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Pioneer

PIONEER GLOBAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00224)

DISCLOSEABLE TRANSACTION

DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF NSL

THE DISPOSAL

On 9 May 2016 (after trading hours), the Vendor, an indirectly wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, an indirect wholly-owned subsidiary of Hon Kwok. Pursuant to the Sale and Purchase Agreement, the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Share together with the Shareholder Loan at the Consideration of HK\$68,795,000, net of any tax imposed by any tax authority in the PRC which the Vendor is required to pay in connection with the sale of the Sale Share.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios for the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the disclosure and announcement requirements under Chapter 14 of the Listing Rules.

As Completion is subject to the fulfilment and/or waiver of the conditions precedent under the Sale and Purchase Agreement and therefore, may or may not proceed. The Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

INTRODUCTION

On 9 May 2016 (after trading hours), the Vendor, an indirectly wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, an indirect wholly-owned subsidiary of Hon Kwok. Pursuant to the Sale and Purchase Agreement, the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Share together with the Shareholder Loan at the Consideration of HK\$68,795,000, net of any tax imposed by any tax authority in the PRC which the Vendor is required to pay in connection with the sale of the Sale Share.

THE SALE AND PURCHASE AGREEMENT

Date

9 May 2016

Parties

- (i) the Vendor; and
- (ii) the Purchaser.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and any connected person of the Company and is not a connected person of the Company.

Assets to be disposed

Pursuant to the Sale and Purchase Agreement, the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Share together with the Shareholder Loan free from all encumbrances and from all other rights exercisable by or claims by third parties. The Sale Share represents the entire issued share capital of NSL. NSL is an indirect wholly owned subsidiary of the Company. NSL holds 50% of the issued share capital of Right Cheer and Right Cheer directly holds the entire equity interest of the PRC Company. The principal asset of the PRC Company is the Property. The market value of the Property as at 31 March 2016 was RMB176,000,000 (equivalent to approximately HK\$210,778,000) as based on the valuation by an independent valuer.

Upon Completion, NSL will cease to be a subsidiary of the Company.

Consideration

The Consideration, being HK\$68,795,000, shall be payable by the Purchaser to the Vendor in accordance with the following manners:

- (a) a deposit of HK\$6,879,500 has been paid by the Purchaser upon signing of the Sale and Purchase Agreement; and
- (b) the balance of the Consideration, being HK\$61,915,500, will be paid by the Purchaser upon Completion.

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser with reference to the carrying value of the Sale Share together with the Shareholder Loan as at 31 March 2016.

Conditions Precedent

Completion of the Agreement is subject to and conditional on the following conditions being fulfilled or waived:

- (a) there having been no breach by the Vendor of any obligations, undertakings, representations and warranties under the Agreement; and
- (b) there having been no breach by the Purchaser of any obligations, undertakings, representations and warranties under the Agreement.

Completion

Completion shall take place on or before 3 June 2016 subject to all of the conditions being fulfilled or waived (or such other date as the parties may agree in writing).

As Completion is subject to the fulfilment and/or waiver of the conditions precedent under the Sale and Purchase Agreement and therefore, may or may not proceed. The Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS AND BENEFITS FOR THE DISPOSAL

The Group's investment in NSL was made in July 2007 with an equity cost of HK\$20,750,000. The Disposal will enable the Company to realize an investment return multiple of about 4.0 based on the Consideration together with the past distributions received during the investment holding period.

The Directors (including the independent non-executive Directors) consider that the Disposal and the transaction contemplated thereunder have been made on normal commercial terms and that such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE PURCHASER

The Purchaser is principally engaged in investment holding and is the indirectly wholly owned subsidiary of Hon Kwok.

INFORMATION ABOUT THE COMPANY, THE VENDOR AND NSL

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

Each of the Vendor and NSL is principally engaged in investment holding and is a direct and indirectly wholly owned subsidiary of the Company, respectively. The carrying value of the Sale Share and Shareholder Loan at 31 March 2016 was approximately HK\$68,795,000.

Set out below is a summary of the financial performance of NSL for the two financial years ended 31 March 2015 and 2016 based on its unaudited management accounts:

	UNAUDITED	
	For the year ended 31 March 2015	For the year ended 31 March 2016
Revenue	HK\$0	HK\$0
Profit before taxation	HK\$9,014,124	HK\$2,496,509
Profit after taxation	HK\$8,543,100	HK\$2,088,315

FINANCIAL EFFECT OF THE DISPOSAL

The Group will receive net cash proceeds of HK\$68,795,000 after PRC tax provision. As the Sale Share and Shareholder Loan were already recorded at their fair values (i.e. the consideration after PRC tax provision) at 31 March 2016, the Disposal will not have any accounting effect in the financial year ending 31 March 2017.

USE OF PROCEEDS

It is expected that the net proceeds from the Disposal of HK\$68,795,000 will be used for future investment related businesses and general working capital of the Group.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios for the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the disclosure and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	directors of the Company
“Company”	Pioneer Global Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	on or before 3 June 2016, subject to all of the conditions being fulfilled or waived (or such other date as the parties may agree in writing)
“Disposal”	the proposed disposal of the Sale Share together with the Shareholder Loan pursuant to the terms of the Sale and Purchase Agreement

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hon Kwok”	Hon Kwok Land Investment Company, Limited, the shares of which are listed on the Stock Exchange (Stock Code: 160)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NSL”	Network Success Limited, a company incorporated in the British Virgin Islands with limited liability, an indirectly wholly owned subsidiary of the Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“PRC Company”	廣州市建昭置業有限公司, a company incorporated in Guangzhou, PRC with limited liability and a wholly-owned subsidiary of Right Cheer
“Property”	a 15-storey commercial and office building situated at No. 151 Jiefang Road South, Yuexiu District, Guangzhou, Guangdong Province, PRC and known as Jie Fang Building with a gross floor area of approximately 11,507 square metres
“Purchaser”	True Light Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of Hon Kwok
“Right Cheer”	Right Cheer Limited, a company incorporated in Hong Kong with limited liability and owned as to 50% by NSL
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Sale and Purchase Agreement”	the sale and purchase agreement dated 9 May 2016 entered into between the Vendor and the Purchaser relating to the Disposal
“Sale Share”	the entire issued share capital, being one share of US\$1.00, of NSL
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holders of shares of the Company

“Shareholder Loan”	the loan of HK\$4,679,999 owed by NSL to the Vendor prior to the Completion of the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Pine International Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company

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

Hong Kong, 9 May 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.

For the purpose of illustration only and unless otherwise stated, conversions of US\$ and RMB into Hong Kong dollars in this announcement are based on the exchange rate of HK\$1 to US\$0.128 and HK\$1 to RMB0.835, respectively. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.