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Pioneer

PIONEER GLOBAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00224)

**MAJOR TRANSACTION:
ACQUISITION OF PROPERTY IN SAI YING PUN
AND RESUMPTION OF TRADING**

On 8 September 2016 (after trading hours), Chance Advance, a wholly owned subsidiary of the Company, entered into a Provisional Agreement with the Vendor to acquire the Property for a total consideration of HK\$648.0 million, payable in cash.

Pursuant to the Listing Rules, the acquisition of Property constitutes a major transaction of the Company under Rule 14.06(3) of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements. As no Shareholder has any interest in the Provisional Agreement, none of the Shareholders is required to abstain from voting if the Company was to convene a general meeting for approving the major transaction contemplated under the Provisional Agreement. In addition, the Company has obtained written approval from a closely allied group of shareholders who together hold more than 50% in nominal value of the securities giving the right to attend and vote at general meeting to approve the transaction. Accordingly, all the conditions as set out in Rule 14.44 of the Listing Rules are met by the Company and, therefore, the Company shall not be required to hold an extraordinary general meeting for the shareholders' approval of the transaction.

A circular containing, among others, further details of the transaction will be dispatched to the Shareholders in accordance with the Listing Rules. As additional time is required to compile the information required for the circular, an application will be made to the Stock Exchange for a waiver for the strict compliance with Rule 14.41(a) of the Listing Rules and extending the deadline for the despatch of the circular to a date on or before 14 October 2016.

RESUMPTION OF TRADING

At the request of the Company, trading of the shares of the Company has been halted with effect from 9:00 a.m. on Friday, 9 September 2016, pending the publication of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the shares of the Company with effect from 9:00 a.m. on Monday, 12 September 2016.

INTRODUCTION

On 8 September 2016 (after trading hours), Chance Advance, a wholly owned subsidiary of the Company, entered into a Provisional Agreement with the Vendor to acquire the Property for a total consideration of HK\$648.0 million, payable in cash.

PROVISIONAL AGREEMENT

Date

8 September 2016

Parties

- (i) the Purchaser: Chance Advance, a wholly owned subsidiary of the Company;
- (ii) the Vendor: Maxforte Investments Company Limited.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owners are third parties independent of the Company and any connected person of the Company and is not a connected person of the Company.

Property

The whole of lower ground floor, whole of the ground floor, whole of 1st floor and whole of 2nd floor, Kiu Fat Building, Nos. 115-119 Queen's Road West, Sai Ying Pun, Hong Kong.

Consideration

The total consideration is HK\$648.0 million, which was determined with reference to a property valuation of HK\$715.0 million provided by an independent appraiser. The purchase price represents approximately HK\$11,420 per sq. ft. with a rental yield of 2.5%. The consideration will be funded by a combination of the Company's internal resources and bank financing.

Payment Terms

HK\$32.4 million was paid to the Vendor as initial deposit upon signing of the Provisional Agreement. A further deposit of HK\$32.4 million shall be paid on or before 16 September 2016 and a second further deposit of HK\$64.8 million shall be paid on or before 30 November 2016. The balance of HK\$518.4 million shall be paid upon the Completion.

Conditions and Major Terms

- 1) the Property is sold subject to and with the benefit of the existing tenancies, licenses and/or rights;
- 2) the Vendor shall give to the Purchaser a good title to the Property and discharge any existing mortgages or charges;

- 3) upon the Purchaser's default, the Vendor is entitled to (a) forfeit the deposits received up to an amount equivalent to 10% of the consideration paid/payable to the Vendor; (b) re-enter and repossess the Property; and (c) register at the Land Registry of Hong Kong an instrument signed by the Vendor alone for determination or rescission of the sale of the Property;
- 4) upon the Vendor's default, the Purchaser is entitled to receive the deposits and all moneys paid to the Vendor and recover damages from the Vendor;
- 5) the Purchaser has an option to acquire the entire share interests of the holding company of the Property instead of the Property;
- 6) the transaction contemplated under the Provisional Agreement shall be conditional upon the obtaining of the relevant shareholders' approval of the Company; and
- 7) the Vendor and the Purchaser shall enter into a formal agreement within 14 days from the date of the Provisional Agreement. In the event if no formal agreement is entered into by the said 14 days' period, the Vendor and the Purchaser agree and confirm that the Provisional Agreement shall automatically become the formal agreement.

Completion

Completion of the transaction shall take place at or before 5:00 p.m. on or before 1 March 2017.

