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If you have sold or transferred all your shares in **Pioneer Global Group Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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Pioneer
PIONEER GLOBAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00224)

**MAJOR TRANSACTION:
DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF
AEW VIA CAYMAN 4, LTD.**

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DEFINITIONS

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

“AEW Cayman”	AEW VIA Cayman 4, Ltd., a company incorporated in the Cayman Islands with limited liability, an indirect wholly owned subsidiary of the Company
“AEW HK”	AEW VIA HK 1 Limited, a limited liability company incorporated in Hong Kong, being the legal and beneficial owner of the Property and an indirect wholly owned subsidiary of the Company
“Board”	the board of Directors
“Company” or “Vendor’s Guarantor”	Pioneer Global Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	on or before 31 March 2017, subject to all of the conditions being fulfilled or waived or such other date as the parties may agree in writing
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the director(s) of the Company
“Disposal”	the proposed disposal of the Sale Share together with the Shareholder Loan pursuant to the terms of the Sale and Purchase Agreement
“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
“Latest Practicable Date”	8 February 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Property”	the 24-storey commercial property with a gross area of approximately 70,616 sq. ft. located at 22-26 Bonham Strand, Sheung Wan, Hong Kong
“Purchaser”	Famous Spirit Limited, a company incorporated in the British Virgin Islands with limited liability
“Sale and Purchase Agreement”	the sale and purchase agreement dated 23 December 2016 entered into between the Vendor, the Company and the Purchaser relating to the Disposal
“Sale Share”	the entire issued share capital, being one (1) share of US\$0.01 of AEW Cayman
“SFO”	Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder Loan”	the loan owed by AEW Cayman to the Vendor at Completion
“Shareholder(s)”	holders of shares of the Company
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Pine International Limited, a limited liability company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“%”	per cent

LETTER FROM THE BOARD



Pioneer

PIONEER GLOBAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00224)

Executive Directors:

Rossana Wang Gaw (*Chairman*)
Goodwin Gaw (*Vice Chairman*)
Kenneth Gaw (*Managing Director*)
Christina Gaw
Alan Kam Hung Lee

Independent Non-executive Directors:

Dr. Charles Wai Bun Cheung, JP
Stephen Tan
Arnold Tin Chee Ip

Registered Office:

Canon's Court, 22 Victoria Street
Hamilton HM 12
Bermuda

*Principal Place of Business and
Head Office in Hong Kong:*

18th Floor, 68 Yee Wo Street
Causeway Bay, Hong Kong

14 February 2017

To Shareholders

Dear Sir/Madam,

**MAJOR TRANSACTION:
DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF
AEW VIA CAYMAN 4, LTD.**

INTRODUCTION

On 23 December 2016, the Vendor, a wholly owned subsidiary of the Company, and the Company, being the Vendor's Guarantor, entered into the Sale and Purchase Agreement with the Purchaser. Pursuant to the Sale and Purchase Agreement, the agreed value of the Property shall be HK\$1.0 billion. The Purchaser agreed to repay the existing bank loan of AEW HK of HK\$240.0 million at Completion and purchase the Sale Share and the benefit of the Shareholder Loan of AEW Cayman at the consideration of approximately HK\$760.0 million.

The purpose of this circular is to provide the Shareholders with further information in relation to the Disposal.

LETTER FROM THE BOARD

SALE AND PURCHASE AGREEMENT

Date

23 December 2016

Parties

- (i) the Vendor: Pine International Limited, a wholly owned subsidiary of the Company;
- (ii) the Vendor's Guarantor: the Company; and
- (iii) the Purchaser: Famous Spirit Limited

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

Assets to be disposed

The Vendor agreed to dispose of the entire issued share capital of AEW Cayman, which consists of one (1) ordinary share of AEW Cayman and the benefit of the loan owing by AEW Cayman to the Vendor as at the Completion. AEW Cayman holds the entire issued share capital of AEW HK and AEW HK directly holds the Property.

Upon Completion, AEW Cayman and AEW HK will cease to be subsidiaries of the Company.

