



**Sino Golf Holdings Limited**  
**順龍控股有限公司**

*(Incorporated in Bermuda with limited liability)*

Stock Code: 00361

2022  
INTERIM REPORT





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INTERIM REPORT 2022

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. HUANG Bangyin (*Chairman*)  
Mr. CHU Chun Man, Augustine

#### Non-Executive Director

Mr. WONG Hin Shek

#### Independent Non-Executive Directors

Mr. SHENG Baojun  
Mr. HO Kwong Yu  
Ms. LIN Lin

### AUDIT COMMITTEE

Mr. HO Kwong Yu (*Chairman*)  
Mr. SHENG Baojun  
Ms. LIN Lin

### REMUNERATION COMMITTEE

Mr. SHENG Baojun (*Chairman*)  
Mr. HO Kwong Yu  
Ms. LIN Lin

### NOMINATION COMMITTEE

Mr. HUANG Bangyin (*Chairman*)  
Mr. SHENG Baojun  
Mr. HO Kwong Yu  
Ms. LIN Lin

### COMPANY SECRETARY

Ms. CHOI Ka Ying

### AUTHORISED REPRESENTATIVES

Mr. CHU Chun Man, Augustine  
Ms. CHOI Ka Ying

### AUDITOR

SHINEWING (HK) CPA Limited  
17/F, Chubb Tower, Windsor House  
311 Gloucester Road  
Causeway Bay, Hong Kong (*Note 1*)

### PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
DBS Bank (Hong Kong) Limited

### BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited  
4th floor North  
Cedar House  
41 Cedar Avenue  
Hamilton HM 12  
Bermuda

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong (*Note 2*)

**REGISTERED OFFICE**

Clarendon House  
2 Church Street  
Hamilton, HM 11  
Bermuda

**PRINCIPAL PLACE OF BUSINESS**

Room 4501  
One Midtown  
11 Hoi Shing Road  
Tsuen Wan  
Hong Kong

**STOCK CODE**

00361 (Main Board of The Stock Exchange of  
Hong Kong Limited)

**WEBSITE**

<http://www.sinogolf.com>

*Notes:*

1. SHINEWING (HK) CPA Limited changed the address of its office from 43/F., Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong on 11 July 2022.
2. Tricor Tengis Limited changed the address of its Hong Kong branch share registrar and transfer office from Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong on 15 August 2022.



## FINANCIAL HIGHLIGHTS

### RESULTS

	For the six months ended 30 June		Changes Increase/ (Decrease)
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	
<b>Revenue</b>	<b>269,091</b>	184,287	46.0%
– from golf equipment segment	<b>238,495</b>	165,210	44.4%
– from golf bags segment	<b>30,596</b>	19,077	60.4%
<b>Gross profit</b>	<b>32,507</b>	20,742	56.7%
<b>Profit before interest, tax, depreciation and amortisation</b>	<b>10,711</b>	1,940	452.1%
Total comprehensive expense for the period attributable to owners of the Company	<b>(6,385)</b>	(10,938)	(55.2%)
	<i>HK cent</i>	<i>HK cent</i>	
<b>Loss per share</b>			
Basic and diluted	<b>(0.09)</b>	(0.21)	
Interim dividend per ordinary share	–	–	

### INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Sino Golf Holdings Limited (the “**Company**”) hereby announces the unaudited condensed consolidated interim results and financial position of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2022 (the “**period**”) which have been reviewed by the Company’s audit committee, together with the comparative figures for the six months ended 30 June 2021 as follows.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	NOTES	Six months ended 30 June	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	4	269,091	184,287
Cost of sales		(236,584)	(163,545)
Gross profit		32,507	20,742
Other operating income	6	1,636	1,400
Selling and distribution expenses		(1,442)	(1,613)
Administrative expenses		(29,654)	(26,005)
Finance costs	7	(6,913)	(5,484)
Loss before tax	9	(3,866)	(10,960)
Income tax (expense) credit	8	(1,033)	22
Loss for the period		(4,899)	(10,938)
Other comprehensive expense <i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		(1,486)	–
Other comprehensive expense for the period, net of income tax		(1,486)	–
Total comprehensive expense for the period		(6,385)	(10,938)

		<b>Six months ended 30 June</b>	
		<b>2022</b>	2021
<i>NOTE</i>		<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
		<b>(Unaudited)</b>	(Unaudited)
Loss for the period attributable to:			
– Owners of the Company		<b>(4,899)</b>	(10,938)
– Non-controlling interests		–	–
		<b>(4,899)</b>	(10,938)
Total comprehensive expense for the period attributable to:			
– Owners of the Company		<b>(6,385)</b>	(10,938)
– Non-controlling interests		–	–
		<b>(6,385)</b>	(10,938)
		<b><i>HK cent</i></b>	<i>HK cent</i>
Loss per share			
– Basic and diluted		<b>(0.09)</b>	(0.21)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	NOTES	30.6.2022 HK\$'000 (Unaudited)	31.12.2021 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	12	86,391	91,784
Right-of-use assets	13	199,463	204,919
Goodwill		–	–
Club debentures		1,322	1,322
Prepayments for the acquisition of property, plant and equipment		617	1,157
		<b>287,793</b>	299,182
<b>Current assets</b>			
Inventories		33,465	55,905
Trade and other receivables	14	111,448	79,695
Bank balances and cash		128,325	122,730
		<b>273,238</b>	258,330
<b>Current liabilities</b>			
Trade and other payables	15	115,149	100,262
Amount due to a Director		60,128	63,463
Lease liabilities	13	2,080	2,124
Income tax payable		993	149
Bank borrowings	16	62,353	65,432
		<b>240,703</b>	231,430
<b>Net current assets</b>		<b>32,535</b>	26,900
<b>Total assets less current liabilities</b>		<b>320,328</b>	326,082

	NOTES	30.6.2022 HK\$'000 (Unaudited)	31.12.2021 HK\$'000 (Audited)
<b>Non-current liabilities</b>			
Convertible bond	17	51,290	49,189
Lease liabilities	13	7,352	8,822
Deferred tax liabilities		354	354
		<b>58,996</b>	58,365
<b>Net assets</b>			
		<b>261,332</b>	267,717
<b>Capital and reserves</b>			
Share capital	18	52,013	52,013
Reserves		206,589	212,974
Equity attributable to owners of the Company			
		<b>258,602</b>	264,987
Non-controlling interests		<b>2,730</b>	2,730
<b>Total equity</b>			
		<b>261,332</b>	267,717

