

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **SINO GOLF HOLDINGS LIMITED**

*(a company incorporated in Bermuda with limited liability)*

### **CLARIFICATION ANNOUNCEMENT**

The figure for cash and bank balance (i.e. HK\$40.7 million) of Sino Golf Holdings Limited (“Company”) and its subsidiaries (collectively the “Group”) as at 30th September 2002 as disclosed in the “Liquidity and Financial Resources” section of the interim announcement of the Company as published in “Hong Kong Standard” and “Hong Kong Economic Journal” on 16th December 2002 (“Interim Announcement”) was arrived at after a bank overdraft of the Group in the amount of about HK\$4.5 million being netted off against the cash and bank balance of the Group as at that date. To more properly present the financial figures of the Group, the said netting off should not have been made. Rather, the said bank overdraft should have been separately disclosed as part of the bank borrowings of the Group. Certain figures together with the gearing ratio, the current ratio and the quick ratio as set out in the said section of the Interim Announcement should, therefore, be amended.

#### **I. REASONS FOR AMENDING THE INTERIM ANNOUNCEMENT**

A bank overdraft of the Group in the amount of HK\$4.5 million was netted off against the cash and bank balance of the Group as at 30th September 2002 in the preparation of the Interim Announcement. After the netting off of that bank overdraft, the cash and bank balance of the Group as at 30th September amounted to HK\$40.7 million and that figure was disclosed in the “Liquidity and Financial Resources” section of the Interim Announcement. To more properly present the financial figures of the Group, the said netting off should not have been made and the said bank overdraft should have been separately disclosed as part of the bank borrowings of the Group. Accordingly, certain figures and ratios (including the gearing ratio, the current ratio and the quick ratio) as set out in the said section of Interim Announcement, should be amended.

#### **II. AMENDMENTS TO THE INTERIM ANNOUNCEMENT**

Set out below is an amended “Liquidity and Financial Resources” section of the Interim Announcement. The underlined parts of the amended section below are the parts of the Interim Announcement which have been revised to more properly present the financial figures of the Group as discussed in I above.

Cash and bank balances as at 30 September 2002 amounted to HK\$45.2 million (31 March 2002: HK\$84.6 million). The decrease in cash and bank balances has been attributed to applying surplus cash to reduce (i) bank borrowings from HK\$83.4 million as at 31 March 2002 to HK\$74.5 million as at 30 September 2002, and (ii) trade and bills payable from HK\$36.3 million as at 31 March 2002 to HK\$20.0 million as at 30 September 2002. This practice helps reduce the finance cost of the Group at times of exceptionally low interest rate for deposits. During the period, the Group has generated a net cash inflow of HK\$3.5 million from its operating activities.

Through adoption of effective treasury policies, the Group successfully maintained a strong and healthy financial position during the period. As at 30 September 2002, the net assets of the Group amounted to approximately HK\$167.3 million (31 March 2002: HK\$183.2 million before taking into account a subsequent dividend payment of HK\$30.2 million). Total borrowings from banks and financial institutions amounted to HK\$75.9 million as at 30 September 2002. The Group's gearing ratio as at 30 September 2002, defined as the total bank borrowings and finance lease payables of HK\$75.9 million divided by the shareholders' equity of HK\$167.3 million, was 45.4% (31 March 2002: 46.6%), a decrease of 1.2%. On the other hand, the Group's current ratio and quick ratio were 1.7 (31 March 2002: 1.8) and 1.0 (31 March 2002: 1.3) respectively. Both ratios indicated that the Group has maintained a satisfactory and healthy liquidity level.

The Company will include the above mentioned amendments in the interim report to be circulated shortly.

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

Hong Kong, 23 December 2002

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