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**Pioneer**

**PIONEER GLOBAL GROUP LIMITED**

**建生國際集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00224)**

**RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024**

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 2024, together with the comparative figures for the corresponding period in 2023 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

		<b>For the year ended 31 March</b>	
	<i>Notes</i>	<b>2024</b>	<b>2023</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue	3, 4	<b>249,480</b>	238,397
Properties operating expenses		<b>(50,879)</b>	(55,981)
Staff costs		<b>(19,124)</b>	(19,103)
Depreciation		<b>(732)</b>	(830)
Other expenses		<b>(4,234)</b>	(4,922)
		<b>(74,969)</b>	(80,836)

		<b>For the year ended</b>	
		<b>31 March</b>	
		<b>2024</b>	2023
	<i>Notes</i>	<b>HK\$'000</b>	HK\$'000
Operating profit	3	<b>174,511</b>	157,561
Share of results of associates		<b>(102,027)</b>	5,264
Change in fair value of investment properties		<b>(12,000)</b>	5,972
Change in fair value of investments in equity instruments at fair value through profit or loss (“FVTPL”)		<b>(7,580)</b>	(23,043)
Other gains and losses		<b>336</b>	247
Finance costs	5	<b>(121,694)</b>	(68,999)
(Loss)/profit before taxation	6	<b>(68,454)</b>	77,002
Taxation			
Current	7	<b>(2,829)</b>	(8,082)
Deferred	7	<b>21,717</b>	(4,525)
(Loss)/profit for the year		<b>(49,566)</b>	64,395
(Loss)/profit attributable to:			
Shareholders of the Company		<b>(56,169)</b>	59,835
Non-controlling interests		<b>6,603</b>	4,560
		<b>(49,566)</b>	64,395
		<b>HK cents</b>	HK cents
(Loss)/earnings per share	9	<b>(4.87)</b>	5.18

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<b>For the year ended</b>	
	<b>31 March</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
(Loss)/profit for the year	<u><b>(49,566)</b></u>	<u>64,395</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”)	(1,008)	2,487
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Reclassification of investment revaluation reserve upon redemption of debt instruments at FVTOCI	–	(345)
Exchange difference on translation of associates	<u><b>(17,236)</b></u>	<u>(29,428)</u>
Other comprehensive expense for the year, net of tax	<u><b>(18,244)</b></u>	<u>(27,286)</u>
Total comprehensive (expense)/income for the year	<u><b>(67,810)</b></u>	<u>37,109</u>
Total comprehensive (expense)/income attributable to:		
Shareholders of the Company	<b>(75,500)</b>	30,642
Non-controlling interests	<u><b>7,690</b></u>	<u>6,467</u>
	<u><b>(67,810)</b></u>	<u>37,109</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31 March 2024 HK\$'000	At 31 March 2023 HK\$'000
	<i>Notes</i>		
<b>ASSETS</b>			
Non-current assets			
Investment properties		7,891,300	7,903,300
Interests in associates		2,471,177	2,584,702
Equity instruments designated at FVTOCI		173,055	204,384
Equity instruments at FVTPL		150,859	154,924
Property, plant & equipment		2,448	2,350
Other assets		300	300
		<b>10,689,139</b>	10,849,960
Current assets			
Debtors, advances & prepayments	<i>10</i>	28,305	26,960
Tax recoverable		1,201	942
Cash & bank balances		302,502	262,773
		<b>332,008</b>	290,675
<b>Total assets</b>		<b>11,021,147</b>	11,140,635
<b>EQUITY</b>			
Share capital		115,404	115,404
Reserves		7,357,646	7,450,457
		<b>7,473,050</b>	7,565,861
Shareholders' funds		7,473,050	7,565,861
Non-controlling interests		1,113,027	1,105,652
		<b>8,586,077</b>	8,671,513
<b>Total equity</b>		<b>8,586,077</b>	8,671,513