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Attributable to owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Convertible bond equity reserve HK\$'000	Contributed surplus HK\$'000 (Note (i))	Assets revaluation reserve HK\$'000	Statutory surplus reserve HK\$'000 (Note (ii))	Exchange fluctuation reserve HK\$'000	Other reserve HK\$'000 (Note (iii))	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2021 (audited)	52,013	399,369	8,333	33,966	1,411	17	7,322	22,615	(236,575)	288,471	2,730	291,201
Loss and total comprehensive expense for the period	-	-	-	-	-	-	-	-	(10,938)	(10,938)	-	(10,938)
At 30 June 2021 (unaudited)	52,013	399,369	8,333	33,966	1,411	17	7,322	22,615	(247,513)	277,533	2,730	280,263
At 1 January 2022 (audited)	52,013	399,369	8,333	33,966	-	17	8,920	22,615	(260,246)	264,987	2,730	267,717
Loss for the period	-	-	-	-	-	-	-	-	(4,899)	(4,899)	-	(4,899)
Other comprehensive expense for the period:												
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	-	(1,486)	-	-	(1,486)	-	(1,486)
Other comprehensive expense for the period	-	-	-	-	-	-	(1,486)	-	-	(1,486)	-	(1,486)
Total comprehensive expense for the period	-	-	-	-	-	-	(1,486)	-	(4,899)	(6,385)	-	(6,385)
At 30 June 2022 (unaudited)	52,013	399,369	8,333	33,966	-	17	7,434	22,615	(265,145)	258,602	2,730	261,332

## Notes:

- (i) The Group's contributed surplus represents (i) the difference between the nominal value of the shares and the share premium account of the subsidiaries acquired over the nominal value of the Company's shares issued in exchange therefor; and (ii) the credit arising from the capital reorganisation of the Company, partially offset by the bonus issue, as set out in the circular of the Company dated 14 December 2015.
- (ii) As stipulated by regulations in the People's Republic of China (the "PRC"), certain subsidiaries in the PRC are required to appropriate 10% of their after-tax profit (after offsetting prior year losses) to a statutory surplus reserve fund until the balance of the fund reaches 50% of its registered capital and thereafter any further appropriation is optional. The statutory surplus reserve fund can be utilised to offset prior year losses, or for conversion into registered capital on the condition that the statutory surplus reserve fund shall be maintained at a minimum of 25% of the registered capital after such utilisation.
- (iii) The amount represented the difference between the carrying amount of the liability component of (a) the original convertible bond; and (b) the new convertible bond at the date of significant modification as owners' transaction on 30 December 2020. Details are set out in note 17.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
<b>Operating activities</b>		
Net cash generated from operating activities	15,757	12,224
<b>Investing activities</b>		
Purchase of property, plant and equipment	(795)	(196)
Prepayment for acquisition of property, plant and equipment	(887)	(180)
Proceeds from disposal of property, plant and equipment	84	45
Interest received	19	13
Net cash used in investing activities	(1,579)	(318)
<b>Financing activities</b>		
Repayment of bank borrowings	(24,096)	(51,190)
New bank borrowings raised	24,096	51,190
Repayment to a Director	(3,335)	(7,035)
Interest paid	(4,113)	(3,562)
Payment of lease liabilities	(1,301)	(781)
Receipts of government grants	677	457
Net cash used in financing activities	(8,072)	(10,921)
Net increase in cash and cash equivalents	6,106	985
Cash and cash equivalents at 1 January	122,730	113,786
Effect of foreign exchange rate changes	(511)	–
Cash and cash equivalents at 30 June, represented by bank balances and cash	128,325	114,771

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

## 1. GENERAL

The Company was incorporated as an exempted company with limited liability in Bermuda under the Bermuda Companies Act. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The addresses of the registered office and principal place of business of the Company are disclosed in the section “Corporate Information” in this interim report.

The principal activity of the Company is investment holding. The principal activities of the Group are the manufacture and sales of golf equipment, golf bags and accessories and the development of integrated resort in the Commonwealth of the Northern Mariana Islands (the “**CNMI**”).

The functional currency of the Company and its subsidiaries incorporated in Hong Kong and the CNMI is United States dollars (“**US\$**”) while the functional currency of the subsidiaries established in the PRC are Renminbi (“**RMB**”). The condensed consolidated financial information are presented in Hong Kong dollars (“**HK\$**”) for the convenience of users of the condensed consolidated financial information as the Company is a listed company in Hong Kong.

## 2. BASIS OF PREPARATION

The condensed consolidated financial information of the Group for the period has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).



### 3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial information has been prepared on the historical cost basis, except for ownership interest in leasehold land and buildings, which are measured at revalued amount.

Except as described below, the accounting policies used in the condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), which include HKFRSs, Hong Kong Accounting Standards ("HKASs"), issued by the HKICPA, which are effective for the Group's financial year beginning 1 January 2022:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRS 16	Covid-19 – Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 cycle

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial performance and position for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial information.

### 4. REVENUE

Revenue represents revenue arising on sales of goods for the period.

## 5. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three (2021: three) reportable and operating segments as follows:

- Golf equipment – Manufacture and sales of golf equipment and related components and parts.
- Golf bags – Manufacture and sales of golf bags, other accessories, and related components and parts.
- Hospitality – Development of integrated resort in the CNMI.

### (a) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

	For the six months ended 30 June									
	Golf equipment		Golf bags		Hospitality		Eliminations		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Segment revenue:										
Sales to external customers	238,495	165,210	30,596	19,077	-	-	-	-	269,091	184,287
Inter-segment sales	-	-	5,182	8,546	-	-	(5,182)	(8,546)	-	-
Other operating income	1,423	1,221	194	166	-	-	-	-	1,617	1,387
<b>Total</b>	<b>239,918</b>	<b>166,431</b>	<b>35,972</b>	<b>27,789</b>	<b>-</b>	<b>-</b>	<b>(5,182)</b>	<b>(8,546)</b>	<b>270,708</b>	<b>185,674</b>
Segment results	8,075	(806)	3,856	2,663	(3,353)	(3,342)	-	-	8,578	(1,485)
Interest income									19	13
Unallocated corporate expenses									(5,550)	(4,004)
Finance costs									(6,913)	(5,484)
<b>Loss before tax</b>									<b>(3,866)</b>	<b>(10,960)</b>

Segment results represent the profit earned (loss incurred) by each segment without allocation of interest income, central administration expenses, Directors' emoluments and certain finance costs. This is the measure reported to the chief operating decision maker of the Group for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged with reference to market prices.

