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Pioneer

PIONEER GLOBAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00224)

**CONTINUING CONNECTED TRANSACTIONS
NEW LEASE AGREEMENTS**

On 8 May 2019, Treasure Spot, a 60% owned subsidiary of the Company, entered into the New Lease Agreements with GCAL and GCAM, pursuant to which Treasure Spot agreed to lease the First Property and the Second Property to GCAL and GCAM, respectively, for a term of three years from 1 July 2019 to 30 June 2022.

As at the date of this announcement, both GCAL and GCAM are controlled by Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw, who are executive Directors of the Company, and are therefore connected persons of the Company pursuant to Rule 14A.07 of the Listing Rules, and the transactions contemplated under the New Lease Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Annual Caps for the transactions contemplated under the New Lease Agreements are more than 0.1% but less than 5%, the transactions are subject to the reporting, annual review and announcement requirements but are exempted from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE NEW LEASE AGREEMENTS

On 8 May 2019, Treasure Spot, entered into the New Lease Agreements with GCAL and GCAM, pursuant to which Treasure Spot agreed to lease the First Property and the Second Property to GCAL and GCAM, respectively, for a term of three years from 1 July 2019 to 30 June 2022.

Major terms of the New Lease Agreements are as follows:

	Lease agreement with GCAL	Lease agreement with GCAM
Date	: 8 May 2019	8 May 2019
Landlord	: Treasure Spot	Treasure Spot
Tenant	: GCAL	GCAM
Location of the property	: Partial of 18th and 19th Floors, 68 Yee Wo Street, Causeway Bay, Hong Kong with total leasing area of 16,912 square feet	Unit 1001, 10th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong with total leasing area of 3,793 square feet
Usage	: Office Premises	Office Premises
Lease Terms	: 1 July 2019 to 30 June 2022	1 July 2019 to 30 June 2022
Security Deposits	: equivalent to 3-months monthly rental and service fee	equivalent to 3-months monthly rental and service fee
Monthly rental	: HK\$811,776 per calendar month, excluding rates, government rent and service fee	HK\$151,720 per calendar month, excluding rates, government rent and service fee
Monthly service fee (payable to third party management company)	: HK\$108,236.8 per calendar month	HK\$24,275.2 per calendar month
Rent-free period	: Nil	2 months which has been agreed to be January 2020 and January 2021
Major terms and conditions	: The First Property shall be handed over to GCAL in “bare-shell” condition with air-conditioning system. Upon the tenancy expiration, GCAL shall return the First Property to Treasure Spot and remove its own trade and other fixtures subject to making good all damage including damage to the decoration caused by such removal and shall if required by Treasure Spot at GCAL’s own cost and expense remove all fittings, fixtures, alterations or additions in or to the First Property to a “bare-shell” condition.	The Second Property shall be handed over to GCAM in “bare-shell” condition with air-conditioning system. Upon the tenancy expiration, GCAM shall return the Second Property to Treasure Spot and remove its own trade and other fixtures subject to making good all damage including damage to the decoration caused by such removal and shall if required by Treasure Spot at GCAM’s own cost and expense remove all fittings, fixtures, alterations or additions in or to the Second Property to a “bare-shell” condition.

ANNUAL CAPS OF THE NEW LEASE AGREEMENTS

The Annual Caps based on the annual rent payable by GCAL and GCAM under the New Lease Agreements are as follows:

	1 April 2019 to 30 June 2019 HK\$	1 July 2019 to 31 March 2020 HK\$	For the financial year ending	
			31 March 2021 HK\$	31 March 2022 HK\$
Lease agreements with GCAL	2,257,752 ^(Note 1)	7,305,984	9,741,312	9,741,312
Lease agreement with GCAM	– ^(Note 2)	1,213,760	1,668,920	1,820,640
Total	<u>2,257,752</u>	<u>8,519,744</u>	<u>11,410,232</u>	<u>11,561,952</u>

(Note 1) This is based on the lease agreement signed between Treasure Spot and GCAL for the period from 1 July 2016 to 30 June 2019.

(Note 2) The lease agreement signed between Treasure Spot and GCAM for the period from 1 February 2018 to 30 June 2019 was fully exempted from shareholders' approval, annual review and all disclosure requirements under the Listing Rules.

The maximum annual amounts payable by GCAL and GCAM are determined after considering the above terms under the New Lease Agreements, the historical figures of the actual amounts paid under the previous lease agreement, the market considerations and the monthly rental of those entered by third party tenants occupying other floors of the same building as the First Property and the Second Property.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW LEASE AGREEMENTS

The Group holds the First Property and the Second Property as long term investment for rental income and capital appreciation. The rental amounts for the New Lease Agreements were determined by the parties (including the other 40% independent shareholder of Treasure Spot) to the agreements on arm's length basis. The terms of the New Lease Agreements are determined based on market conditions and are comparable to those entered into by third party tenants occupying other floors of the same building as the First Property and the Second Property.

The Directors (including the independent non-executive Directors) are of the view that:

- (i) the terms of the New Lease Agreements are on normal commercial terms that are fair and reasonable;
- (ii) the Annual Caps are fair and reasonable; and
- (iii) the continuing connected transactions contemplated under the New Lease Agreements are and will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE COMPANY, GCAL AND GCAM

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

GCAL and GCAM both are a limited company incorporated in Hong Kong with principal activity of investment advisory and management, which are controlled by Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw, who are executive Directors of the Company.

IMPLICATION UNDER THE LISTING RULES

As at the date of this announcement, both GCAL and GCAM are controlled by Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw, who are executive Directors of the Company, and are therefore connected persons of the Company pursuant to Rule 14A.07 of the Listing Rules, and the transactions contemplated under the New Lease Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Annual Caps for the transactions contemplated under the New Lease Agreements are more than 0.1% but less than 5%, the transactions are subject to the reporting, annual review and announcement requirements but are exempted from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw, who are the executive Directors of the Company, are regarded as connected persons having interests in the New Lease Agreements, and they are abstained from voting on the resolutions approving the New Lease Agreements at a board meeting of the Company. All other Directors, including the independent non-executive Directors, have reviewed and approved the resolutions related to the New Lease Agreements.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Annual Caps”	the annual caps for the continuing connected transactions contemplated under the New Lease Agreements
“Board”	the board of Directors
“Company”	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
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“First Property”	partial of 18th and 19th Floors, 68 Yee Wo Street, Causeway Bay, Hong Kong
“GCAL”	Gaw Capital Advisors Limited, a company incorporated in Hong Kong with limited liability
“GCAM”	Gaw Capital Asset Management (HK) Ltd, a company incorporated in Hong Kong with limited liability
“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
“New Lease Agreements”	(i) a lease agreement dated 8 May 2019 entered into between Treasure Spot as landlord and GCAL as tenant in respect of the First Property, and (ii) a lease agreement dated 8 May 2019 entered into between Treasure Spot as landlord and GCAM as tenant in respect of the Second Property
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Second Property”	Unit 1001, 10th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong
“Shareholder(s)”	holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Treasure Spot”	Treasure Spot Investments Limited, a 60% owned subsidiary of the Company

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

Hong Kong, 8 May 2019

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.