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

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2022

The Board of Directors of Pioneer Global Group Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2022, together with the comparative figures for the corresponding period in 2021 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the year ended	
		31 March	
	<i>Notes</i>	2022	2021
		HK\$'000	HK\$'000
Revenue	3, 4	263,023	274,383
Properties operating expenses		(45,862)	(39,137)
Staff costs		(20,217)	(20,908)
Depreciation		(920)	(773)
Other expenses		(4,596)	(4,969)
		(71,595)	(65,787)

		For the year ended	
		31 March	
		2022	2021
	<i>Notes</i>	HK\$'000	HK\$'000
Operating profit	3	191,428	208,596
Share of results of associates		23,253	31,303
Change in fair value of investment properties		89,050	204,787
Change in fair value of investments in equity instruments at fair value through profit or loss ("FVTPL")		5,263	(968)
Other gains and losses		(7,901)	64
Finance costs	5	(44,362)	(66,856)
Profit before taxation	6	256,731	376,926
Taxation			
Current	7	(16,832)	(16,443)
Deferred	7	(5,477)	(5,572)
Profit for the year		234,422	354,911
Profit attributable to:			
Shareholders of the Company		211,814	292,529
Non-controlling interests		22,608	62,382
		234,422	354,911
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share	9	18.35	25.35

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended	
	31 March	
	2022	2021
	HK\$'000	HK\$'000
Profit for the year	<u>234,422</u>	<u>354,911</u>
Other comprehensive (expense)/income:		
<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")	(11,582)	34,892
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Change in fair value of investments in debt instruments at FVTOCI	(65)	403
Exchange difference on translation of associates	<u>(10,866)</u>	<u>32,615</u>
Other comprehensive (expense)/income for the year, net of tax	<u>(22,513)</u>	<u>67,910</u>
Total comprehensive income for the year	<u>211,909</u>	<u>422,821</u>
Total comprehensive income attributable to:		
Shareholders of the Company	190,899	351,139
Non-controlling interests	<u>21,010</u>	<u>71,682</u>
	<u>211,909</u>	<u>422,821</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	At 31 March 2022 HK\$'000	At 31 March 2021 HK\$'000
ASSETS			
Non-current assets			
Investment properties		7,895,300	7,789,800
Interests in associates		2,553,828	2,510,172
Debt instruments at FVTOCI		1,985	2,050
Equity instruments designated at FVTOCI		248,934	265,677
Equity instruments at FVTPL		178,774	173,513
Property, plant & equipment		3,157	3,783
Other assets		300	300
		10,882,278	10,745,295
Current assets			
Debtors, advances & prepayments	<i>10</i>	21,855	23,716
Tax recoverable		1,129	581
Cash & bank balances		227,329	186,826
		250,313	211,123
Total assets		11,132,591	10,956,418
EQUITY			
Share capital		115,404	115,404
Reserves		7,442,896	7,263,537
Shareholders' funds		7,558,300	7,378,941
Non-controlling interests		1,115,185	1,126,975
Total equity		8,673,485	8,505,916

		At 31 March 2022 HK\$'000	At 31 March 2021 HK\$'000
	<i>Notes</i>		
LIABILITIES			
Non-current liabilities			
Creditors & other payables	<i>11</i>	34,884	44,989
Secured bank loans		2,281,000	–
Lease liabilities		585	938
Deferred taxation		81,712	76,235
		<u>2,398,181</u>	<u>122,162</u>
Current liabilities			
Creditors & other payables	<i>11</i>	59,511	45,703
Secured bank loans		–	2,281,000
Lease liabilities		353	400
Tax liabilities		1,061	1,237
		<u>60,925</u>	<u>2,328,340</u>
Total liabilities		<u>2,459,106</u>	<u>2,450,502</u>
Total equity and liabilities		<u>11,132,591</u>	<u>10,956,418</u>
Net current assets/(liabilities)		<u>189,388</u>	<u>(2,117,217)</u>
Total assets less current liabilities		<u>11,071,666</u>	<u>8,628,078</u>

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS AND PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation used by the Group in the preparation of the consolidated financial statements are consistent with those used in the consolidated financial statements for the year ended 31 March 2021, except for the changes as set out below.

