). Lucky Fountain has adopted 31 December as its financial year end date.

For the purpose of this report, the sole director of Lucky Fountain has prepared the consolidated financial statements of the Lucky Fountain Group for the Relevant Periods in accordance with HKFRSs issued by the HKICPA (the “Underlying Financial Statements”). We have carried out independent audit procedures on the Underlying Financial Statements in accordance with Hong Kong Standards of Auditing issued by the HKICPA and carried out such additional procedures as are necessary in accordance with the Auditing Guideline 3.340 “Prospectuses and the Reporting Accountant” issued by the HKICPA.

The Financial Information has been prepared by the sole director of Lucky Fountain based on the Underlying Financial Statements on the basis set out in note 2 to the Financial Information, and in accordance with the applicable disclosure provision of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

RESPECTIVE RESPONSIBILITIES OF SOLE DIRECTOR AND REPORTING ACCOUNTANTS

The sole director of Lucky Fountain is responsible for the preparation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by the HKICPA and for such internal control as the sole director of Lucky Fountain determines is necessary to enable the preparation of the Financial Information that is free from material misstatements, whether due to fraud or error. The directors of the Company are responsible for the contents of the Circular in which this report is included.

Our responsibility is to form an independent opinion on the Financial Information based on our procedures and to report our opinion thereon to you.

BASIS FOR DISCLAIMER OF OPINION

As a basis for forming an opinion on the Financial Information, for the purpose of this report, we have examined the Underlying Financial Statements and have carried out such appropriate procedures as we considered necessary in accordance with Auditing Guideline 3.340 “Prospectuses and the Reporting Accountant” issued by the HKICPA.

Due to the matters as described below, we were unable to conclude whether any adjustment is necessary to the Underlying Financial Statements for the year ended 31 December 2015 in preparing our report for inclusion in the Circular.

Fundamental Uncertainty Relating to the Going Concern Basis

As explained in note 2 to the Financial Information, which indicates that the Lucky Fountain Group had net current liabilities and capital deficiency of US\$18,818,769 and US\$259,509 as at 31 December 2015, respectively, and these conditions indicate the existence of material uncertainty which may cast significant doubt about the ability of the Lucky Fountain Group to continue as a going concern. The Financial Information has been prepared on a going concern basis, the validity of which is dependent upon future funding available. However, the uncertainty surrounding the outcome of future funding availability raises significant doubt about the Lucky Fountain Group’s ability to continue as a going concern. We consider that the fundamental uncertainty in relation to whether the adoption of the going concern basis is appropriate is so extreme that we have disclaimed our opinion. The Financial Information does not include any adjustments that would result if Lucky Fountain Group is unable to continue as a going concern.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion. Accordingly, we do not express an opinion on the Financial Information.

APPENDIX II FINANCIAL INFORMATION OF THE TARGET GROUP

I. FINANCIAL INFORMATION**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

		From 19 March 2014 (date of incorporation) to 31 December 2014 US\$	Year ended 31 December 2015 US\$
	Notes		
Revenue	8	–	–
Administrative expenses		–	(259,510)
		<hr/>	<hr/>
Loss before tax	9	–	(259,510)
Income tax expense	10	–	–
		<hr/>	<hr/>
Loss and total comprehensive expense for the year/period		–	(259,510)
		<hr/> <hr/>	<hr/> <hr/>

Note: Loss per share information is not presented as such information is not considered meaningful in the context of this report.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<i>Notes</i>	As at 31 December	
		2014	2015
		<i>US\$</i>	<i>US\$</i>
Non-current asset			
Prepaid lease payments	<i>13</i>	—	18,559,260
Current assets			
Prepaid lease payments	<i>13</i>	—	542,177
Amount due from the sole shareholder	<i>14</i>	1	—
Bank balance		—	888
		1	543,065
Current liability			
Amount due to the sole shareholder	<i>14</i>	—	19,361,834
Net current assets (liabilities)		1	(18,818,769)
		<u>1</u>	<u>(259,509)</u>
Capital and reserve			
Share capital	<i>15</i>	1	1
Accumulated losses		—	(259,510)
		<u>1</u>	<u>(259,509)</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Accumulated losses	Total
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Issue of ordinary share upon incorporation <i>(note 15)</i>	1	–	1
Results and total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>–</u>
At 31 December 2014	1	–	1
Loss and total comprehensive expense for the year	<u>–</u>	<u>(259,510)</u>	<u>(259,510)</u>
At 31 December 2015	<u><u>1</u></u>	<u><u>(259,510)</u></u>	<u><u>(259,509)</u></u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December 2015 US\$
OPERATING ACTIVITY	
Loss before tax	(259,510)
Adjustment for amortisation of prepaid lease payments	<u>256,514</u>
CASH USED IN OPERATION AND NET CASH USED IN OPERATING ACTIVITY	<u>(2,996)</u>
CASH USED IN INVESTING ACTIVITIES	
Repayment of advance to the sole shareholder	1
Cash outflow from acquisition of subsidiaries (<i>note 16</i>)	<u>(19,357,951)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(19,357,950)</u>
FINANCING ACTIVITY	
Advance from the sole shareholder	<u>19,361,834</u>
NET CASH FROM FINANCING ACTIVITY	<u>19,361,834</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	888
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>—</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTED BY BANK BALANCE	<u><u>888</u></u>

Note: No consolidated statement of cash flows is presented for the period from 19 March 2014 (date of incorporation) to 31 December 2014 as the Company does not hold any bank accounts nor cash on hand. All cash transactions are processed by its sole shareholder on behalf of the Company.

II. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL

Lucky Fountain was incorporated in the BVI on 19 March 2014 with limited liability. The addresses of its registered office and principal place of business are P.O. Box 957, Offshore Incorporation Centre, Road Town, Tortola, BVI and Unit 3302, West Tower Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong, respectively.

During the year ended 31 December 2015 and at the date of this report, Lucky Fountain is wholly owned by Top Force Ventures Limited, a company incorporated in the BVI. The principal activity of Lucky Fountain is properties holding.

The Financial Information is presented in United State dollars (“US\$”), which is also the functional currency of the Lucky Fountain Group. US\$ is the currency of the primary economic environment in which the Lucky Fountain Group operates.

2. BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

At 31 December 2015, the Lucky Fountain Group had net current liabilities and capital deficiency of US\$18,818,769 and US\$259,509, respectively. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Lucky Fountain Group’s ability to continue as a going concern. The Financial Information has been prepared on a going concern basis, the validity of which depends upon the support of its shareholder whereas the shareholder has agreed to provide financial support to Lucky Fountain Group to maintain as a going concern and not to demand for any repayment of the amount due to the sole shareholder of US\$19,361,834 as at 31 December 2015 until the Lucky Fountain Group is in a financial position to do so. Upon completion of the Acquisition, the validity of going concern basis will depend upon the financial support of the Company, at a level sufficient to finance the working capital requirements of the Lucky Fountain Group. The Company has agreed to provide adequate funds for the Lucky Fountain Group to meet its liabilities as they fall due. The sole director of the Lucky Fountain Group is therefore of the opinion that it is appropriate to prepare the Financial Information on a going concern basis. The Financial Information does not include any adjustments relating to the carrying amounts and reclassification of assets and liabilities that might be necessary should the Lucky Fountain Group be unable to continue as a going concern.