Consideration

The total consideration of approximately HK\$760.0 million consists of the sum of:

- (a) the consideration for the Shareholder Loan, which shall be an amount equal to the face value of the Shareholder Loan at Completion. As at 31 December 2016, the amount of the Shareholder Loan is HK\$45.3 million; and
- (b) the consideration for the Sale Shares, which shall be the sum of the agreed Property value of HK\$1.0 billion, less the Shareholder Loan consideration and the existing bank loan of AEW HK of HK\$240.0 million, plus/less certain working capital adjustments which will be calculated based on the financial information of AEW HK as at 28 February 2017 on Completion. Certain working capital adjustments include other assets (rental receivables, cash and bank balances) and liabilities (rental deposits, account and other payables) that the Purchaser shall acquire other than the Property, Shareholder Loan and bank loan. As at 31 December 2016, working capital adjustments amounted to net liabilities of HK\$1.8 million.

LETTER FROM THE BOARD

Payment Terms

The total consideration for the Sale Share and Shareholder Loan, being approximately HK\$760.0 million, shall be payable by the Purchaser to the Vendor in accordance to the following manners:

- (i) a deposit of HK\$100.0 million was paid by the Purchaser at signing of the Sale and Purchase Agreement; and
- (ii) the balance of the consideration will be paid by the Purchaser at Completion.

The consideration was determined after arm's length negotiation between the Vendor and the Purchaser and with reference to the carrying value of HK\$700.7 million and HK\$59.3 million for the Sale Share and Shareholder Loan as at 31 March 2016 respectively.

Major Conditions

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

- (a) the Purchaser shall repay the existing bank loan of AEW HK of HK\$240.0 million at Completion;
- (b) there having been no breach by the Vendor of any obligations, undertakings, representations and warranties under the Sale and Purchase Agreement; and
- (c) there having been no breach by the Purchaser of any obligations, undertakings, representations and warranties under the Sale and Purchase Agreement.

Completion

Completion of the transaction shall take place on or before 31 March 2017, 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.

LETTER FROM THE BOARD

INFORMATION ABOUT THE PURCHASER, THE VENDOR, AEW CAYMAN AND AEW HK

The Purchaser is a limited company incorporated in British Virgin Islands which is principally engaged in investment holding.

Each of the Vendor, AEW Cayman and AEW HK is principally engaged in investment holding and is a direct, indirect and indirect wholly owned subsidiary of the Company, respectively.

AEW Cayman is the legal and beneficial owner of AEW HK and AEW HK directly owns the Property.

Other than the Property, each of AEW Cayman and AEW HK does not hold any other major assets. The Property is a 24-storey commercial property with a gross area of approximately 70,616 sq. ft. located at 22-26 Bonham Strand, Sheung Wan, Hong Kong. The Property is currently for commercial use and is fully occupied as at 31 December 2016.

The financial information of AEW Cayman and AEW HK for the two financial years ended 31 March 2015 and 2016 are set out below:

AEW Cayman:

	For the year ended 31 March	
	2015	2016
	(unaudited)	(unaudited)
	HK\$ million	HK\$ million
Revenue	–	–
Profit before taxation	(0.03)	(0.03)
Profit after taxation	(0.03)	(0.03)
Net asset value	(0.34)	(0.37)
Shareholder loan	70.6	59.3

AEW HK:

	For the year ended 31 March	
	2015	2016
	(audited)	(audited)
	HK\$ million	HK\$ million
Revenue	27.4	28.2
Profit before taxation	55.5	37.5
Profit after taxation	52.5	34.4
Net asset value	400.6	435.0
Shareholder loan	70.2	58.9

No consolidated financial information has been prepared for AEW Cayman and its subsidiary for the past two financial years.

LETTER FROM THE BOARD

EFFECT OF THE DISPOSAL

After taking into account the Disposal and based on the financial statements for the year ended 31 March 2016, the Group shall have (i) an increase of HK\$9.5 million in assets; (ii) a decrease of HK\$262.8 million in liabilities; (iii) a decrease of HK\$28.2 million revenue; (iv) a decrease of HK\$23.6 million operating profit; and (v) a decrease of HK\$5.1 million finance costs.