During the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2021 for the preparation of the consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 ¹

¹ Effective for annual periods beginning on or after 1 January 2022

² Effective for annual periods beginning on or after 1 January 2023

³ Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. SEGMENT INFORMATION

Segment information is presented in respect of the Group's primary business segments. 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 results; assets and liabilities by reportable and operating segments for the year under review:

Segment Revenue and Results

For the year ended 31 March 2022 (31 March 2021)

	Properties and hotels		Investments and others		Consolidated	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Segment revenue						
Company and subsidiaries	<u>254,770</u>	<u>263,644</u>	<u>8,253</u>	<u>10,739</u>	<u>263,023</u>	<u>274,383</u>
Segment results	184,257	198,946	7,326	9,784	191,583	208,730
Unallocated corporate expenses					<u>(155)</u>	<u>(134)</u>
Operating profit					191,428	208,596
Share of results of associates	23,253	31,303	–	–	23,253	31,303
Change in fair value of investment properties	89,050	204,787	–	–	89,050	204,787
Change in fair value of investments in equity instruments at FVTPL	5,263	(968)	–	–	5,263	(968)
Other gains and losses	(7,800)	–	(101)	64	(7,901)	64
Finance costs					<u>(44,362)</u>	<u>(66,856)</u>
Profit before taxation					<u>256,731</u>	<u>376,926</u>

Segment results represent 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 31 March 2022 (31 March 2021)

	Properties and hotels		Investments and others		Consolidated	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Segment assets	8,256,723	8,176,750	322,040	269,496	8,578,763	8,446,246
Interests in associates	2,553,828	2,510,172	–	–	2,553,828	2,510,172
Consolidated total assets					<u>11,132,591</u>	<u>10,956,418</u>
Segment liabilities	(2,456,191)	(2,446,462)	(954)	(2,257)	(2,457,145)	(2,448,719)
Unallocated corporate liabilities					<u>(1,961)</u>	<u>(1,783)</u>
Consolidated total liabilities					<u>(2,459,106)</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. Information about the Group's non-current assets (excluding financial instruments) is presented based on the geographical location of the assets. Overseas segments mainly include China, Thailand, Malaysia and Japan.

Segment revenue

For the year ended 31 March 2022 (31 March 2021)

	2022 HK\$'000	2021 HK\$'000
Hong Kong	260,493	270,738
Overseas	<u>2,530</u>	<u>3,645</u>
	<u>263,023</u>	<u>274,383</u>

Information about the Group's non-current assets

As at 31 March 2022 (31 March 2021)

	2022 HK\$'000	2021 HK\$'000
Hong Kong	9,705,680	9,527,261
Overseas	<u>746,905</u>	<u>776,794</u>
	<u>10,452,585</u>	<u>10,304,055</u>

4. REVENUE

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

	2022 HK\$'000	2021 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Property management service income	37,850	40,723
Revenue from other sources		
Rental income from property leasing	216,920	220,678
Dividend income		
– equity instruments designated at FVTOCI	7,391	7,327
Interest income		
– financial assets at amortized cost	792	2,487
– debt instruments at FVTOCI	70	61
Others	–	3,107
	<u>263,023</u>	<u>274,383</u>

5. FINANCE COSTS

	2022 HK\$'000	2021 HK\$'000
Interest on bank loans	38,017	66,269
Interest on lease liabilities	54	41
Other finance costs	6,291	546
	<u>44,362</u>	<u>66,856</u>

6. PROFIT BEFORE TAXATION

	2022 HK\$'000	2021 HK\$'000
Profit before taxation has been arrived at after charging:		
Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	16,836	17,530
Short-term lease payment for directors' quarters	3,120	3,120
Pension scheme contributions	261	258
Auditor's remuneration	620	600
Depreciation	920	773
and after crediting:		
Rental income from property leasing	216,920	220,678
Less: (direct outgoings)/add: other income	(7,186)	2,675
Listed investment income	5,703	4,587
Unlisted investment income	1,688	2,740
Interest income	862	2,548
Net exchange gain	6	71