No consolidated statement of cash flows is presented for the period from 19 March 2014 (date of incorporation) to 31 December 2014 as Lucky Fountain does not hold a bank account nor cash on hand. All cash transactions are processed by its shareholder on behalf of the Lucky Fountain.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, the Lucky Fountain Group has consistently applied all of the new and revised Hong Kong Accounting Standards (“HKASs”), HKFRSs, amendments and interpretations (hereinafter collectively referred to as “new and revised HKFRSs”) issued by the HKICPA which are effective for the financial period beginning on 19 March 2014 (date of incorporation) and throughout the Relevant Periods.

New and revised HKFRSs issued but not yet effective

The Lucky Fountain Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments ²
HKFRS 14	Regulatory Deferral Accounts ¹
HKFRS 15	Revenue from Contracts with Customers ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle ¹
Amendment to HKAS 1	Disclosure Initiative ¹
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ¹
Amendments to HKAS 27	Equity Method in Separate Financial Statements ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception ¹
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ¹

¹ Effective for annual periods beginning on or after 1 January 2016.

² Effective for annual periods beginning on or after 1 January 2018.

³ Effective date not yet be determined.

The sole director of Lucky Fountain anticipates that, except as described below, the application of other new and revised HKFRSs will not have material impact on the results and the financial position of the Lucky Fountain Group.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a “fair value through other comprehensive income” (“FVTOCI”) measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an “expected credit loss” model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liability’s credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.
- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity’s expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.
- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The sole director of Lucky Fountain anticipates that the application of HKFRS 9 (2014) in the future may have a significant impact on amounts reported in respect of the Lucky Fountain Group's financial assets and financial liabilities.

Regarding the Lucky Fountain Group's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 (2014) until a detailed review has been completed.

Annual Improvements to HKFRSs 2012-2014 Cycle

The *Annual Improvements to HKFRSs 2012-2014 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 clarify that changing from one of the disposal methods (i.e. disposal through sale or disposal through distribution to owners) to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in HKFRS 5. Besides, the amendments also clarify that changing the disposal method does not change the date of classification.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The amendments to HKAS 19 clarify that the market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government-bond rates must be used.

HKAS 34 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. The amendments to HKAS 34 clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The sole director of Lucky Fountain does not anticipate that the amendments included in the *Annual Improvements to HKFRSs 2012-2014 Cycle* will have a material effect on the Lucky Fountain Group's Financial Information.

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of revenue-based depreciation methods for property, plant and equipment under HKAS 16. The amendments to HKAS 38 introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be rebutted only in the following limited circumstances:

- (i) when the intangible asset is expressed as a measure of revenue; and
- (ii) when a high correlation between revenue and the consumption of the economic benefits of the intangible assets could be demonstrated.

The amendments to HKAS 16 and HKAS 38 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied prospectively.

The sole director of Lucky Fountain does not anticipate that the Amendments to HKAS 16 and HKAS 38 will have a material effect on the Lucky Fountain Group's Financial Information as straight-line method has been adopted for the amortisation of prepaid lease payments.

Amendments to HKAS 1 Disclosure Initiative

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

- (i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and
- (ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The sole director of Lucky Fountain does not anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on the Lucky Fountain Group's Financial Information.

4. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA.

The Financial Information has been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether the price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below:

Basis of consolidation

The Financial Information incorporates the financial statements of Lucky Fountain and entities controlled by Lucky Fountain (i.e. its subsidiaries). If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transaction and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statement in preparing the Financial Information to ensure conformity with the Lucky Fountain Group's accounting policies.

Control is achieved when the Lucky Fountain Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect its return.

Lucky Fountain reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Lucky Fountain Group obtains control of the subsidiary and ceases when the Lucky Fountain Group loses control of the subsidiary. Income and expenses of a subsidiary are included in the consolidated statement of profit or loss and other comprehensive income from the date the Lucky Fountain Group gains control until the date when the Lucky Fountain Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of Lucky Fountain.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Lucky Fountain Group are eliminated in full on consolidation.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period/year. Taxable profit differs from “profit before tax” as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Lucky Fountain Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liabilities is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Lucky Fountain Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred income tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Prepaid lease payments

Payment for obtaining land use rights is considered as operating lease payment. Land use rights are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is charged to consolidated statement of profit or loss and other comprehensive income over the period of the rights using the straight-line method.

Cash and cash equivalents

Bank balance in the consolidated statement of financial position comprise cash at bank.

For the purpose of the consolidated statement of cash flows, cash and cash equivalent consist of bank balance as defined above.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Lucky Fountain Group's financial assets are loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including amount due from the sole shareholder and bank balance) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss of financial assets below).

Impairment loss on financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When the financial asset is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liability

The Lucky Fountain Group's financial liabilities are other financial liabilities.

Other financial liabilities

Other financial liabilities including amount due to a sole shareholder is subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Lucky Fountain are recorded at the proceeds received, net of direct issue costs.

Derecognition

A financial asset is derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, if any, is recognised in profit or loss.

A financial liability is derecognised when, and only when, the Lucky Fountain Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Fair value measurement

When measuring fair value, the Lucky Fountain Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCE OF ESTIMATION UNCERTAINTY

In the application of the Lucky Fountain Group's accounting policies, which are described in note 4, the sole director of Lucky Fountain is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following is the critical judgement that the sole director of Lucky Fountain has made in the process of applying the entity's accounting policies and that has the most significant effect on the amounts recognised in the Financial Information.

Going concern consideration

The assessment of the going concern assumption involves making a judgement by the sole director of Lucky Fountain, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The sole director of Lucky Fountain considers that the Lucky Fountain has the ability to continue as a going concern and the major events or conditions, which may give rise to liquidity risk, that individually or collectively may cast significant doubt about the going concern assumption are set out in note 2.

Key sources of estimation uncertainty

The following is the key assumption concerning the future, and other key sources of estimation uncertainty during the Relevant Periods, that has a significant risk of resulting in a material adjustment to the carrying amount of assets within the next financial year.

Impairment of prepaid lease payments

At 31 December 2015, the sole director of Lucky Fountain reviews the carrying amount of its prepaid lease payments of US\$19,101,437, and identified if there is indication that the prepaid lease payments may suffer an impairment loss. Accordingly, the recoverable amount of prepaid lease payments, being the fair value less cost of disposal, is estimated in order to determine the extent of the impairment loss. The estimates of the recoverable amount of prepaid lease payments require the use of assumptions such as recent sales price of comparable land on a price per square metre basis.

Based on the estimated recoverable amount, no impairment loss has been recognised for the year ended 31 December 2015.

There were no prepaid lease payments as at 31 December 2014.

6. CAPITAL RISK MANAGEMENT

The Lucky Fountain Group manages its capital to ensure that the Lucky Fountain Group will be able to continue as a going concern while maximising the return to the sole shareholder through the optimisation of the debt and equity balance. The Lucky Fountain Group's overall strategy remains unchanged throughout the Relevant Periods.

The capital structure of the Lucky Fountain Group consists of amount due to the sole shareholder, net of cash and cash equivalents, and equity attributable to owner of Lucky Fountain, comprising share capital and accumulated loss.

The sole director of Lucky Fountain reviews the capital structure on a regular basis. As part of this review, the sole director of Lucky Fountain considers the cost of capital and the risks associated with each class of capital. Based on the recommendations of the sole director of Lucky Fountain, the Lucky Fountain Group will balance its overall capital structure through, issuance of new shares as well as the issue of new debts or the repayment of existing debts.

7. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at 31 December	
	2014	2015
	US\$	US\$
Financial assets		
Loans and receivables (including bank balance)	1	888
Financial liability		
At amortised cost	–	19,361,834

(b) Financial risk management objectives and policies

The Lucky Fountain Group's financial instruments represent bank balance and amount due from/to the sole shareholder. Details of the amount due from/to the sole shareholder are disclosed in note 14 to the Financial Information. The risk associated with these financial instruments includes liquidity risk, interest rate risk and credit risk. The policies on how to mitigate these risk are set out below. Management of Lucky Fountain manages and monitors this exposure to ensure appropriate measures are implemented on a timely and effective manner.

Liquidity risk

The Lucky Fountain Group was exposed to liquidity risk. As at 31 December 2015, the Lucky Fountain Group had net current liabilities of US\$18,818,769. The ability of the Lucky Fountain Group to operate as a going concern for the Relevant Periods depended on the ongoing support from its sole shareholder and/or Top Force Ventures Limited.

The Lucky Fountain Group's remaining contractual maturity for its non-derivative financial liabilities, based on the undiscounted cash flows of financial liabilities on the earliest date on which the Lucky Fountain Group can be required to pay, as at 31 December 2015 is repayable on demand.

Interest rate risk

The Lucky Fountain Group's exposure to interest rate risk is minimal as no interest has been generated from the bank balance.

Credit risk

The Lucky Fountain Group's exposure to credit risk is limited as the counterparties are the sole shareholder of Lucky Fountain and bank with high credit ratings assigned by international credit-rating agencies.

(c) Fair value of financial assets and financial liabilities

The sole director of the Lucky Fountain considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost approximate to their fair values due to their short-term maturities.

8. REVENUE

The Lucky Fountain Group did not generate any revenue from its activities during the Relevant Periods.

9. LOSS BEFORE TAX

	From 19 March 2014 (date of incorporation) to 31 December 2014 US\$	Year ended 31 December 2015 US\$
Loss before tax has been arrived at after charging:		
Amortisation of prepaid lease payments	–	256,514
Auditor’s remuneration	–	–
Director’s emoluments (<i>note 11</i>)	–	–
	<u>–</u>	<u>–</u>

10. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made as no income has been derived from Hong Kong during the Relevant Periods.

No provision for income tax for the Lucky Fountain and the subsidiary which were incorporated in the BVI as they are not subject to any income tax under the laws and regulations of the BVI.

The corporate income tax in CNMI is calculated at 35% of the estimated assessable profit for the Relevant Periods. No provision for corporate income tax for the subsidiary incorporated in the CNMI as no income has been derived from the CNMI during the Relevant Periods.

The income tax for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	From 19 March 2014 (date of incorporation) to 31 December 2014 US\$	Year ended 31 December 2015 US\$
Loss before tax	–	(259,510)
Calculated at the rates applicable to loss in the tax jurisdictions concerned	–	(90,829)
Tax effect of expenses not deductible for tax purpose	–	90,829
Income tax expense for the period/year	<u>–</u>	<u>–</u>

11. DIRECTOR'S EMOLUMENTS

The emolument of the sole director who is also the chief executive of the Lucky Fountain Group, is as follows:

	From 19 March 2014 (date of incorporation) to 31 December 2014 US\$	Year ended 31 December 2015 US\$
Emoluments paid or receivable in respect of a person's services as a director of Lucky Fountain or its subsidiaries undertaking:		
Fees	–	–
Contributions to retirement benefits schemes	–	–
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of Lucky Fountain or its subsidiaries undertaking	–	–
	<u>–</u>	<u>–</u>

No emoluments were paid by the Group to any directors or the chief executive of the Group as an inducement to join or upon joining the Group, or as compensation for loss of office for the Relevant Periods.

12. DIVIDENDS

No dividends were paid, declared or proposed during the year ended 31 December 2015, nor has any dividend been proposed since the end of the Relevant Periods.

13. PREPAID LEASE PAYMENTS

	As at 31 December	
	2014 US\$	2015 US\$
Leasehold land held under medium and long term leases in the CNMI acquired through acquisition of subsidiaries (note 16) and is analysed for reporting purposes as follows:		
Current asset	–	542,177
Non-current asset	–	18,559,260
	<u>–</u>	<u>19,101,437</u>

The prepaid lease payments are amortised on a straight-line basis over the term of the lease of the leasehold land.

14. AMOUNT DUE FROM (TO) THE SOLE SHAREHOLDER

The amount is unsecured, interest-free and repayable on demand.

15. SHARE CAPITAL

	As at 31 December	
	2014	2015
	<i>US\$</i>	<i>US\$</i>
Authorised:		
50,000 ordinary shares of US\$1 each	50,000	50,000
Issued and fully paid:		
1 ordinary share of US\$1 each	1	1

Upon incorporation, the authorised share capital of Lucky Fountain was US\$50,000, divided into 50,000 ordinary shares of US\$1 each, of which 1 ordinary share of US\$1 each were allotted and issued at par for the initial working capital of Lucky Fountain.

16. ACQUISITION OF SUBSIDIARIES ACCOUNTED FOR AS ASSETS ACQUISITION

On 10 July 2015, Lucky Fountain acquired the entire equity interest in Billion Link and its subsidiary, Billion Ventures, (collectively referred to as the “Billion Link Group”), from an independent third party for a cash consideration of HK\$150,000,000, equivalent to US\$19,354,839. The sole director of Lucky Fountain is of the opinion that the acquisition of the Billion Link Group is in substance assets acquisition through acquisition of subsidiaries instead of a business combination.

The carrying amounts of the assets and liability of the Billion Link Group as at the date of acquisition were as follows:

	<i>US\$</i>
Prepaid lease payments classified as:	
Current portion	542,177
Non-current portion	18,815,774
Bank overdraft	(3,112)
	19,354,839
Cash outflow from acquisition of subsidiaries:	
Cash consideration paid	19,354,839
Add: bank overdraft acquired and settled	3,112
	19,357,951

17. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the Financial Information, the Lucky Fountain Group has the following related party transaction:

Compensation to key management personnel

The sole director of Lucky Fountain considers that he is the only key management personnel of the Lucky Fountain Group and no remuneration has been paid to him by the Lucky Fountain Group and its related companies during the Relevant Periods.

Director’s material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Lucky Fountain Group’s business to which the Lucky Fountain Group was a party and in which the sole director of Lucky Fountain had a material interest, whether directly or indirectly, subsisted at the end of the Relevant Periods or at any time during the Relevant Periods.

III. SUBSEQUENT FINANCIAL STATEMENTS

As at the date of this report, no audited financial statements have been prepared by the Lucky Fountain Group in respect of any period subsequent to 31 December 2015.

Yours faithfully,
SHINEWING (HK) CPA Limited
Certified Public Accountants
Wong Chuen Fai
Practising Certificate Number: P05589
Hong Kong

IV. MANAGEMENT DISCUSSION AND ANALYSIS ON THE TARGET GROUP FOR THE RELEVANT PERIODS

Set out below is the management discussion and analysis of the Target Group for the Relevant Periods which are based on detailed financial information of the Target Group as set out in the accountants' report in Appendix II to this Circular.

