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Pioneer
PIONEER GLOBAL GROUP LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 00224)

**INTERIM RESULTS FOR THE SIX MONTHS
ENDED 30 SEPTEMBER 2021**

The Board of Directors of Pioneer Global Group Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2021, together with the comparative figures for the corresponding period in 2020 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	For the six months ended 30 September	
		2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Revenue of Group and associates			
Company and subsidiaries		135,234	137,249
Share of associates (<i>Note</i>)		14,046	14,867
		149,280	152,116
Revenue of Company and subsidiaries	4	135,234	137,249
Properties operating expenses		(22,323)	(19,409)
Staff costs		(8,128)	(7,261)
Depreciation		(457)	(340)
Other expenses		(2,345)	(2,191)
		(33,253)	(29,201)

		For the six months ended	
		30 September	
		2021	2020
	<i>Notes</i>	(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
Operating profit	3	101,981	108,048
Share of results of associates		(21,094)	(34,939)
Change in fair value of investment properties		139,929	(3,635)
Change in fair value of investments in equity instruments at fair value through profit or loss (“FVTPL”)		2,265	(1,081)
Other gains and losses		(264)	(12)
Finance costs		(24,547)	(33,644)
		<hr/>	<hr/>
Profit before taxation	5	198,270	34,737
Taxation			
Current	6	(8,861)	(8,840)
Deferred	6	(2,984)	(2,621)
		<hr/>	<hr/>
Profit for the period		186,425	23,276
		<hr/> <hr/>	<hr/> <hr/>
Profit attributable to:			
Shareholders of the Company		146,916	12,038
Non-controlling interests		39,509	11,238
		<hr/>	<hr/>
		186,425	23,276
		<hr/> <hr/>	<hr/> <hr/>
Interim dividend	7	11,540	–
		<hr/> <hr/>	<hr/> <hr/>
		HK cents	HK cents
Earnings per share	8	12.73	1.04
		<hr/> <hr/>	<hr/> <hr/>

Note: The amounts represent revenue generated by associates at the percentage of the Group’s equity interest in associates.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the six months ended 30 September	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit for the period	<u>186,425</u>	<u>23,276</u>
Other comprehensive income/(expense):		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Change in fair value of investments in equity instruments designated at fair value through other comprehensive income ("FVTOCI")	(9,265)	(17,429)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Change in fair value of investments in debt instruments at FVTOCI	(21)	228
Exchange difference on translation of associates	<u>(23,922)</u>	<u>—</u>
	<u>(33,208)</u>	<u>(17,201)</u>
Total comprehensive income for the period	<u><u>153,217</u></u>	<u><u>6,075</u></u>
Total comprehensive income/(expense) attributable to:		
Shareholders of the Company	112,638	(6,973)
Non-controlling interests	<u>40,579</u>	<u>13,048</u>
	<u><u>153,217</u></u>	<u><u>6,075</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 September 2021 (Unaudited) HK\$'000	At 31 March 2021 (Audited) HK\$'000
ASSETS			
Non-current assets			
Investment properties		7,945,500	7,789,800
Interests in associates		2,461,824	2,510,172
Debt instruments at FVTOCI		2,029	2,050
Equity instruments designated at FVTOCI		253,204	265,677
Equity instruments at FVTPL		175,778	173,513
Property, plant & equipment		2,383	3,783
Right-of-use assets		1,221	–
Other assets		300	300
		10,842,239	10,745,295
Current assets			
Debtors, advances & prepayments	9	19,839	23,716
Tax recoverable		292	581
Cash & bank balances		232,160	186,826
		252,291	211,123
Total assets		11,094,530	10,956,418
EQUITY			
Share capital		115,404	115,404
Reserves		7,376,175	7,263,537
		7,491,579	7,378,941
Shareholders' funds		7,491,579	7,378,941
Non-controlling interests		1,142,754	1,126,975
		8,634,333	8,505,916
Total equity		8,634,333	8,505,916