7. TAXATION

	Current taxation HK\$'000	2022 Deferred taxation HK\$'000	Total HK\$'000	Current taxation HK\$'000	2021 Deferred taxation HK\$'000	Total HK\$'000
Provision for the year						
Hong Kong	16,822	5,102	21,924	16,529	4,897	21,426
Overseas	–	375	375	–	675	675
Under/(over)-provision in prior years	10	–	10	(86)	–	(86)
	<u>16,832</u>	<u>5,477</u>	<u>22,309</u>	<u>16,443</u>	<u>5,572</u>	<u>22,015</u>

Hong Kong profits tax for both years are calculated at 16.5% of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Overseas tax has been provided at the applicable rates in the countries in which the tax is levied.

8. DIVIDENDS

	2022 HK\$'000	2021 HK\$'000
Interim dividend – HK1.0 cent (2021: Nil) per ordinary share	11,540	–
Final dividend proposed – HK2.0 cents (2021: Nil) per ordinary share	<u>23,081</u>	–
	<u>34,621</u>	–
The dividends which have been paid during the year by cash are as follows:		
Interim for the year ended 31 March 2022 (2021)	11,540	–
Final for the year ended 31 March 2021 (2020)	<u>–</u>	–
	<u>11,540</u>	–

The 2022 final cash dividend of HK2.0 cents (2021: Nil) per ordinary share has been proposed by the Board of Directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

9. EARNINGS PER SHARE

Earnings per share is calculated on profit attributable to ordinary shareholders of the Company amounting to HK\$211,814,000 (2021: HK\$292,529,000) and on 1,154,038,656 shares (2021: 1,154,038,656 shares) in issue during the year.

No diluted earnings per share have been presented for the years ended 31 March 2022 and 31 March 2021 as the Company had no dilutive potential ordinary shares during both years.

10. DEBTORS, ADVANCES & PREPAYMENTS

Debtors, advances & prepayments comprised the following:

	2022 HK\$'000	2021 HK\$'000
Deferred rental receivables	8,408	11,143
Other deposits and prepayments	8,193	8,055
Debtors	<u>5,254</u>	<u>4,518</u>
	<u><u>21,855</u></u>	<u><u>23,716</u></u>

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 was as follows:

	2022 HK\$'000	2021 HK\$'000
0 – 30 days	3,341	4,012
31 – 60 days	1,816	431
61 – 90 days	69	4
> 90 days	<u>28</u>	<u>71</u>
	<u><u>5,254</u></u>	<u><u>4,518</u></u>

11. CREDITORS & OTHER PAYABLES

	2022 HK\$'000	2021 HK\$'000
Creditors and other payables (due within one year)		
Rental deposits received	29,544	25,194
Accruals	21,249	13,088
Creditors	<u>8,718</u>	<u>7,421</u>
	59,511	45,703
Creditors and other payables (due more than one year)		
Rental deposits received	<u>34,884</u>	<u>44,989</u>
	<u>94,395</u>	<u>90,692</u>

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

	2022 HK\$'000	2021 HK\$'000
0 – 30 days	6,232	5,357
31 – 60 days	1,119	748
61 – 90 days	393	451
> 90 days	<u>974</u>	<u>865</u>
	<u>8,718</u>	<u>7,421</u>

12. EVENT AFTER THE REPORTING PERIOD

The Group has the following subsequent event after the end of the reporting period:

On 20 May 2022, Treasure Spot Investments Limited (“Treasure Spot”), a non-wholly owned subsidiary of the Company, as the landlord, entered into the lease agreements with Gaw Capital Advisors Limited (“GCAL”) and Gaw Capital Asset Management (HK) Ltd (“GCAM”), as the tenants, pursuant to which Treasure Spot agreed to lease the partial of 18th and 19th Floors and unit 1001, 10th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong to GCAL and GCAM respectively as office premises for a term of 3 years commencing from 1 July 2022 to 30 June 2025. The transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Details of the transactions were set out in the Company’s announcement dated 20 May 2022.

