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**Pioneer**

**PIONEER GLOBAL GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00224)**

**MAJOR TRANSACTION:  
ACQUISITION OF THE COMPANY WHICH OWNS  
THE PROPERTY IN SAI YING PUN  
AND RESUMPTION OF TRADING**

Reference is made to the Company's announcements dated 9 September 2016 and 26 September 2016, pursuant to the Provisional Agreement dated 8 September 2016, Chance Advance exercised its option to acquire the entire share interests of the holding company of the Property, Maxforte, instead of the Property.

On 18 October 2016 (after trading hours), Chance Advance, a wholly owned subsidiary of the Company, entered into a share purchase agreement with Wing Hing Electric Trading Company Limited, Mr. Wong Wing Keung and Glorious Ocean Investment Limited, being the Sellers, and Mr. Kwok Wing Yau and Mr. Chan Wing Kee, Alfred, being the Guarantors, to acquire the entire issued share capital of Maxforte, being the holding company of the Property.

Pursuant to the Listing Rules, the acquisition of Maxforte 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 SPA, 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 SPA. 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, a waiver has been obtained from the Stock Exchange in relation to the strict compliance with Rule 14.41(a) of the Listing Rules and the expected date of despatch of the circular is postponed to a date on or before 24 November 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 Wednesday, 19 October 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 Thursday, 20 October 2016.

## **INTRODUCTION**

Reference is made to the Company's announcements dated 9 September 2016 and 26 September 2016, pursuant to the Provisional Agreement dated 8 September 2016, Chance Advance exercised its option to acquire the entire share interests of the holding company of the Property, Maxforte, instead of the Property.

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## **SHARE PURCHASE AGREEMENT**

### **Date**

18 October 2016

### **Parties**

- (i) the Purchaser: Chance Advance, a wholly owned subsidiary of the Company;
- (ii) the Sellers: Wing Hing Electric Trading Company Limited, Mr. Wong Wing Keung and Glorious Ocean Investment Limited; and
- (iii) the Guarantors: Mr. Kwok Wing Yau and Mr. Chan Wing Kee, Alfred.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Sellers, the Guarantors and their 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.

### **Assets acquire**

The entire interest of Maxforte, which consists of the Sale Shares and Sale Loans.

## **Consideration**

The total consideration for the Sale Shares and Sale Loans is based on the agreed value of HK\$648.0 million for the Property, which was determined with reference to a property valuation of HK\$715.0 million provided by an independent appraiser. The consideration intends to be funded by a combination of the Company's internal resources and bank financing.

## **Payment terms**

A total deposit of HK\$64.8 million was paid prior to entering of the SPA. An additional part payment of HK\$64.8 million was paid upon signing of the SPA. The balance of HK\$518.4 million shall be paid upon the Completion.

## **Conditions and major terms**

- 1) the Sellers shall have good title to the Sale Shares free from encumbrances;
- 2) the Sale Loans are due and owing by Maxforte to the relevant Sellers;
- 3) the entire share capital of Maxforte is beneficially owned by the Sellers free from all encumbrances;
- 4) Maxforte has good title to the Property and is the sole registered and beneficial owner of the Property and any existing mortgages or charges on the Property shall be released upon Completion;
- 5) all assets and liabilities of Maxforte, other than the Property and any related operations, are to be disposed of by the Sellers no later than 31 January 2017;
- 6) the fundamental warranties in relation to the Sale Shares, Sale Loans and the Property remain true, accurate and not misleading in all respects;
- 7) the repayment of bank loan by the Sellers prior to the Completion;
- 8) the time limit on warranty claims relating to tax matters is 6 years and relating to non-tax matters is 2 years;
- 9) all the undertakings, obligations and liabilities of the Sellers are on several basis in accordance with their respective shareholding in Maxforte (i.e. Wing Hing Electric Trading Company Limited 50%, Glorious Ocean Investment Limited 25% and Mr. Wong Wing Keung 25%); and
- 10) the Guarantors are liable on a several basis such that Mr. Kwok Wing Yau will be liable for 50% and Mr. Chan Wing Kee, Alfred will be liable for 25% of any sum which the Sellers fail to pay to the Purchaser in accordance with the SPA.

## Completion

Completion of the transaction shall take place at or before 5:00 p.m. on 28 February 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 SPA 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 SELLERS

Wing Hing Electric Trading Company Limited is a limited company incorporated in Hong Kong with principal activity of investment holding.

Glorious Ocean Investment Limited is a limited company incorporated in Hong Kong with principal activity of investment holding.

## INFORMATION ABOUT MAXFORTE

Maxforte is a limited company incorporated in Hong Kong with principal activity of investment holding and the Sellers will dispose of all assets and liabilities of Maxforte, other than the Property and any related operations, no later than 31 January 2017. Therefore, at Completion, Maxforte will only own the Property which 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 (audited) <i>HK\$ million</i>	2015 (audited) <i>HK\$ million</i>	2016 (unaudited) <i>HK\$ million</i>
Revenue	13.8	15.3	15.8
Profit before taxation	13.4	15.0	15.4

## LISTING RULES IMPLICATIONS

Under the Listing Rules, the acquisition of Maxforte constitutes a major transaction of the Company which is subject to Shareholders' approval. Pursuant to Rule 14.44(2), a written Shareholders' approval has 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 voted in the same way in all resolutions since they were Shareholders. They have been Shareholders for over 10 years. Such Shareholders and their respective associates have no interest in this major transaction which is different from other Shareholders. 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, a waiver has been obtained from the Stock Exchange in relation to the strict compliance with Rule 14.41(a) of the Listing Rules and the expected date of despatch of the circular is postponed to a date on or before 24 November 2016.

## RESUMPTION OF TRADING

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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 wholly owned subsidiary of the Company
“Completion”	at or before 5:00 p.m. on 28 February 2017
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Guarantors”	Mr. Kwok Wing Yau and Mr. Chan Wing Kee, Alfred
“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
“Maxforte”	Maxforte Investments Company Limited, a company incorporated in Hong Kong which is principally engaging in investment holding and is the holding company of the Property
“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 Maxforte on 8 September 2016

“Purchaser”	Chance Advance Limited
“Sale Loans”	the loans owing by Maxforte to the relevant Sellers as at the Completion
“Sale Shares”	the entire issued share of Maxforte, being 24 ordinary shares, to be sold to the Purchaser pursuant to the SPA
“Sellers”	Wing Hing Electric Trading Company Limited, Mr. Wong Wing Keung and Glorious Ocean Investment Limited
“Shareholders”	holders of shares of the Company
“SPA”	a share purchase agreement entered into between the Purchaser, the Sellers and the Guarantors on 18 October 2016
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 19 October 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.*