## 5. SEGMENT INFORMATION – CONTINUED

## (b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

	Golf equipment		Golf bags		Hospitality		Consolidated	
	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Segment assets	222,173	218,080	22,489	25,523	182,980	186,322	427,642	429,925
Unallocated corporate assets								
– Club debentures							1,322	1,322
– Bank balances and cash							128,325	122,730
– Others							3,742	3,535
Total assets							561,031	557,512
Segment liabilities	95,588	79,019	18,140	22,087	7,500	7,500	121,228	108,606
Unallocated corporate liabilities								
– Amount due to a Director							60,128	63,463
– Income tax payable							983	149
– Bank borrowings							62,353	65,432
– Convertible bond							51,290	49,189
– Deferred tax liabilities							354	354
– Others							3,353	2,602
Total liabilities							299,699	289,795

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain right-of-use assets, club debentures, bank balances and cash, certain other receivables, certain inventories and plant and equipment for central administrative purpose; and
- all liabilities are allocated to operating segments other than amount due to a Director, income tax payable, bank borrowings, convertible bond, deferred tax liabilities and certain other payables.

## 6. OTHER OPERATING INCOME

	Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interest income	19	13
Sale of scrap materials	31	20
Sample income	141	100
Tooling income	254	124
Gain on disposal of property, plant and equipment	65	45
Rental income	–	46
Government grants	677	457
Sundry income	449	595
	<b>1,636</b>	1,400

## 7. FINANCE COSTS

	Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interest expenses on:		
– Bank borrowings	1,438	1,716
– Convertible bond	2,101	1,941
– Amount due to a Director (note)	3,095	1,808
– Lease liabilities	279	19
	<b>6,913</b>	5,484

Note: Interest at 9.75% (2021: 5%) per annum was charged on the amount due to a Director for the period.

## 8. INCOME TAX EXPENSE (CREDIT)

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
PRC Enterprise Income Tax	<b>1,033</b>	–
Deferred tax	–	(22)
	<b>1,033</b>	(22)

- (i) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits. No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2022 and 2021 as there are no assessable profits generated or the estimated assessable profit has been offset by tax losses brought forward from previous years.
- (ii) Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.
- (iii) The corporate income tax in the CNMI is calculated at 30% of the estimated profit. No provision for corporate income tax for the subsidiary incorporated in the CNMI has been made as no income has been derived from the CNMI during the six months ended 30 June 2022 and 2021.
- (iv) The Group is not subject to taxation in other jurisdiction.

## 9. LOSS BEFORE TAX

Loss before tax for the period has been arrived at after charging (crediting):

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Amount of inventories recognised as an expense	<b>236,584</b>	163,545
Depreciation of property, plant and equipment	<b>3,056</b>	3,204
Depreciation of right-of-use assets	<b>4,608</b>	4,212
Exchange loss, net	<b>1,420</b>	1,593
Expenses related to short-term leases	<b>978</b>	914
Gain on disposal of property, plant and equipment	<b>(65)</b>	(45)

## 10. DIVIDENDS

No dividends were paid, declared or proposed during the period. The Directors have determined that no dividend will be paid in respect of the period (six months ended 30 June 2021: nil).

## 11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Loss</b>		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	<b>(4,899)</b>	(10,938)

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>'000</b>	'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Number of shares</b>		
Number of ordinary shares for the purpose of basic and diluted loss per share	<b>5,201,250</b>	5,201,250

The computation of diluted loss per share for the six months ended 30 June 2022 and 2021 does not assume the conversion of the Company's outstanding convertible bond since its exercise would result in a decrease in loss per share.

## 12. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group incurred approximately HK\$2,200,000 (six months ended 30 June 2021: HK\$463,000) on acquisition of property, plant and equipment.

Assets with a net carrying value of approximately HK\$19,000 were disposed of by the Group during the period (six months ended 30 June 2021: no net carrying value), resulting in a net gain on disposal of approximately HK\$65,000 (six months ended 30 June 2021: HK\$45,000).

In the opinion of the Directors, the aggregate carrying amount of the Group's leasehold land and buildings at the end of the current interim period that is carried at revalued amount does not differ significantly from their estimated fair value. Consequently, no revaluation surplus or deficit has been recognised in the current interim period.

## 13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### (i) Right-of-use assets

	<b>30.6.2022</b> <b>HK\$'000</b> <b>(Unaudited)</b>	31.12.2021 <b>HK\$'000</b> (Audited)
Land	<b>190,214</b>	194,049
Buildings	<b>9,249</b>	10,870
	<b>199,463</b>	204,919

Right-of-use assets of approximately HK\$7,275,000 (31 December 2021: HK\$7,785,000) and HK\$182,939,000 (31 December 2021: HK\$186,264,000) represent land use right in the PRC and the CNMI respectively. At 30 June 2022, balance of approximately HK\$7,275,000 (31 December 2021: HK\$7,785,000) was pledged to secure bank borrowings.

There was no addition to the right-of-use assets for the period (six months ended 30 June 2021: nil).

## 13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES – CONTINUED

## (ii) Lease liabilities

	<b>30.6.2022</b> <b>HK\$'000</b> <b>(Unaudited)</b>	31.12.2021 <i>HK\$'000</i> (Audited)
Non-current	<b>7,352</b>	8,822
Current	<b>2,080</b>	2,124
	<b>9,432</b>	10,946
	<b>30.6.2022</b> <b>HK\$'000</b> <b>(Unaudited)</b>	31.12.2021 <i>HK\$'000</i> (Audited)
<b>Amounts payable under lease liabilities</b>		
Within one year	<b>2,080</b>	2,124
After one year but within two years	<b>2,195</b>	2,242
After two years but within five years	<b>5,157</b>	6,580
	<b>9,432</b>	10,946
Less: Amount due for settlement within 12 months	<b>(2,080)</b>	(2,124)
Amount due for settlement after 12 months	<b>7,352</b>	8,822

During the year ended 31 December 2021, the Group entered into a renewal of existing lease of building and recognised lease liabilities amounted to approximately HK\$11,366,000 (six months ended 30 June 2022: nil).

## 13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES – CONTINUED

## (iii) Amounts recognised in profit or loss

	Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Depreciation on right-of-use assets		
– Land	3,471	3,470
– Buildings	1,137	742
Total depreciation on right-of-use assets	4,608	4,212
Interest expense on lease liabilities	279	19
Expenses related to short-term leases	978	914

## (iv) Others

During the period, total cash outflows for leases including expenses related to short-term leases amounted to approximately HK\$2,558,000 (six months ended 30 June 2021: HK\$1,714,000). All lease payments of the Group are fixed.