BUSINESS REVIEW

During the 2021 to 2022 financial year, western countries which were hit hard early in the COVID pandemic emerged first to “live with COVID”. Throughout the 2021 summer months, leisure travel for destinations which have reopened in the US and Europe saw strong demand. While business travel will take longer to get back to normal compared to the leisure sector, it is clear that people still enjoy to travel and pent up demand is strong. Even with the arrival of the more infectious Omicron strain of the COVID virus, travel recovery continued in those western countries throughout the winter months. On the other hand, East Asian countries mostly stuck to highly restrictive “zero COVID” policies until late 2021 to first quarter of 2022. As the western markets reopened back to normalcy, the world faced inflation rates not seen for nearly 40 years. With interest rates poised to go up in the face of high inflation, stock markets have also suffered massive corrections, giving back much of the gains during the past two years.

Up until the beginning of 2022, Hong Kong’s domestic economy has been slowly recovering, with falling unemployment on the back of record low interest rate and government subsidies such as the consumption voucher scheme. Mass market residential prices and sale volume performed strongly during the year. However, the arrival of the “fifth wave” of COVID-19 during the first quarter of 2022 wrecked havoc to the domestic economy. With both the Chinese and international borders remaining closed, the hotel and tourism industry continued to be in the doldrums. Even the normally resilient office sector has been under tremendous pressure. Similar to the general office market in Hong Kong, our investment properties portfolio faced falling rents and higher vacancies.

Like most of Asia, Thailand kept its borders mostly closed in 2021. It wasn’t until the introduction of the quarantine free “Test & Go” scheme at the end of 2021 that tourists started to visit the country again. In 2021, Thailand only had 428,000 international visitors, with more than half of them arriving in the month of December. This compares to nearly 40 million visitors in 2019. Only 13,000 visitors came from Mainland China, in contrast to nearly 11 million in 2019. With this small trickle of visitors arrival, it is no surprise that our hotels in Thailand continued to suffer during this financial year.

During the year ended 31 March 2022, the Group had total revenues of HK\$263.0 million, compared to HK\$274.4 million from the previous year. The slight drop in total revenues was due mainly to the decrease in rental income from our investment properties, resulting from the challenging operating environment in Hong Kong. Operating profit for the year was HK\$191.4 million, compared to HK\$208.6 million during the same period in 2021. The drop in operating profit was due to a decrease in rental income, as well as lower passive interest income and higher repairs and maintenance costs this year. Finance costs were reduced to HK\$44.4 million compared to HK\$66.9 million in the previous period. Share of results of associates had a profit of HK\$23.3 million (2021: HK\$31.3 million). Change in fair value of investment properties resulted in a gain of HK\$89.1 million, a substantial decrease compared to the gain of HK\$204.8 million for the previous year, when the still resilient office sector in Hong Kong saw valuation uplifts from record low interest rates. For the twelve months ended 31 March 2022, the Group’s net profit was HK\$234.4 million (2021: HK\$354.9 million), of which net profit attributable to shareholders was HK\$211.8 million (2021: HK\$292.5 million).

Property Investments (Hong Kong and Asia)

By Subsidiaries

At the end of March 2022, the occupancy rate of the Pioneer Place (245,678 sq. ft.) in Kwun Tong, Hong Kong was 80%, down from 100% in March 2021. For the full year reporting period, Pioneer Place contributed rental and related revenues of HK\$59.5 million (2021: HK\$66.0 million) and no fair value increase (2021: HK\$40.0 million fair value increase).

As of the end of March 2022, the Group's 60% owned 68 Yee Wo Street Building (229,200 sq. ft.) in Causeway Bay, Hong Kong had an occupancy rate of 86% (31 March 2021: 84%). For the twelve months ended 31 March 2022, the property contributed rental and related revenues of HK\$115.1 million (2021: HK\$119.6 million) and no fair value increase (2021: HK\$100.0 million fair value increase).

