

**SINO GOLF HOLDINGS LTD :
THIS COMPANY IS SHOOTING STRAIGHT AND TRUE,
DOWN THE FAIR WAY**

The era of Tiger Woods is upon us: This fine golfer is the best that ever was; and, he may be the best that ever will be.

Who knows?

But one thing is absolutely certain: Golf is growing in popularity, on an international level never before experienced.

The Japanese are mad about it; the (socialistically inclined) Canadians have more golf courses than there are people (a slight, journalistic exaggeration, perhaps, but Canada has more golf course per capita than any other Western country).

And, now, we have Sino Golf Holdings Ltd, Code 361, the Main Board of The Stock Exchange of Hongkong Ltd.

For a change, this flotation, launched in the second week of December, makes good sense.

The Company should, if the track record of the past 39 months is anything on which to hang one's hat, do very well in years to come.

As must be apparent at this point, Sino Golf Holdings is a manufacturer of golf clubs with its production base, being the People's Republic of China (PRC).

The Company Placed 67.50 million, 10-cent shares at a Premium of not more than \$HK1.20 per share, and Offered another tranche of 7.50 million shares to the public on the same basis as the Placed Shares.

The net proceeds of the cash-raising exercise is to be used as follows:

1. \$HK7 million to acquire a joint-venture company, the main purpose of which is to manufacture golf bags;
2. \$HK18 million to acquire production facilities in order to expand;
3. \$HK15 million to establish a research and development centre in the PRC;
4. \$HK25 million to establish business-to-customer direct links (obviously through the Internet); and,
5. Between \$HK6 million and \$HK 21 million to be added to the Working Capital Account (dependent on the level of acceptances of the shares).

This Company has a fairly respectable 39 months of record-breaking profits. It is forecasting even better results in the immediate future.

The following table is taken, directly, from the Company's Prospectus at Page 122:

	Financial Year ends March 31			Three Months to June 30, 2000
	1998	1999	2000	
	All Figures are Denominated in \$HK'000			
Turnover	135,211	191,492	211,540	97,482

Cost of Sales	(104,477)	(128,078)	(139,581)	(65,006)
Gross Profit	30,734	63,414	71,959	32,476
Gross Profit Margin	22.73 percent	33.12 percent	34.02 percent	33.32 percent
Other Revenue	2,488	2,608	2,596	1,182
Selling and Distributional Costs	(6,867)	(9,808)	(7,920)	(3,222)
Administrative Expenses	(9,591)	(11,046)	(13,920)	(4,173)
Other Operating Expenses	(1,482)	(4,213)	(4,993)	(1,179)
Profit from Operating Activities	15,282	40,955	47,722	25,084
Finance Costs	(5,399)	(7,719)	(7,990)	(2,886)
Share of Profit/(Loss) of an Associate	158	(31)	Nil	Nil
Profit before Taxation	10,041	33,205	39,732	22,198
Taxation	(957)	(2,658)	(3,567)	(1,800)
Profit before Minority Interests	9,084	30,547	36,165	20,398
Minority Interests	Nil	(175)	194	(13)
Net Profit Attributable to Shareholders	9,084	30,372	36,359	20,385
Dividends	Nil	Nil	(70,037)	(16,500)

It is noted that the Directors of the Company cleared out most of the surplus cash from the Company's *'kitty'*, just prior to seeking a listing on The Stock Exchange of Hongkong Ltd.

But the dividends, paid to the Directors, were not in cash since, according to the Prospectus, at Page 126, in the past, certain Directors, Shareholders and Related Companies had been in the habit of financing themselves via the Company's cash resources.

The payments of the 2 dividends retired those debts in total, the Prospectus indicates.

One would hope that such activities had ceased now that Sino Golf Holdings has reverted to a public status.

Of course, it stands to reason that, had the Directors not borrowed the Company's funds, the profits of the past few years would have been that much more.

The History

Sino Golf Holdings was founded by Mr Augustine Chu Chun Man, the present Chairman, when he established, in 1988, Sino Golf Manufacturing Company Ltd.

One year later, Mr Augustine Chu established a manufacturing base in the PRC. The purpose of this base was to produce golf clubs and accessories for the golfer.

He never looked back since that date in 1989.

Today, the enterprise that he founded employs about 1,284 workers, of which 1,260 workers are employed in the PRC, proper, and 24 workers administer the Group out of offices in the Hongkong Special Administrative Region (HKSAR).

Along the way in this Company's short history, relatively speaking, Mr Augustine Chu linked up with a Mr Takanori Matsuura, a Japanese national, who, today, continues to hold the position of Executive Director.

Mr Simon Chu Yuk Man, the brother of Mr Augustine Chu, joined the Board of Directors in 1997, having never had any experience in the manufacture of golf equipment.

He is in charge of sales and marketing.

Between Mr Augustine Chu and Mr Takanori Matsuura, they hold 66.75 percent of the Issued and Fully Paid-Up Share Capital of the Company.

Sino Golf Holdings, therefore, is in strong hands ... [CLICK TO ORDER FULL ARTICLE](#)

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