



Sino Golf Holdings Limited
順龍控股有限公司

(Incorporated in Bermuda with limited liability)

Stock Code: 00361

2024
INTERIM REPORT





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. HUANG Bangyin (*Chairman*) (*Note 1*)
Mr. WONG Hin Shek (*Chairman*) (*Note 2*)

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*) (*Note 1*)
Mr. WONG Hin Shek (*Chairman*) (*Note 2*)
Mr. SHENG Baojun
Mr. HO Kwong Yu
Ms. LIN Lin

COMPANY SECRETARY

Ms. CHOI Ka Ying

Notes:

1. Mr. HUANG Bangyin resigned as the chairman of the Board, an executive Director, the chairman of the nomination committee of the Company and an authorised representative of the Company with effect from 16 September 2024.
2. Mr. WONG Hin Shek has been re-designated from a non-executive Director to an executive Director, and has been appointed as the chairman of the Board, the chairman of the nomination committee of the Company and an authorised representative of the Company, both with effect from 16 September 2024.

AUTHORISED REPRESENTATIVES

Mr. HUANG Bangyin (*Note 1*)
Mr. WONG Hin Shek (*Note 2*)
Ms. CHOI Ka Ying

AUDITORS

Grant Thornton Hong Kong Limited
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay, Hong Kong SAR

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

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>



FINANCIAL HIGHLIGHTS

RESULTS

	For the six months ended 30 June		Changes Increase/ (Decrease)
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	
Revenue	129,126	110,475	16.9%
– from golf equipment segment	119,673	96,075	24.6%
– from golf bags segment	9,453	14,400	(34.4%)
Gross profit	29,250	24,757	18.1%
Profit before interest, tax, depreciation and amortisation	9,036	4,028	124.3%
Total comprehensive expense for the period attributable to owners of the Company	(759)	(10,581)	(92.8%)
	<i>HK cent</i>	<i>HK cent</i>	
Loss per share			
Basic and diluted	(0.01)	(0.18)	
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 2024 (the “**period**”) which have been reviewed by the Company’s audit committee, together with the comparative figures for the six months ended 30 June 2023 as follows.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	NOTES	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	4	129,126	110,475
Cost of sales		(99,876)	(85,718)
Gross profit		29,250	24,757
Other operating income	6	2,970	1,635
Selling and distribution expenses		(95)	(968)
Administrative expenses		(27,857)	(28,466)
Finance costs	7	(3,847)	(6,322)
Profit (loss) before tax	9	421	(9,364)
Income tax expenses	8	(1,180)	(126)
Loss for the period		(759)	(9,490)
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		–	(1,091)
Other comprehensive expense for the period, net of income tax		–	(1,091)
Total comprehensive expense for the period		(759)	(10,581)

		Six months ended 30 June	
		2024	2023
<i>NOTE</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Loss for the period attributable to:			
– Owners of the Company		(759)	(9,490)
– Non-controlling interests		–	–
		(759)	(9,490)
Total comprehensive expense for the period attributable to:			
– Owners of the Company		(759)	(10,581)
– Non-controlling interests		–	–
		(759)	(10,581)
		<i>HK cent</i>	<i>HK cent</i>
Loss per share			
– Basic and diluted		(0.01)	(0.18)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	NOTES	30.6.2024 HK\$'000 (Unaudited)	31.12.2023 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	12	70,040	69,022
Right-of-use assets	13	165,148	168,179
Goodwill		–	–
Club debentures		1,322	1,322
Prepayments for the acquisition of property, plant and equipment		333	132
		236,843	238,655
Current assets			
Inventories		14,570	17,814
Trade and other receivables	14	35,557	19,899
Bank balances and cash		119,630	111,965
		169,757	149,678
Current liabilities			
Trade and other payables	15	56,727	40,673
Lease liabilities	13	105	103
Income tax payable		709	180
Bank borrowings	16	58,242	58,242
		115,783	99,198
Net current assets		53,974	50,480
Total assets less current liabilities		290,817	289,135

