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**Pioneer**

**PIONEER GLOBAL GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00224)**

**MAJOR TRANSACTION:  
ACQUISITION OF 20% INTERCONTINENTAL HONG KONG  
AND RESUMPTION OF TRADING**

The Company's wholly owned subsidiary, Uniever, has 10% equity interest in the Hotel Investment Company which through its subsidiaries owns InterContinental Hong Kong, a 5-star hotel in Tsim Sha Tsui, Kowloon, Hong Kong. On 28 March 2017 (after trading hours), Uniever entered into the Agreements with the Vendor to acquire additional 20% equity interest (which consists of share capital and shareholder loan) of the Hotel Investment Company at the consideration of US\$118.4 million (equivalent to approximately HK\$918.8 million).

The Transaction constitutes a major transaction which is subject to the Shareholders' approval. An EGM will be convened at which resolution(s) will be proposed to seek the approval of the Shareholders for, among other things, the Transaction. As Gaw Capital Partners is the investment manager of the Vendor, any Shareholders who has interests in Gaw Capital Partners will be required to abstain from voting at the EGM to approve the relevant resolution(s) regarding the Transaction. The Company has received written undertakings from a group of shareholders who together hold more than 50% in nominal value of the securities and have no interests in Gaw Capital Partners and are not required to abstain from voting at the EGM to vote in favour of the resolution(s) at the EGM to approve the Transaction.

A circular containing, among others, further details of the Transaction, notice of EGM and other information required under the Listing Rules will be dispatched to the Shareholders in accordance with the Listing Rules. As additional time is required to compile the financial information and the valuation report 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 dispatch of the circular to a date on or before 16 May 2017.

**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, 29 March 2017, pending the publication of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the shares in the Company with effect from 1:00 p.m. on Wednesday, 29 March 2017.

## **INTRODUCTION**

The Company's wholly owned subsidiary, Uniever, has 10% equity interest in the Hotel Investment Company which through its subsidiaries owns InterContinental Hong Kong, a 5-star hotel in Tsim Sha Tsui, Kowloon, Hong Kong. On 28 March 2017 (after trading hours), Uniever entered into the Agreements with the Vendor to acquire additional 20% equity interest (share capital and shareholder loan) of the Hotel Investment Company at the consideration of US\$118.4 million (equivalent to approximately HK\$918.8 million).

## **MAJOR TERMS OF THE AGREEMENTS**

### **Date**

28 March 2017

### **Parties**

- (i) the Purchaser: Uniever, a wholly owned subsidiary of the Company; and
- (ii) the Vendor: Panorama International Trading 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.

### **Assets to be acquired**

20% equity interest (which consists of share capital and shareholder loan) of the Hotel Investment Company.

### **Consideration**

The consideration of the 20% share capital is US\$16.4 million (equivalent to approximately HK\$127.3 million) which is determined based on the net assets value of the Hotel Investment Company as at 31 December 2016. The value of the shareholder loan which will be assigned by the Vendor to the Purchaser is US\$102.0 million (equivalent to approximately HK\$791.5 million) at face value. The total consideration is US\$118.4 million (equivalent to approximately HK\$918.8 million) and it will be funded by internal resources and bank borrowings of the Company.

### **Payment Terms and Completion**

A 50% deposit of the total consideration, being US\$59.2 million (equivalent to approximately HK\$459.4 million), shall be paid on 31 March 2017. The remaining balance shall be paid on Completion.

## **Second Consent Letter and Amendment Agreement**

The Second Consent Letter and Amendment Agreement was entered on the same date as the Sale and Purchase Agreement whereby Uniever, the Vendor, the Hotel Investment Company and the Company consented to the Transaction and agreed to alter the management composition of the Hotel Investment Company.

### **Management of the Hotel Investment Company**

The board of directors of the Hotel Investment Company has five (5) directors. After the Completion, Uniever shall have the right to appoint two (2) directors to the board of directors of the Hotel Investment Company.

### **Major Rights**

Uniever has (a) the right of first offer of the Vendor's shares; and (b) tag along right to sell its shares in case the Vendor is selling its shares of the Hotel Investment Company.

## **REASONS AND BENEFITS OF THE TRANSACTION AND INFORMATION ABOUT THE COMPANY**

As the Hotel is a reputable international 5-star hotel with high earning potential, the Group believes that increase in shareholding in the Hotel Investment Company is in line with the principal business activities of the Group, namely, property and hotel investment and management. After the Completion, the 30% equity interest in the Hotel Investment Company owned by the Group will be accounted for as an investment in an associated company.

The Directors believe that the terms of Transaction 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 HOTEL INVESTMENT COMPANY AND THE HOTEL PERFORMANCE**

To acquire the Hotel in September 2015, the Hotel Investment Company set up subsidiaries as intermediate holding companies for financing purposes and to hold the Hotel and a Hotel operation company in Hong Kong. As the Hotel Investment Company meets the definition of an investment entity under the HKFRSs, it does not consolidate its subsidiaries but rather, it recognizes them as financial assets at fair value through profit or loss and measured at fair value.