REASONS AND BENEFITS FOR THE DISPOSAL, USE OF PROCEEDS AND INFORMATION ABOUT THE COMPANY

The Company is principally engaged in property investment and hotel investment, and other investments. The Property was purchased for HK\$523.0 million in September 2011. The market valuation of the Property as of September 2016 was HK\$780.0 million. For the Disposal, after arm's length negotiations, the Purchaser has agreed the Property value to be HK\$1.0 billion. The Group shall record a total fair value increase and capital gain of approximately HK\$470.2 million, of which HK\$220.5 million was already recognized in previous fiscal years and HK\$249.7 million shall be reported in the financial year ending 31 March 2017. The gross and net proceeds to be received from the Disposal is approximately HK\$760.0 million and HK\$752.0 million to the Group respectively.

The Board is of the view that this Disposal will crystallize the capital appreciation of the property investment. Also, the Directors (including all the independent non-executive directors) consider that the Disposal has been made on normal commercial terms and that such terms are fair and reasonable and in the interests of the Company and Shareholders as a whole. The consideration will be used to acquire new potential property and/or hotel investments in the future. The Company is expected to utilise the entire proceed from the Disposal within the next 24 months. As at the Latest Practicable Date, the Company is considering one potential investment in Hong Kong.

LISTING RULES IMPLICATIONS

Under the Listing Rules, the Disposal 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;

LETTER FROM THE BOARD

- (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.

GENERAL INFORMATION

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of
Pioneer Global Group Limited
Kenneth Gaw
Managing Director

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the past three years has been published in the annual reports and the past six months has been published in the interim report per below:

- (i) the financial information of the Group for the six months ended 30 September 2016 is disclosed in the interim report of the Company for the six months ended 30 September 2016 published on 29 December 2016 from pages 2 to 22;
- (ii) the financial information of the Group for the year ended 31 March 2016 is disclosed in the annual report of the Company for the year ended 31 March 2016 published on 28 July 2016, from pages 33 to 82;
- (iii) the financial information of the Group for the year ended 31 March 2015 is disclosed in the annual report of the Company for the year ended 31 March 2015 published on 30 July 2015, from pages 30 to 82; and
- (iv) the financial information of the Group for the year ended 31 March 2014 is disclosed in the annual report of the Company for the year ended 31 March 2014 published on 30 July 2014, from pages 27 to 80.

All of which have been published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.pioneerglobalgroup.com or www.irasia.com/listco/hk/pioneer/index.htm).

2. WORKING CAPITAL

After taking into account the effect of the Disposal and the present internal financial resources available to the Group, including cash and bank balance as well as the available banking facilities, the Directors are of the opinion that the working capital available to the Group is sufficient for the Group's requirement for at least 12 months from the date of publication of this circular.

3. INDEBTEDNESS

Borrowings

At the close of business on 31 December 2016, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following outstanding borrowings:

	Repayable within 1 year HK\$'000	Repayable between 2 to 5 years HK\$'000	Total HK\$'000
The Group			
Mortgaged and guaranteed bank loans	763,500	1,257,500	2,021,000
	<u>763,500</u>	<u>1,257,500</u>	<u>2,021,000</u>

Note: All bank loans are secured by the first legal charges over the Group's investment properties and corporate guarantee provided by the Company.

Contingent liabilities

At the close of business on 31 December 2016, being the latest practicable date for the purpose of this indebtedness statement, the Group had no material contingent liabilities.

Disclaimers

Save as aforesaid and apart from intra-group liabilities and normal trade payables, the Group did not, at the close of business on 31 December 2016, have any outstanding mortgages, charges, debentures or other loan capital, bank overdrafts, loans, debt securities or other similar indebtedness, liabilities under acceptances or acceptances credits, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

Subsequent change of indebtedness

The Directors confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 31 December 2016.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2016, the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

In June 2016, the Group sold its 50% stake in Jie Fang Building in Guangzhou's Yuexiu District for a net consideration of HK\$68.8 million. This sale realized an investment return multiple of about 4 times. In August 2016, the Group sold its long held shares in Asia Financial Holdings Ltd., generating sales proceeds of HK\$156.0 million and a gain of HK\$79.8 million. While the Group believes that Asia Financial Holdings Ltd. is a very well-managed company and continues to believe in its long term prospects, the disposal gave the Group an opportunity to monetize a non-core holding.

