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SINO GOLF HOLDINGS LIMITED
順龍控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 361)

**DISCLOSEABLE TRANSACTION:
DISPOSAL OF THE ENTIRE EQUITY INTERESTS OF A SUBSIDIARY**

On 17 February 2011, the Vendor, a wholly owned subsidiary of the Company, entered into the Agreement with the Purchaser pursuant to which the Vendor agreed to transfer and the Purchaser agreed to acquire the Sale Capital, representing 100% equity interests of the PRC Company, for an aggregate consideration of RMB18,000,000 in cash.

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

THE AGREEMENT

Date: 17 February 2011

Parties: (1) Vendor: Sino Golf Manufacturing Company Limited
(2) Purchaser: 廈門市超宇環保科技有限公司(Xiamen City Chaoyu Environmental Technology Company Limited#)

The Purchaser is a company established in the PRC principally engaged in the manufacture and sale of environmental filtering materials and accessories. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

The Vendor is an investment holding and trading company incorporated in Hong Kong with limited liability and is a wholly owned subsidiary of the Company.

Asset to be disposed

Pursuant to the Agreement, the Vendor has agreed to transfer and the Purchaser has agreed to acquire the Sale Capital, which represents 100% equity interests of the PRC Company. Except for the land and factory of the PRC Company, its other assets and liabilities are to be taken up and/or assumed by the Vendor prior to the completion of the transfer of the Sale Capital.

Consideration

The aggregate consideration for the Disposal is RMB18,000,000, which shall be satisfied by the Purchaser in the following manner:

- (a) as to RMB2,000,000 has been received by the Vendor as deposit prior to the entering into of the Agreement;
- (b) as to RMB4,000,000 shall be payable by the Purchaser to the Vendor within five (5) working days from the date of issue of approval for the transfer of the Sale Capital by the PRC Xiamen local authority;
- (c) as to RMB4,000,000 shall be payable by the Purchaser by way of depositing the sum to a jointly control bank account upon completion of the release of mortgage of the land and factory of the PRC Company, which shall be released to the Vendor upon completion of the transfer; and
- (d) the remaining balance RMB8,000,000 shall be payable within two months upon completion of the transfer.

The consideration for the Disposal was arrived at after arm's length negotiations between the parties to the Agreement after taking into consideration of various factors, in particular, the current financial position of the PRC Company. Based on the audited financial statements of the PRC Company for the year ended 31 December 2009, the net asset value of the PRC Company amounts to approximately HK\$9,310,000.

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

Completion of transfer of the Sale Capital

Completion of transfer of the Sale Capital shall be subject to the registration with the relevant PRC authority. The Vendor shall undertake to hand over, among others, the assets of the PRC Company comprising its land and factory only within 30 working days (or such other time) from the date of completion of the registration of the transfer.

Upon completion of the transfer, the PRC Company will cease to be a wholly owned subsidiary of the Company and the Company will cease to have any interests in the PRC Company.

INFORMATION ON THE PRC COMPANY

The PRC Company is a company established in Xiamen Province, the PRC with registered and paid-up capital of USD6,600,000 and USD5,542,962, respectively and is wholly owned by the Vendor. The PRC Company was principally engaged in manufacturing and trading of golf equipments but has been dormant since 2010.

According to the audited financial statements of the PRC Company, the turnover, loss from operation and net loss after taxation for the financial year ended 31 December 2009 was approximately HK\$175,000, HK\$2,952,000 and HK\$2,952,000 respectively. According to the unaudited financial statements of the PRC Company, the turnover, loss from operation and net loss after taxation for the financial year ended 31 December 2010 was nil and approximately HK\$1,871,000 and HK\$1,871,000 respectively. The unaudited total assets of the PRC Company as at 31 December 2010 were approximately HK\$27,771,000 and the unaudited net assets of the PRC Company as at 31 December 2010 were approximately HK\$9,637,000.

Based on the unaudited financial statements of the PRC Company for the year ended 31 December 2010, it is estimated that upon completion of the Disposal, the Group will record a loss of approximately HK\$2,158,000 attributable to the Disposal for the year ending 31 December 2011 and a corresponding decrease in the net assets of the Group by approximately HK\$2,158,000.

REASONS FOR THE DISPOSAL AND USE OF PROCEEDS

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

With the establishment of other subsidiaries by the Group in the PRC, the operation level of the PRC Company has reduced and the daily operation originally taken by the PRC Company has been gradually taken up by other PRC subsidiaries of the Group.

In light of the dormant operation of the PRC Company and the continuing loss position of the PRC Company in the past two years, the Directors consider that the Disposal represents a good opportunity to realize the investment of the Group in the PRC Company and the proceeds from the Disposal can further strengthen the cashflow of the Group. The Group will also benefit from a decrease in the depreciation charge after the Disposal.

Taking into consideration of the aforesaid, the Directors, including the independent non-executive Directors, consider that the terms and conditions of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

After deducting expenses relating to the Disposal (including the fee payable by the Vendor for the release of mortgage on the land and factory of the PRC Company), it is expected there will be a net proceeds of approximately HK\$21,100,000 from the Disposal. It is intended that the net proceeds from the Disposal will be applied towards the general working capital of the Group and/or other appropriate investment opportunities. As at the date hereof, the Board has not identified any appropriate investment opportunities yet.

The Directors are of the view that the Disposal will not have any material adverse impact on the business operations and financial position of the Group.

GENERAL INFORMATION

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

DEFINITIONS

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

“Agreement”	the agreement dated 17 February 2011 and made between the Vendor and the Purchaser in relation to the transfer of the Sale Capital
“Company”	Sino Golf Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange
“Directors”	directors of the Company
“Disposal”	the disposal of the Sale Capital of the PRC Company by the Vendor pursuant to the Agreement

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“PRC Company”	廈門順達隆高爾夫球製品有限公司(Xiamen Sino Talent Golf Manufacturing Co., Ltd.), a company established in the PRC and a wholly owned subsidiary of the Vendor
“Purchaser”	廈門市超宇環保科技有限公司(Xiamen City Chaoyu Environmental Technology Company Limited [#]), a company established in the PRC and the purchaser to the Agreement and an Independent Third Party
“Sale Capital”	the entire registered and paid-up capital of the PRC Company
“Shareholder(s)”	holder(s) of the share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Sino Golf Manufacturing Company Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

“USD”	United States Dollar, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 17 February 2011

As at the date hereof, the board of directors of the Company comprises 6 directors, of which 3 are Executive Directors, namely Mr. CHU Chun Man, Augustine, Mr. CHU Yuk Man, Simon and Mr. CHANG Hua Jung, and the rest of 3 are Independent Non-Executive Directors, namely Mr. CHOY Tak Ho, Ms. CHIU Lai Kuen, Susanna and Mr. HSIEH Ying Min.

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