	NOTES	30.6.2024 HK\$'000 (Unaudited)	31.12.2023 HK\$'000 (Audited)
Non-current liabilities			
Convertible bond	17	60,721	58,227
Lease liabilities	13	583	636
		61,304	58,863
Net assets			
		229,513	230,272
Capital and reserves			
Share capital	18	52,013	52,013
Reserves		174,770	175,529
Equity attributable to owners of the Company		226,783	227,542
Non-controlling interests		2,730	2,730
Total equity			
		229,513	230,272

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	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 2023 (audited)	52,013	399,369	8,333	33,966	-	17	6,519	22,615	(276,195)	246,637	2,730	249,367
Loss for the period	-	-	-	-	-	-	-	-	(9,490)	(9,490)	-	(9,490)
Other comprehensive expense for the period:												
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	-	(1,091)	-	-	(1,091)	-	(1,091)
Other comprehensive expense for the period	-	-	-	-	-	-	(1,091)	-	-	(1,091)	-	(1,091)
Total comprehensive expense for the period	-	-	-	-	-	-	(1,091)	-	(9,490)	(10,581)	-	(10,581)
At 30 June 2023 (unaudited)	52,013	399,369	8,333	33,966	-	17	5,428	22,615	(285,685)	236,056	2,730	238,786
At 1 January 2024 (audited)	52,013	399,369	8,333	33,966	-	17	5,961	22,615	(294,732)	227,542	2,730	230,272
Loss and total comprehensive expense for the period	-	-	-	-	-	-	-	-	(759)	(759)	-	(759)
At 30 June 2024 (unaudited)	52,013	399,369	8,333	33,966	-	17	5,961	22,615	(295,491)	226,783	2,730	229,513

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 2024

	Six months ended 30 June	
	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)
Operating activities		
Net cash (used in) from operating activities	(5,530)	28,735
Investing activities		
Purchase of property, plant and equipment	(2,748)	(414)
Prepayments for the acquisition of property, plant and equipment	(208)	–
Proceeds from disposal of property, plant and equipment	5	252
Interest received	1,175	905
Net cash (used in) from investing activities	(1,776)	743
Financing activities		
Repayments of bank borrowings	(21,978)	(21,505)
New bank borrowings raised	21,978	21,505
Advance from (repayment to) the former Director	16,156	(24,918)
Interest paid	(1,134)	(1,442)
Payment of lease liabilities	(51)	(1,023)
Net cash from (used in) financing activities	14,971	(27,383)
Net increase in cash and cash equivalents	7,665	2,095
Cash and cash equivalents at 1 January	111,965	141,165
Effect of foreign exchange rate changes	–	(102)
Cash and cash equivalents at 30 June, represented by bank balances and cash	119,630	143,158

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

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 (i) manufacturing and trading of golf equipment, golf bags, other accessories, related components and parts; and (ii) 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 Standards (“**HKASs**”) 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 2023.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes HKFRSs, HKASs and Interpretations issued by the HKICPA, which are effective for the Group's financial year beginning on 1 January 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial performance and consolidated financial 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 (2023: three) reportable and operating segments as follows:

- Golf equipment – Manufacture and sales of golf equipment, and related components and parts.
- Golf bags – Trading (2023: 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 segments:

	For the six months ended 30 June									
	Golf equipment		Golf bags		Hospitality		Eliminations		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	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)	(Unaudited)
Segment revenue:										
Sales to external customers	119,673	96,075	9,453	14,400	-	-	-	-	129,126	110,475
Inter-segment sales	-	-	-	6,788	-	-	-	(6,788)	-	-
Other operating income	1,720	547	75	183	-	-	-	-	1,795	730
Total	121,393	96,622	9,528	21,371	-	-	-	(6,788)	130,921	111,205
Segment results	11,536	5,392	(631)	491	(2,863)	(2,911)	-	-	8,042	2,972
Interest income									1,175	905
Unallocated corporate expenses									(4,949)	(6,919)
Finance costs									(3,847)	(6,322)
Profit (loss) before tax									421	(9,364)

Segment results represent the profit (loss) from each segment without allocation of interest income, central administration costs, Directors' emoluments and 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 segments:

	Golf equipment		Golf bags		Hospitality		Consolidated	
	30.6.2024 HK\$'000 (Unaudited)	31.12.2023 HK\$'000 (Audited)	30.6.2024 HK\$'000 (Unaudited)	31.12.2023 HK\$'000 (Audited)	30.6.2024 HK\$'000 (Unaudited)	31.12.2023 HK\$'000 (Audited)	30.6.2024 HK\$'000 (Unaudited)	31.12.2023 HK\$'000 (Audited)
Segment assets	117,096	96,900	6,584	13,404	158,251	161,091	281,931	271,395
Unallocated corporate assets								
- Club debentures							1,322	1,322
- Bank balances and cash							119,630	111,965
- Others							3,717	3,651
Total assets							406,600	388,333
Segment liabilities	30,657	29,309	1,433	1,579	7,515	7,515	39,605	38,403
Unallocated corporate liabilities								
- Amount due to the former Director							16,156	-
- Income tax payable							709	180
- Bank borrowings							58,242	58,242
- Convertible bond							60,721	58,227
- Others							1,654	3,009
Total liabilities							177,087	158,061

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

- all assets are allocated to operating segments other than 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 the former Director included in "trade and other payables" (Note 15), income tax payable, bank borrowings, convertible bond and certain other payables.

6. OTHER OPERATING INCOME

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Exchange gain, net	1,139	–
Interest income	1,175	905
Gain on disposal of property, plant and equipment	5	217
Sale of scrap materials	–	146
Sample income	89	115
Tooling income	226	12
Sundry income	336	240
	2,970	1,635

7. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expenses on:		
– Amount due to the former Director	255	2,594
– Convertible bond	2,494	2,286
– Bank borrowings	1,083	1,266
– Lease liabilities	15	176
	3,847	6,322



8. INCOME TAX EXPENSES

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Hong Kong Profits Tax		
– Current period	150	–
PRC Enterprise Income Tax		
– Current period	1,017	414
– Under (over)-provision in prior periods	13	(288)
	1,180	126

- (i) Provision for Hong Kong Profits Tax at 16.5% of estimated assessable profits has been made for the six months ended 30 June 2024, while no provision for Hong Kong Profits Tax had been made for the six months ended 30 June 2023 as there are no assessable profits generated or the estimated assessable profits 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 profits. 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 2024 and 2023.
- (iv) The Group is not subject to taxation in other jurisdiction.

9. PROFIT (LOSS) BEFORE TAX

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Amount of inventories recognised as an expense	99,876	85,718
Depreciation of property, plant and equipment	1,737	3,050
Depreciation of right-of-use assets	3,031	4,020
Exchange (gain) loss, net	(1,139)	544
Expenses related to short-term leases	984	441
Gain on disposal of property, plant and equipment	(5)	(217)

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 2023: 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:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	(759)	(9,490)

	Six months ended 30 June	
	2024	2023
	'000	'000
	(Unaudited)	(Unaudited)
Number of shares		
Number of ordinary shares for the purpose of basic and diluted loss per share	5,201,250	5,201,250

The computation of diluted loss per share for the six months ended 30 June 2024 and 2023 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\$2,755,000 (six months ended 30 June 2023: HK\$539,000) on acquisition of property, plant and equipment.

Assets with no net carrying value were disposed of by the Group during the period (six months ended 30 June 2023: approximately HK\$35,000), resulting in a net gain on disposal of approximately HK\$5,000 (six months ended 30 June 2023: HK\$217,000).

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

	30.6.2024 <i>HK\$'000</i> (Unaudited)	31.12.2023 <i>HK\$'000</i> (Audited)
Land	164,483	167,451
Buildings	665	728
	165,148	168,179

Right-of-use assets of approximately HK\$6,261,000 (31 December 2023: HK\$6,395,000) and HK\$158,222,000 (31 December 2023: HK\$161,056,000) represent land use right in the PRC and the CNMI respectively. At 30 June 2024, balance of approximately HK\$6,261,000 (31 December 2023: HK\$6,395,000) was pledged to secure bank borrowings.