		At 30 September 2021 (Unaudited) HK\$'000	At 31 March 2021 (Audited) HK\$'000
	<i>Notes</i>		
LIABILITIES			
Non-current liabilities			
Creditors & other payables	<i>10</i>	36,688	44,989
Secured bank loans		863,500	–
Lease liabilities		764	938
Deferred taxation		79,220	76,235
		<u>980,172</u>	<u>122,162</u>
Current liabilities			
Creditors & other payables	<i>10</i>	53,738	45,703
Secured bank loans		1,417,500	2,281,000
Lease liabilities		344	400
Tax liabilities		8,443	1,237
		<u>1,480,025</u>	<u>2,328,340</u>
Total liabilities		<u>2,460,197</u>	<u>2,450,502</u>
Total equity and liabilities		<u>11,094,530</u>	<u>10,956,418</u>

Notes:

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2021 have been prepared in accordance with applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of amendments to HKFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2021 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2021. Details of the changes in accounting policies are set out below.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of the amendments to HKFRSs in the current period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

3. SEGMENT INFORMATION

Segment information is presented in respect of the Group primary business segment. In accordance with the internal financial reporting of the Group provided to the chief operating decision maker (i.e. Board of Directors) for the purposes of allocating resources to segments, assessing their performance and making strategic decisions, the reportable and operating segments are (i) properties and hotels and (ii) investments and others.

The following are the analyses of the Group's revenue and result; assets and liabilities by reportable and operating segments for the period under review:

Segment Revenue and Result

For the six months ended 30 September 2021 (30 September 2020)

	Properties and hotels		Investments and others		Consolidated	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Segment revenue						
Company and subsidiaries	<u>130,204</u>	<u>130,648</u>	<u>5,030</u>	<u>6,601</u>	<u>135,234</u>	<u>137,249</u>
Segment result	97,470	101,998	4,632	6,167	102,102	108,165
Unallocated corporate expenses					<u>(121)</u>	<u>(117)</u>
Operating profit					101,981	108,048
Share of results of associates	(21,094)	(34,939)	-	-	(21,094)	(34,939)
Change in fair value of investment properties	139,929	(3,635)	-	-	139,929	(3,635)
Change in fair value of investments in equity instruments at FVTPL	2,265	(1,081)	-	-	2,265	(1,081)
Other gains and losses	-	-	(264)	(12)	(264)	(12)
Finance costs					<u>(24,547)</u>	<u>(33,644)</u>
Profit before taxation					<u>198,270</u>	<u>34,737</u>

Segment result represents the profit earned by each segment without allocation of general administrative expenses incurred by corporate office, share of results of associates, change in fair value of investment properties, change in fair value of investments in equity instruments at FVTPL, other gains and losses and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and performance assessment.

Segment Assets and Liabilities

As at 30 September 2021 (31 March 2021)

	Properties and hotels		Investments and others		Consolidated	
	30 September 2021 HK\$'000	31 March 2021 HK\$'000	30 September 2021 HK\$'000	31 March 2021 HK\$'000	30 September 2021 HK\$'000	31 March 2021 HK\$'000
Segment assets	8,311,292	8,176,750	321,414	269,496	8,632,706	8,446,246
Interests in associates	2,461,824	2,510,172	-	-	2,461,824	2,510,172
Consolidated total assets					<u>11,094,530</u>	<u>10,956,418</u>
Segment liabilities	(2,456,756)	(2,446,462)	(1,123)	(2,257)	(2,457,879)	(2,448,719)
Unallocated corporate liabilities					<u>(2,318)</u>	<u>(1,783)</u>
Consolidated total liabilities					<u>(2,460,197)</u>	<u>(2,450,502)</u>

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable and operating segments other than interests in associates.
- all liabilities are allocated to reportable and operating segments other than creditors and other payables of investment holding companies.

Geographical Segments

In geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets. Overseas segments mainly include China, Thailand and Malaysia.