Occupancy rate of the Club Lusitano Building (80,100 sq. ft.) in Central, Hong Kong dropped to 86%, compared to an occupancy rate of 92% as of end of March 2021. For this fiscal year period, the property contributed HK\$57.4 million (2021: HK\$60.4 million) in rental and related revenues. The Club Lusitano Building completed a major renovation of its carpark and new main lobby areas. Following the completion of the renovation, the property had a fair value increase of HK\$73.6 million (2021: HK\$49.0 million fair value increase).

At the end of the reporting period, the 56,740 sq. ft. commercial podium of Kiu Fat Building (115 – 119 Queen's Road West) in Sai Ying Pun, Hong Kong enjoyed an occupancy rate of 100%, benefiting from the long term leases signed during the previous year. For the year ended 31 March 2022, the property contributed HK\$20.6 million (2021: HK\$15.5 million) in rental and related revenues and a fair value increase of HK\$14.0 million (2021: HK\$10.1 million fair value increase).

By Associates

The Group has an investment in Shanghai K. Wah Centre (7.7%) in China through an associate company. As of 31 March 2022, the property enjoyed a 99% occupancy rate (31 March 2021: 98%) and the share of associate's results recorded a profit of HK\$15.1 million (2021: HK\$8.9 million).

The Group owns an effective stake of 5.1% in three adjacent commercial buildings in Tokyo, Japan through an associate company. 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 31 March 2022, the three buildings had occupancy rates of 97%, 80%, and 70% (31 March 2021: 93%, 91% and 90%) respectively. During the reporting period, this investment recorded a share of associate's loss of HK\$7.9 million (2021: gain of HK\$2.3 million). The share of associate's loss was mainly due to the devaluation of the Japanese Yen.

By Equity Instruments

The Group is part of an investment consortium that owns the Cityplaza Three (half block) and Cityplaza Four in Tai Koo Shing, Hong Kong. The two adjacent buildings have a total GFA of 792,780 sq. ft. and the Group's investment constitutes a 0.9% effective stake in the properties. As of 31 March 2022, the properties had an occupancy rate of 82% (31 March 2021: 85%). This investment recorded a fair value increase of HK\$1.4 million during the period (2021: HK\$12.4 million fair value decrease).

The Group has an investment in Ciro's Plaza (4.0%) in Shanghai, China through an equity instrument. As of 31 March 2022, the property had an occupancy rate of 79% (31 March 2021: 84%) and the investment recorded a fair value increase of HK\$3.9 million (2021: HK\$11.4 million fair value increase).

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 Q4 2022, re-establishing the original name of the hotel when it was first opened in 1980. During renovation, 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 extremely challenging especially for Chinese restaurants, where customers traditionally prefer larger format meals. As a result, the hotel only had revenues of HK\$23.8 million during the fiscal year ended 31 March 2022 (2021: HK\$26.7 million), and suffered an operating loss of HK\$53.1 million during the period (2021: loss of HK\$87.8 million). The higher level of loss in 2021 was due to staff termination costs associated with the closure of the hotel for renovations. The share of results from this associate recorded a gain of HK\$28.3 million (2021: HK\$36.7 million) due to fair value increase by additional investments made for the renovation of the hotel.

In Thailand, the Group's two hotels in Bangkok and Pattaya continued to be negatively affected by COVID-19 travel restrictions imposed by the Thai government both for inbound and domestic travelers. For the twelve months ended 31 March 2022, the Pullman Bangkok Hotel G (owned by the Group's 49.5% owned associate company) had revenues of Baht 154.5 million (HK\$36.2 million equivalent) (2021: Baht 121.2 million, HK\$29.9 million equivalent) and operating loss of Baht 2.6 million (HK\$0.6 million equivalent) (2021: loss of Baht 36.2 million, HK\$8.9 million equivalent), with an average occupancy of 24% (2021: 12%). Though still obviously very challenging and still suffering from operating losses, the Pullman Bangkok Hotel G's performance improved from the previous year because of an 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 134.2 million (HK\$31.4 million equivalent) (2021: Baht 130.7 million, HK\$32.2 million equivalent) and operating profit of Baht 6.4 million (HK\$1.5 million equivalent) (2021: profit of Baht 16.7 million, HK\$4.1 million equivalent), with an average occupancy rate of 32% (2021: 28%). The share of results of the Thai associate recorded a loss of HK\$11.8 million during the period (2021: loss of HK\$4.8 million). The loss of previous financial year was lower due to a hotel fair value increase of HK\$7.8 million whereas there was a hotel fair value decrease of HK\$0.5 million in current period.