There is no addition to the right-of-use assets for the six months ended 30 June 2024. Addition to the right-of-use assets for the year ended 31 December 2023 amounted to approximately HK\$6,333,000 due to the Group entered into new leases of buildings.



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

(ii) Lease liabilities

	30.6.2024 <i>HK\$'000</i> (Unaudited)	31.12.2023 <i>HK\$'000</i> (Audited)
Non-current	583	636
Current	105	103
	688	739
	30.6.2024 <i>HK\$'000</i> (Unaudited)	31.12.2023 <i>HK\$'000</i> (Audited)
Amounts payable under lease liabilities		
Within one year	105	103
After one year but within two years	120	111
After two years but within five years	428	412
After five years	35	113
	688	739
Less: Amount due for settlement within 12 months	(105)	(103)
Amount due for settlement after 12 months	583	636

During the period ended 30 June 2024, the Group did not enter into any new lease of building and no lease liabilities has been recognised (31 December 2023: HK\$6,333,000).

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

(iii) Amounts recognised in profit or loss

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Depreciation on right-of-use assets		
– Land	2,968	3,031
– Buildings	63	989
Total depreciation on right-of-use assets	3,031	4,020
Interest expense on lease liabilities	15	176
Expenses related to short-term leases	984	441

(iv) Others

During the period, total cash outflows for leases including expenses related to short-term leases amounted to approximately HK\$1,050,000 (six months ended 30 June 2023: HK\$1,464,000). All lease payments of the Group are fixed.

14. TRADE AND OTHER RECEIVABLES

	30.6.2024 HK\$'000 (Unaudited)	31.12.2023 HK\$'000 (Audited)
Trade receivables, at amortised cost	30,343	13,502
Deposits and other receivables	3,263	2,657
Prepayments	1,683	1,497
Prepayments to suppliers	268	2,243
	35,557	19,899

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 2023: 30 and 60 days). The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management.

As at 30 June 2024, the gross amount of trade receivables arising from contracts with customers amounted to approximately HK\$30,343,000 (31 December 2023: HK\$13,502,000).

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:

	30.6.2024 <i>HK\$'000</i> (Unaudited)	31.12.2023 <i>HK\$'000</i> (Audited)
0 to 30 days	25,360	11,881
31 to 90 days	4,983	1,621
	30,343	13,502

15. TRADE AND OTHER PAYABLES

	30.6.2024 <i>HK\$'000</i> (Unaudited)	31.12.2023 <i>HK\$'000</i> (Audited)
Trade payables	22,851	21,660
Contract liabilities	843	317
Accruals and other payables	16,877	18,696
Amount due to the former Director (<i>Note</i>)	16,156	–
	56,727	40,673

Note: Interest rate of 9.75% (2023: 9.75%) per annum was charged on the amount due to Mr. Chu Chun Man, Augustine (“**Mr. Chu**”), the former Director of the Company, who resigned on 1 January 2024 and continued as a director of certain subsidiaries of the Company for the six months ended 30 June 2024.

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:

	30.6.2024 <i>HK\$'000</i> (Unaudited)	31.12.2023 <i>HK\$'000</i> (Audited)
0 to 90 days	19,104	18,350
91 to 180 days	2,183	1,671
181 to 365 days	111	217
Over 365 days	1,453	1,422
	22,851	21,660

The average credit period on purchases of goods is from 30 days to 90 days (31 December 2023: 30 days to 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

16. BANK BORROWINGS

	30.6.2024 HK\$'000 (Unaudited)	31.12.2023 HK\$'000 (Audited)
Secured bank loans, repayable within one year and shown under current liabilities	58,242	58,242

During the period, the Group raised new bank borrowings of approximately HK\$21,978,000 (year ended 31 December 2023: HK\$58,625,000) to finance its working capital and repaid bank borrowings of approximately HK\$21,978,000 (year ended 31 December 2023: HK\$58,607,000).

At 30 June 2024, bank borrowings of approximately HK\$58,242,000 (31 December 2023: HK\$58,242,000) are fixed-rate borrowings. The fixed-rate borrowings carry interest at 3.55% (31 December 2023: ranging from 3.55% to 4.15%) per annum.