Segment revenue

For the six months ended 30 September 2021 (30 September 2020)

	2021 HK\$'000	2020 HK\$'000
Hong Kong	134,114	135,473
Overseas	<u>1,120</u>	<u>1,776</u>
	<u>135,234</u>	<u>137,249</u>

Segment assets

As at 30 September 2021 (31 March 2021)

	30 September 2021 HK\$'000	31 March 2021 HK\$'000
Hong Kong	8,354,602	8,174,595
Overseas	278,104	271,651
	<u>8,632,706</u>	<u>8,446,246</u>

4. REVENUE

Disaggregation of revenue from contracts with customers by major service lines is as follows:

	2021 HK\$'000	2020 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Property expenses recovery from tenants	19,753	19,147
Revenue from other sources		
Rental income from property leasing	110,451	111,500
Dividend income		
– equity instruments designated at FVTOCI	4,692	4,512
Interest income		
– financial assets at amortized cost	304	2,059
– debt instruments at FVTOCI	34	31
	<u>135,234</u>	<u>137,249</u>

5. PROFIT BEFORE TAXATION

	2021 HK\$'000	2020 HK\$'000
Profit before taxation has been arrived at after charging:		
Interest on bank loans wholly repayable within five years	22,840	33,208
Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	6,440	5,573
Short-term lease payment for directors' quarters	1,560	1,560
Pension scheme contributions	128	128
Auditor's remuneration	300	305
Depreciation	457	340
and after crediting:		
Rental income from property leasing	110,451	111,500
Less: (direct outgoings)/add: other income	(2,266)	392
Listed investment income	4,127	3,240
Unlisted investment income	565	1,272
Interest income	338	2,090
Net exchange gain	3	49

6. TAXATION

	2021			2020		
	Current taxation HK\$'000	Deferred taxation HK\$'000	Total HK\$'000	Current taxation HK\$'000	Deferred taxation HK\$'000	Total HK\$'000
Company and subsidiaries						
Hong Kong	8,861	2,559	11,420	8,840	2,371	11,211
Overseas	—	425	425	—	250	250
	<u>8,861</u>	<u>2,984</u>	<u>11,845</u>	<u>8,840</u>	<u>2,621</u>	<u>11,461</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated Hong Kong source assessable profits for the period. Overseas tax has been provided at the applicable rates in the countries in which the tax is levied.

7. INTERIM DIVIDEND

The Board of Directors declares an interim dividend of HK1.0 cent (2020: nil) per ordinary share, totaling HK\$11,540,000 for the six months ended 30 September 2021 (2020: nil) to shareholders whose names appear on the register of members of the Company at the close of business on 27 January 2022. This amount is not included as a liability in these interim financial statements.

8. EARNINGS PER SHARE

Earnings per share is calculated on profit attributable to ordinary shareholders of the Company amounting to HK\$146,916,000 (2020: HK\$12,038,000) and on 1,154,038,656 shares (2020: 1,154,038,656 shares) in issue during the period.

No diluted earnings per share have been presented for the periods ended 30 September 2021 and 30 September 2020 as the Company had no dilutive potential ordinary shares during both periods.

9. DEBTORS, ADVANCES & PREPAYMENTS

Debtors, advances & prepayments comprised the following:

	30 September 2021 HK\$'000	31 March 2021 HK\$'000
Deferred rental receivables	8,722	11,143
Other deposits and prepayments	9,729	8,055
Debtors	1,388	4,518
	19,839	23,716

Debtors mainly comprise rental receivables. Rent from leasing of investment properties are normally received in advance.

At the reporting date, the aging analysis of the debtors based on the date of invoices and which are past due but not impaired was as follows:

	30 September 2021 HK\$'000	31 March 2021 HK\$'000
0 – 30 days	1,175	4,012
31 – 60 days	173	431
61 – 90 days	2	4
> 90 days	38	71
	1,388	4,518

10. CREDITORS & OTHER PAYABLES

	30 September 2021 HK\$'000	31 March 2021 HK\$'000
Creditors and other payables (due within one year)		
Rental deposits received	31,695	25,194
Accruals	14,794	13,088
Creditors	7,249	7,421
	53,738	45,703
Creditors and other payables (due more than one year)		
Rental deposits received	36,688	44,989
	90,426	90,692

At the reporting date, the aging analysis of the creditors based on the date of the invoices was as follows:

	30 September 2021 HK\$'000	31 March 2021 HK\$'000
0 – 30 days	4,227	5,357
31 – 60 days	1,277	748
61 – 90 days	941	451
> 90 days	804	865
	7,249	7,421

BUSINESS REVIEW

As the world entered its second year of the COVID-19 pandemic, we have seen hugely divergent plans among different countries on how to exit pandemic era policies. Western countries which were hit hard by the pandemic have all rolled out various “living with COVID” exit plans during the summer months of this year. On the other hand, East Asian countries have largely stuck to highly restrictive “zero tolerance” policies through Q3 this year.

