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

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

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SINO GOLF HOLDINGS LIMITED

順龍控股有限公司 #

(Incorporated in Bermuda with limited liability)

(Stock Code: 361)

**GENERAL MANDATE TO ISSUE AND
TO REPURCHASE SHARES
AND
AMENDMENTS TO THE BYE-LAWS**

The notice of an annual general meeting of Sino Golf Holdings Limited (the “Company”) to be held at 2:30 p.m. on Tuesday, 25 May 2004 at Kowloon Shangri-La, Rose Room, Lower Level, 64 Mody Road, Tsimshatsui East, Kowloon, Hong Kong is set out on pages 73 to 78 of the Annual Report 2003 of the Company despatched together with this circular. Whether or not you are able to attend the annual general meeting in person, you are requested to complete and return the enclosed form of proxy for the annual general meeting in accordance with the instructions printed thereon to our Company’s share registrar, Tengis Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting.

28 April 2004

For identification purpose only

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context otherwise requires:

“AGM”	the annual general meeting of the Company;
“Board”	the board of Directors;
“Bye-laws”	the bye-laws of the Company;
“Company”	Sino Golf Holdings Limited, an exempted company and incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	23 April 2004, being the latest practicable date prior the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as modified from time to time.
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share Repurchase Rules”	the applicable provisions under the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange;
“Share(s)”	ordinary share(s) of HK\$0.10 each of the Company;
“Shareholder(s)”	registered holder(s) of Share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers.

LETTER FROM THE BOARD



SINO GOLF HOLDINGS LIMITED
順龍控股有限公司 #

(Incorporated in Bermuda with limited liability)

(Stock Code: 361)

Directors:

Mr. Chu Chun Man, Augustine
Mr. Takanori Matsuura
Mr. Chu Yuk Man, Simon
Mr. Chang Hua Jung
Mr. Carl Thomas McManis*
Mr. Choy Tak Ho*

Registered Office:

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

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

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

** independent non-executive directors*

for identification purpose only

28 April 2004

To the shareholders

Dear Sirs or Madams,

**GENERAL MANDATE TO ISSUE AND
TO REPURCHASE SHARES
AND
PROPOSED AMENDMENTS TO THE BYE-LAWS**

I. INTRODUCTION

At the forthcoming AGM of the shareholders of the Company to be held on Tuesday, 25 May 2004, resolutions, amongst others, will be proposed (i) to grant to the Directors a general mandate to issue Shares and to exercise the powers of the Company to undertake repurchases of its own Shares on the Stock Exchange at the time of passing of this resolution and (ii) in

LETTER FROM THE BOARD

light of the proposed amendments to the Listing Rules as announced by the Stock Exchange on 30 January 2004, to seek the approval of the Shareholders at the AGM to amend the Bye-laws to comply with the revised Listing Rules.

The purpose of this circular is to provide you with information relating to (i) the proposed renewal of the general mandates to issue Shares and to repurchase Shares; and (ii) the proposed amendments to the Bye-laws so as to give you all information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM.

II. GENERAL MANDATES

1. General mandate to issue Shares

At the AGM, an ordinary resolution will be proposed to grant the Board a general and unconditional mandate to allot, issue, grant, distribute and otherwise deal with additional Shares not exceeding 20 per cent. of the Company's issued share capital as at the date of such resolution (as adjusted in accordance with the resolution) for the period until the conclusion of the next AGM of the Company (or such earlier period as stated in the resolution) ("**Share Issue Mandate**")

2. General mandate to repurchase Shares

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

In accordance with the Listing Rules, an explanatory statement is set out in Appendix I of this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed ordinary resolution for the grant of the Repurchase Mandate at the AGM.

III. AMENDMENTS TO THE BYE-LAWS

The Stock Exchange published amendments to the Listing Rules on 30 January 2004. Subject to specific transitional arrangements in respect of some of the new provisions, the revised Listing Rules became effective on 31 March 2004. The revised Listing Rules have imposed certain new requirements which have to be reflected in the articles of association/bye-laws of all issuers. To align the Bye-laws with the revised Listing Rules, the Board proposes that certain provisions in the Bye-laws be amended to comply with the revised Listing Rules.

LETTER FROM THE BOARD

The Board also proposes to update the definition of recognised clearing house following the repeal of the Securities (Clearing House) Ordinance and the commencement of the SFO on 1 April 2003.