## 14. TRADE AND OTHER RECEIVABLES

	30.6.2022 HK\$'000 (Unaudited)	31.12.2021 HK\$'000 (Audited)
Trade receivables, at amortised cost	95,211	66,989
Deposits and other receivables	10,750	8,315
Prepayments	4,983	4,081
Prepayments to suppliers	504	310
	111,448	79,695

The Group does not hold any collateral over these balances.

- (i) The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally between 30 and 60 days (31 December 2021: 30 and 60 days). The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management.

#### 14. TRADE AND OTHER RECEIVABLES – CONTINUED

- (ii) The following is an ageing analysis of the trade receivables of the Group presented based on the invoice date, which approximates the respective revenue recognition date, at the end of the reporting period:

	<b>30.6.2022</b> <i>HK\$'000</i> <b>(Unaudited)</b>	31.12.2021 <i>HK\$'000</i> (Audited)
0 to 30 days	<b>61,085</b>	50,897
31 to 90 days	<b>34,126</b>	15,838
91 to 180 days	–	254
	<b>95,211</b>	66,989

#### 15. TRADE AND OTHER PAYABLES

	<b>30.6.2022</b> <i>HK\$'000</i> <b>(Unaudited)</b>	31.12.2021 <i>HK\$'000</i> (Audited)
Trade payables	<b>85,902</b>	73,631
Contract liabilities	<b>1,786</b>	3,985
Accruals and other payables	<b>27,461</b>	22,646
	<b>115,149</b>	100,262

The following is an ageing analysis of trade payables of the Group presented based on the invoice date at the end of the reporting period:

	<b>30.6.2022</b> <i>HK\$'000</i> <b>(Unaudited)</b>	31.12.2021 <i>HK\$'000</i> (Audited)
0 to 90 days	<b>77,759</b>	60,047
91 to 180 days	<b>6,045</b>	9,736
181 to 365 days	<b>377</b>	611
Over 365 days	<b>1,721</b>	3,237
	<b>85,902</b>	73,631

## 16. BANK BORROWINGS

	<b>30.6.2022</b>	31.12.2021
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
Secured bank loans, repayable within one year and shown under current liabilities	<b>62,353</b>	65,432

During the period, the Group raised new bank borrowings of approximately HK\$24,096,000 (year ended 31 December 2021: HK\$91,485,000) to finance its working capital.

At 30 June 2022, bank borrowings of approximately HK\$62,353,000 are fixed-rate borrowings (31 December 2021: HK\$65,432,000). The fixed-rate borrowings carry interest ranging from 4.20% to 4.35% (31 December 2021: 4.35% to 5.44%) per annum.

## 17. CONVERTIBLE BOND

On 7 November 2016, the Company issued convertible bond (the “**CB**”) with zero coupon rate at aggregate principal amount of HK\$74,100,000 to Wealth Sailor Limited (“**Wealth Sailor**”), the immediate holding company of the Company, with the maturity date on 7 November 2021 (the “**Maturity Date**”). The CB was interest free, unsecured and denominated in Hong Kong dollars.

The principal terms of the CB are as follows:

**Conversion:** The holder of the CB is entitled to convert the CB into ordinary shares of the Company at a conversion price of HK\$0.114 per ordinary share.

The conversion rights are exercisable at any time during the period commencing from the date of issue of the CB up to the Maturity Date.

**Redemption:** No early redemption option is granted either to the Company or the holder of the CB except for event of default occurred. The CB will only be redeemed by the Company at the Maturity Date.

Subject to the occurrence of an event of default, the CB shall become due and payable on the giving of notice in writing by the bondholder to the Company.

On 27 November 2020, the Company entered into the amendment letter (the “**Amendment Letter**”) with Wealth Sailor for the extension of (i) the Maturity Date of the CB; and (ii) the conversion period of the CB, from 7 November 2021 to 7 November 2026 (the “**Extended Maturity Date**”). All other terms of the CB remained unchanged from the Amendment Letter.

## 17. CONVERTIBLE BOND – CONTINUED

On 30 December 2020, the resolution from independent shareholders of the Company has been passed. New CB instruments and certificates with the Extended Maturity Date were being issued to Wealth Sailor as a replacement of the original CB.

The original CB and the new CB contain two components, which are (i) liability component at amortised cost presented in the condensed consolidated statement of financial position; and (ii) equity component presented in equity with heading of convertible bond equity reserve.

The above-mentioned renewal on 30 December 2020 has been considered as significant modification resulting in the extinguishment of the original CB and the recognition of the new CB.

The fair value of the new CB at the date of issue was valued by the management of the Group and the independent valuer, Vigers Appraisal and Consulting Limited (“Vigers”). Based on the fair value valuation prepared by the management of the Group, surplus on modification of the liability component of the CB of approximately HK\$22,615,000 has been recognised in equity under other reserve as owner’s transaction for the year ended 31 December 2020.

The difference between the carrying amount of the equity component of the original CB and the fair value of the equity component of the new CB on 30 December 2020, which was approximately HK\$18,834,000, was recognised in equity under accumulated losses for the year ended 31 December 2020.

The movements of the liability and equity components of the CB and the reconciliation of Level 3 fair value measurement during the reporting period are set out below:

	<b>Liability component of the CB</b>	<b>Equity component of the CB</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 January 2021	45,200	8,333	53,533
Effective interest charge for the year	3,989	–	3,989
At 31 December 2021 and 1 January 2022	49,189	8,333	57,522
Effective interest charge for the period	2,101	–	2,101
At 30 June 2022	51,290	8,333	59,623

The effective interest rate of the liability component of the new CB is 8.3% per annum.

## 17. CONVERTIBLE BOND – CONTINUED

No CB was converted into ordinary shares of the Company during the period (six months ended 30 June 2021: nil). No redemption, purchase or cancellation by the Company has been made in respect of the CB during the period (six months ended 30 June 2021: nil). As at 30 June 2022, the principal amount of the CB that remained outstanding amounted to HK\$74,100,000 (31 December 2021: HK\$74,100,000) of which a maximum of 650,000,000 (31 December 2021: 650,000,000) shares may fall to be issued upon their conversions, subject to anti-dilution adjustments provided in the terms of the CB. Details of the terms of the CB are set out in the Company's circulars dated 30 September 2016 and 9 December 2020.

