

## POST BALANCE SHEET EVENTS

- (1) On 19 July 2005, Sino Golf Manufacturing Company Limited (“SGMCL”), an indirect wholly-owned subsidiary of the Company, has entered into a sale and purchase agreement (the “Agreement”) with Mr. Chen Chien Hsiang, a substantial shareholder of CTB Golf (HK) Limited (“CTB”), to purchase the remaining 37.5% of the ordinary share capital of CTB at a total consideration of HK\$2,625,000. As Mr. Chen Chien Hsiang is a substantial shareholder of CTB, which is an indirect subsidiary of the Company, the Agreement and the transaction contemplated therein constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. Immediately after the completion of the Agreement, CTB becomes wholly-owned by SGMCL and an indirectly wholly-owned subsidiary of the Company. Such transaction gives rise to a goodwill of approximately HK\$803,000.
  
- (2) Subsequent to the balance sheet date, the Company granted in July 2005 a total of 1,100,000 share options to certain employees pursuant to the Company’s share option scheme. The share options will be vested upon the commencement of the exercise period and are exercisable by the grantees from the date of grant until 8 June 2007 both days inclusive at an initial exercise price of HK\$0.83 per share, which is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company’s shares capital. The closing price of the Company’s shares immediately before the grant date was HK\$0.82 per share.