In October 2016, the Group signed a binding agreement to acquire the holding company of the 56,740 sq. ft. commercial podium of Kiu Fat Building, Nos 115-119 Queen's Road West, Sai Ying Pun, Hong Kong for the agreed property value of HK\$648.0 million. The transaction is expected to complete in February 2017. With the extension of the MTR line to the western districts of Hong Kong Island, old neighborhoods in these areas have continued to improve; hence the Group is very optimistic about the long term prospects of Sai Ying Pun. The Group intends to hold the Property as a long term investment and will carry out refurbishments to improve the tenant mix.

Upon Completion of the Disposal, the Group will receive net proceeds from the Disposal amounting to approximately HK\$752.0 million. The Directors are optimistic of the future prospect of the Group as the net proceeds from the abovementioned disposals have significantly strengthened its overall financial position and allowed the Group to take advantage of attractive investment opportunities in the global market as they arise.

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this circular received from AA Property Services Limited, an independent valuer, in connection with its valuation as at 31 December 2016 of the Property disposed by the Group. Terms defined in this appendix applies to this appendix only.

**AA Property Services Ltd.**

環亞物業顧問有限公司

Valuation . Agency . Auction . Investment Consultancy . Project & Building Management

Room 602, Mirror Tower,
No. 61 Mody Road,
Tsimshatsui East,
Kowloon,
Hong Kong

14 February 2017

The Directors
Pioneer Global Group Limited
18th Floor
68 Yee Wo Street
Causeway Bay
Hong Kong

Dear Sirs,

In accordance with your instruction to value the property interest to be disposed of by Pioneer Global Group Limited and its subsidiaries (hereinafter together referred to as “the Group”) located in Hong Kong, we confirm that we have carried out inspection on 14 January 2017, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interest as at 31 December 2016.

Our valuation is our opinion of the market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

Our valuation has been made on the assumption that the owner sold the property interest in the open market without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to increase the value of such property interest. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property interest.

The property interest has been valued primarily by the Investment Approach whereby net rental incomes receivable from the property will be capitalized at an appropriate rate of returns with due allowance for reversionary rental income.

We have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of property, particulars of occupation, site and floor areas, age of building and all other relevant matters which can affect the value of the property interest.

We have not carried out on-site measurement to verify the site and floor areas of the property under consideration. We have assumed that the site and floor areas supplied to us or as shown on the documents handed to us are correct. We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

We have caused searches to be made at the relevant Land Registry in respect of the property interest under consideration. However, we have not scrutinised the original documents to verify ownership or to verify any lease amendments which may not appear on the copies handed to us. All documents and leases have been used as reference only and all dimensions, measurements and areas are approximate. No on-site measurements have been taken.

We have inspected the property included in the valuation certificate attached, in respect of which we have been provided with such information as we have required for the purpose of valuation. We have been advised that there are no plans for construction, renovation, improvement or development of the property, nor any plans to change the use of the property.

No structural survey has been made in respect of the property. However, in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the property is free from rot, infestation or any other structural defects. No tests have been carried out on any of the building services.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interest nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interest is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

In preparing the valuation of the property interest, we have complied with all the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; and the HKIS Valuation Standards (2012 Edition) published by the Hong Kong Institute of Surveyors. This valuation has been prepared for inclusion in a circular issued by Pioneer Global Group Limited dated 14 February, 2017 in connection with the disposal of the property interest.

Our Valuation Certificate is attached.

Yours faithfully,
For and on behalf of
AA PROPERTY SERVICES LIMITED
PATRICK W.C. LAI
MRICS, MHKIS, MCI Arb., RPS
Executive Director

Note: Mr. Patrick W.C. Lai, is a Chartered Valuation Surveyor of the Royal Institution of Chartered Surveyors, a Registered Professional Surveyor in Hong Kong and a Real Estate Appraiser of China. He has been a qualified valuer with AA Property Services Ltd. since 1991 and has over 20 years of experience in the valuation of property located in Hong Kong, Macau and The People's Republic of China. Mr. Lai is on the List of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in connection with Takeovers and Mergers issued by the Hong Kong Institute of Surveyors under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION CERTIFICATE

Property Held for Sale:

Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 December 2016
Nos. 22-26 Bonham Strand, Sheung Wan, Hong Kong (The Remaining Portion of Inland Lot No. 7667)	<p>The property comprises a 23-storey commercial/office building plus a mechanical floor.</p> <p>The property was completed in 1984 and renovated in about 2006 and 2010.</p> <p>The property contains a total gross floor area of approximately 6,560 square metres (or approximately 70,616 square feet).</p> <p>The property contains a total saleable area of approximately 4,100 square metres (or approximately 44,132 square feet) plus flat roof of approximately 160 square metres (or approximately 1,722 square feet).</p> <p>The property is held under Conditions of Exchange No. UB6383 for a term of 999 years from 26 June 1843.</p> <p>The lot shall not be used for industrial purposes and no factory building shall be erected thereon.</p> <p>The annual government rent payable for Inland Lot No. 7667 is HK\$74 per annum.</p>	<p>The property was, as at 31 December 2016, subject to various tenancies, mostly for terms of 2 to 3 years, at a total monthly rental of about HK\$2,294,290 exclusive of management fees and rates.</p> <p>The property was fully let and had no vacant space as at 31 December 2016.</p> <p>The property was occupied for commercial and office purpose.</p>	HK\$950,000,000

Notes:

1. The registered owner of the property is AEW VIA HK 1 Limited, an indirect wholly-owned subsidiary of Pioneer Global Group Limited.
2. The property is subject to the following encumbrances:
 - a. By a lease (Re: 3/F) in favour of Confiserie Benji Limited vide memorial no. 11011902770315 dated 7 January 2011 for the rent of HK\$120,000 per month (Re: For 5 years from 3 January 2011 to 2 January 2016 with an option to renew for a further term of 3 years).
 - b. By a lease (Re: 7/F) in favour of Zen International Limited vide memorial no. 11011902770525 dated 7 January 2011 (Re: For 5 years from 3 January 2011 to 2 January 2016 with an option to renew for a further term of 3 years).
 - c. By a lease (Re: G/F) in favour of Fortune Hwa Investments Limited vide memorial no. 11030802910686 dated 15 February 2011 for the rent of HK\$65,000 per month (Re: Term: 4 years commencing on the 14 February 2011 and expiring on the 13 February 2015 with option to renew for a further term of 3 years).

- d. The property is subject to a Notice No. WNZ/U02-09/0001/09 under section 24C(1) of the Buildings Ordinance issued by the Building Authority vide memorial no. 12072500620092 dated 4 January 2011.
- e. By a tenancy agreement in favour of Alchemy Asia Limited vide memorial no. 12122002660084 dated 7 August 2012 (Re: For 3 years from 26 May 2012 to 25 May 2015 with option to renew for a further term of 1 year).
- f. The property is subject to a mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited vide memorial no. 16050502130289 dated 29 April 2016.
3. The property falls into the area zoned for Commercial uses under the Draft Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/30 exhibited on 21 October 2016.
4. Based on the information provided by the Group, the property contains a total gross floor area of approximately 6,560 square metres (or approximately 70,616 square feet) of which approximately 2,300 square metres (or approximately 24,762 square feet) are designed for common staircases, common lift lobbies, top roofs, mechanical floors, plant rooms, pump rooms, lift machine rooms and other communal area.
5. The property was subject to various tenancies with the major tenants as follows:

Floor	Tenant	Terms of Tenancies
11/F	Xerxes Holdings Limited	3 years from 1 December 2015 to 30 November 2018 at a monthly rent of HK\$87,234 with a rent-free period from 1 December 2015 to 31 January 2016, exclusive of management fees and rates.
12/F	Xerxes Holdings Limited	3 years from 1 December 2015 to 30 November 2018 at a monthly rent of HK\$87,234 with a rent-free period from 1 December 2015 to 31 December 2015, exclusive of management fees and rates.
17/F	Aeso Limited	3 years from 1 February 2014 to 31 January 2017 at a monthly rent of HK\$74,571, exclusive of management fees and rates.
18/F	Aeso Limited	3 years from 1 June 2016 to 31 May 2019 at a monthly rent of HK\$87,234 with a rent-free period from 1 June 2016 to 30 June 2016, exclusive of management fees and rates.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF DIRECTORS' INTERESTS

As at the Latest Practicable Date, the following Directors were interested, or were deemed to be interested in the following long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules ("Model Code") adopted by the Company to be notified to the Company and the Stock Exchange.