At the date of issuance of the new CB, the fair values of the liability component and equity component were valued by Vigers. The fair values were estimated by using discounted cash flows and the binomial model. The inputs into the model were respectively as follows:

	<b>30.12.2020</b>
Share price	<b>HK\$0.030</b>
Conversion price	<b>HK\$0.114</b>
Expected volatility	<b>79%</b>
Expected life	<b>5.9 years</b>
Risk-free rate	<b>0.422%</b>
Expected dividend yield	<b>Nil</b>

## 18. SHARE CAPITAL

	<b>Number of shares</b>	<b>Share capital</b>
	<i>'000</i>	<i>HK\$'000</i>
Ordinary shares of HK\$0.01 (31 December 2021: HK\$0.01) each		
<b>Authorised</b>		
As at 1 January 2021, 31 December 2021, 1 January 2022 and 30 June 2022	10,000,000	
<b>Issued and fully paid</b>		
As at 1 January 2021, 31 December 2021, 1 January 2022 and 30 June 2022	5,201,250	52,013

## 19. SHARE-BASED PAYMENT TRANSACTIONS

The Company has a share option scheme for eligible participants including the employees of the Group, which became effective on 5 June 2012 and, unless otherwise cancelled or amended, has remained in force for 10 years from that date. No further share option shall be offered under the share option scheme after 4 June 2022.

There were no share options granted, cancelled, lapsed nor forfeited during the period (six months ended 30 June 2021: nil).

At 30 June 2022 and at 31 December 2021, no share option remained outstanding and no share option was held by the employees and the Directors. As at 30 June 2022, the share option scheme has therefore been terminated.

## 20. CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	<b>30.6.2022</b> <b>HK\$'000</b> <b>(Unaudited)</b>	31.12.2021 HK\$'000 (Audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial information in respect of property, plant and equipment	<b>381</b>	384

## 21. LITIGATIONS

The Group had no significant contingent liabilities as at 30 June 2022 and 31 December 2021.

## 22. FAIR VALUE DISCLOSURE

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost as at 30 June 2022 and 31 December 2021 approximate to their fair values due to their short-term maturities and the discounting impact is not significant.

## 23. RELATED PARTY TRANSACTIONS

- (a) Save as disclosed in elsewhere of the condensed consolidated financial information, the Group entered into the following significant transactions with related parties during the period:

	Notes	Six months ended 30 June	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Short-term lease expense paid to Sino Orange (China) Company Limited	(i)	840	720
Subcontracting fee paid to Ningming Tianlong Industry Trading Co., Ltd.* (寧明天隆工貿有限公司)	(ii)	–	1,581
Interest expense on convertible bond to the immediate holding company	(iii)	2,101	1,941
Interest expense on amount due to a Director	(iv)	3,095	1,808

\* The English name is for identification purpose only.

### Notes:

- (i) The lease payment paid to a related company, which Mr. Chu Chun Man, Augustine, the Director, has beneficial interest in, were determined at rates agreed between the Group and the related company. Such lease is accounted for as a short-term lease.
- (ii) The subcontracting fee is paid to a related company, which the spouse of a Director, has beneficial interest in.
- (iii) It represents the imputed interest expense on convertible bond issued to the immediate holding company, Wealth Sailor, in accordance with the terms stated in the Amendment Letter set out in note 17.
- (iv) The interest expense is paid to one of the Directors.
- (b) Save as disclosed elsewhere in the condensed consolidated financial information, the Group has no other material balances with related parties as at 30 June 2022 and 31 December 2021.

## 23. RELATED PARTY TRANSACTIONS – CONTINUED

### (c) Compensation of key management personnel

The remuneration of the Directors and other members of key management during the period was as follows:

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Short-term benefits	<b>4,349</b>	2,462
Post-employment benefits	<b>28</b>	29
	<b>4,377</b>	2,491

The remuneration of the Directors and key executives is determined with regards to the performance of individuals.

## 24. EVENT AFTER THE REPORTING PERIOD

No significant event has been taken place subsequent to 30 June 2022 and up to the date of this interim report.

## 25. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

This unaudited condensed consolidated financial information were approved and authorised for issue by the Board on 26 August 2022.



## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL RESULTS AND BUSINESS REVIEW

The novel coronavirus (“**COVID-19**”) has prevailed since 2020 to jeopardise public health and retard global economy. The pandemic persisted in the past two years though it had been alleviated through mass vaccination for the population. There is however no clear indication when the pandemic will be over so as to restore the order of public health and global economy. Notwithstanding the economic uncertainties, the Group managed to strengthen the golf business through diverse marketing initiatives and customer collaborations. As the golf market continued to rebound in 2022, the golf revenue of the Group increased significantly during the six months ended 30 June 2022. No revenue was generated by the hospitality segment during the period due to postponement of the development of the hospitality business until the external restricting factors prevailing in the Commonwealth of the Northern Mariana Islands (the “**CNMI**”) are resolved. Facing the challenges of the pandemic, the Group has pursued requisite measures to continually rationalise the operations and optimise costs to uphold our competitive edge. In addition, the Board is committed to exploring more and different potential development opportunities to expand and diversify the business of the Group.

The Group’s revenue for the six months ended 30 June 2022 amounted to approximately HK\$269,091,000 (2021: HK\$184,287,000). Loss for the period attributable to owners of the Company was approximately HK\$4,899,000 (2021: HK\$10,938,000). Basic and diluted loss per share were both approximately HK0.09 cent for the reporting period (2021: HK0.21 cent).

### GOLF EQUIPMENT BUSINESS

The golf equipment business has been the main operating segment of the Group throughout the years. It generated approximately 88.6% of the Group’s revenue for the six months ended 30 June 2022 (2021: 89.6%). Driven by a persistent rebound of the golf market, the golf equipment sales surged by approximately 44.4% to approximately HK\$238,495,000 for the period (2021: HK\$165,210,000).

During the period, sales of golf equipment to the largest segmental customer went up approximately 53.6% to approximately HK\$116,571,000 (2021: HK\$75,870,000), representing approximately 48.9% (2021: 45.9%) of the segment revenue or approximately 43.3% (2021: 41.2%) of the Group's revenue for the period, respectively. Sales to other key segmental customers also increased notably to contribute extra revenue. Revenue generated from the top five segmental customers escalated by approximately 43.0% to approximately HK\$235,123,000 (2021: HK\$164,394,000), representing approximately 98.6% (2021: 99.5%) of the segment revenue or approximately 87.4% (2021: 89.2%) of the Group's revenue for the period, respectively. It is the corporate strategy to uphold the market share through provision of value added services to intensify customer satisfaction as well as exploring new business opportunities with other reputable golf name brands.