17. CONVERTIBLE BOND

On 7 November 2016, the Company issued convertible bond 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. On 30 December 2020, the original convertible bond was renewed and replaced by a new convertible bond (the "**CB**") with the same terms except for the maturity date and conversion period were extended to 7 November 2026 (the "**Maturity Date**"). The CB was interest free, unsecured and denominated in Hong Kong dollars. The renewal on 30 December 2020 had been considered as significant modification resulting in the extinguishment of the original convertible bond and the new CB.

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.

17. CONVERTIBLE BOND – CONTINUED

The 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 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:

	Liability component of the CB <i>HK\$'000</i>	Equity component of the CB <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2023	53,517	8,333	61,850
Effective interest charge for the year	4,710	–	4,710
At 31 December 2023 and 1 January 2024 (audited)	58,227	8,333	66,560
Effective interest charge for the period	2,494	–	2,494
At 30 June 2024 (unaudited)	60,721	8,333	69,054

The effective interest rate of the liability component of the CB is 8.8% per annum.

No CB was converted into ordinary shares of the Company during the period (six months ended 30 June 2023: 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 2023: nil). As at 30 June 2024, the principal amount of the CB that remained outstanding amounted to HK\$74,100,000 (31 December 2023: HK\$74,100,000) of which a maximum of 650,000,000 (31 December 2023: 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 an independent qualified valuer. The fair values were estimated by using discounted cash flows and the binomial model. The inputs into the model were respectively as follows:

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

18. SHARE CAPITAL

	Number of shares <i>'000</i>	Share capital <i>HK\$'000</i>
Ordinary shares of HK\$0.01 (31 December 2023: HK\$0.01) each		
Authorised		
As at 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024	10,000,000	
Issued and fully paid		
As at 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024	5,201,250	52,013

19. CAPITAL COMMITMENTS

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

	30.6.2024 <i>HK\$'000</i> (Unaudited)	31.12.2023 <i>HK\$'000</i> (Audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial information in respect of property, plant and equipment	75	75



20. LITIGATIONS

The Group had no significant contingent liabilities as at 30 June 2024 and 31 December 2023.

21. FAIR VALUE DISCLOSURE

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost as at 30 June 2024 and 31 December 2023 approximate to their fair values due to their short-term maturities and the discounting impact is not significant.

22. 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	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Short-term lease expense paid to Sino Orange (China) Company Limited	(i)	840	300
Interest expense on convertible bond to the immediate holding company	(ii)	2,494	2,286
Interest expense on amount due to the former Director / Director	(iii)	255	2,594

Notes:

- (i) The lease payment paid to a related company, which Mr. Chu, the former Director of the Company, who resigned on 1 January 2024 and continued as a director of certain subsidiaries of the Company, 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) It represents the imputed interest expense on convertible bond issued by the immediate holding company, Wealth Sailor, in accordance with the terms set out in note 17.
- (iii) The interest expense was paid to Mr. Chu, the former Director of the Company.
- (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 2024 and 31 December 2023.

22. 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:

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Short-term benefits	5,518	3,904
Post-employment benefits	36	36
	5,554	3,940

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

23. EVENT AFTER THE REPORTING PERIOD

No significant event has taken place subsequent to 30 June 2024 and up to the date of this interim report.

24. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

This unaudited condensed consolidated financial information were approved and authorised for issue by the Board on 23 August 2024.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS AND BUSINESS REVIEW

The COVID-19 pandemic was substantially past in 2023 with the business sector reverting to its pre-pandemic modes of operations. The golf industry nevertheless stayed depressed through 2023 mainly due to the prudent procurement strategy of major golf name brands aiming to consume the high inventories compiled during the pandemic period. The market sentiment has somewhat stabilised in the first half year of 2024 without further deterioration. To cope with the on-going global economic uncertainties, the Group pursued diverse marketing initiatives to strengthen the customer relationship and collaborations as well as exploring new clients. The golf revenue of the Group showed a notable rebound during the six months ended 30 June 2024 benefiting from our persistent marketing efforts. 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 in the Commonwealth of the Northern Mariana Islands (the “**CNMI**”) are resolved. The Group has reinforced the rationalisation measures to effectively streamline the operations and optimise costs. To substantiate the long-term development, 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 2024 amounted to approximately HK\$129,126,000 (2023: HK\$110,475,000). Loss for the period attributable to owners of the Company was reduced to approximately HK\$759,000 (2023: HK\$9,490,000). Basic and diluted loss per share were both approximately HK0.01 cent for the reporting period (2023: HK0.18 cent).


