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Pioneer

PIONEER GLOBAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00224)

**MAJOR TRANSACTION:
DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF
AEW VIA CAYMAN 4, LTD.
AND RESUMPTION OF TRADING**

On 23 December 2016, the Vendor, an indirect wholly owned subsidiary of the Company, and the Company, being the Vendor's Guarantor, entered into the Sale and Purchase Agreement with the Purchaser. Pursuant to the Sale and Purchase Agreement, the agreed value of the Property shall be HK\$1.0 billion. The Purchaser agreed to repay the existing bank loan of AEW HK of HK\$240.0 million at Completion and purchase the Sale Share and the benefit of the Shareholder Loan of AEW Cayman at the consideration of approximately HK\$760.0 million.

Pursuant to the Listing Rules, the Disposal constitutes a major transaction of the Company under Rule 14.06(3) of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements. As no Shareholder has any interest in the Sale and Purchase Agreement, none of the Shareholders is required to abstain from voting if the Company was to convene a general meeting for approving the major transaction contemplated under the Sale and Purchase Agreement. In addition, the Company has obtained written approval from a closely allied group of Shareholders who together hold more than 50% in nominal value of the securities giving the right to attend and vote at general meeting to approve the transaction. Accordingly, all the conditions as set out in Rule 14.44 of the Listing Rules are met by the Company and, therefore, the Company shall not be required to hold an extraordinary general meeting for the Shareholders' approval of the transaction.

A circular containing, among others, further details of the transaction will be dispatched to the Shareholders in accordance with the Listing Rules. As additional time is required to compile the information required for the circular, a waiver has been obtained from the Stock Exchange in relation to the strict compliance with Rule 14.41(a) of the Listing Rules and the expected date of dispatch of the circular is postponed to a date on or before 14 February 2017.

RESUMPTION OF TRADING

At the request of the Company, trading of the shares of the Company has been halted with effect from 1:05 p.m. on Friday, 23 December 2016, pending the publication of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the shares of the Company with effect from 9:00 a.m. on Thursday, 29 December 2016.

INTRODUCTION

On 23 December 2016, the Vendor, an indirect wholly owned subsidiary of the Company, and the Company, being the Vendor's Guarantor, entered into the Sale and Purchase Agreement with the Purchaser. Pursuant to the Sale and Purchase Agreement, the agreed value of the Property shall be HK\$1.0 billion. The Purchaser agreed to repay the existing bank loan of AEW HK of HK\$240.0 million at Completion and purchase the Sale Share and the benefit of the Shareholder Loan of AEW Cayman at the consideration of approximately HK\$760.0 million.

SALE AND PURCHASE AGREEMENT

Date

23 December 2016

Parties

- (i) the Vendor: Pine International Limited, a wholly owned subsidiary of the Company;
- (ii) the Vendor's Guarantor: the Company; and
- (iii) the Purchaser: Famous Spirit Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and any connected person of the Company and is not a connected person of the Company.

Assets to be disposed

The Vendor agreed to dispose of the entire issued share capital of AEW Cayman, which consists of one (1) ordinary share of AEW Cayman and the benefit of the loans owing by AEW Cayman to the Vendor as at the Completion. AEW Cayman holds the entire issued share capital of AEW HK and AEW HK directly holds the Property.

Upon Completion, AEW Cayman and AEW HK will cease to be subsidiaries of the Company.

Consideration

The total consideration consists of the sum of:

- (a) the consideration for the Shareholder Loan which shall be an amount equal to the face value of the Shareholder Loan at Completion; and

- (b) the consideration for the Sale Shares which shall be the sum of the agreed Property value of HK\$1.0 billion, less the Shareholder Loan consideration and the existing bank loan of AEW HK of HK\$240.0 million, plus/less certain working capital adjustments.

Payment Terms:

The total consideration for the Sale Share and Shareholder Loan, being approximately HK\$760.0 million, shall be payable by the Purchaser to the Vendor in accordance to the following manners:

- (i) a deposit of HK\$100.0 million was paid by the Purchaser at signing of the Sale and Purchase Agreement; and
- (ii) the balance of the consideration will be paid by the Purchaser at Completion.

The consideration was determined after arm's length negotiation between the Vendor and the Purchaser and with reference to the carrying value of the Sale Share together with the Shareholder Loan as at 31 March 2016.

Major Conditions

Completion of the Sale and Purchase Agreement is subject to and conditional on the following conditions being fulfilled or waived:

- (a) the Purchaser shall repay the existing bank loan of AEW HK of HK\$240.0 million at Completion;
- (b) there having been no breach by the Vendor of any obligations, undertakings, representations and warranties under the Sale and Purchase Agreement; and
- (c) there having been no breach by the Purchaser of any obligations, undertakings, representations and warranties under the Sale and Purchase Agreement.

Completion

Completion of the transaction shall take place on or before 31 March 2017, subject to all of the conditions being fulfilled or waived (or such other date as the parties may agree in writing).

As Completion is subject to the fulfilment and/or waiver of the conditions precedent under the Sale and Purchase Agreement and therefore, may or may not proceed, the Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

INFORMATION ABOUT THE PURCHASER, THE VENDOR AND AEW CAYMAN

The Purchaser is a limited company incorporated in British Virgin Islands which is principally engaged in investment holding.

Each of the Vendor and AEW Cayman is principally engaged in investment holding and is a direct and indirect wholly owned subsidiary of the Company, respectively.

AEW Cayman is the legal and beneficial owner of AEW HK and AEW HK directly owns the Property.