To effectively combat the pandemic, the Group has adopted stringent anti-pandemic measures to minimise infection risk and secure workplace safety including flexible working hours, quarantine requirements, mask wearing and desirable personal hygiene practices. In reaction to the prolonged pandemic, the Hong Kong government has resumed offering financial assistance to qualified enterprises through the Employment Support Scheme for 2022 to help ease the burden of the business sector. During the period, the Group was awarded wages subsidies of HK\$240,000 upon our application to the scheme. The Group also obtained other subsidies for approximately HK\$437,000 from the PRC government for employment stabilisation purpose. On the other hand, the parts and components cost escalated during the period due to the shortage of supply under the pandemic which undermined the contribution margin against a boost in sales amidst the rebounded golf market. To mitigate the impact of the cost hikes, the Group strengthened the rationalisation measures to streamline the manufacturing process to enhance the production efficiency and output. Further, the increased utilisation of subcontracting arrangements helped bring additional cost savings for the Group while maintaining the prescribed product quality. In addition, the Group offered attractive performance incentives to motivate the production workforce to strive for higher productivity and output. The Shandong manufacturing facility had pursued a periodic review to assess the workforce status and took requisite actions to optimise the workforce headcount to match the business volume and market conditions. Driven by the proactive management, the Group was able to sensibly monitor the performance of the golf equipment segment notwithstanding the economic uncertainties.



Attributable to the increased demand with a sales boost, the golf equipment segment has achieved a segment profit of approximately HK\$8,075,000 for the six months ended 30 June 2022 in contrast to the segment loss of approximately HK\$806,000 incurred for the comparative period in 2021. Having considered the order book status and the long-lasting pandemic, it is envisaged that the golf equipment business will continue to operate in a stagnant market with great challenges in the second half year. The Group is committed to substantiating the long-term development of the golf equipment segment via diverse marketing initiatives and customer collaborations with value-added services. The management has adopted a prudent view with caution on the prospect of the golf equipment business in the second half year of 2022.

## GOLF BAGS BUSINESS

Concurrent with the strong golf equipment sales, the Group's revenue attributable to the golf bags segment, defined as comprising the sales of golf bags and accessories to external customers, increased by approximately 60.4% to approximately HK\$30,596,000 (2021: HK\$19,077,000), representing approximately 11.4% of the Group's revenue for the six months ended 30 June 2022 (2021: 10.4%). Total sales of the golf bags segment, before elimination of the inter-segmental sales of approximately HK\$5,182,000 (2021: HK\$8,546,000), increased by approximately 29.5% to approximately HK\$35,778,000 during the period (2021: HK\$27,623,000). The inter-segmental sales represented the golf bags produced as components for the orders of golf club sets placed by customers with the golf equipment segment. The sales of the golf club sets have been classified as the revenue of the golf equipment segment in accordance with the Group's policy.

The segment revenue for the period comprised golf bags sales of approximately HK\$26,089,000 (2021: HK\$15,733,000) and accessories sales mainly sports bags of approximately HK\$4,507,000 (2021: HK\$3,344,000), representing approximately 85.3% (2021: 82.5%) and approximately 14.7% (2021: 17.5%) of the segment revenue, respectively. Both the golf bags and sports bags sales demonstrated a growing trend during the period.

Sales to the largest segmental customer nearly doubled to approximately HK\$16,695,000 during the period (2021: HK\$8,508,000), representing approximately 54.6% (2021: 44.6%) of the segment revenue or approximately 6.2% (2021: 4.6%) of the Group's revenue for the period, respectively. Sales to other key segmental customers increased generally to contribute additional revenue. Revenue generated from the top five segmental customers surged by approximately 65.3% to approximately HK\$30,204,000 (2021: HK\$18,268,000), representing approximately 98.7% (2021: 95.8%) of the segment revenue or approximately 11.2% (2021: 9.9%) of the Group's revenue for the period, respectively. To facilitate the long-term development, the golf bags segment pursued to persistently streamline the operations to reinforce the production base and optimise costs to the extent feasible.

Despite the impact of the pandemic, the golf bags segment managed to uphold its performance to record a segment profit of approximately HK\$3,856,000 for the six months ended 30 June 2022 (2021: HK\$2,663,000). Taking into account the order book status and the challenges of the pandemic, the management has held a cautious view on the outlook of the golf bags business for the second half year of 2022.

## HOSPITALITY BUSINESS

The Board has been exploring appropriate diversification business opportunities and investments to expand the revenue sources and enhance the long-term growth potential of the Group. It provides the Group with opportunities to dip into the hospitality segment of the CNMI and savor in the development of the tourism and golf related industries in the CNMI.

Due to the shortage of local construction workers and uncertainty of overseas working visa quota in the CNMI, the development will be postponed until all external factors have been solved.

During the current period ended, no revenue (2021: nil) was generated from the hospitality business.



## PROSPECTS

The COVID-19 has persisted longer than most people could imagine, it continues in 2022 in most countries to jeopardise human health and hinder economic recovery. Benefiting from a remarkable rebound in golf market with increased demand, the golf business of the Group has recovered further with momentum during the six months ended 30 June 2022. However, we have concurrently experienced cost hikes caused by the shortage of supply of parts and components which undermine the product contribution margin inevitably. It is anticipated that the market conditions will remain volatile and highly competitive in the second half year of 2022. Facing the persistent challenges of the pandemic, the Group has pursued requisite measures to rationalise the operations and optimise costs to preserve our competitive edge. To substantiate the long-term development of the golf business, the Group is devoted to strengthen the customer relationship through diverse marketing initiatives and extensive collaborations to better accommodate the customer requirements. More importantly, the Group has possessed a solid financial position with sufficient funds to finance its operations and discharge the liabilities when due. The management has maintained a prudent view with caution on the prospect of the golf business.

Although the development plan in the CNMI has been postponed at the current stage, the Group will continue to observe the hospitality industry trend in the CNMI from time to time and start the development plan in best entry time.

Looking forward, the Group will continue to pursue a cautious business approach to actively monitor the golf business and seize other development and growth opportunities to enhance competitiveness and strive for the best return and interest for the shareholders.

## DIVIDEND

The Board resolved not to recommend the payment of any dividend for the six months ended 30 June 2022 (2021: nil).