Long position in shares of the Company

Name of directors	Number of ordinary shares				Total	%
	Personal interests	Interests held by controlled corporation	Interests held by family trust			
Rossana Wang Gaw	100,000	25,174,731 ¹	215,768,260 ²		241,042,991	20.89
Kenneth Gaw	61,418,428	12,725,857 ³	41,305,864 ⁴		115,450,149	10.00
Christina Gaw	–	19,699,216 ⁵	–		19,699,216	1.71
Stephen Tan	–	4,440,754 ⁶	–		4,440,754	0.38

- Mrs. Rossana Wang Gaw owns the entire issued share capital of Vitality Holdings Limited, which was beneficially interested in 25,174,731 shares.
- Family trust of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 215,768,260 shares.
- Mr. Kenneth Gaw owns the entire issued share capital of Top Elite Company Limited, which was beneficially interested in 12,725,857 shares.
- Family trust of which Mr. Kenneth Gaw is the sole beneficiary held an aggregate of 41,305,864 shares.
- Ms. Christina Gaw owns the entire issued share capital of Eternity Rich Investments Ltd., which was beneficially interested in 19,699,216 shares.
- Mr. Stephen Tan and his spouse together own 0.59% issued share capital of Bangkok Mercantile (Hong Kong) Co., Ltd., which was beneficially interested in 4,440,754 shares. Mr. Stephen Tan is the Chairman of Bangkok Mercantile (Hong Kong) Co., Ltd. and he can exercise control over the board.

Long position in shares of associated corporations

Name of company	Name of director	Number of ordinary shares held by controlled corporation	%
Pioneer Hospitality Siam (GBR) Ltd.	Rossana Wang Gaw	30,300,000*	50.5
Pioneer Hospitality Siam (GBR) Ltd.	Kenneth Gaw	30,300,000*	50.5
Keencity Properties Ltd.	Rossana Wang Gaw	5,019,205*	50.5
Keencity Properties Ltd.	Kenneth Gaw	5,019,205*	50.5
Pioneer iNetwork Ltd.	Rossana Wang Gaw	1*	50.0
Pioneer iNetwork Ltd.	Kenneth Gaw	1*	50.0

* Interested by Mrs. Rossana Wang Gaw and Mr. Kenneth Gaw represented the same interests and were therefore duplicated amongst these two directors for the purpose of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code adopted by the Company to be notified to the Company and the Stock Exchange.

3. DISCLOSURE OF SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware, the following persons (other than a director or chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Name of shareholder	Number of ordinary shares	%
Asset-Plus Investments Ltd.	115,403,866	10.00
Forward Investments Inc.	283,200,215	24.54
Intercontinental Enterprises Corporation	215,768,260 ¹	18.70
Prosperous Island Limited	97,324,936	8.43

¹ Family trust of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 215,768,260 shares, which duplicated to those disclosed in "Long position in shares of the Company".

Save as disclosed above, the Directors were not aware of any other persons (other than a director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, no Directors had any existing or proposed service contracts with the Company or any member of the Group which is not determinable within one year without payment of compensation other than statutory compensation.

5. MATERIAL CONTRACTS

During the two years immediately preceding the date of this circular up to and including the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business of the Company) have been entered into by the Group and are or may be material:

- (1) a subscription and joint venture deed entered into between Uniever Link Limited, a wholly owned subsidiary of the Company and Panorama International Trading Limited on 10 July 2015 to form a joint venture to acquire InterContinental Hong Kong, a 5-star hotel in Tsim Sha Tsui, Kowloon, Hong Kong. The Group has 10% equity participation in the joint venture and committed a capital contribution of US\$51.0 million (equivalent to approximately HK\$395.8 million).
- (2) a sale and purchase agreement dated 7 October 2015 entered into between Kind Regent Holdings Limited, a wholly owned subsidiary of the Company, Prestige Goal Limited, Center Link Limited, PIA 2015 Investments (Singapore) Pte. Ltd., PREP Alliance Limited and CFIC-2014 NV Family Investments, LLC (collectively the "purchasers") with Advance System Limited and Elite Sino Investments Limited (collectively the "sellers"), in relation to the acquisition of 79.73% of the issued shares in True Partner Investments Limited (the "True Partner") at RMB983.6 million (equivalent to approximately HK\$1,199.5 million) (of which Kind Regent Holdings Limited shall purchase 4% of the issued shares in the True Partner at RMB49.3 million (equivalent to approximately HK\$60.1 million)).
- (3) a sale and purchase agreement entered into between Pine International Limited, a wholly owned subsidiary of the Company and True Light Enterprises Limited on 9 May 2016 to dispose the entire issued share capital of Network Success Limited and the relevant shareholder's loan of HK\$4.7 million at a cash consideration of HK\$68.8 million.
- (4) a share purchase agreement entered into between Chance Advance Limited, a wholly owned subsidiary of the Company and Wing Hing Electric Trading Company Limited, Mr. Wong Wing Keung and Glorious Ocean Investment Limited (collectively the "sellers") and Mr. Kwok Wing Yau and Mr. Chan Wing Kee, Alfred (collectively the "guarantors") on 18 October 2016 to acquire the entire issued share capital of Maxforte Investments Company Limited, being the holding company of 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 at a cash consideration of HK\$648.0 million.

