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**Pioneer**

**PIONEER GLOBAL GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00224)**

**CONTINUING CONNECTED TRANSACTION  
LEASE AGREEMENT**

On 29 January 2016, Treasure Spot, a non-wholly owned subsidiary of the Company, as the landlord, entered into the Lease Agreement with GCAL, as the tenant, pursuant to which Treasure Spot agreed to lease the Property to GCAL for a term of 3 years commencing from 1 July 2016 to 30 June 2019.

As at the date of this announcement, GCAL is owned and controlled by Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw, who are executive Directors of the Company, and is therefore a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules, and the lease as contemplated under the Lease Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction is more than 0.1% but less than 5%, the transaction is subject to the reporting, annual review and announcement requirements but is exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

**INTRODUCTION**

On 29 January 2016, Treasure Spot, a non-wholly owned subsidiary of the Company, as the landlord, entered into the Lease Agreement with GCAL, as the tenant, pursuant to which Treasure Spot agreed to lease the Property to GCAL for a term of 3 years commencing from 1 July 2016 to 30 June 2019.

## **THE LEASE AGREEMENT**

- Date : 29 January 2016
- Parties : (1) Treasure Spot, as the landlord  
(2) GCAL, as the tenant
- The Property : Partial of 18th and 19th floors, 68 Yee Wo Street, Causeway Bay, Hong Kong with total leasing area of 16,912 square feet
- Usage : Office premises
- Lease Terms : A term of 3 years commencing from 1 July 2016 to 30 June 2019, with options to renew for a maximum of two 3-years periods
- Security Deposits : equivalent to 3-months monthly rental and management fee
- Monthly Rental : HK\$752,584 per calendar month, excluding rates, government rent and management fee
- Rent-free Period : 4 months in July 2016, August 2016, July 2017 and July 2018
- Major Terms and Conditions : Two 3-years options are granted to GCAL to renew the Lease Agreement for a maximum of 6 years.

The monthly rental for first 3-years option to renew shall be at the prevailing open market rent but capped at 120% or not lower than the existing rent.

The monthly rental for second 3-years option to renew shall be at the prevailing open market rent but capped at 120% or not lower than the rent for the first 3-years option to renew.

The Company will comply with all applicable requirements under the Listing Rules in the event of the exercise of the renewal options.

## **ANNUAL CAPS OF THE LEASE AGREEMENT**

The Annual Caps based on the annual rent payable by GCAL set out therein are as follows:

	<b>For financial year ending 31 March 2017</b>	<b>For financial year ending 31 March 2018</b>	<b>For financial year ending 31 March 2019</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Annual Caps	5,268,088	8,278,424	8,278,424

The maximum annual amounts payable by GCAL under the Lease Agreement are determined after considering the above terms under the Lease Agreement.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT**

The Group holds the Property as long term investment for rental income and capital appreciation. The rental amounts for the Lease Agreement were determined by the parties to the agreement on arm's length basis. The terms of the Lease Agreement are determined based on market conditions and comparable to those entered into by 3rd party tenants occupying other floors of the Property.

The Directors (including the independent non-executive Directors) are of the view that:

- (i) the terms of the Lease Agreement are on normal commercial terms that are fair and reasonable;
- (ii) the Annual Caps are fair and reasonable; and
- (iii) the continuing connected transaction contemplated under the Lease Agreement is and will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ABOUT THE COMPANY AND GCAL**

The Group is principally engaged in property investment and hotel investment, and other investments.

GCAL is a limited company incorporated in Hong Kong with principal activity of investment advisory.

## **IMPLICATION UNDER THE LISTING RULES**

As at the date of this announcement, GCAL is owned and controlled by Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw, who are the executive Directors of the Company, and is therefore a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules, and the lease as contemplated under the Lease Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction is more than 0.1% but less than 5%, the transaction is subject to the reporting, annual review and announcement requirements but is exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw, who are the executive Directors of the Company, are regarded as connected persons having interests in the Lease Agreement, and they are abstained from voting on the resolutions approving the Lease Agreement at a board meeting of the Company. All other Directors, including the independent non-executive Directors, have reviewed and approved the resolutions related to the Lease Agreement.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“Annual Caps”	the annual caps for the continuing connected transaction contemplated under the Lease Agreement
“Board”	the board of Directors
“Company”	Pioneer Global Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“GCAL”	Gaw Capital Advisors Limited, a company incorporated in Hong Kong with limited liability
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Lease Agreement”	a lease agreement dated 29 January 2016 entered into between Treasure Spot as the landlord and GCAL as the tenant in respect of the Property
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Partial of 18th and 19th floors, 68 Yee Wo Street, Causeway Bay, Hong Kong

“Shareholder(s)”	holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Treasure Spot”	Treasure Spot Investments Limited, a 60% owned subsidiary of the Company

By Order of the Board  
**Pioneer Global Group Limited**  
**Kenneth Gaw**  
*Managing Director*

Hong Kong, 29 January 2016

*As at the date of this announcement, the executive directors of the Company are Mrs. Rossana Wang Gaw, Mr. Goodwin Gaw, Mr. Kenneth Gaw, Ms. Christina Gaw and Mr. Alan Kam Hung Lee. The independent non-executive directors of the Company are Dr. Charles Wai Bun Cheung, J.P., Mr. Stephen Tan and Mr. Arnold Tin Chee Ip.*