		At 31 March 2024 HK\$'000	At 31 March 2023 HK\$'000
<b>LIABILITIES</b>			
Non-current liabilities			
Creditors & other payables	<i>11</i>	44,759	42,673
Secured bank loans		663,500	1,617,500
Lease liabilities		–	237
Deferred taxation		64,520	86,237
		<u>772,779</u>	<u>1,746,647</u>
Current liabilities			
Creditors & other payables	<i>11</i>	44,764	57,905
Secured bank loans		1,617,500	663,500
Lease liabilities		–	349
Tax liabilities		27	721
		<u>1,662,291</u>	<u>722,475</u>
<b>Total liabilities</b>		<u>2,435,070</u>	<u>2,469,122</u>
<b>Total equity and liabilities</b>		<u>11,021,147</u>	<u>11,140,635</u>
<b>Net current liabilities</b>		<u>(1,330,283)</u>	<u>(431,800)</u>
<b>Total assets less current liabilities</b>		<u>9,358,856</u>	<u>10,418,160</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 2023, 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 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

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.

### 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 2024 (31 March 2023)

	Properties and hotels		Investments and others		Consolidated	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
<b>Segment revenue</b>						
Company and subsidiaries	<b>231,768</b>	224,485	<b>17,712</b>	13,912	<b>249,480</b>	238,397
<b>Segment results</b>	<b>157,763</b>	144,829	<b>16,865</b>	13,104	<b>174,628</b>	157,933
Unallocated corporate expenses					(117)	(372)
Operating profit					<b>174,511</b>	157,561
Share of results of associates	(102,027)	5,264	–	–	(102,027)	5,264
Change in fair value of investment properties	(12,000)	5,972	–	–	(12,000)	5,972
Change in fair value of investments in equity instruments at FVTPL	(7,580)	(23,043)	–	–	(7,580)	(23,043)
Other gains and losses	–	(29)	336	276	336	247
Finance costs					(121,694)	(68,999)
(Loss)/profit before taxation					<b>(68,454)</b>	77,002

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 2024 (31 March 2023)

	Properties and hotels		Investments and others		Consolidated	
	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	8,247,938	8,243,968	302,032	311,965	8,549,970	8,555,933
Interests in associates	2,471,177	2,584,702	-	-	2,471,177	2,584,702
Consolidated total assets					<u>11,021,147</u>	<u>11,140,635</u>
Segment liabilities	(2,431,968)	(2,466,468)	(1,134)	(607)	(2,433,102)	(2,467,075)
Unallocated corporate liabilities					<u>(1,968)</u>	<u>(2,047)</u>
Consolidated total liabilities					<u>(2,435,070)</u>	<u>(2,469,122)</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 2024 (31 March 2023)

	2024	2023
	HK\$'000	HK\$'000
Hong Kong	237,251	233,429
Overseas	<u>12,229</u>	<u>4,968</u>
	<u>249,480</u>	<u>238,397</u>

## Information about the Group's non-current assets

As at 31 March 2024 (31 March 2023)

	2024	2023
	HK\$'000	HK\$'000
Hong Kong	9,677,671	9,732,346
Overseas	<u>687,554</u>	<u>758,306</u>
	<u>10,365,225</u>	<u>10,490,652</u>



#### 4. REVENUE

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

	2024 HK\$'000	2023 HK\$'000
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Property management service income	43,877	35,540
<b>Revenue from other sources</b>		
Rental income from property leasing	187,891	188,945
Dividend income		
– equity instruments designated at FVTOCI	6,776	8,195
Interest income		
– financial assets at amortised cost	10,936	5,321
– debt instruments at FVTOCI	–	21
Others	–	375
	<u>249,480</u>	<u>238,397</u>

#### 5. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Interest on bank loans	120,763	68,963
Interest on lease liabilities	14	36
Other finance costs	917	–
	<u>121,694</u>	<u>68,999</u>

#### 6. (LOSS)/PROFIT BEFORE TAXATION

	2024 HK\$'000	2023 HK\$'000
<b>(Loss)/profit before taxation has been arrived at after charging:</b>		
Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	15,745	15,722
Short-term lease payment for directors' quarters	3,120	3,120
Pension scheme contributions	259	261
Auditor's remuneration	660	645
Depreciation	732	830
Net exchange loss	48	110
<b>and after crediting:</b>		
Rental income from property leasing	187,891	188,945
Less: direct outgoings	(6,215)	(19,587)
Listed investment dividend income	4,257	6,195
Unlisted investment dividend income	2,519	2,000
Interest income	10,936	5,342