PROSPECTS

The strong recovery of the travel sector in the west provides encouraging signs that tourism in Asia can recover as well if COVID travel restrictions no longer exist. At this point in time, almost all Asian countries and Australia/New Zealand have re-opened their borders to international travels, albeit some with added visa or group travel requirements (like Japan). The major exception is China (including Hong Kong and Macau), which is continuing to steadfastly stick to the dynamic zero-COVID policy with a closed border. For everywhere else outside of the Greater China region, we believe that the worst of the pandemic is behind us and people are ready to live with COVID as a part of our natural world. In this context, we are cautiously optimistic that the performance of our Thai hotels will see improvements this year; however, we also believe that full recovery will not come until outbound travels from China resumes.

As our newly renovated Regent Hotel Hong Kong is slated to re-open later this year, Hong Kong's continued border closure is of our major concern. And this is not just about the travel sector. Isolated by the closure of both the international and China borders, Hong Kong's traditional position as the business hub of Asia (and China) has been very seriously undermined. This has been reflected in the challenging leasing environment for the office sector. Unfortunately we do not see any reprieve until our borders can be re-opened again. In light of the lack of a roadmap for the re-opening of Hong Kong, together with a rising interest rate environment, we will continue to adopt our prudent investment policy in this coming year.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group continued to enjoy a healthy financial position. As at 31 March 2022, the Group had cash and bank balances amounting to HK\$227.3 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 31 March 2022, the total bank borrowings of the Group were HK\$2,281.0 million (31 March 2021: HK\$2,281.0 million). All bank loans are classified as non-current liabilities with maturity dates in or after the financial year 2023/24. The Group's total debts to total assets ratio was 20.5% (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\$324.3 million, HK\$241.1 million and HK\$121.6 million equivalents respectively as at 31 March 2022 (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

At the year-end date, investment properties with a carrying value of HK\$7,814.1 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 31 March 2022, the Group had guarantees of HK\$1,879.8 million (31 March 2021: HK\$1,879.8 million) given to a bank in respect of banking facilities utilised by subsidiaries.

EMPLOYEES

As at 31 March 2022, 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.

FINAL DIVIDEND

The Directors recommend the payment of a final dividend of HK2.0 cents (2021: Nil) per share for the year ended 31 March 2022. The proposed dividend is subject to the approval of shareholders at the forthcoming annual general meeting (“AGM”) and payable on 20 October 2022 to all persons registered as shareholders on 30 September 2022.

CLOSURE OF REGISTER OF MEMBERS FOR AGM

The AGM of the Company is scheduled to be held on Wednesday, 21 September 2022. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 16 September 2022 to 21 September 2022, both days inclusive, during which period no transfer of shares will be effected.

In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Registrar, 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 Thursday, 15 September 2022.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDEND

The record date for entitlement to the proposed final dividend is Friday, 30 September 2022. For determining the entitlement to the proposed final dividend for the year ended 31 March 2022, the register of members of the Company will be closed from 27 September 2022 to 30 September 2022, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Registrar, 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, 26 September 2022.

CORPORATE GOVERNANCE

During the year ended 31 March 2022, 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.

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

During the year, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the shares of the Company.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with the management and external auditor the accounting principles and practices adopted by the Group, the risk management and internal control system, the internal audit function and the consolidated financial statements of the Group for the year ended 31 March 2022. The Committee is satisfied with the review and has no disagreement regarding the financial results for the year ended 31 March 2022. The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2022 have also been agreed with the Company's external auditor to the amounts set out in the Group's consolidated financial statements for the financial year.

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

Hong Kong, 27 June 2022

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.