The financial information of AEW Cayman and AEW HK for the two financial years ended 31 March 2015 and 2016 are set out below:

AEW Cayman:

	For the year ended 31 March	
	2015	2016
	(unaudited) <i>HK\$ million</i>	(unaudited) <i>HK\$ million</i>
Revenue	–	–
Profit before taxation	(0.03)	(0.03)
Profit after taxation	(0.03)	(0.03)
Net asset value	(0.34)	(0.37)
Shareholder loan	70.6	59.3

AEW HK:

	For the year ended 31 March	
	2015	2016
	(audited) <i>HK\$ million</i>	(audited) <i>HK\$ million</i>
Revenue	27.4	28.2
Profit before taxation	55.5	37.5
Profit after taxation	52.5	34.4
Net asset value	400.6	435.0
Shareholder loan	70.2	58.9

REASONS AND BENEFITS FOR THE DISPOSAL, USE OF PROCEEDS AND INFORMATION ABOUT THE COMPANY

The Company is principally engaged in property investment and hotel investment, and other investments. The Property was purchased for HK\$523.0 million in September 2011. The market valuation of the Property as of September 2016 was HK\$780.0 million. For the Disposal, after arm's length negotiations, the Purchaser has agreed the Property value to be HK\$1.0 billion. The Group shall record a total fair value increase and capital gain of approximately HK\$470.2 million, of which HK\$220.5 million was already recognized in previous fiscal years and HK\$249.7 million shall be reported in the financial year ending 31 March 2017.

The Board is of the view that this Disposal will crystallize the capital appreciation of the property investment. Also, the Directors (including all the independent non-executive directors) consider that the Disposal has been made on normal commercial terms and that such terms are fair and reasonable and in the interests of the Company and Shareholders as a whole. The consideration will be used to acquire potential investments in the future.

LISTING RULES IMPLICATION

Under the Listing Rules, the Disposal constitutes a major transaction of the Company which is subject to Shareholders' approval. Pursuant to Rule 14.44(2), a written Shareholders' approval has been obtained from the following closely allied group of Shareholders who together hold 55.43% in nominal value of the securities giving the right to attend and vote at general meeting to approve the transaction:

- (1) Forward Investments Inc., wholly owned by the YCK Trust, a discretionary trust, of which Madam Y.C. Koo, the mother of Rossana Wang Gaw (an executive director of the Company) is the sole beneficiary, owns 283,200,215 shares (24.54%) of the Company;
- (2) Intercontinental Enterprises Corporation, wholly owned by the KYC 1991 Trust, a discretionary trust, of which Rossana Wang Gaw (an executive director of the Company) is the sole beneficiary, owns 215,768,260 shares (18.70%) of the Company;
- (3) Vitality Holdings Limited, wholly owned by Rossana Wang Gaw (an executive director of the Company), owns 25,174,731 shares (2.18%) of the Company;
- (4) Rossana Wang Gaw (an executive director of the Company) owns 100,000 shares (0.009%) of the Company;
- (5) Rising Crescent Enterprises Limited, wholly owned by the RGK Trust, a discretionary trust, of which Kenneth Gaw (an executive director of the Company and the son of Rossana Wang Gaw, an executive director of the Company) is the sole beneficiary, owns 41,305,864 shares (3.58%) of the Company;
- (6) Top Elite Company Limited, wholly owned by Kenneth Gaw (an executive director of the Company), owns 12,725,857 shares (1.10%) of the Company; and
- (7) Kenneth Gaw (an executive director of the Company) owns 61,418,428 shares (5.32%) of the Company.

The closely allied group of Shareholders has voted in the same way in all resolutions since they were Shareholders. They have been Shareholders for over 10 years. Such Shareholders and their respective associates have no interest in this major transaction which is different from other Shareholders. The Company confirms that the closely allied group of Shareholders and their ultimate beneficial owners and their respective associates have not dealt and are aware that they must not deal in the Company's securities before information relating this transaction is made available to the public. No Shareholder shall be required to abstain from voting if the Company were to convene a general meeting for the approval of the transaction. The written approval obtained from closely allied group of Shareholders will be in lieu of holding a physical Shareholders' meeting.

A circular containing, among others, further details of the transaction will be dispatched to the Shareholders in accordance with the Listing Rules. As additional time is required to compile the information required for the circular, a waiver has been obtained from the Stock Exchange in relation to the strict compliance with Rule 14.41(a) of the Listing Rules and the expected date of dispatch of the circular is postponed to a date on or before 14 February 2017.

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DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“AEW Cayman”	AEW VIA Cayman 4, Ltd., a company incorporated in the Cayman Islands with limited liability, an indirect wholly owned subsidiary of the Company
“AEW HK”	AEW VIA HK 1 Limited, a limited liability company incorporated in Hong Kong, being the legal and beneficial owner of the Property and an indirect wholly owned subsidiary of the Company
“Board”	the board of Directors
“Company” or “Vendor’s Guarantor”	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
“Completion”	on or before 31 March 2017, subject to all of the conditions being fulfilled or waived or such other date as the parties may agree in writing
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the director(s) of the Company
“Disposal”	the proposed disposal of the Sale Share together with the Shareholder Loan pursuant to the terms of the Sale and Purchase Agreement
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the 24-storey commercial property with a gross area of approximately 70,616 sq. ft. located at 22-26 Bonham Strand, Sheung Wan, Hong Kong

“Purchaser”	Famous Spirit Limited, a company incorporated in the British Virgin Islands with limited liability
“Sale and Purchase Agreement”	the sale and purchase agreement dated 23 December 2016 entered into between the Vendor, the Company and the Purchaser relating to the Disposal
“Sale Share”	the entire issued share capital, being one (1) share of US\$0.01 of AEW Cayman
“Shareholder Loan”	the loan owed by AEW Cayman to the Vendor at Completion
“Shareholder(s)”	holders of shares of the Company
“sq. ft.”	square feet
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Vendor”	Pine International Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 28 December 2016

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.