GOLF EQUIPMENT BUSINESS

The golf equipment business has dominated to constitute the main operating segment of the Group throughout the years. It generated approximately 92.7% of the Group's revenue for the six months ended 30 June 2024 (2023: 87.0%). Driven by the active marketing initiatives, the segment revenue escalated by 24.6% to approximately HK\$119,673,000 for the period (2023: HK\$96,075,000).

During the period, sales of golf equipment to the largest segmental customer surged by 66.2% to approximately HK\$89,902,000 (2023: HK\$54,099,000), representing approximately 75.1% (2023: 56.3%) of the segment revenue or approximately 69.6% (2023: 49.0%) of the Group's revenue for the period, respectively. Sales to other key segmental customers varied showing both increase and decrease accordingly. Revenue generated from the top five segmental customers increased by 25.5% to approximately HK\$118,135,000 (2023: HK\$94,124,000), representing approximately 98.7% (2023: 98.0%) of the segment revenue or approximately 91.5% (2023: 85.2%) of the Group's revenue for the period, respectively. The Group endeavored to pursue diverse marketing strategies to facilitate the segment revenue to rebound and grow.

To effectively control and regulate costs, the Group has been pursuing stringent rationalisation measures for the operations of the Shandong manufacturing facility to enhance its production efficiency and output. The manufacturing process was reviewed and improved including employment of advanced equipment to help reduce the re-work and wastage rates for lowering the manufacturing costs. The supply chain was strengthened through introducing alternative supply sources to offer more competitive pricing and better quality. In addition, the Group offered performance incentives to motivate the production workforce for exceeding the preset output target. The Shandong manufacturing facility also carried out constant review to timely regulate the headcount of employees in line with the fluctuations in business volume. Backed up by the proactive management, the performance of the golf equipment segment was properly monitored with satisfactory progress notwithstanding the on-going economic uncertainties.

Benefiting from the sales rebound, the golf equipment segment recorded an increase more than double in segment profit to approximately HK\$11,536,000 for the six months ended 30 June 2024 (2023: HK\$5,392,000). Having regard to the order book status and the prevailing market conditions, it is envisaged that the golf equipment segment will continue to operate in a dynamic market with great challenge. The Group has adopted a cautious view with prudence on the prospect of the golf equipment business in the second half year of 2024.



GOLF BAGS BUSINESS

The golf bags segment ceased the manufacturing operations at Dongguan city, the PRC during the fourth quarter of last year and was relocated to operate in a nearby smaller rented property. The golf bags operations had been modified to assume a trading role in fulfilling customer orders whereby the golf bags production was subcontracted to external factories. The golf bags segment retained sufficient office and technical staff to handle customer orders, product development and samples. It was responsible for providing back-up services to subcontractors in connection with customer liaisons, production issues and delivery arrangements. The business reorganization was necessitated as some customers had diverted the golf bags procurement to supply sources outside China for political factors which curtailed the order volume to make the manufacturing operations no longer viable from a cost benefit perspective.

Adversely affected by the shrinkage in demand, the Group's revenue attributable to the golf bags segment, defined as the sales of golf bags and accessories to external customers, decreased by 34.4% to approximately HK\$9,453,000 (2023: HK\$14,400,000), representing approximately 7.3% of the Group's revenue for the six months ended 30 June 2024 (2023: 13.0%). The total sales of the golf bags segment, before elimination of the inter-segmental sales of nil balance for the period (2023: HK\$6,788,000), decreased by 55.4% to approximately HK\$9,453,000 for the period (2023: HK\$21,188,000). There were no inter-segmental sales of golf bags during the period as the golf bags segment had ceased the manufacturing operations.

