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SINO GOLF HOLDINGS LIMITED

(a company incorporated in Bermuda with limited liability)

CONNECTED TRANSACTIONS AND APPLICATION FOR WAIVER

The Group has been paying since 1999 Global Sports certain commissions for orders for golf equipment placed by certain customers in the US introduced to the Group by Global Sports. The rates of the said commissions are generally fixed annually in advance in anticipation of the orders that Global Sports would introduce to the Group in the coming year, although specific commission rates may be fixed on a case by case basis in respect of orders not anticipated before the beginning of the year.

Global Sports became a connected person (as defined in the Listing Rules) of the Company on 10 June, 2002 by virtue of the fact that Global Sports became a 20% shareholder of a subsidiary of the Company on that date.

As the total amount of GS Commissions payable by the Group to Global Sport will be over the higher of HK\$1,000,000 or 0.03% of the book value of the Group's net tangible assets (but is expected to be less than the higher of HK\$10,000,000 or 3% of the book value of the Group's net tangible assets) per financial year, pursuant to Rule 14.25(1) of the Listing Rules, the Company is making this announcement regarding the payment of GS Commissions and will include details of the GS Commissions in its next published annual report and accounts.

The Company, has applied for a waiver from the Stock Exchange in respect of the GS Commissions from strict compliance with Rule 14.25 of the Listing Rules.

BACKGROUND

The Company is principally engaged in the design, development, manufacture and sale of golf equipment.

The Group has been receiving orders for golf equipment from certain customers in the US introduced to the Group by Global Sports ("**GS Introduced Orders**") since 1999. The rates of the GS Commissions are generally fixed annually in advance at the beginning of each year in anticipation of GS Introduced Orders to be placed in the coming year on the basis of a fixed amount of commission per one item or one set of golf equipment sold under the relevant orders. As regards GS Introduced Orders in respect of stand-alone items of golf equipment, the rates of GS Commissions per one item of golf equipment have generally ranged from US\$0.9 to US\$3.00 since 1999. As regards GS Introduced Orders in respect of sets of golf equipment, the rate of GS Commission was generally fixed at US\$2.5 per one set of golf equipment up to March 2001, which rate was increased thereafter to US\$4.5. GS Introduced Orders not anticipated before the beginning of a year relate mainly to new equipment models and/or new customers, the rates of GS Commission in respect of such unanticipated orders will be specifically fixed on a case by case basis, although they would still be based on a fixed amount per one item or one set of golf equipment sold.

The term of the payment of GS Commission is such that GS Commission in respect of a GS Introduced Order is only paid to Global Sports after that GS Introduced Order has been settled.

CONNECTED PERSON

On 10 April, 2002, the Company became the ultimate majority shareholder (holding 51% shareholding interest) of Sino CTB Company, L.L.C. (“**Sino CTB**”), a company incorporated under the laws of the State of Nevada, US which engages in the sale and assembly of golf bags.

On 10 June, 2002, Global Sports also became a shareholder of Sino CTB holding 20% of its equity capital when it fully settled its investment in Sino CTB in the total amount of US\$100,000.

By virtue of its 20% shareholding interest in Sino CTB as of 10 June, 2002, Global Sports, being a substantial shareholder of a subsidiary of the Company, became a connected person of the Company as of the same date and payments of GS Commissions constitute connected transactions of the Group under Chapter 14 of the Listing Rules.

As confirmed by the Directors, the GS Introduced Orders are, and have always been, placed by customers independent and not connected with directors, chief executive or substantial shareholder of the Company of its subsidiaries of any of them.

LISTING RULES

Previously, for the three financial years ended 31 March, 2002, the total amounts of GS Commissions paid to Global Sports were approximately HK\$1,279,000, HK\$1,709,000 and HK\$2,340,000, respectively, representing approximately (i) 0.60%, 0.57% and 0.93%, respectively of the Group’s total turnover and (ii) 6.23%, 1.01% and 1.33%, respectively of the book value of the Group’s net tangible assets, for each of the three years ended 31 March, 2002. The amount of GS Commissions paid to Global Sports for the period from 1 April, 2002 to 11 July, 2002 was HK\$1,157,000 representing 1.69% of the Group’s total turnover for the period ended 30 June, 2002 and 0.66% of the book value of the Group’s net tangible assets for the year ended 31 March, 2002.

For the same financial years, the turnover generated from the GS Introduced Orders in respect of which GS Commissions were payable amounted to approximately HK\$94,216,000, HK\$129,821,000 and HK\$57,331,000, respectively, representing approximately (i) 44.54%, 43.24% and 22.71%, respectively of the Group’s total turnover and (ii) 458.76%, 76.66% and 32.66%, respectively of the book value of the Group’s net tangible assets, for each of the three years ended 31 March, 2002. For the period from 1 April, 2002 to 30 June, 2002, the GS Introduced Orders in respect of which GS Commissions were payable amounted to HK\$38,285,000 representing approximately 55.81% of the Group’s total turnover for that same period and 21.81% of the Group’s net tangible assets for the year ended 31 March, 2002.