REASONS AND BENEFITS OF THE ACQUISITION AND INFORMATION ABOUT THE COMPANY

The principal activities of the Group are property investment and hotel investment, and other investment. The purpose of the acquisition is for long term rental income and capital appreciation from the Property.

The Directors consider that the acquisition is a valuable investment with positive potential and believe that the terms of the Provisional Agreement 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 PROPERTY

The Property is a commercial podium with total gross floor area of approximately 56,740 sq. ft. located at Sai Ying Pun, Hong Kong. The revenue and net profit before taxation attributable to the Property for the years ended 31 March 2014, 2015 and 2016 were as follows:

	For the year ended 31 March		
	2014	2015	2016
	(audited)	(audited)	(unaudited)
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Revenue	13.8	15.3	15.8
Profit before taxation	13.4	15.0	15.4

INFORMATION ABOUT THE VENDOR

The Vendor is a limited company incorporated in Hong Kong with principal activity of investment holding.

LISTING RULES IMPLICATIONS

Under the Listing Rules, the acquisition of Property constitutes a major transaction of the Company which is subject to Shareholders' approval. Pursuant to Rule 14.44(2), a written shareholders' approval have been obtained from the following closely allied group of shareholders who together hold 55.43% in nominal value of the securities giving the right to attend and vote at general meeting to approve the transaction:

- (1) Forward Investments Inc., wholly owned by the YCK Trust, a discretionary trust, of which Madam Y.C. Koo, the mother of Rossana Wang Gaw (an executive director of the Company) is the sole beneficiary, owns 283,200,215 shares (24.54%) of the Company;
- (2) Intercontinental Enterprises Corporation, wholly owned by the KYC 1991 Trust, a discretionary trust, of which Rossana Wang Gaw (an executive director of the Company) is the sole beneficiary, owns 215,768,260 shares (18.70%) of the Company;
- (3) Vitality Holdings Limited, wholly owned by Rossana Wang Gaw (an executive director of the Company), owns 25,174,731 shares (2.18%) of the Company;
- (4) Rossana Wang Gaw (an executive director of the Company) owns 100,000 shares (0.009%) of the Company;
- (5) Rising Crescent Enterprises Limited, wholly owned by the RGK Trust, a discretionary trust, of which Kenneth Gaw (an executive director of the Company and the son of Rossana Wang Gaw, an executive director of the Company) is the sole beneficiary, owns 41,305,864 shares (3.58%) of the Company;
- (6) Top Elite Company Limited, wholly owned by Kenneth Gaw (an executive director of the Company), owns 12,725,857 shares (1.10%) of the Company; and
- (7) Kenneth Gaw (an executive director of the Company) owns 61,418,428 shares (5.32%) of the Company.

The closely allied group of shareholders has been voting in the same way in all resolutions since they were shareholders of the Company. They have been shareholders of the Company for over 10 years. Such shareholders and their respective associates have no interest in this major transaction which is different from other shareholders of the Company. The Company confirms that the closely allied group of shareholders and their ultimate beneficial owners and their respective associates have not dealt and are aware that they must not deal in the Company's securities before information relating this transaction is made available to the public. No shareholder shall be required to abstain from voting if the Company were to convene a general meeting for the approval of the transaction. The written approval obtained from closely allied group of shareholders will be in lieu of holding a physical shareholders' meeting.

A circular containing, among others, further details of the transaction will be dispatched to the Shareholders in accordance with the Listing Rules. As additional time is required to compile the information required for the circular, an application will be made to the Stock Exchange for a waiver for the strict compliance with Rule 14.41(a) of the Listing Rules and extending the deadline for the despatch of the circular to a date on or before 14 October 2016.

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DEFINITIONS

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

“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
“Board”	directors of the Company
“Chance Advance”	Chance Advance Limited, a company incorporated in British Virgin Islands with limited liability, a wholly owned subsidiary of the Company
“Completion”	at or before 5:00 p.m. on or before 1 March 2017
“Directors”	the director(s) of the Company
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the whole of lower ground floor, whole of the ground floor, whole of 1st floor and whole of 2nd floor, Kiu Fat Building, Nos. 115-119 Queen’s Road West, Sai Ying Pun, Hong Kong
“Provisional Agreement”	a provisional agreement for sale and purchase entered into between Chance Advance and the Vendor on 8 September 2016
“Purchaser”	Chance Advance Limited

“Shareholder(s)”	holders of shares of the Company
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Maxforte Investments Company Limited, a company incorporated in Hong Kong with limited liability

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

Hong Kong, 9 September 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.