## 7. TAXATION

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Current tax		
Hong Kong profits tax		
– current year	2,829	7,961
– under-provision in prior years	–	121
	<u>2,829</u>	<u>8,082</u>
Deferred taxation	<u>(21,717)</u>	<u>4,525</u>
	<u><b>(18,888)</b></u>	<u>12,607</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

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Final dividend proposed – Nil (2023: HK1.5 cents per ordinary share)	<u>–</u>	<u>17,311</u>
The dividends which have been paid during the year by cash are as follows:		
Final dividend for the year ended 31 March 2023 (2022)	<u>17,311</u>	<u>23,081</u>

The Board of Directors does not recommend the payment of a final dividend for the year ended 31 March 2024 (2023: HK1.5 cents per ordinary share).

## 9. (LOSS)/EARNINGS PER SHARE

(Loss)/earnings per share is calculated on loss attributable to ordinary shareholders of the Company amounting to HK\$56,169,000 (2023: profit attributable to ordinary shareholders of the Company amounting to HK\$59,835,000) and on 1,154,038,656 shares (2023: 1,154,038,656 shares) in issue during the year.

No diluted (loss)/earnings per share have been presented for the years ended 31 March 2024 and 2023 as the Company had no dilutive potential ordinary shares during both years.

## 10. DEBTORS, ADVANCES & PREPAYMENTS

Debtors, advances & prepayments comprised the following:

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Deferred rental receivables	<b>10,784</b>	12,396
Other deposits and prepayments	<b>12,497</b>	10,724
Debtors	<b>5,024</b>	3,840
	<b><u>28,305</u></b>	<u>26,960</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 and which are past due was as follows:

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
0 – 30 days	<b>2,559</b>	2,554
31 – 60 days	<b>1,693</b>	404
61 – 90 days	<b>254</b>	305
> 90 days	<b>518</b>	577
	<b><u>5,024</u></b>	<u>3,840</u>

## 11. CREDITORS & OTHER PAYABLES

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Creditors & other payables (due within one year)		
Rental deposits received	<b>12,656</b>	22,936
Accruals & other payables	<b>26,784</b>	29,378
Creditors	<b>5,324</b>	5,591
	<b>44,764</b>	57,905
Creditors and other payables (due more than one year)		
Rental deposits received	<b>44,759</b>	42,673
	<b>89,523</b>	100,578

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

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
0 – 30 days	<b>4,930</b>	3,527
31 – 60 days	<b>320</b>	915
61 – 90 days	<b>25</b>	226
> 90 days	<b>49</b>	923
	<b>5,324</b>	5,591

## BUSINESS REVIEW

The 2023 to 2024 fiscal year continued to be a difficult one for our businesses. Even though the US Fed stopped raising Fed Funds rate in July 2023, the benchmark interest rate continued to remain at a high level as US consumption stayed strong, combined with low unemployment and higher than anticipated inflation. This higher for longer interest rate environment has made it challenging for real estate markets globally, especially the commercial offices sector. The exception is Japan where the Bank of Japan has continued to keep interest rates at a very low level, causing the Japanese Yen to fall to its weakest level in nearly four decades. While the weak Yen has been a boon for tourism and export businesses, it has caused domestic inflation in Japan, and has negatively affected the value of the Group's Japan office investments in foreign currency terms.

Hong Kong's economy has continued to suffer due to geopolitical concerns and slower than expected recovery of the Chinese economy. With the IPO market in the doldrums, Hong Kong's traditional role as China's and Asia's international financial center has not been functioning as it was in the past. Without any clear economic driver, the commercial office sector in Hong Kong has seen continued downward spiral in both occupancy and rental rates. In addition, Hong Kong's strong currency, due to the peg with US Dollars, and the excellent transportation infrastructure linking Hong Kong to China has led to unprecedented northbound consumption by Hong Kong residents in the Greater Bay Area, in turn hurting Hong Kong's own domestic consumption. While Hong Kong's tourism market has been steadily recovering from COVID, it has been slower than expected due to our strong currency and China's own slow economic recovery.