In Hong Kong, the domestic economy has been recovering and we have seen falling unemployment on the back of record low interest rate and government subsidies such as the consumption voucher scheme. Mass market residential prices and sales volume had perform strongly during the year, strictly from domestic market demand. However, while the government here has successfully enforced the “zero COVID” policy, there is currently no roadmap on how we will emerge from these restrictions and the continued border closure had been devastating for the hotel and tourism industry. Even the normally resilient office sector has been under pressure, facing falling rents and higher vacancies.

While Thailand successfully contained the pandemic during the early days, the country had struggled to deal with an outbreak of the virus for much of this year due to insufficient vaccine availability. In addition to restrictions on inbound travelers, the government also implemented emergency measures on domestic travels. Although the sand box travel scheme for vaccinated travelers provided some relief to the island of Phuket, the majority of Thailand’s tourism industry remained in the doldrum.

For the six months ended 30 September 2021, total revenues for the Group including share of associates was HK\$149.3 million, compared to HK\$152.1 million during the same period in 2020. The slight drop in total revenues was due mainly to a drop in passive interest income. The Group’s investment properties have been relatively resilient during the period, providing HK\$130.2 million in revenues (2020: HK\$130.6 million). Operating profit was HK\$102.0 million, compared to HK\$108.0 million during the same period in 2020. The drop in operating profit was due to lower passive interest income and higher repairs and maintenance cost for the interim period 2021. With the InterContinental Hong Kong still closed and our hotels in Thailand continuing to struggle under COVID travel restrictions, share of results of associates suffered a loss of HK\$21.1 million (2020: loss of HK\$34.9 million). On the other hand, change in fair value of investment properties recovered to a gain of HK\$139.9 million this period, compared to a loss of HK\$3.6 million for the interim period ended 30 September 2020. For the six months ended 30 September 2021, the Group’s net profit improved substantially to HK\$186.4 million (2020: HK\$23.3 million), of which net profit attributable to shareholders was HK\$146.9 million (2020: HK\$12.0 million).

Property Investments (Hong Kong and Asia)

By Subsidiaries

As of 30 September 2021, the occupancy rate at the Group's investment property Pioneer Place (245,678 sq. ft.) in Kwun Tong, Hong Kong dropped to 87% (30 September 2020: 100%). For the interim reporting period, Pioneer Place contributed rental and related revenues of HK\$30.8 million (2020: HK\$31.7 million) and fair value increase of HK\$20.0 million (2020: no fair value increase).

At the end of September 2021, the Group's 60% owned 68 Yee Wo Street Building (229,200 sq. ft.) in Causeway Bay, Hong Kong has an occupancy rate of 87%, (30 September 2020: 88%). For the six months ended 30 September 2021, the property contributed rental and related revenues of HK\$58.1 million (2020: HK\$60.4 million) and fair value increase of HK\$70.0 million (2020: no fair value increase).

The Club Lusitano Building (80,100 sq. ft.) in Central, Hong Kong has an occupancy rate of 90%, a slight increase compared to an occupancy rate of 88% as of 30 September 2020. For the interim period, the property contributed HK\$30.3 million (2020: HK\$29.6 million) in rental and related revenues and a fair value increase of HK\$34.2 million (2020: decrease of HK\$0.2 million).

The 56,740 sq. ft. commercial podium of Kiu Fat Building (115 – 119 Queen's Road West) in Sai Ying Pun, Hong Kong has an occupancy rate of 100% (30 September 2020: 54%). For the six months ended 30 September 2021, the property contributed HK\$9.9 million (2020: HK\$7.9 million) in rental and related revenues and a fair value increase of HK\$14.0 million (2020: decrease of HK\$5.4 million).

By Associates

The Group has an investment in Shanghai K. Wah Centre (7.7%), China through an associate. As of 30 September 2021, the property enjoys a 100% occupancy rate (30 September 2020: 94%) and the share of associate's results recorded a profit of HK\$6.9 million (2020: HK\$4.4 million).