The financial information of the Hotel Investment Company and the Hotel performance are set out below:

### Hotel Investment Company

	As at 31 December			
	2016		2015	
	(audited)		(audited)	
	<i>US\$ million</i>	<i>HK\$ million equivalent</i>	<i>US\$ million</i>	<i>HK\$ million equivalent</i>
Investment in subsidiaries (at fair value)	550.9	4,275.0	474.3	3,680.6
Current assets	39.3	305.0	42.8	332.1
Shareholder loan	506.5	3,930.4	510.0	3,957.6
Retained earnings & share capital*	83.6	648.7	7.1	55.1

\* share capital of nominal value of US\$10.0

	For the year ended 31 December			
	2016		2015	
	(audited)		(audited)	
	<i>US\$ million</i>	<i>HK\$ million equivalent</i>	<i>US\$ million</i>	<i>HK\$ million equivalent</i>
Dividend income	–	–	767.0	5,951.9
Expenses	–	–	2.4	18.6
Net change in unrealized appreciation/(depreciation) on investments	76.6	594.4	(757.5)	(5,878.2)
Profit before taxation	76.6	594.4	7.1	55.1
Profit after taxation	76.6	594.4	7.1	55.1

### Hotel Performance

	For the period from			
	January to December 2016		October to December 2015	
	(unaudited)		(unaudited)	
	<i>US\$ million</i>	<i>HK\$ million equivalent</i>	<i>US\$ million</i>	<i>HK\$ million equivalent</i>
Hotel and restaurant revenue	138.3	1,073.2	41.5	322.0
Operating expenses	95.0	737.2	29.4	228.1
Finance costs	15.1	117.2	3.6	27.9
Fair value increase of the Hotel	51.9	402.7	0.6	4.7
Income tax	3.5	27.2	2.1	16.3
Profit after taxation	76.6	594.4	6.9	53.5

## **INFORMATION ABOUT THE VENDOR**

The Vendor is a limited company incorporated in British Virgin Islands and is principally engaged in investment holding.

## **INFORMATION ABOUT THE COMPANY**

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

## **LISTING RULES IMPLICATIONS**

The Transaction constitutes a major transaction which is subject to the Shareholders' approval. An EGM will be convened at which resolution(s) will be proposed to seek the approval of the Shareholders for, among other things, the Transaction. As Gaw Capital Partners is the investment manager of the Vendor, any Shareholders who has interests in Gaw Capital Partners will be required to abstain from voting at the EGM to approve the relevant resolution(s) regarding the Transaction.

The following Shareholders with interests in Gaw Capital Partners will abstain from voting at the EGM:

- (1) Rising Crescent Enterprises Limited, wholly owned by the RGK Trust, a discretionary trust, of which Mr. Kenneth Gaw (an executive director of the Company) is the sole beneficiary, owns 41,305,864 shares (3.58%) of the Company;
- (2) Top Elite Company Limited, wholly owned by Mr. Kenneth Gaw (an executive director of the Company), owns 12,725,857 shares (1.10%) of the Company;
- (3) Mr. Kenneth Gaw (an executive director of the Company) owns 61,418,428 shares (5.32%) of the Company; and
- (4) Eternity Rich Investments Ltd., wholly owned by Ms. Christina Gaw (an executive director of the Company), owns 19,699,216 shares (1.71%) of the Company.

The Company has received written undertakings from a group of shareholders who together hold more than 50% in nominal value of the shares of the Company and have no interests in Gaw Capital Partners and are not required to abstain from voting at the EGM to vote in favour of the resolution(s) at the EGM to approve the Transaction.

The group of shareholders of the Company consists of the following Shareholders:

- (1) Forward Investments Inc., wholly owned by the YCK Trust, a discretionary trust, of which Madam Y.C. Koo, the mother of Mrs. 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 Mrs. 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 Mrs. Rossana Wang Gaw (an executive director of the Company), owns 25,174,731 shares (2.18%) of the Company;
- (4) Mrs. Rossana Wang Gaw (an executive director of the Company) owns 100,000 shares (0.009%) of the Company;
- (5) Asset-Plus Investments Ltd., wholly and beneficially owned by Mr. Winfred Ho and Mrs. Elsa Wang Ho who are a married couple and respectively the brother-in-law and sister of Mrs. Rossana Wang Gaw (an executive director of the Company), owns 115,403,866 shares (10.00%) of the Company.

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## **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.

“Agreements”	Sale and Purchase Agreement and the Second Consent Letter and Amendment Agreement
“Board” or “Directors”	the 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”	the completion of the Transaction, which is targeted to be on or before 30 June 2017 (or such other date as may be agreed in writing between the Vendor and the Purchaser)

“connected person”	has the meaning ascribed to it under the Listing Rules
“EGM”	the extraordinary general meeting of the Company to be held to approve the Transaction
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRSs”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hotel”	InterContinental Hong Kong, a 5-star hotel in Tsim Sha Tsui, Kowloon, Hong Kong
“Hotel Investment Company”	Supreme Key Limited, a company incorporated in British Virgin Islands and is the joint venture company owned the Hotel
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Sale and Purchase Agreement”	a sale and purchase agreement entered into between Uniever and the Vendor on 28 March 2017
“Second Consent Letter and Amendment Agreement”	the second consent letter and the amendment to the Subscription and Joint Venture Deed entered into among Uniever, the Vendor, the Hotel Investment Company and the Company on 28 March 2017
“Shareholder(s)”	holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription and Joint Venture Deed”	the initial subscription and joint venture deed entered into among Uniever, the Vendor, the Hotel Investment Company and the Company on 10 July 2015
“Transaction”	The acquisition of additional 20% equity interest of the Hotel Investment Company by the Purchaser and the assignment of shareholder loan from the Vendor to the Purchaser
“Uniever” or “Purchaser”	Uniever Link Limited, a wholly owned subsidiary of the Company

“US\$” United States dollars, the lawful currency of the United States of America

“Vendor” Panorama International Trading Limited, a company incorporated in British Virgin Islands which is principally engaging in investment holding

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

Hong Kong, 29 March 2017

*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, conversion of U.S. dollars into Hong Kong dollars in this announcement is based on the exchange rate of HK\$7.76 to US\$1. 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.*