## FINANCIAL RESOURCES, LIQUIDITY AND GEARING

The Group fulfills its working capital and other funding requirements principally through cash generated from the operations, bank borrowings and advances from a director. As at 30 June 2022, bank balances and cash, which were mostly denominated in United States dollars, Hong Kong dollars and Renminbi, amounted to approximately HK\$128,325,000 (31 December 2021: HK\$122,730,000). As at 30 June 2022, interest-bearing borrowings of the Group comprising bank borrowings amounted to RMB53,000,000 which was equivalent to approximately HK\$62,353,000 (31 December 2021: RMB53,000,000 which was equivalent to approximately HK\$65,432,000), of which all were repayable within one year and carried interest ranging from approximately 4.20% to 4.35% (31 December 2021: 4.35% to 5.44%) per annum. Bank borrowings were fixed rate borrowings denominated in Renminbi as at 30 June 2022 and 31 December 2021. Amount due to a director of approximately HK\$60,128,000 as at 30 June 2022 (31 December 2021: HK\$63,463,000) was unsecured, carrying interest at 9.75% (31 December 2021: 9.75%) per annum and repayable on demand.

As at 30 June 2022, the gearing ratio, defined as bank borrowings, amount due to a director and convertible bond less bank balances and cash of approximately HK\$45,446,000 (31 December 2021: HK\$55,354,000) divided by the total equity of approximately HK\$261,332,000 (31 December 2021: HK\$267,717,000) decreased to approximately 17.4% (31 December 2021: 20.7%).

As at 30 June 2022, the total assets and the net assets value of the Group amounted to approximately HK\$561,031,000 (31 December 2021: HK\$557,512,000) and approximately HK\$261,332,000 (31 December 2021: HK\$267,717,000), respectively. Current and quick ratios as at 30 June 2022 were approximately 1.14 (31 December 2021: 1.12) and approximately 1.00 (31 December 2021: 0.87), respectively. Both the current ratio and quick ratio were relatively improved and stayed solid. The Group has been pursuing feasible ways to further rationalise and improve its financial position from time to time.

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures for the six months ended 30 June 2022.



## PLEDGE OF ASSETS

As at 30 June 2022, bank borrowings from a PRC bank of RMB53,000,000 which was equivalent to approximately HK\$62,353,000 (31 December 2021: RMB53,000,000 which was equivalent to approximately HK\$65,432,000) were secured by property, plant and equipment and the right-of-use assets of the Group with a carrying value of approximately HK\$89,803,000 (31 December 2021: HK\$95,933,000).

## EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of operations to which they relate. The currency giving rise to this risk is primarily RMB. The Group is exposed to foreign currency risk due to the exchange rate fluctuation of RMB against HK\$ and US\$. The Group had not entered into any derivative contracts to hedge against the risk for the six months ended 30 June 2022. The Group will review and monitor its currency exposure from time to time and when appropriate hedge its currency risk.

## CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 June 2022.

## EVENT AFTER THE REPORTING PERIOD

No significant event has taken place subsequent to 30 June 2022 up to the date of interim results announcement.

## CAPITAL COMMITMENTS

As at 30 June 2022, the Group had capital commitments, which are contracted but not provided in the condensed consolidated financial information, in respect of property, plant and equipment amounting to approximately HK\$381,000 (31 December 2021: HK\$384,000).

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2022, the Group had approximately 980 employees (31 December 2021: 970 employees) located mainly in Hong Kong and the PRC. It is the Group's strategy to maintain a harmonious relationship with its employees through provision of competitive remuneration packages and career development opportunities. The employees are remunerated based on their duties, experience and performance as well as market practices. The remuneration packages are reviewed annually to assure fairness and appropriateness and discretionary bonuses may be awarded to employees based on individual performance.



## OTHER INFORMATION

### DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2022, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the “SFO”), which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules, were set out as follows:

#### (I) LONG POSITIONS IN ORDINARY SHARES AND UNDERLYING SHARES OF THE COMPANY:

Name of Director	Number of shares held and interests in underlying shares, capacity and nature of interest			Total	Percentage of the Company's issued share capital
	Directly beneficially owned	Through spouse	Through controlled corporations		
Mr. CHU Chun Man, Augustine	46,460,520	750,000	–	47,210,520	0.91%

**(II) LONG POSITIONS IN SHARES AND UNDERLYING SHARES OF ASSOCIATED CORPORATION:**

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Relationship with the Company</b>	<b>Shares</b>	<b>Number of shares held</b>	<b>Capacity and nature of interest</b>	<b>Percentage of the associated corporation's issued non-voting deferred share capital</b>
Mr. CHU Chun Man, Augustine	Sino Golf Manufacturing Company Limited	Company's subsidiary	Non-voting deferred shares	1,190,607	Directly beneficially owned	30.98%

In addition to the above, a Director has non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Group solely for the purpose of complying with the then minimum company membership requirements.

Save as disclosed above, as at 30 June 2022, none of the Directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2022, the following persons (not being a Director or the chief executive of the Company) have interests or short positions of 5% or more of the issued share capital and underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO or as otherwise notified to the Company:

### LONG POSITIONS:

Name	Notes	Capacity and nature of interest	Number of ordinary shares held and interest in underlying shares	Percentage of the Company's issued share capital
China Huarong Asset Management Co., Ltd.	(a)	Security interest held by controlled corporation	3,511,000,000	67.50%
China Huarong International Holdings Limited	(a)	Security interest held by controlled corporation	3,511,000,000	67.50%
Right Select International Limited	(a)	Security interest held by controlled corporation	3,511,000,000	67.50%
Wise Choice Ventures Limited	(a)/(b)	Security interest	3,511,000,000	67.50%
Wealth Sailor Limited	(c)	Beneficial owner	3,511,000,000	67.50%
Prominent Victory Limited	(b)/(d)	Beneficial interest held by controlled corporation	3,511,000,000	67.50%
Mr. Huang Youlong	(e)	Beneficial interest held by controlled corporation	3,511,000,000	67.50%
Ms. Zhao Wei	(f)	Interest of spouse	3,511,000,000	67.50%
Surplus Excel Limited	(g)	Beneficial owner	313,814,355	6.03%
Ms. Yue Xuqun	(h)	Beneficial interest held by controlled corporation	313,814,355	6.03%