Business review

The Target Company is a company incorporated in the BVI with limited liability on 19 March 2014. The principal business of the Target Company is investment holding. On 10 July 2015, the Target Company acquired the entire equity interest of Billion Link, a company incorporated in BVI with limited liability, with its principal activities being investment holdings.

Billion Link owns the entire equity interest in Billion Ventures, a company incorporated in CNMI with limited liability, with its principal activities being real estate development. The principal assets of Billion Ventures are the twelve land parcels located in Saipan with a total site area of approximately 79,529 square metres (the "Properties").

Financial review

During the period from 19 March 2014 (date of incorporation) to 31 December 2014, the Target Company had recorded nil revenue and income respectively, with net asset value of US\$1, which represented its share capital.

As at 31 December 2015, prepaid lease payments represented Properties acquired through acquisition of Billion Link and its subsidiary, Billion Ventures (collectively referred to as the "Billion Group") whilst amount due to the sole shareholder represented consideration paid on behalf of the Target Company for the acquisition of the Billion Group, which was completed on 10 July 2015. The amount due to the sole shareholder is unsecured, interest free and repayable on demand. Nil revenue and income was generated for the year ended 31 December 2015. Nevertheless, the Target Group had incurred administrative expenses amounted to approximately US\$259,510 which consisted primarily of amortization of prepaid lease payments.

No provision for income tax has been made for the Relevant Period as the no income has been derived from Hong Kong, the BVI and the CNMI during the Relevant Periods.

Liquidity, financial resources and capital structure

As at 31 December 2014, net asset value of US\$1 represented investment cost due from the sole shareholder.

As at 31 December 2015, the Target Group's total assets amounted to US\$19,102,325 which comprised prepaid lease payments of US\$19,101,437 and bank balance of US\$888. Prepaid lease payments were stated at cost as at 31 December 2015 and no impairment loss was

recorded for the year ended 31 December 2015. As at 31 December 2015, the Target Group's current liabilities amounted to US\$19,361,834 which represented amount due to the sole shareholder. In the management of the liquidity risk, the Target Group obtains financing deemed adequate by the management to finance the Properties.

As at 31 December 2014 and 31 December 2015, the issued share capital of the Target Group was US\$1 comprised of 1 issued and fully paid ordinary share of US\$1 each. There was no material change in the capital structure of the Target Group.

Foreign exchange exposure

A majority of transactions, recognized assets and liabilities of the Target Group are denominated in United States dollars, there is no significant exposure to foreign currency exchange risks.

Amount due to the sole shareholder

As at 31 December 2015, amount due to the sole shareholder of by the Target Group amounted to US\$19,361,834. The balance was unsecured, interest-free and has no fixed terms of repayment. As a condition precedent to the Acquisition, the Company will also acquire the shareholder's loan owing by the Target Group at Completion.

Pledge of assets

As at 31 December 2014 and 2015, the Target Group did not have any charge over its assets.

Contingent liabilities

As at 31 December 2014 and 2015, the Target Group did not have any significant contingent liability.

Capital commitments

As at 31 December 2014 and 2015, the Target Group did not have any significant capital commitment.

Significant investment, material acquisition and disposal

On 10 July 2015, the Target completed the acquisition of entire equity interest in Billion Link and its shareholder's loan of US\$1,738,844 with the consideration of HK\$150,000,000, equivalent to US\$19,354,839, in which Billion Link held entire equity interest in Billion Ventures immediately before the acquisition of Billion Link. As such, for the year ended 31 December 2015, the Target beneficially owned entire equity interest in the Billion Group. Other than the acquisition of the Billion Group, the Target Group did not have any material acquisition and disposal of subsidiaries during the Relevant Periods.

Employees and remuneration policies

During the Relevant Periods, the Target Group did not employ any employees and hence the Target did not incur any staff costs nor does it adopt any remuneration policies, bonus and share option schemes and training schemes.

**UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED
GROUP**

The following is an illustrative and unaudited pro forma financial information of Sino Golf Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) and Lucky Fountain Holdings Limited (the “Target Company”) and its subsidiaries (hereinafter collectively referred to as the “Target Group”) (together with the Group, hereinafter referred to as the “Enlarged Group”) (the “Unaudited Pro Forma Financial Information”), which have been prepared on the basis as set out in the notes below to illustrate the effect of the proposed acquisition of the entire equity interest in the Target Company (the “Acquisition”).

The Unaudited Pro Forma Financial Information has been prepared in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, for the purpose of illustrating the effect of the Acquisition as if the Acquisition had been completed on 31 December 2015.

The Unaudited Pro Forma Financial Information has been prepared by directors of the Company (the “Directors”) to provide information of the Group upon completion of the Acquisition. It is prepared for illustrative purpose only and based on a number of assumptions, estimates and uncertainties. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the financial position of the Enlarged Group following the completion of the Acquisition or any future date.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information as set out in Company’s published annual report for the year ended 31 December 2015, the respective accountants’ report of the Target Group as set out in Appendix II of the circular and other financial information included elsewhere in the circular.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND
LIABILITIES OF THE ENLARGED GROUP AS AT 31 DECEMBER 2015

	The Group as at 31 December 2015	The Target Group as at 31 December 2015			Pro forma adjustments		The Enlarged Group as at 31 December 2015
	HK\$'000	US\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)		
Non-current assets							
Property, plant and equipment	135,518	-	-	-	-	-	135,518
Investment in a subsidiary	-	-	-	215,331	(215,331)	-	-
Prepaid lease payments	9,032	18,559	143,834	-	65,377	-	218,243
Goodwill	-	-	-	-	-	-	-
Club debentures	2,897	-	-	-	-	-	2,897
Pledged bank deposit	639	-	-	-	-	-	639
Deposits and other receivables	625	-	-	-	-	-	625
Prepayments for acquisition of property, plant and equipment	740	-	-	-	-	-	740
	<u>149,451</u>	<u>18,559</u>	<u>143,834</u>				<u>358,662</u>
Current assets							
Inventories	119,841	-	-	-	-	-	119,841
Trade and other receivables	56,414	-	-	-	-	-	56,414
Prepaid lease payments	336	542	4,201	-	1,911	-	6,448
Short-term bank deposit	602	-	-	-	-	-	602
Bank balances and cash	17,063	1	8	1,460	-	-	15,611
	<u>194,256</u>	<u>543</u>	<u>4,209</u>				<u>198,916</u>
Current liabilities							
Trade and other payables	29,670	-	-	-	-	-	29,670
Bank borrowings	78,494	-	-	-	-	-	78,494
Amounts due to related companies	59,684	-	-	-	-	-	59,684
Amount due to the sole shareholder	-	19,362	150,054	-	(150,054)	-	-
Tax payable	160	-	-	-	-	-	160
	<u>168,008</u>	<u>19,362</u>	<u>150,054</u>				<u>168,008</u>
Net current assets (liabilities)	<u>26,248</u>	<u>(18,819)</u>	<u>(145,845)</u>				<u>30,908</u>
Total assets less current liabilities	<u>175,699</u>	<u>(260)</u>	<u>(2,011)</u>				<u>389,570</u>
Non-current liabilities							
Promissory notes	-	-	-	213,871	-	-	213,871
Deferred tax liabilities	343	-	-	-	-	-	343
	<u>343</u>	<u>-</u>	<u>-</u>				<u>214,214</u>
Net assets (liabilities)	<u>175,356</u>	<u>(260)</u>	<u>(2,011)</u>	-	2,011		<u>175,356</u>

Notes:

1. The financial information of the Group is extracted from the audited condensed consolidated statement of financial position of the Group as at 31 December 2015 as set out in the Company's published annual report for the year ended 31 December 2015.
2. The assets and liabilities of the Target Group as at 31 December 2015 are extracted from the accountant's report as set out in Appendix II to this circular.
3. The consolidated statement of financial position of the Target Group denominated in United States dollar ("US\$") is translated into Hong Kong dollars ("HK\$") at the approximate exchange rate of US\$1 to HK\$7.75 for illustrative purpose only. Such translation does not constitute a representation that any amount has been, could have been, or may otherwise be exchanged or converted at the above rate.
4. The pro forma adjustment represents the recognition of the investment cost in the Target Company by the Group.

