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Honma Golf Limited
本間高爾夫有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6858)

BUSINESS UPDATE
REVENUE GROWTH DURING THE THIRD FISCAL QUARTER

This announcement is made by Honma Golf Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company is pleased to announce that, based on the preliminary consolidated management accounts of the Group, revenue for the three months ended 31 December 2016 amounted to approximately JPY5,727.8 million, representing growth of 15.2% as compared to revenue for the three months ended 31 December 2015 (being approximately JPY4,971.1 million). The revenue growth rate increased compared to the six months ended 30 September 2016, when revenue grew by 3.4% from the six months ended 30 September 2015. On a constant currency basis, the Group’s revenue grew by 18.7% from the three months ended 31 December 2015 to the three months ended 31 December 2016.

The significant revenue growth was mainly driven by:

1. the successful launch of TW737 series, which is the third generation of the TOUR WORLD family of golf clubs and targets avid golfers in the Company’s home markets as well as in the U.S.;
2. the entry of the Company’s products into the number one sports megastore in Japan, which was in line with the Company’s strategy to deliver door expansion and same store sales growth within its existing wholesale channels; and

3. an increase in sales in Korea, after a temporary and company-wide inventory reduction by the Company's sole distributor in the country.

The Board is also pleased to announce that its newly launched TW737 series earned three silver medals in its very first entry into the U.S. Golf Digest's Hot List for 2017. Meanwhile, the Company has established a dedicated U.S. sales team, which is based in Los Angeles, and completed its channel reorganization in the North American market. The Board believes that the above events represented an important milestone in the Company's strategy to gain meaningful market share outside its home markets and would like to keep the shareholders of the Company and potential investors informed. The Board does not however intend to release monthly or quarterly revenue updates in the future.

The above-mentioned financial data is based on preliminary consolidated management accounts of the Group, which have not been reviewed or audited by the Company's auditors and may be subject to adjustments. Any forward-looking statements contained herein are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company and are difficult to predict, that will or may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. As such, the above financial data is provided to shareholders of the Company and potential investors for reference only.

Shareholders of the Company and potential investors should exercise caution and should not place undue reliance on such information when dealing in the securities of the Company.

By order of the Board
Honma Golf Limited
本間高爾夫有限公司
LIU Jianguo
Chairman of the Board

Hong Kong, 24 January 2017

As at the date of this announcement, the executive Directors of the Company are Mr. LIU Jianguo (Chairman), Mr. ITO Yasuki, Mr. MURAI Yuji and Mr. ZUO Jun; and the independent non-executive Directors of the Company are Mr. LU Pochin Christopher, Mr. WANG Jianguo and Mr. XU Hui.