Set out in the Notice of AGM on pages 73 to 78 of the 2003 Annual Report are amendments to the Bye-laws that are proposed. A summary of the proposed amendments is also set out in Appendix II of this circular.

IV. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

V. ACTION TO BE TAKEN

Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy accompanying the notice of the AGM in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM. The return of a form of proxy will not preclude you from attending and voting in person if you so wish.

VI. RECOMMENDATION

The Directors believe that the Share Issue Mandate, Repurchase Mandate and the proposed amendments to the Bye-laws are all in the best interest of the Company and the Shareholders as a whole. The Repurchase Mandate may, depending on market conditions and funding arrangement at the time, lead to an enhancement of the net value of the Company and its net assets and/or earnings per Share and will only be made when the Directors believe that a repurchase of Shares will benefit the Company and the Shareholders.

The Directors consider that an exercise of the Share Issue Mandate to allot and issue new Shares will enable the Company to take advantage of market conditions to raise additional capital for the Company.

Accordingly, the Directors recommend you to vote in favour of all the resolutions to be proposed at the AGM.

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

This appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

SHARE REPURCHASE RULES

The Share Repurchase Rules provide that all proposed repurchased of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of its shareholders in general meeting, either by way of a general mandate or by a specific approval of a particular transaction. A maximum of 10 per cent. of the fully paid-up securities of a company as at the date of the passing of the relevant resolution may be repurchased on the Stock Exchange.

SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company comprised 1,000,000,000 Shares and the number of Shares in issue was 302,200,000.

Subject to the passing of the relevant ordinary resolution and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 30,220,000 Shares during the period in which the Repurchase Mandate remains in force. Any Shares repurchased pursuant to the Repurchase Mandate must be fully paid-up.

MARKET PRICES

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

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2003		
April	1.01	0.86
May	1.08	0.90
June	1.12	1.01
July	1.61	1.09
August	1.54	1.29
September	1.67	1.43
October	1.58	1.46
November	1.59	1.45
December	1.61	1.45
2004		
January	1.56	1.48
February	1.60	1.50
March	1.64	1.54

REASONS FOR REPURCHASE

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

FUNDING OF REPURCHASES

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

There may be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the financial year 31 December 2003) in the event that the proposed share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or its gearing level which in the opinion of the Directors is from time to time appropriate for the Company.

DIRECTORS' DEALING

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

DIRECTORS' UNDERTAKING

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

EFFECT OF THE TAKEOVERS CODE

As at the Latest Practicable Date, CM Investment Company Limited was beneficially interested in 181,543,775 Shares representing 60.07 per cent. in the issued share capital of the Company. If, as a result of a share repurchase, a shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and, if such increase results in a change in control, may in certain circumstances give rise to an obligation to make a general offer for shares under the Takeovers Code. The Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any purchases made pursuant to the Repurchase Mandate.

SHARE REPURCHASE MADE BY THE COMPANY

No purchase has been made by the Company of Shares in the six months prior to the date of this circular.

CONNECTED PERSONS

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

This appendix summarizes the proposed amendments to the Bye-laws to reflect the legislative changes to the SFO which has become effective on 1 April 2003 and to incorporate the changes that are required under the revised Listing Rules which have become effective on 31 March 2004.

Bye-law 1 & 2(e) — Interpretation

New definitions of “associate(s)”, “Hong Kong”, “Listing Rules” and “Clearing House” will be added to bring the Bye-laws up to date with the Listing Rules and the latest legislation.

Bye-law 77(A) — Voting restrictions under Listing Rules

Bye-law 77(A) will be added pursuant to the revised Listing Rules so that where any shareholder is subject to voting restrictions under the Listing Rules, any votes cast by or on behalf of such shareholder in contravention of such restriction shall not be counted.

Bye-law 88 — Appointment of Directors

Bye-law 88 will be amended to specify the lodgement period of the nomination of directors by shareholders, which will commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting.

Bye-laws 103(1), (2), (3) & (4) — Director’s interests

Bye-laws 103(1), (2), (3) & (4) will be amended to provide that Directors shall not vote for transactions in which they or their associates have a material interest. The new interpretation of “associate(s)” under the revised Listing Rules will also be adopted. Bye-law 103(1) will also be amended so that a Director’s vote shall not be counted in the quorum present at a meeting at which any contract or arrangement in which he or his associates is materially interested is considered. Bye-law 103(4) will be amended to provide resolutions when questions relating to material interest of a Director or his associate(s) arise.