In accordance with the sale and purchase agreement entered between Future Success Group Limited (the "Purchaser") and Top Force Ventures Limited (the "Vendor") and the supplemental agreement dated 5 April 2016 entered into between the Purchaser and the Vendor in relation to the Acquisition, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to (i) sell the entire issued share capital of the Target Company (the "Sale Share"); and (ii) assign all obligations, liabilities and debts owing or incurred by the Target Group to the Vendor and its associates on or at any time prior to the completion of the Acquisition (the "Completion") whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on the Completion (the "Sale Loan"), with consideration of HK\$235,700,000 (the "Consideration"). The Consideration will be paid by procuring the Company to issue the promissory notes in the principal amount of HK\$235,700,000 to the Vendor upon the Completion (the "Promissory Notes").

For the purpose of preparation of the unaudited pro forma consolidated statement of assets and liabilities, the Directors have assumed that the Promissory Notes were issued on 31 December 2015, the date as if the Acquisition had been completed. The Directors have engaged Vigers Appraisal and Consulting Limited, an independent professional valuer, to determine the fair value of the Promissory Notes to be recognised, in accordance with HKFRS 13 *Fair Value Measurements* issued by the HKICPA. In preparing the unaudited pro forma consolidated statement of assets and liabilities, the fair value of the Promissory Notes is approximately HK\$213,871,000 as at 31 December 2015, the date as if the Acquisition was completed. The fair value of the Promissory Notes was determined using market comparison approach after considering (i) the terms and conditions of the Promissory Notes as disclosed in section head "Letter from the Board" of this circular; (ii) expected credit rating of the Company; and (iii) the estimated average yield of other non-convertible bonds with similar credit rating. The estimated average yield of 16.9% was based other non-convertible bonds with similar rating of the Company, as determined to be CCC with reference to the key financial indicators of the Company.

The fair value of the Promissory Notes will be assessed upon issue at the date of the Completion and the actual fair values at the date of the Completion may be substantially different from the fair value used in the preparation of the Unaudited Pro Forma Financial Information.

Prior to the Acquisition, the Target Group has not yet in operation, and it therefore does not constitute a business under HKFRS 3 *Business Combination*. The Acquisition is accounted as acquisition of assets by the Company and the estimated transaction cost of approximately HK\$1,460,000 is therefore treated as part of the investment cost in the Target Group.

On Completion, the sum of the fair value of the Promissory Notes of approximately HK\$213,871,000 and the estimated transaction costs of approximately HK\$1,460,000, being approximately HK\$215,331,000, is recognised as the cost of investments in the Target Company in the statement of financial position of the Company.

As disclosed in the section head “Letter of the Board” to this circular, one of the conditions of the Completion is to obtain a valuation report issued by the independent valuer appointed by the purchaser showing that the fair value of the twelve land parcels located in Saipan with a total site area of approximately 79,529 square metres (the “Properties”) held by the Target Group in aggregate to be not less than HK\$240,000,000. Based on the valuation report on the Properties as set out in Appendix IV to this circular, the fair value of the Properties as at 31 December 2015 is approximately US\$31,000,000, equivalent to approximately HK\$240,250,000, in aggregate.

5. The pro forma adjustment represents the adjustment to eliminate the Group’s investment cost of approximately HK\$215,331,000 in the Target Companies against (i) the capital deficiency of the Target Group before the Acquisition of approximately HK\$2,011,000; and (ii) the Sale Loan of approximately HK\$150,054,000 as a result of the assignment of Sale Loan to the Purchaser at Completion.

On consolidation of the Target Group by the Group, the excess of investment cost in the Target Group over the capital deficiency and the Sale Loan of the Target Group of approximately HK\$67,288,000 is allocated to net assets of the Target Group. No allocation was made to the bank balance of the Target Group as it has been stated as its fair value. As such, the whole sum of the excess of investment cost in the Target Group of approximately HK\$67,288,000 is allocated to the non-current and current portions of the prepaid lease payments, based on the respective carrying amounts of the prepaid lease payments as at date of the Completion. Approximately HK\$65,377,000 and HK\$1,911,000 will be allocated to the non-current portion and current portion of prepaid lease payments respectively.

6. Apart from the above, no adjustments have been made to the unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group to reflect any trading results or other transactions of the Enlarged Group entered into subsequent to 31 December 2015 where applicable.

The following is the text of report, prepared for the purpose of incorporation in this circular, received from the Company's reporting accountants, SHINEWING (HK) CPA Limited, Certified Public Accountants, Hong Kong.

ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION



SHINEWING (HK) CPA Limited
43/F., The Lee Gardens
33 Hysan Avenue
Causeway Bay, Hong Kong

21 April 2016

The Directors
Sino Golf Holdings Limited
21st Floor
1 Duddell Street, Central
Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of Sino Golf Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 31 December 2015, and related notes as set out on pages III-1 to III-4 of the circular in connection with the proposed acquisition of the entire equity interest in Lucky Fountain Holdings Limited and its subsidiaries (hereinafter collectively referred to as the "Target Group") (the "Acquisition") issued by the Company dated 21 April 2016 (the "Circular"). The applicable criteria on the basis of which the directors of the Company have compiled the pro forma financial information are described on pages III-1 to III-4 of the Circular.

The pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Acquisition on the Group's financial position as at 31 December 2015 as if the Acquisition had taken place at 31 December 2015. As part of this process, information about the Group's financial position has been extracted by the directors of the Company from the Group's consolidated statement of financial position as at 31 December 2015, on which an audit report has been published.

Directors' Responsibility for the Pro Forma Financial Information

The directors of the Company are responsible for compiling the pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors of the Company have compiled the pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in the Circular is solely to illustrate the impact of the Acquisition on unadjusted financial information of the Group as if the Acquisition had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Acquisition at 31 December 2015 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Wong Chuen Fai
Practising Certificate Number P05589
Hong Kong

The following is the text of a letter and valuation report prepared for the purpose of incorporation in this Circular received from Vigers Appraisal and Consulting Limited, in connection with the valuation of the Properties to be acquired by Sino Golf Holdings Limited for Development purpose as at 31st December 2015 and 31st January 2016.