As the total amount the GS Commissions payable by the Group to Global Sports is and will be over the higher of HK\$1,000,000 or 0.03% of the book value of the Group’s net tangible assets (but is expected to be less than the higher of HK\$10,000,000 or 3% of the book value of the Group’s net tangible assets) for the financial year ending 31 December, 2002, pursuant to Rule 14.25(1) of the Listing Rules, the Company is making this announcement and will include details of the GS Commissions in its next published annual report and accounts.

APPLICATION FOR ONGOING CONNECTED TRANSACTION WAIVER

Without a waiver from the Stock Exchange, the payment of GS Commissions will require disclosure in accordance with the Listing Rules on each occasion when a payment is made to Global Sports if that payment, in aggregate with the other payments of GS Commissions made in the relevant financial year, exceed the higher of HK\$1,000,000 or 0.03% of the book value of the Group’s net tangible assets.

However, given the on-going nature of the payment of GS Commissions, the Directors consider that disclosure for each payment of GS Commissions in the future on a continuing basis in order to comply strictly with the requirements of the Listing Rules would be impracticable or unduly onerous.

The Directors have confirmed that payments of GS Commissions have been made on normal commercial terms and on an arm's length basis and are comparable to those with the other independent third party which have introduced business to the Group. The Directors are of the view that the payment of GS Commissions will continue to be made on normal commercial terms, determined on an arm's length basis and in the ordinary and usual course of business of the Group, and that the terms of such payments will continue to be fair and reasonable to the shareholders of the Company as a whole.

Accordingly, the Company, has applied for a waiver from the Stock Exchange in respect of the payment of GS Commissions from strict compliance with the relevant requirements for connected transactions under the Listing Rules on the following conditions:

- (a) the payments of GS Commissions shall be:
 - (i) made by the Group in the ordinary and usual course of its business;
 - (ii) made on an arm's length basis, on normal commercial terms (which expression will be applied by reference to transactions of a similar nature and to be made by similar entities) and on terms no less favourable than terms available to or from independent third parties or (where there is no available comparison) on terms that are fair and reasonable so far as the shareholders of the Company taken as a whole are concerned; and
 - (iii) made in accordance with the terms of the relevant agreements documents or arrangements governing such payments;
- (b) disclosure shall be made in the Company's next and each successive annual report of the payments containing those particulars specified in Rules 14.25(1)(A) to (D) of the Listing Rules together with a statement of the opinion of the independent non-executive Directors and confirmation from the auditors of the Company as referred to in conditions (c) and (d) below;
- (c) the independent non-executive Directors shall review such payments constituting connected transactions annually and confirm the following in the Company's annual report for the year during which such payments have been made that:
 - (i) the payments of GS Commissions have been made by the Group in the ordinary and usual course of its business;
 - (ii) the payments of GS Commissions have been made on an arm's length basis, on normal commercial terms (which expression will be applied by reference to transactions of a similar nature and to be made by similar entities) and on terms no less favourable than terms available to or from independent third parties or (where there is no available comparison) on terms that are fair and reasonable so far as the shareholders of the Company taken as a whole are concerned;
 - (iii) the payments of GS Commissions have been made in accordance with the terms of the relevant agreements, documents or arrangements governing such Transactions;
 - (iv) the payments of GS Commissions have received the approval of the Board of Directors; and
 - (v) the total amount of the payments of GS Commissions has not exceeded the maximum percentage set out in paragraph (e) below;

- (d) the auditor of the Company shall review such payments constituting connected transactions annually and confirm to the Directors in writing, a copy of which shall be provided to the Exchange, that:
- (i) the payments of GS Commissions have received the approval of the Board of Directors;
 - (ii) the payments of GS Commissions have been made in the ordinary and usual course of business of the Group;
 - (iii) the payments of GS Commissions have been carried out in accordance with the terms of the relevant agreements, documents or arrangements governing such payments or on terms no less favourable than those available to independent third parties;
 - (iv) the payments of GS Commissions have not exceeded the respective maximum amount set out in paragraph (e) below; and
 - (v) the payments of GS Commissions are in accordance with the pricing policies of the Group;
- (e) the aggregate amount of GS Commissions payable to Global Sports by the Group will not exceed the higher of (i) HK\$10,000,000 or (ii) 3% of the book value of the Group's net tangible assets of the Group in any financial year;
- (f) in the event that the maximum figure set out in paragraph (e) above is exceeded, or in the event of any future changes to the terms governing the payment of GS Commissions (unless as provided for under the terms of the relevant agreement) the Company must strictly comply with the relevant provisions of Chapter 14 of the Listing Rules unless it applies for and obtain a separate waiver from the Stock Exchange; and

DEFINITIONS

“Company”	Sino Golf Holdings Limited
“Directors”	directors of the Company
“Global Sports”	Global Sports Technology, Inc., a company incorporated in Florida, US
“Group”	the Company and its subsidiaries
“GS Commissions”	commissions paid by the Group to Global Sports for orders for golf equipment placed by certain customers in the US introduced to the Group by Global Sports
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Shares”	shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US”	United States of America

By Order of the Board
SINO GOLF HOLDINGS LIMITED
Chu Chun Man, Augustine
Chairman

Hong Kong, 9 August, 2002

"Please also refer to the published version of this announcement in The Standard"