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**Pioneer**

**PIONEER GLOBAL GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00224)**

**CONTINUING CONNECTED TRANSACTION  
NEW LEASE AGREEMENT**

Reference is made to the announcement of the Company dated 8 May 2019 in relation to two separate lease agreements entered into between Treasure Spot, a 60% owned subsidiary of the Company, 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 (“**Previous Lease Agreements**”).

On 14 January 2021, Treasure Spot entered into a lease agreement (“**New Lease Agreement**”) with GCAM, pursuant to which Treasure Spot agreed to lease the Third Property to GCAM, for a term of 3 years from 1 March 2021 to 29 February 2024.

As the transaction contemplated under the New Lease Agreement is of similar nature with those under the Previous Lease Agreements and both of them will be carried out on a continuing basis over a period of time, they will be aggregated and treated as if they are one transaction pursuant to Rules 14A.81 to 14A.83 of the Listing Rules.

As at the date of this announcement, the ultimate beneficial owners of GCAL and GCAM include 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 transaction contemplated under the New Lease Agreement constitutes continuing connected transaction 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 Agreement and Previous Lease Agreements are more than 0.1% but less than 5%, the transaction is subject to the reporting, annual review and announcement requirements but is exempted from the circular (including independent financial advice) and shareholders’ approval requirements under Chapter 14A of the Listing Rules.

## THE NEW LEASE AGREEMENT

On 14 January 2021, Treasure Spot entered into the New Lease Agreement with GCAM, pursuant to which Treasure Spot agreed to lease the Third Property to GCAM for a term of 3 years from 1 March 2021 to 29 February 2024.

Major terms of the New Lease Agreement are as follows:

Date	:	14 January 2021
Landlord	:	Treasure Spot
Tenant	:	GCAM
Location of the property	:	Unit 1505, 15th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong with total leasing area of 3,366 square feet
Usage	:	Office Premises
Lease Terms	:	1 March 2021 to 29 February 2024
Security Deposits	:	equivalent to 3-months monthly rental and management fee
Monthly rental	:	HK\$127,908 per calendar month, excluding rates, government rent and management fee
Rent-free period	:	4 months in April 2021, May 2021, April 2022 and May 2022
Major terms and conditions	:	The Third Property shall be handed over to GCAM in “bare-shell” condition with air-conditioning system. Upon the tenancy expiration, GCAM shall return the Third 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 Third Property to a “bare-shell” condition.

## ANNUAL CAPS OF THE NEW LEASE AGREEMENT AND PREVIOUS LEASE AGREEMENTS

The Annual Caps based on the annual rent payable by GCAL and GCAM under the lease agreements are as follows:

	For financial year ending 31 March			
	2021	2022	2023	2024
	HK\$	HK\$	HK\$	HK\$
Lease with Previous Lease Agreements	11,410,232	11,561,952	2,890,488	–
Lease with New Lease Agreement	<u>127,908</u>	<u>1,279,080</u>	<u>1,279,080</u>	<u>1,406,988</u>
Total	<u><u>11,538,140</u></u>	<u><u>12,841,032</u></u>	<u><u>4,169,568</u></u>	<u><u>1,406,988</u></u>

The maximum annual amounts under the New Lease Agreement payable by GCAM are determined after considering the above terms of the New Lease Agreement, the historical figures of the actual amounts paid, the market conditions and the monthly rental amounts of those entered by third party tenants occupying other floors of the same building as the Third Property.

### REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW LEASE AGREEMENT

The Group holds the Third Property as long term investment for rental income and capital appreciation. The rental amounts for the New Lease Agreement were determined by the parties (including the other 40% independent shareholder of Treasure Spot) to the agreement on arm's length basis. The terms of the New Lease Agreement 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 Third Property.

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

- (i) the terms of the New Lease Agreement are on normal commercial terms that are fair and reasonable;
- (ii) the Annual Caps are fair and reasonable; and
- (iii) the continuing connected transaction contemplated under the New Lease Agreement is 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 are both a limited company incorporated in Hong Kong with principal activity of investment advisory and management, of which the ultimate beneficial owners include Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw, who are executive Directors of the Company.

## **IMPLICATION UNDER THE LISTING RULES**

As the transaction contemplated under the New Lease Agreement is of similar nature with those under the Previous Lease Agreements and both of them will be carried out on a continuing basis over a period of time, they will be aggregated and treated as if they are one transaction pursuant to Rules 14A.81 to 14A.83 of the Listing Rules.

As at the date of this announcement, the ultimate beneficial owners of GCAL and GCAM include 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 transaction contemplated under the New Lease Agreement constitutes continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

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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 Agreement, and they are abstained from voting on the resolutions approving the New Lease Agreement 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 Agreement.

## **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 Agreement and the Previous 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) Limited, 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 Agreement”	a lease agreement dated 14 January 2021 entered into between Treasure Spot as landlord and GCAM as tenant in respect of the Third Property
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Previous 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
“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
“Third Property”	Unit 1505,15th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong
“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, 14 January 2021

*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.*