Sino Golf Holdings Limited

21st Floor
1 Duddell Street
Central
Hong Kong



Vigers Appraisal and Consulting Limited
General Practice Sector

Direct Line: +852 2342-2000
Facsimile: +852 2840-0614
E-mail: gp@vigers.com
Website: www.Vigers.com

10/F The Grande Building,
398 Kwun Tong Road,
Kowloon, Hong Kong

21st April 2016

Our Ref.: DC/FW/SN/VA23074-2015

Dear Sirs,

RE: 12 LAND PARCELS LOCATED IN ISLAND OF SAIPAN, COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS, UNITED STATES OF AMERICA (REFERRED TO AS THE “PROPERTIES”)

We refer to the recent instruction from “Sino Golf Holdings Limited” (the “Company”) for us to assess the market values of the Properties in existing state and physical condition as at 31st December 2015 and 31st January 2016 (“Valuation Dates”) for acquisition purpose. We confirm that we have inspected the Properties, made relevant enquiries and investigations as well as obtained such further information as we consider necessary for the purpose of providing with our opinion of values of the Properties as at the Valuation Dates.

Basis of Value

Our valuations are our opinion of market values of the Properties which is defined as intended to mean “*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*”. Our valuations have been prepared in accordance with “The HKIS Valuation

Standards (2012 Edition)” published by “The Hong Kong Institute of Surveyors” (“HKIS”), “RICS Valuation – Professional Standards (January 2014)” published by the “Royal Institution of Chartered Surveyors” (“RICS”), relevant provisions in the “Companies Ordinance”, and relevant chapters in the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Main Board)” published by “The Stock Exchange of Hong Kong Limited” (“HKEEx”).

Market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. Market value of a property is estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

Valuation Approach

In the course of our valuations, we have adopted the market approach in which recent transactions of comparable properties in the locality are analysed and compared with the Properties. As defined in the “International Valuation Standards 2013” published by the “International Valuation Standards Council” (“IVSC”), market approach “*provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available*”. In our valuations, we have assessed the Properties by comparison method of valuation whereby comparisons based on actual sales transactions of comparable properties in the locality on a unit selling price basis have been made. Comparable properties with similar character, location, size and so on are analysed and carefully weighed against all respective advantages and disadvantages of the Properties in order to arrive at a fair comparison of value as at respective Valuation Date.

Title Investigation

The Properties are located in the United States of America (the “USA”), and we have been given extracted copies of relevant title documents for the Properties but we have not checked the titles to the Properties nor scrutinized the original title documents. We have relied on the advice given by the Company and its legal adviser, “Law Office of Matthew T. Gregory, LLC.” (the “USA Legal Adviser”) on the laws of the USA regarding titles to the Properties. For the purpose of our valuations, we have taken the legal opinion prepared by the USA Legal Adviser into account, in particular title, ownership, encumbrances and so on of the Properties. While we have exercised our professional judgement in arriving at our valuations, you are urged to consider our valuation assumptions with caution.

Valuation Consideration

Having examined all relevant documents, we have relied to a considerable extent on the information given by the Company, particularly planning approvals or statutory notices, easements, land lease terms, site areas, occupancy status as well as in the identification of the

Properties. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company, and we have been advised by the Company that no material fact has been omitted from the information provided. In undertaking our valuations, we have been assisted by a local licensed real estate appraiser, “LBT Appraisal” (“LBT”), in Saipan of the USA. We have not carried out detailed on-site measurement to verify the correctness of the site and floor areas of the Properties but we have assumed that the site and floor areas shown on the documents handed to us are accurate and reliable. All dimensions, measurements and areas included in our valuation report are based on the information contained in the documents provided to us by the Company and are therefore approximations.

On-site inspection to the Properties was carried out by Mr. Franky C. H. WONG *MSc(RealEst) MCIM MRICS MHKIS RPS(GP)* on 1st March 2016. But we must stress that we have not carried out any structural survey nor have we inspected the woodwork or other parts of the structures of the Properties which were covered, unexposed or inaccessible to us. We are therefore unable to report whether such part of the Properties is free from any structural or non-structural defect.

Valuation Assumptions

Our valuations have been made on the assumption that the Properties could be sold in the prevailing market in existing state but without the effect of any deferred term contract, leaseback, joint venture or any other similar arrangement which may serve to affect the values of the Properties, unless otherwise noted or specified. In addition, no account has been taken into of any option or right of pre-emption concerning or affecting the sale of the Properties.

In our valuations, we have assumed that the owner of the Properties has free and uninterrupted rights to use and assign the Properties during the whole of the unexpired land lease terms’ granted subject to payment of usual land-use fee(s). Our valuations for the Properties are carried out on the basis of a cash purchase, and no allowance has been made for interest and/or funding cost in relation to the sale or purchase of the Properties.

We had carried out on-site inspection to the Properties but no soil investigation has been carried out to determine the suitability of ground condition or building services for any property development to be erected on the Properties. Our valuations have been carried out on the assumption that these aspects are satisfactory. In our valuations, we have also assumed that all necessary consents, approvals and licences from relevant government authorities have been or will have been granted for any property development of the Properties.

Our market value assessments of the Properties are the values’ estimated without regard to costs of sale or purchase or transaction and without offset for any associated tax(es) or potential tax(es). Any transaction cost(s) or encumbrances such as mortgage, debenture or other charges against the Properties has been disregarded. In our valuations, we have assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature which may serve to affect the values of the Properties.

Remarks

We hereby confirm that:

- (1) we have no present or prospective interest in the Properties and are not a related corporation of nor having a relationship with the Company;
- (2) we are authorised to practise as external valuer and have the necessary expertise and experience in valuing similar types of properties;
- (3) our valuations have been prepared on a fair and unbiased basis; and
- (4) our compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the vendor or purchaser, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

Unless otherwise stated, all monetary amounts stated herein are denoted in United States Dollars (“US\$”), the lawful currency of the USA.

We enclose herewith the core content of our valuation report.

Yours faithfully,

For and on behalf of

VIGERS APPRAISAL AND CONSULTING LIMITED

David W. I. CHEUNG

MRICS MHKIS RPS(GP) CREA

RICS Registered Valuer

Executive Director

Franky C. H. WONG

MSc(RealEst) MCIM MRICS MHKIS RPS(GP)

RICS Registered Valuer

Director

Note: Mr. David W. I. CHEUNG is a “Registered Professional Surveyor in General Practice Division” (“RPS(GP)”) under the “Surveyors Registration Ordinance” (Cap. 417) in Hong Kong Special Administrative Region (“Hong Kong”), and is a “RICS Registered Valuer” under the “Valuer Registration Scheme” regulated by the RICS with over 32 years’ valuation experience on properties in various regions including Hong Kong, Macao, the PRC, Japan, the United Kingdom (“UK”), Canada and the USA. Mr. Cheung has been vetted on the “List of Property Valuers for Undertaking Valuations for Incorporation of Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers” published by the HKIS, and is suitably qualified for undertaking valuations relating to listing exercises. Mr. Cheung has been employed by “Vigers Appraisal and Consulting Limited” as a qualified valuer since 2006.

Graduated from The University of Hong Kong with a Master of Science in Real Estate, Mr. Franky C. H. WONG is a “Registered Professional Surveyor in General Practice Division” (“RPS(GP)”) under the “Surveyors Registration Ordinance” (Cap. 417) in Hong Kong, and is a “RICS Registered Valuer” under the “Valuer Registration Scheme” regulated by the RICS with over 14 years’ valuation experience on properties in various regions including Hong Kong, Macao, the PRC, Japan, UK and the USA. Mr. Wong has been vetted on the “List of Property Valuers for Undertaking Valuations for Incorporation of Reference in Listing Particulars and Circulars and Valuations in connection with Takeovers and Mergers” published by the HKIS and “List of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in connection with Takeovers and Mergers” published by RICS Hong Kong, and is suitably qualified for undertaking valuations relating to listing exercises. Mr. Wong has been employed by “Vigers Appraisal and Consulting Limited” as a valuer since 2006 and as a qualified valuer since 2009.