On the other hand, tourism in Thailand is recovering well, with over 27 million visitors in 2023. For 2024, the country is projected to welcome 37 million arrivals, putting it within 90% of the nearly 40 million in 2019. As a result, we are pleased to see our two hotels in Thailand (Bangkok and Pattaya) returning to operating profits and business continuing to ramp up.

In the fiscal year ended 31 March 2024, the Group had revenues of HK\$249.5 million, an increase of 4.7% from HK\$238.4 million in 2023. The growth in revenues was due to higher rental revenues at some of our investment properties (increases from Pioneer Place and Club Lusitano Building, net of a slight decrease at 68 Yee Wo Street Building), increase in property management fees, and increase in interest income due to higher bank deposit rates. During the 2023/2024 reporting period, operating profit was HK\$174.5 million, a 10.7% increase from HK\$157.6 million the year before. In spite of the challenging operating environment, the performance of the Group's investment properties has been quite resilient. However, share of results of associates was a loss of HK\$102.0 million, compared to a gain of HK\$5.3 million during the same period in 2023. This substantial loss was caused by the high interest expense and operating loss of The Regent Hotel Hong Kong (as the hotel started to ramp up to full operations only in March 2024), as well as the depreciation of the Japanese Yen for our investments in Tokyo properties. Change in fair value of investment properties was a decrease of HK\$12.0 million, compared to a gain of HK\$6.0 million the year before. Due to the increase in interest rates, finance costs nearly doubled from HK\$69.0 million (in the year to March 2023) to HK\$121.7 million for this fiscal year period. Despite higher revenues and operating profits from our investment properties, the Group thus suffered net loss of HK\$49.6 million for the twelve months period (2023: profit of HK\$64.4 million), of which net loss attributable to shareholders was HK\$56.2 million (2023: profit of HK\$59.8 million).

## **Property Investments (Hong Kong and Asia)**

### ***By Subsidiaries***

As of 31 March 2024, the occupancy rate of Pioneer Place (245,678 sq. ft.) in Kwun Tong, Hong Kong was 76%, same as it was at the end of the interim period ending September 2023. The substantial supply of new office stock in the East Kowloon district made it the most challenging district in Hong Kong for office leasing, with high vacancies and falling rental rates. For the twelve months fiscal year, Pioneer Place contributed rental and related revenues of HK\$48.2 million, which is an increase from HK\$44.2 million in 2023, and the fair value increased slightly by HK\$1.0 million (2023: increase of HK\$21.0 million).

At the end of March 2024, 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% (September 2023: 86%). While overall occupancy rate was maintained, average rental rates have been dropping throughout the period. For the twelve months ended 31 March 2024, the property had rental and related revenues of HK\$99.5 million (2023: HK\$100.0 million) and a fair value decrease of HK\$10.0 million (2023: decrease of HK\$20.0 million).

For the twelve-month period ended 31 March 2024, the Club Lusitano Building (80,100 sq. ft.) in Central, Hong Kong has an occupancy rate of 92%, which is slightly lower than the 96% occupancy reported in September 2023. During the fiscal year, the property contributed HK\$60.7 million (2023: HK\$56.9 million) in rental and related revenues and no fair value increase (2023: increase of HK\$8.0 million).

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 maintained an occupancy rate of 100% (September 2023: 100%), benefiting from long-term leases. For the twelve-month period, the property contributed HK\$21.2 million (2023: HK\$21.2 million) in rental and related revenues and fair value decrease of HK\$2.6 million (2023: no 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 2024, the property has a healthy occupancy rate of 92% (compared to 94% in September 2023) and the share of associate's results recorded a profit of HK\$8.9 million (2023: HK\$11.0 million).

The Group owned 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. A sale agreement of these three Tokyo properties was signed in March 2024 at a total value of JPY95.0 billion (investment cost: JPY84.0 billion). In the fiscal year, the Group recorded a share of associate's loss of HK\$20.5 million. The loss was the fair value adjustment mainly due to the devaluation of the Japanese Yen. Despite the currency fluctuation, the disposal gain recorded was HK\$12.9 million for the holding period. The Group shall receive cash distributions of JPY1,691.4 million (HK\$84.6 million equivalent) by Q3 2024 from this disposition.