The segment revenue for the period comprised golf bags sales of approximately HK\$7,275,000 (2023: HK\$11,594,000) and accessories sales mainly sports bags of approximately HK\$2,178,000 (2023: HK\$2,806,000), representing approximately 77.0% (2023: 80.5%) and 23.0% (2023: 19.5%) of the segment revenue, respectively. Both the golf bags and sports bags sales decreased remarkably during the period.

Sales to the largest segmental customer decreased by 21.9% to approximately HK\$4,197,000 during the period (2023: HK\$5,377,000), representing approximately 44.4% (2023: 37.3%) of the segment revenue or approximately 3.3% (2023: 4.9%) of the Group's revenue for the period, respectively. Sales to other key segmental customers dropped generally due to the curtailment in demand. Revenue generated from the top five segmental customers decreased by 35.3% to approximately HK\$8,261,000 (2023: HK\$12,762,000), representing approximately 87.4% (2023: 88.6%) of the segment revenue or approximately 6.4% (2023: 11.6%) of the Group's revenue for the period, respectively. The golf bags segment has strived to streamline the operations to optimise the costs sensibly.

Impacted by the diminished orders, the golf bags segment incurred a segment loss of approximately HK\$631,000 for the six months ended 30 June 2024 (2023: segment profit of approximately HK\$491,000). Taking into account the order book status and the current business situation, it is expected that the golf bags segment will be operating under intense competition with great pressure. The Group has adopted a prudent view on the prospect of the golf bags business in the second half year of 2024.

HOSPITALITY BUSINESS

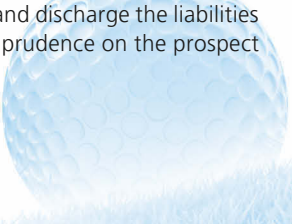
The Board has been exploring appropriate diversified business opportunities and investments to expand the revenue sources and enhance the long-term growth potential of the Group. It provides the Group with opportunities to dip into the hospitality segment of the CNMI and savor in the development of the 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 (2023: nil) was generated from the hospitality business.

PROSPECTS

The golf industry managed to show a moderate rebound in the first half year of 2024 after experiencing a depression in 2023 to consume the high inventories compiled during the COVID-19 pandemic period. The Group pursued diverse marketing initiatives to uphold the customer relationship and collaborations in a dynamic and volatile market. The tendency of some customers in Northern America to divert and shift orders to supply sources outside China for political factors has undermined the competitive edge of the Chinese manufacturers and adversely affected the golf business of the Group inevitably. To overcome the unfavorable change and preserve our competitive edge, the Group has engaged expertise advice and implemented stringent measures to effectively rationalise the operations and optimise costs as a focus. To substantiate the long-term development of the golf business, the Group is committed to enhancing the customer profile through diverse marketing initiatives coupled with value-added services to best accommodate and fulfill customer needs. More importantly, the Group has possessed solid and healthy financial position with adequate funds to finance its operations and discharge the liabilities when due. The management has adopted a cautious view with prudence on the prospect of the golf business for the foreseeable future.



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 of the Company.

DIVIDEND

The Board resolved not to recommend the payment of any dividend for the six months ended 30 June 2024 (2023: nil).

FINANCIAL RESOURCES, LIQUIDITY AND GEARING

The Group satisfied its working capital and other funding needs principally through cash generated from the operations and borrowings as well as advances from a former Director who resigned with effect from 1 January 2024 and continued as a director of certain subsidiaries. As at 30 June 2024, bank balances and cash, which were mostly denominated in United States dollars, Hong Kong dollars and Renminbi, amounted to approximately HK\$119,630,000 (31 December 2023: HK\$111,965,000). As at 30 June 2024, interest-bearing borrowings of the Group comprising bank borrowings amounted to RMB53,000,000 which was equivalent to approximately HK\$58,242,000 (31 December 2023: RMB53,000,000 equivalent to approximately HK\$58,242,000), of which all were repayable within one year and carried interest at 3.55% (31 December 2023: ranging from 3.55% to 4.15%) per annum. Bank borrowings were fixed rate borrowings denominated in Renminbi as at 30 June 2024 and 31 December 2023, respectively. Amount due to the former Director of approximately HK\$16,156,000 as at 30 June 2024 (31 December 2023: Nil) was unsecured, carrying interest at 9.75% (31 December 2023: 9.75%) per annum and repayable on demand.