The Properties	Description and Tenure	Occupancy Status	Market Value in Existing State as at the Valuation Dates
Lot 007 A 02, Lot 007 A 03, Lot 007 A 04, Lot 022 A 02, Lot 022 A 03, Lots 007 A 05, Lots 007 A 06, Lots 007 A 07, Lot 032 A 01, Lot 036 D 01, Lot 010 A 02 and Lot 010 A 17, Saipan, Commonwealth of the Northern Mariana Islands, the USA	The Properties comprise 12 pieces of vacant land with total site area of about 79,529 square metres for rural use in Saipan of the USA. <i>(Please also refer to Note 10 below for further details.)</i> The Properties are held under Assignment of Leases for various terms with the earliest and latest expiry dates on 31st May 2042 and 12th August 2069 respectively.	The Properties were left vacant as of the date of our inspection.	As at 31st December 2015 US\$31,000,000 As at 31st January 2016 US\$31,000,000

Notes:

1. Pursuant to the information made available to us, the ownership details of the Properties are listed below.

Lot No.	Lease Term	Site Area	Registered Owner
Lot 007 A 02	From 29th September 2014 to 12th August 2069	1,500 square metres	BILLION VENTURES (CNMI) LIMITED
Lot 007 A 03	From 29th September 2014 to 12th August 2069	500 square metres	BILLION VENTURES (CNMI) LIMITED
Lot 007 A 04	From 29th September 2014 to 12th August 2069	500 square metres	BILLION VENTURES (CNMI) LIMITED
Lot 022 A 02	From 29th September 2014 to 12th August 2069	3,584 square metres	BILLION VENTURES (CNMI) LIMITED
Lot 022 A 03	From 29th September 2014 to 12th August 2069	15,000 square metres	BILLION VENTURES (CNMI) LIMITED
Lots 007 A 05	From 29th September 2014 to 25th November 2042	2,500 square metres	BILLION VENTURES (CNMI) LIMITED
Lots 007 A 06	From 29th September 2014 to 25th November 2042	2,500 square metres	BILLION VENTURES (CNMI) LIMITED
Lots 007 A 07	From 29th September 2014 to 25th November 2042	2,501 square metres	BILLION VENTURES (CNMI) LIMITED
Lot 032 A 01	From 30th April 2015 to 31st May 2042	9,352 square metres	BILLION VENTURES (CNMI) LIMITED
Lot 036 D 01	From 29th September 2014 to 12th August 2069	10,980 square metres	BILLION VENTURES (CNMI) LIMITED
Lot 010 A 02	From 29th September 2014 to 21st December 2043	20,408 square metres	BILLION VENTURES (CNMI) LIMITED
Lot 010 A 17	From 29th September 2014 to 21st December 2043	10,204 square metres	BILLION VENTURES (CNMI) LIMITED

2. According to the legal opinion prepared by the USA Legal Adviser, there is no encumbrances registered against the Properties.
3. As confirmed by the Company, the use of the Properties does not constitute any breach of environmental regulations.
4. As confirmed by the Company, there is no pending litigation, breaches of law or title defects against the Properties.
5. As confirmed by the Company, the Properties are intended to be developed into hotel resorts and/or timeshare condominiums in four phases, of which the first phase of the Development Plan with a site area of approximately 9,352 square metres will be developed into a 3-star 8-storey timeshare condominium resort comprising 8,000 square metres and the preliminary estimated development cost is US\$17,600,000 or thereabout; whilst the remainder is intended to be kept as land reserves of the Company.
6. As confirmed by the Company, there is no plan to dispose of the Properties.
7. As confirmed by the Company, there is no other information considered material for investor.
8. In our valuations, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristic as the Properties. The unadjusted unit prices on site area of those comparables range from US\$317 per square metre to US\$425 per square metre. Appropriate adjustments and analyses are considered to the differences in location, size and other character between the comparable properties and the Properties to arrive the market values of the Properties. The unit rate of the Properties is in line with the unit rates of those comparables.
9. The Properties are located on the northeastern side of Saipan, Commonwealth of the Northern Mariana Islands, the USA and within 15 minutes' drive from downtown, where hotel resorts and low-rise residential developments can be found in the locality.
10. According to Saipan Zoning Law of 2013, "Bed and breakfast" is a permitted use and allowed by right in the district zoned "Rural" subject to meeting all applicable requirements of this Law; "Hotel/motel" and "Restaurant, general" are conditional uses and are only allowed in the district zoned "Rural" after receiving approval for a conditional use permit. According to the legal opinion prepared by the USA Legal Adviser, public hearing for a period of about 30 days is a requirement for obtaining a conditional use permit at zoning compliance stage. Additional licenses and permits for the purpose of (i) zoning compliance (including the conditional use permit), (ii) environmental compliance and (iii) building permits are required for the first phase of the Development Plan.
11. According to the legal opinion prepared by the USA Legal Adviser, the ability/application to change the zoning of the area or obtain the relevant licences and permits are often granted. There is no unforeseeable risk that the first phase of the Development Plan will be unable to obtain the requisite licenses and permits.

1. 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.

2. DISCLOSURE OF INTERESTS BY DIRECTORS AND CHIEF EXECUTIVE IN THE COMPANY

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (“**Model Code**”), were as follows:

(I) LONG POSITIONS IN ORDINARY SHARES OF THE COMPANY:

Name of Director	Number of Shares held, capacity and nature of interest			Percentage of the Company's issued share capital
	Directly beneficially owned	Through spouse	Total	
Mr. CHU Chun Man, Augustine	46,460,520	750,000	47,210,520	2.02%

(II) LONG POSITIONS IN SHARES AND UNDERLYING SHARES OF ASSOCIATED CORPORATION:

Name of director	Name of associated corporation	Relationship with the Company	Shares	Number of shares held	Capacity and nature of interest	Percentage of the associated corporation's issued non-voting deferred share capital
Mr. CHU Chun Man, Augustine	Sino Golf Manufacturing Company Limited ("Sino Golf Manufacturing")	Company's subsidiary	Non-voting deferred shares (<i>Note</i>)	1,190,607	Directly beneficially owned	30.98%

Note:

The non-voting deferred shares carry no rights to dividends and no rights to receive notice of or attend or vote at any general meeting of Sino Golf Manufacturing. The holders of the non-voting deferred shares shall be entitled to any surplus in return of capital in respect of one half of the balance of assets after the first HK\$100,000,000,000,000 has been distributed to the holders of ordinary shares, in a winding up or otherwise the assets of Sino Golf Manufacturing to be returned.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were otherwise required to notify the Company and the Stock Exchange pursuant to the Model Code.

3. DISCLOSURE OF INTERESTS BY SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at the Latest Practicable Date, so far as any Directors are aware, the interests or short positions owned by the following parties (other than the Directors or chief executive of the Company) in the Shares or underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO were as follows:

Name	Capacity/Nature of interest	Number of Shares	Percentage of the total issued share capital of the Company
Surplus Excel Limited (Note)	Beneficial owner	984,754,355	42.08%
Mr. Jiang Jianhui (Note)	Interest of controlled corporation	984,754,355	42.08%

Note: The 984,754,355 Shares are held by Surplus Excel Limited, which is owned as to 80% by Mr. Jiang Jianhui. Thus, he is deemed to be interested in the 984,754,355 Shares held by Surplus Excel Limited pursuant to the SFO.

