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**Pioneer**

**PIONEER GLOBAL GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00224)**

**CONNECTED TRANSACTION:  
SUBSCRIPTION AGREEMENT FOR PROPERTIES INVESTMENT**

**INTRODUCTION**

On 24 May 2019, Pine International, a wholly-owned subsidiary of the Company, entered into the Subscription Agreement pursuant to which, Pine International agreed to invest in Panorama for a capital commitment of HK\$55 million. Panorama is one of the investors of a consortium established by GCP to purchase 65% of Henglilong which owns 100% beneficial interest in the Cityplaza Properties. The other investors in the consortium consisted of (a) investment funds controlled by GCP and (b) Traveluck which is owned and controlled by Mrs. Rossana Wang Gaw (executive director of the Company). Upon completion of the transaction, Pine International will hold 0.9% indirect interest in the Cityplaza Properties.

As at the date of this announcement, (i) GCP is a private equity fund management company controlled by Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw (executive directors of the Company), (ii) Panorama is controlled by Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw (executive directors of the Company) and (iii) Traveluck is owned and controlled by Mrs. Rossana Wang Gaw (executive director of the Company). Therefore, GCP, Panorama and Traveluck are connected persons of the Company under the Listing Rules and the transaction constitute a connected transaction.

As all of the applicable percentage ratios (as defined in the Listing Rules) exceed 0.1% but are less than 5%, the transaction contemplated is subject to the reporting 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 SUBSCRIPTION AGREEMENT**

On 24 May 2019, Pine International, a wholly-owned subsidiary of the Company, entered into the Subscription Agreement pursuant to which, Pine International agreed to invest in Panorama for a capital commitment of HK\$55 million. Panorama is one of the investors of a consortium established by GCP to purchase 65% of Henglilong which owns 100% beneficial interest in the Cityplaza Properties. The other investors in the consortium consisted of (a) investment funds controlled by GCP and (b) Traveluck which is owned and controlled by Mrs. Rossana Wang Gaw (executive director of the Company). Upon completion of the transaction, Pine International will hold 0.9% indirect interest in the Cityplaza Properties. Unless the offer by Pine International to invest in Panorama is rejected by the general partner of Panorama, the Subscription Agreement may not be cancelled, terminated or revoked by Pine International.

The management, control, decision-making and operation of Panorama will be made by its general partner which is controlled by Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw (executive directors of the Company).

## **CAPITAL COMMITMENT**

The Group's capital commitment of HK\$55 million is based on the purchase price of 65% of Henglilong as paid by the consortium which is determined based on the asset price of HK\$15 billion for the Cityplaza Properties. The Group's commitment of HK\$55 million will be fully satisfied by its internal resources. Upon completion of the transaction, Pine International will hold 0.9% indirect interest in the Cityplaza Properties.

## **INFORMATION ABOUT PANORAMA**

Panorama is an exempted limited partnership incorporated in the Cayman Islands. It is principally engaged in investment holding and is controlled by Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw (executive directors of the Company).

Panorama will be treated as an equity instrument at fair value through profit or loss of the Group upon completion of the transaction.

As Panorama is a newly set up company, the financial statements for the years ended 31 December 2017 and 31 December 2018 are not available.

## **REASONS FOR AND BENEFITS OF INVESTING IN PANORAMA**

The subscription of HK\$55 million by Pine International in Panorama is to invest in Henglilong, which owns 100% beneficial interest in the Cityplaza Properties, for rental income and capital appreciation.

Cityplaza Properties are Grade A office buildings with rare full sea view in the mature commercial hub above Taikoo Metro Transit Railway station in Hong Kong. The asset price of the Cityplaza Properties is HK\$15 billion, whereas the appraised value of the Cityplaza Properties is HK\$20.8 billion as at 30 January 2019. The asset price represents about 28% discount on the appraised value. The Group believes that investing in Panorama, which in turn owns the Cityplaza Properties, is in line with the principal business activities of the Group, namely, property and hotel investments and other investments.

The unaudited revenue and net operating income of the Cityplaza Properties for the years ended 31 December 2017 and 31 December 2018 are as follows:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2017</b>	<b>2018</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	399,946	403,181
Net Operating Income	340,229	344,777

The Directors, including the independent non-executive Directors, consider that the Subscription Agreement and the transaction contemplated thereunder 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 COMPANY**

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

## **LISTING RULES IMPLICATION**

As at the date of this announcement, (i) GCP is a private equity fund management company controlled by Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw (executive directors of the Company), (ii) Panorama is controlled by Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw (executive directors of the Company) and (iii) Traveluck is owned and controlled by Mrs. Rossana Wang Gaw (executive director of the Company). Therefore, GCP, Panorama and Traveluck are connected persons of the Company under the Listing Rules and the transaction constitute a connected transaction.

Mrs. Rossana Wang Gaw, Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw (executive directors of the Company) are regarded as connected persons having interests in the transaction, and they are abstained from voting on the resolutions approving the transaction at the board meeting of the Company. All other Directors, including the independent non-executive Directors, have reviewed and approved the resolutions related to the transaction.

As all of the applicable percentage ratios (as defined in the Listing Rules) exceed 0.1% but are less than 5%, the transaction contemplated is subject to the reporting and announcement requirements but are exempted from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors
“Cityplaza Properties”	G/F, 1/F, 2/F, 13/F-22/F of Cityplaza Three and whole tower of Cityplaza Four, Nos. 12-14 Taikoo Wan Road, Taikoo, Hong Kong with a total gross floor area of 792,780 square feet
“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
“GCP”	Gaw Capital Partners, a limited company incorporated in Cayman Islands which is principally engaging in private equity fund management
“Group”	the Company and its subsidiaries
“Henglilong”	Henglilong Investments Limited, a company incorporated in the British Virgin Islands which owns 100% beneficial interest in the Cityplaza Properties
“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
“Panorama”	Gateway VI Co-Investment (Panorama), L.P., an exempted limited partnership incorporated in Cayman Islands which is principally engaging in investment holding
“Pine International”	Pine International Limited, a wholly-owned subsidiary of the Company
“Shareholder(s)”	holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription Agreement” the subscription agreement dated 24 May 2019 in relation to the participation of Pine International in Panorama for a capital commitment of HK\$55 million

“Traveluck” Traveluck Investments Inc., a limited company incorporated in the 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, 24 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.*