### ***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 2024, the properties had an occupancy rate of 76% (September 2023: 76%). This investment recorded a fair value loss of HK\$5.0 million during the fiscal year (2023: loss of HK\$2.2 million).

The Group has an investment in Ciro's Plaza (4.0%) in Shanghai, China through an equity instrument. As of 31 March 2024, the property had an occupancy rate of 80% (September 2023: 77%) and the investment recorded a fair value loss of HK\$2.6 million (2023: loss of HK\$20.8 million).

### **Hotel Investments (Hong Kong and Asia)**

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

The Group owns 30% in The Regent Hotel Hong Kong. The hotel (previously known as The InterContinental Hong Kong) had been closed for renovation since April 2020 and was partially soft opened as The Regent Hotel Hong Kong in December 2022. During renovation, the only part of the hotel that remained operational had been the Yan Toh Heen Restaurant (now renamed Lai Ching Heen). In late December 2022, the hotel's lobby lounge, Harbourside Restaurant, and The Steak House were opened for business. Since the end of March 2023, guest rooms opened in batches as they were turned over by contractors. By March 2024, 495 out of 497 guest rooms (except for 2 speciality suites) became available for operation. The 2 speciality suites were also completed in April 2024. During the fiscal year, the hotel had an average occupancy rate of 45% based on available inventory and an average daily room rate of HK\$4,212 for the rooms that were opened. While the hotel's operations are still ramping up, reviews from customers on the new restaurants and hotel rooms have been very positive. For the year ended 31 March 2024, the hotel had revenues of HK\$564.6 million (2023: HK\$77.3 million) and operating loss of HK\$23.5 million (2023: loss of HK\$149.3 million). The hotel is still running at an operating loss because of the partial availability of rooms during the year while staff count has already been ramped up to prepare for full opening. For the fiscal year period, the share of results from this associate recorded a loss of HK\$137.1 million (2023: loss of HK\$50.8 million) mainly due to higher loan interest rate, pre-opening expenses, operating losses and property fair value adjustment.

In 2023 and the first quarter of 2024, the recovery of Thailand's tourism industry continued, and the performance of our two Thai hotels both improved substantially during the period. For the twelve months ended 31 March 2024, the Pullman Bangkok Hotel G (owned by the Group's 49.5% owned associate company) had revenues of Baht 542.7 million (HK\$118.4 million equivalent) (2023: Baht 400.7 million, HK\$91.0 million equivalent) and operating profit of Baht 178.3 million (HK\$38.9 million equivalent) (2023: Baht 113.3 million, HK\$25.7 million equivalent), with an average occupancy of 76% (2023: 55%). During the same fiscal 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 420.8 million (HK\$91.8 million equivalent) (2023: Baht 346.2 million, HK\$78.6 million equivalent) and operating profit of Baht 147.8 million (HK\$32.2 million equivalent) (2023: Baht 112.8 million, HK\$25.6 million equivalent), with an average occupancy rate of 79% (2023: 73%). The share of results of the Thai associate recorded a profit of HK\$19.0 million (2023: HK\$38.8 million) during the year.

The Group owned an unlisted associate company (43.2% owned by the Group), Strand Hotels International Limited (“SHI”), which was in a 50/50 joint venture with the government of Myanmar to own and operate three hotels in Yangon – the Strand Hotel, the Inya Lake Hotel, and the Hotel G Yangon. SHI also owned the “Strand Cruise”, which is a luxury river cruise ship with 27 cabins operating in the Ayeyarwady River in Myanmar. The hotel and cruise businesses were badly affected in past years due to the international sanctions on Myanmar. During the fiscal year, the holding companies of both the hotels and the Strand Cruise were sold. The Group received a cash distribution of US\$8.9 million and recorded a share of associate’s profit of HK\$27.6 million.