The Group owns an effective stake of 5.1% in three adjacent commercial buildings in Tokyo, Japan through an associate. The three buildings are the Aoyama Building (400,594 sq. ft.), Mihashi Building (5,419 sq. ft.), and Clover Aoyama Building (9,250 sq. ft.) on Aoyama Dori on top of three subway lines. As of 30 September 2021, the three buildings have occupancy rates of 84%, 91%, and 70% (30 September 2020: 96%, 91% and 70%) respectively. These are relatively lower occupancy for these buildings which have historically enjoyed very high occupancies. We expect to see improvements as Japan has recently dropped its state of emergency restrictions during the last quarter and is now planning to start reopening the country to vaccinated business travelers. During the reporting period, this investment recorded a share of associate's profit of HK\$0.8 million (2020: HK\$6.1 million).

By Equity Instruments

The Group was part of an investment consortium that acquired the Cityplaza Three (half block) and Cityplaza Four in Tai Koo Shing, Hong Kong in 2019. The two adjacent buildings have a total GFA of 792,780 sq. ft. and the Group's investment constituted a 0.9% effective stake in the properties. As of 30 September 2021, the properties have an occupancy rate of 85% (30 September 2020: 98%). This investment recorded a fair value increase of HK\$0.3 million during the period (2020: decrease of HK\$6.8 million).

The Group has an investment in Ciro's Plaza (4.0%) in Shanghai, China through an equity instrument. As of 30 September 2021, the property had an occupancy rate of 87% (30 September 2020: 79%) and the investment recorded a fair value increase of HK\$2.0 million (2020: HK\$5.7 million).

Hotel Investments (Hong Kong and Thailand)

The Group's investments in the hotel industry have all been made through associate companies.

The Group owns 30% in InterContinental Hong Kong and accounts for it as an associate company. The hotel is currently closed for major refurbishment and is planned to be reopened as The Regent Hotel Hong Kong in 2022, re-establishing the original name of the hotel when it was first opened in 1980. The only part of the hotel that remains operational has been the Yan Toh Heen Restaurant. Due to COVID social distancing policies in Hong Kong, business has been challenging especially for Chinese restaurants, where people traditionally prefer larger format meals. As such, the hotel only had revenues of HK\$12.9 million during the six months ended 30 September 2021 (2020: HK\$17.1 million), and suffered an operating loss of HK\$24.7 million during the period (2020: loss of HK\$99.5 million). The share of results from this associate recorded a loss of HK\$17.5 million (compared to HK\$47.1 million loss in 2020).

In Thailand, the Group's two hotels in Bangkok and Pattaya were heavily affected by COVID-19 travel restrictions imposed by the Thai government both for inbound and domestic travelers. For the six months ended 30 September 2021, the Pullman Bangkok Hotel G (owned by the Group's 49.5% owned associate company) had revenues of Baht 56.1 million (HK\$13.3 million equivalent) (2020: Baht 33.4 million, HK\$8.1 million equivalent) and operating loss of Baht 11.4 million (HK\$2.7 million equivalent) (2020: loss of Baht 33.1 million, HK\$8.0 million equivalent), with an average occupancy of 20% (2020: 4%). Though still obviously very challenging, the Pullman Bangkok Hotel G performance improved slightly from the previous year because of increase in inbound quarantine business. During the same period, the Pullman Pattaya Hotel G (held by the Group through the same 49.5% owned associate that holds the Pullman Bangkok Hotel G) had revenues of Baht 30.3 million (HK\$7.2 million equivalent) (2020: Baht 47.9 million, HK\$11.6 million equivalent) and operating loss of Baht 17.9 million (HK\$4.2 million equivalent) (2020: profit of Baht 3.3 million, HK\$0.8 million equivalent), with an average occupancy rate of 17% (2020: 20%). The Pullman Pattaya Hotel G performance dropped from the prior period largely because of Thailand's internal COVID policies restricting domestic travels between provinces. These policies decimated the domestic staycation business which was providing badly needed support to the tourism industry. Due to the aforementioned situation, the share of results of the associate recorded a loss of HK\$10.9 million during the period (2020: profit of HK\$4.1 million).