As at 30 June 2024, the gearing ratio, defined as bank borrowings, amount due to the former Director and convertible bond less bank balances and cash of approximately HK\$15,489,000 (31 December 2023: HK\$4,504,000) divided by the total equity of approximately HK\$229,513,000 (31 December 2023: HK\$230,272,000) was approximately 6.7% (31 December 2023: 2.0%).

As at 30 June 2024, the total assets and the net asset value of the Group amounted to approximately HK\$406,600,000 (31 December 2023: HK\$388,333,000) and approximately HK\$229,513,000 (31 December 2023: HK\$230,272,000), respectively. Current and quick ratios as at 30 June 2024 were approximately 1.47 (31 December 2023: 1.51) and approximately 1.34 (31 December 2023: 1.33), respectively. Both the current ratio and quick ratio remained reasonable and healthy. The Group has continued to explore feasible ways to consistently 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 2024.

PLEDGE OF ASSETS

As at 30 June 2024, bank borrowings from a PRC bank of RMB53,000,000 which was equivalent to approximately HK\$58,242,000 (31 December 2023: RMB53,000,000 which was equivalent to approximately HK\$58,242,000) were secured by property, plant and equipment and the right-of-use assets of the Group with a carrying value of approximately HK\$72,151,000 (31 December 2023: HK\$73,648,000).

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 Renminbi (“**RMB**”). The Group is exposed to foreign currency risk due to the exchange rate fluctuation of RMB against Hong Kong dollars and United States dollars. The Group had not entered into any derivative contracts to hedge against the risk for the six months ended 30 June 2024. 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 2024.

EVENT AFTER THE REPORTING PERIOD

No significant event has taken place subsequent to 30 June 2024 and up to the date of this interim report.

CAPITAL COMMITMENTS

As at 30 June 2024, 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\$75,000 (31 December 2023: HK\$75,000).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group had approximately 610 employees (31 December 2023: 550 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

As at 30 June 2024, none of the Directors or chief executives of the Company had an interest or short position in the shares, underlying shares or debentures of the Company or any of 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 was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which was required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be 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 C3 to the Listing Rules.



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

As at 30 June 2024, 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%
Ms. SO Kit Yee Anita	(b)	Receiver	3,511,000,000	67.50%
Ms. LAU Wun Man (Maria)	(b)	Receiver	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 2024, 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.

On 22 January 2024, Ms. SO Kit Yee Anita and Ms. LAU Wun Man (Maria) of Ernst & Young Transactions Limited were appointed as joint and several receivers over: (i) 2,861,000,000 shares of the Company (representing approximately 55.01% of the issued share capital of the Company as at the date of this interim report); and (ii) convertible bonds with an aggregate principal amount of HK\$74,100,000 issued by the Company. For details of the receivership, please refer to the announcement of the Company dated 22 January 2024.

- (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 2024, no person, other than the Directors (if any), 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.

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 2024.

CORPORATE GOVERNANCE

The Company has complied with all the applicable code provisions as set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2024, except for certain deviation which is explained below:

Code provision C.2.1 in Part 2 of the CG Code requires that 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. During the six months ended 30 June 2024, Mr. HUANG Bangyin is the Chairman of the Board and is responsible for overseeing the general operations of the Group. The Company does not have an officer with the title “Chief Executive Officer”. The overall responsibility of supervising and ensuring that the Group functions in line with the order of the Board in terms of day-to-day operations and execution is vested in the Board itself. 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 C3 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 2024.

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 2024 (during the six months ended 30 June 2023: 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 2024.

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 2024 (during the six months ended 30 June 2023: 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 2024 (during the six months ended 30 June 2023: 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. With effect from 16 September 2024, Mr. HUANG Bangyin resigned as the chairman of the nomination committee and Mr. WONG Hin Shek has been appointed as the chairman of the nomination committee of 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, 23 August 2024