## Notes:

- (a) Wise Choice Ventures Limited is a company wholly and beneficially owned by Right Select International Limited. Right Select International Limited is a company wholly and beneficially owned by China Huarong International Holdings Limited. China Huarong Asset Management Co., Ltd. is the ultimate beneficial owner of Wise Choice Ventures Limited. Each of Right Select International Limited, China Huarong International Holdings Limited and China Huarong Asset Management Co., Ltd. is deemed to be interested in the shares which Wise Choice Ventures Limited has security interest by virtue of the SFO.
- (b) As at 30 June 2022, Wealth Sailor Limited has provided a first fixed share charge in respect of the 2,861,000,000 shares held by it and a first fixed charge in respect of the convertible bond held by it convertible into 650,000,000 shares in favour of Wise Choice Ventures Limited to secure the payment obligations under the secured notes issued by Prominent Victory Limited to Wise Choice Ventures Limited.
- (c) Wealth Sailor Limited is a company incorporated in the British Virgin Islands (“BVI”) with limited liability.
- (d) The interest disclosed are the shares directly beneficially owned by Wealth Sailor Limited, the issued share capital of which is wholly held by Prominent Victory Limited. Accordingly, Prominent Victory Limited is deemed to be interested in the shares owned by Wealth Sailor Limited.
- (e) This represents the 2,861,000,000 shares and the convertible bond (convertible into 650,000,000 shares) held by Wealth Sailor Limited. Mr. Huang Youlong is the sole ultimate beneficial shareholder and sole director of Wealth Sailor Limited, indirectly holding 100% of the issued share capital of Wealth Sailor Limited through his wholly-owned company, Prominent Victory Limited.
- (f) Ms. Zhao Wei is the spouse of Mr. Huang Youlong. Accordingly, Ms. Zhao Wei is deemed to be interested in the shares Mr. Huang Youlong is interested in.
- (g) Surplus Excel Limited is a company incorporated in the BVI with limited liability.
- (h) Ms. Yue Xuqun controls 100% of the equity interest in Surplus Excel Limited and is deemed to be interested in the shares held by Surplus Excel Limited.

Save as disclosed above, as at 30 June 2022, no person, other than the Directors, whose interests are set out in the section “Directors’ Interests and Short Positions in Shares and Underlying Shares” above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.



## SHARE OPTION SCHEME

By an ordinary resolution passed at the annual general meeting held on 5 June 2012, the Company had terminated the original share option scheme (the “**Original Share Option Scheme**”) and adopted a new share option scheme (the “**New Share Option Scheme**”) for replacement. The Original Share Option Scheme was adopted since 7 August 2002 which would otherwise have expired on 6 August 2012 if not terminated. There were no options outstanding under the Original Share Option Scheme.

The purpose of the New Share Option Scheme is to enable the Company to continue to grant options to eligible participants which have been extended to include the employees (including any Director, whether executive or non-executive and whether independent or not) in full-time or part-time employment with the Group or any entity in which the Group holds an equity interest (the “**Invested Entity**”) as well as contracted celebrity, advisor, consultant, service provider, agent, customer, partner or joint-venture partner of the Group or any Invested Entity, or any persons who, in the sole discretion of the Board, have contributed or may contribute to the Group or any Invested Entity. The New Share Option Scheme aims to provide incentives and help the Group in retaining its employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long-term business objectives of the Group.

The New Share Option Scheme has taken effect since the Stock Exchange granted approval on 6 June 2012 for the listing of shares which may be issued by the Company upon the exercise of options granted thereunder and, unless otherwise terminated or amended, has remained in force for 10 years from its adoption date on 5 June 2012. No further share option shall be offered under the New Share Option Scheme after 4 June 2022.

As at 30 June 2022, no share option remained outstanding and no share option was held by the Directors and the employees, the New Share Option Scheme has therefore been terminated. There were no share options granted, exercised, cancelled, lapsed nor forfeited during the six months ended 30 June 2022.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2022.

## CORPORATE GOVERNANCE

The Company has complied with the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) set out in Part 2 of Appendix 14 to the Listing Rules throughout the six months ended 30 June 2022, except for certain deviation which is explained below:

Under code provision C.2.1 of the CG Code, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The roles of the chairman and chief executive officer have not been separated for the Company. The deviation is deemed appropriate and the Board believes that even vesting the roles of both chairman and chief executive officer in the same person could still provide the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. The Board further considers that the current structure does not impair the balance of power and authority between the Board and the management of the Company.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the Company’s code of conduct for dealings in securities of the Company by the Directors. Upon specific enquiry, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2022.

## AUDIT COMMITTEE

The audit committee of the Company comprises three independent non-executive Directors of Mr. Ho Kwong Yu (chairman), Mr. Sheng Baojun and Ms. Lin Lin during the six months ended 30 June 2022 (during the six months ended 30 June 2021: three independent non-executive Directors) with written terms of reference. The audit committee has reviewed with management the accounting policies and practice adopted by the Group and discussed auditing, internal controls, and financial reporting matters including review of the unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2022.



## REMUNERATION COMMITTEE

The remuneration committee of the Company comprises three independent non-executive Directors of Mr. Sheng Baojun (chairman), Mr. Ho Kwong Yu, and Ms. Lin Lin during the six months ended 30 June 2022 (during the six months ended 30 June 2021: three independent non-executive Directors) with written terms of reference. The remuneration committee is principally responsible for formulating and making recommendation to the Board on the Group's policy and structure for all remuneration of the Directors of the Company and senior management of the Group.

## NOMINATION COMMITTEE

The nomination committee of the Company comprises one executive Director of Mr. Huang Bangyin (chairman) and three independent non-executive Directors of Mr. Sheng Baojun, Mr. Ho Kwong Yu and Ms. Lin Lin during the six months ended 30 June 2022 (during the six months ended 30 June 2021: three independent non-executive Directors and one executive Director) with written terms of reference. The nomination committee has met once during the current interim period to review, inter alia, the structure, size and composition (including the skills, knowledge and experience of Directors) of the Board; to assess the independence of independent non-executive Directors; and to review the effectiveness of the board diversity policy adopted by the Company.

## APPRECIATION

On behalf of the Board, I would like to thank all our employees for their contribution and commitments. I also wish to extend my sincere gratitude to our shareholders, customers, suppliers and business partners for their long-term supports and dedication.

By order of the Board  
**Sino Golf Holdings Limited**  
**Huang Bangyin**  
Chairman

Hong Kong, 26 August 2022

*As at the date of this interim report, the Board comprises (i) Mr. Huang Bangyin and Mr. Chu Chun Man, Augustine as executive Directors; (ii) Mr. Wong Hin Shek as non-executive Director; and (iii) Mr. Sheng Baojun, Mr. Ho Kwong Yu and Ms. Lin Lin as independent non-executive Directors.*