6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claims of material importance and no litigation or claims of material importance is known to the Directors to be pending or threatened against the Group.

7. COMPETING INTERESTS

So far as the Directors were aware, as at the Latest Practicable Date, none of the Directors or their respective associates had any interest in any business which competed or was likely to compete with the business of the Group.

8. DIRECTORS' INTERESTS IN ASSETS / CONTRACTS OF THE GROUP

So far as the Directors were aware, as at the Latest Practicable Date, none of the Directors had any interest, either direct or indirect, in any assets which had been since 31 March 2016 (being the date to which the latest published audited accounts were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

So far as the Directors were aware, except save as disclosed below, none of the Directors was materially interested in any contract or arrangement subsisting at the date of hereof which was significant in relation to the business of the Group.

- (1) Gaw Capital Advisors Limited (as the tenant), which is owned and controlled by Mr. Goodwin Gaw, Mr. Kenneth Gaw, Ms. Christina Gaw (executive directors of the Company) entered into a lease agreement with Treasure Spot Investments Limited (as the landlord), a non-wholly owned subsidiary of the Company, to lease office premises for a term of 3 years with an option to renew for a maximum of two 3-year periods at a monthly rental of HK\$732,584, excluding rates, government rent and management fee.
- (2) Advance System Limited is owned by an investment fund controlled by (i) Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw (executive directors of the Company) and (ii) Mrs. Rossana Wang Gaw (executive director of the Company) is an investor in the investment fund which owns Advance System Limited. Advance System Limited is one of the sellers entered into a sale and purchase agreement with Kind Regent Holdings Limited, a wholly owned subsidiary of the Company. Details of the contract are set out under the section headed "Material Contracts" in this appendix.

9. EXPERT AND CONSENT

The following is the qualification of the expert who had given opinion contained in this circular:

Name	Qualification
AA Property Services Ltd.	Professional property valuer

As at the Latest Practicable Date, AA Property Services Ltd. neither had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any interest, either direct or indirect, in any assets which had been since 31 March 2016 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

AA Property Services Ltd. has given and has not withdrawn its written consent to the issue of this circular with the respective report, letter and reference to its name in the form and context in which it is included.

10. GENERAL

- (i) The Secretary of the Company is Ms. Law Tsui Yan, associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.
- (ii) The registered office of the Company is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.
- (iii) The head office and principal place of business of the Company in Hong Kong is at 18th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong.
- (iv) The share registrar and transfer office of the Company in Bermuda is MUFG Fund Services (Bermuda) Limited at The Belvedere Building, 69 Pitts Bay Road, Pembroke HM 08, Bermuda.
- (v) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (vi) In the event of inconsistency, the English text shall prevail over the Chinese text.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at 18th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong up to and including 6 March 2017:

- (a) this circular;
- (b) the circular regarding a major acquisition of a company which owns a property in Sai Ying Pun dated 22 December 2016;
- (c) the Bye-Laws of the Company;
- (d) the consolidated audited financial statements of the Group for the years ended 31 March 2015 and 31 March 2016 and the unaudited financial statements of the Group for the six months ended 30 September 2016;
- (e) the letter and valuation certificate prepared by AA Property Services Ltd., the text of which is set out in Appendix II to this circular;
- (f) the letter of consent referred to under the section headed “Expert and Consent” in this appendix; and
- (g) the material contracts referred under the section headed “Material Contracts” in this appendix.