Save as disclosed above and as at the Latest Practicable Date, the Directors are not aware of any interests or short positions owned by any persons (other than the Directors or chief executive of the Company) in the Shares or underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

4. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, there is no contract or arrangement entered into by a related party subsisting in which a Director is materially interested and significant in relation to the business of the Company.

As at the Latest Practicable Date, none of the Directors or proposed Directors has, directly or indirectly, any interest in any assets which have since 31 December 2015 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Company, or were proposed to be acquired or disposed of by or leased to any member of the Company.

5. LITIGATION

A writ of summon was issued against a subsidiary of the Company in April 2011 with a claim against the subsidiary for the sum of approximately HK\$1,546,000 together with interest thereon and costs. A full defence has been filed by the subsidiary in the action in May 2011 and the subsidiary is of the view that it has reasonable chance of success in the defense.

A summon from a local PRC court was served against Linyi Sino Golf Co., Ltd., a subsidiary of the Company in 2015 pursuant to which a PRC company as plaintiff claimed against Linyi Sino Golf Co., Ltd. for a sum of approximately RMB1,366,000 (equivalent to approximately HK\$1,751,000) with damages of approximately RMB55,000 (equivalent to approximately HK\$70,000) together with interest thereon and costs in relation to dispute involving supply of equipment by the plaintiff. As at the Latest Practicable Date, the proceedings are in process and the Directors are of the view that the subsidiary has reasonable chance of success in the defense.

Save as disclosed above, as at the Latest Practicable Date, none of the members of the Enlarged Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Enlarged Group.

6. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, controlling Shareholders or their respective associates had any interests in businesses which competed or might compete with the businesses of the Enlarged Group or had any other conflict of interests with the Enlarged Group.

7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contract with any member of the Enlarged Group (excluding contracts expiring or determinable by the employer within one year without payment of any compensation (other than statutory compensation)).

8. EXPERTS AND CONSENTS

The following is the qualifications of the experts who have given opinions or advice, which is contained in this circular:

Name	Qualification
Vigers Appraisal and Consulting Limited	Independent Valuer
SHINEWING (HK) CPA Limited	Certified Public Accountants
Law Office of Matthew T. Gregory, LLC	USA Legal Adviser

As at the Latest Practicable Date, each of the above experts had given and had not withdrawn its written consent to the issue of this circular with the inclusion herein of their letters or their names in the form and context in which they appear.

As at the Latest Practicable Date, each of the above experts did not have any shareholding in any member of the Enlarged Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Enlarged Group.

As at the Latest Practicable Date, each of the above experts did not have any interest, either directly or indirectly, in any assets which had been since 31 December 2015 (being the date to which the latest published audited financial statements of the Company were made up) acquired or disposed of by or leased to any member of the Enlarged Group, or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

9. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the Group within two years immediately preceding the issue of this circular and is material:

- a. the Sale and Purchase Agreement; and
- b. the Supplemental S&P Agreement.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the head office and principal place of business of the Company at 21st Floor, 1 Duddell Street, Central, Hong Kong during normal business hours from the date of this circular up to and including the date of the SGM (except Saturdays and public holidays):

- (i) the memorandum of association and bye-laws of the Company;
- (ii) the annual reports of the Company for the financial years ended 31 December 2013 and 2014;
- (iii) the annual results announcement of the Company for the financial year ended 31 December 2015;
- (iv) the accountants' report on the Target Group as set out in Appendix II to this circular;
- (v) the report on the unaudited pro forma financial statements on the Enlarged Group as set out in Appendix III to this circular;
- (vi) the valuation report on the Properties as set out in Appendix IV to this circular;
- (vii) the written consents from the experts as referred to in the paragraph headed "8. EXPERTS AND CONSENTS" of this appendix;
- (viii) the material contracts referred to in the paragraph headed "9. MATERIAL CONTRACTS" of this appendix; and
- (ix) this circular.

11. MISCELLANEOUS

- (i) The secretary of the Company is Ms. WONG Po Ling, Pauline (“**Ms. Wong**”) who is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. She is also a member of the Institute of Chartered Secretaries and Administrator, the Hong Kong Institute of Chartered Secretaries and the Taxation Institute of Hong Kong. Ms. Wong has over 15 years of experience in financial management, mergers and acquisitions and corporate governance matters.
- (ii) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.
- (iii) The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (iv) The English language text of this circular shall prevail over the Chinese language in case of inconsistency.

NOTICE OF SGM



SINO GOLF HOLDINGS LIMITED

順龍控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00361)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the “**SGM**”) of Sino Golf Holdings Limited (the “**Company**”) will be held at 8th Floor, Gloucester Tower, The Landmark, 15 Queen’s Road Central, Hong Kong on Monday, 16 May 2016 at 11:00 a.m., Hong Kong to consider and, if thought fit, pass the following resolution with or without amendments as an ordinary resolution.

ORDINARY RESOLUTION

“**THAT:**

- (a) the conditional sale and purchase agreement dated 2 February 2016 (as amended and supplemented by the supplemental agreement dated 5 April 2016) (the “**Agreement**”) entered into between Future Success Group Limited as the purchaser (the “**Purchaser**”) and Top Force Ventures Limited as the vendor (the “**Vendor**”), in relation to the acquisition of the (i) entire issued share capital in Lucky Fountain Holdings Limited (the “**Target Company**”); and (ii) all obligations, liabilities and debts owing by the Target Company and its subsidiaries to the Vendor and its associates at the completion (the “**Completion**”) of the Agreement whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion at the total consideration of HK\$235,700,000, which shall be satisfied by the Purchaser by procuring the Company to issue 12% interest bearing promissory notes in the principal amount of HK\$235,700,000 (the “**Promissory Notes**”) to the Vendor (a copy of the Agreement has been produced to this meeting marked “A” and signed by the chairman of the meeting for the purpose of identification), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) the issue of the Promissory Notes in the principal amount of HK\$235,700,000 by the Company to the Vendor to settle the consideration payable by the Purchaser in accordance with the terms and conditions of the Agreement and all transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

* *For identification purpose only*

NOTICE OF SGM

- (c) any one director of the Company (the “**Director**”) be and is hereby authorised to sign and execute such documents, including under seal where applicable, and do all such acts and things, as he/she considers necessary, desirable or expedient in connection with the implementation of or giving effect to the Agreement and the transactions contemplated thereunder and to agree with such variation, amendment or waiver as, in the opinion of the Directors, in the interests of the Company and its shareholders as a whole.”

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

Hong Kong, 21 April 2016

Registered office:

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

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

21st Floor
1 Duddell Street
Central, Hong Kong

Notes:

- (1) A member of the Company entitled to attend and vote at the SGM convened by the above notice is entitled to appoint one or if he/she is the holder of two or more shares, more than one proxy to attend and, subject to the provisions of the memorandum of association and bye-laws of the Company, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (2) In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the office of the Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the SGM or any adjournment thereof, should he so wish.
- (3) Completion and return of an instrument appointing a proxy will not preclude a member of the Company from attending and voting in person at the meeting and/or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) As required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above resolution will be decided by way of poll.

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