PROSPECTS

Throughout the summer, leisure travels for destinations which have reopened in US and Europe saw strong demand and provided encouraging signs of how the world will look like if COVID era travel restrictions no longer exist. It is clear that people still enjoy to travel and the pent up demand is strong, albeit business travel will take longer to get back to normal compared to the leisure sector. As this report is being written, many Asian countries including Japan, South Korea, Singapore, Thailand, Malaysia, Australia have all announced or implemented plans to relax travel restrictions. The only major holdout is China (and by extension Hong Kong) which is continuing to steadfastly stick to “zero COVID” strategy. For everywhere outside of China and Hong Kong, we believe that the worst of the pandemic is behind us and people are ready to live with COVID as a part of our world. However, Asia’s travel industry will not fully recover as long as China’s outbound tourism doesn’t resume.

China, with its large domestic economy, seems destined to live with a closed border for a longer period. Hong Kong, on the other hand, is stuck in isolation as China has thus far required strict quarantine for travelers from Hong Kong. At the same time, it has been highly inconvenient for Hong Kong residents to travel to the rest of the world due to our government’s stringent quarantine measures. This has really undermined Hong Kong’s traditional position as the business hub of Asia.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group continued to enjoy a healthy financial position. As at 30 September 2021, the Group had cash and bank balances amounting to HK\$232.2 million (31 March 2021: HK\$186.8 million) together with an undrawn standby banking facility of HK\$50.0 million (31 March 2021: HK\$50.0 million).

As at 30 September 2021, the total bank borrowings of the Group were HK\$2,281.0 million (31 March 2021: HK\$2,281.0 million). The bank loan of Pioneer Place of HK\$600.0 million was re-financed with a 3-year tenor in June 2021 and the bank loan of Club Lusitano Building of HK\$263.5 million was refinanced with a 2-year tenor in September 2021. The Group’s total debt to total assets ratio was 20.6% (31 March 2021: 20.8%) and net debt to total assets ratio was 18.5% (31 March 2021: 19.1%).

There is no foreign currency risk to the Group’s financial liabilities as they are all denominated in Hong Kong dollars. However, the Group has investments in associates operating in Thailand, China and Japan with carrying amounts of HK\$317.0 million, HK\$238.0 million and HK\$132.5 million equivalents respectively as at 30 September 2021 (31 March 2021: HK\$354.3 million, HK\$228.6 million and HK\$135.1 million equivalents respectively). The management will closely monitor the currency market and take any necessary measures to reduce the exposure.

Pledge of Assets

As at 30 September 2021, investment properties with a carrying value of HK\$7,864.1 million (31 March 2021: HK\$7,710.1 million) were pledged to secure bank loan facilities to the extent of HK\$2,281.0 million (31 March 2021: HK\$2,281.0 million) of which all facilities have been fully utilized.

Contingent Liabilities

As at 30 September 2021, the Group had guarantees HK\$1,879.8 million (31 March 2021: HK\$1,879.8 million) given to a bank in respect of banking facilities utilized by subsidiaries.

EMPLOYEES

As at 30 September 2021, the number of salaried staff at the holding company level was 18 (31 March 2021: 18). The Group ensures that its employees' remuneration packages are competitive. Employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

INTERIM DIVIDEND

The Board of Directors recommends the payment of an interim dividend for the six months ended 30 September 2021 at the rate of HK1.0 cent per share (2020: nil), payable on 24 February 2022 to all persons registered as shareholders on 27 January 2022. The transfer books and register of members of the Company will be closed from 25 January 2022 to 27 January 2022 both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 24 January 2022.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the six months ended 30 September 2021, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the shares of the Company.

CORPORATE GOVERNANCE

During the six months ended 30 September 2021, the Company has applied the principles of and complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules.

REVIEW OF INTERIM RESULTS

The Audit Committee comprises three independent non-executive directors, including Dr. Charles Wai Bun Cheung, JP, Mr. Stephen Tan and Mr. Arnold Tin Chee Ip. The Committee has reviewed and recommended for board approval of the unaudited consolidated interim financial statements of the Group for the six months ended 30 September 2021.

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

Hong Kong, 25 November 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 and the independent non-executive directors of the Company are Dr. Charles Wai Bun Cheung, JP, Mr. Stephen Tan and Mr. Arnold Tin Chee Ip.