## **PROSPECTS**

China and Hong Kong are both currently navigating a complex and challenging economic landscape. In China, market confidence and economic growth are under pressure due to a prolonged property crisis and ongoing global trade tensions. The Chinese government is taking proactive steps to mitigate these issues; by lowering borrowing costs and implementing various policy stimuli, authorities aim to reignite market confidence and restore growth momentum. Hong Kong, intrinsically linked to China’s economic health, is similarly facing unprecedented headwinds. Slower growth in China and heightened geopolitical uncertainties have weighed on Hong Kong’s economic prospects. In particular, the office sector will continue to face challenges until the recovery of our economy, especially the finance sector such as the return of large IPOs in Hong Kong. However, the removal of stringent property cooling measures, or “spicy” measures, by the Government of HKSAR in February this year has provided a much-needed boost to the residential property market. This policy shift has led to a substantial increase in transaction volumes, offering hope for the city’s beleaguered residential property sector. Another uplift will hopefully come soon on the monetary front, as interest rates seem to have peaked globally. While the US Federal Reserve has maintained higher rates for a longer period than expected, some major central banks, such as those in Europe and Canada, have recently begun cutting rates, signalling the start of a new interest rate cycle. Lower interest rate cycle will not only lower finance costs, but provide much needed support to capital value of investment properties.

The recovery of the hotel and tourism sector in Hong Kong has been ongoing since the reopening of borders in 2023. While arrivals have been increasing, the recovery has been weaker than expected, primarily due to slower return of Chinese outbound travellers. In 2024, the government is projecting 46 million visitors for the year, a 35% increase over 2023, but representing only 70% of the number in 2018 (the last “normal” year before the anti-government protests and pre-COVID). While The Regent Hotel Hong Kong has been well received with industry accolades (e.g. the hotel recently won the award as Best Hotel in Hong Kong from Travel & Leisure Asia Pacific), the continued improvement of the travel sector will be crucial for our ramp-up plans.



Thailand's tourism sector has been recovering well, with projected arrivals in 2024 expected to reach more than 90% of 2019 level. Even though Chinese outbound sector has not returned to full capacity, the country has seen strong pick-up from other markets. This is a positive development as Thailand grows to a more diversified visitor base. Our hotels in Thailand have been performing satisfactorily and we are optimistic that the strong recovery will continue in 2024-2025 in spite of the new supply in the market.

Due to high interest cost and slower recovery of Hong Kong's inbound travel market, the Group anticipates that The Regent Hotel Hong Kong will require additional funds to cover negative cashflow. In order to conserve capital, no final dividend will be paid this year.

## **FINANCIAL REVIEW**

### **Liquidity and Financial Resources**

The Group continued to enjoy a healthy financial position. As at 31 March 2024, the Group had cash and bank balances amounting to HK\$302.5 million (31 March 2023: HK\$262.8 million) together with an undrawn standby banking facility of HK\$50.0 million (31 March 2023: HK\$50.0 million).

As at 31 March 2024, the total bank borrowings of the Group were HK\$2,281.0 million (31 March 2023: HK\$2,281.0 million). The bank loan of Pioneer Place Building of HK\$600.0 million will be re-financed in June 2024 and the bank loan of 68 Yee Wo Street Building of HK\$1,017.5 million will be re-financed in February 2025. The Group's total debts to total assets ratio was 20.7% (31 March 2023: 20.5%) and net debt to total assets ratio was 18.0% (31 March 2023: 18.1%).

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\$361.8 million, HK\$207.3 million and HK\$89.3 million equivalents respectively as at 31 March 2024 (31 March 2023: HK\$356.4 million, HK\$219.8 million and HK\$110.7 million equivalents respectively). The Group also has equity instrument investments in Malaysia and China denominated in Malaysian ringgit and Renminbi with fair value of HK\$124.4 million and HK\$65.7 million equivalents respectively as at 31 March 2024 (31 March 2023: HK\$121.3 million and HK\$68.3 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\$7,813.5 million (31 March 2023: HK\$7,825.1 million) were pledged to secure bank loan facilities to the extent of HK\$2,281.0 million (31 March 2023: HK\$2,281.0 million) of which all facilities have been fully utilized.

## **Contingent Liabilities**

As at 31 March 2024, the Group had guarantees of HK\$1,879.8 million (31 March 2023: HK\$1,879.8 million) given to banks in respect of banking facilities utilised by subsidiaries.

## **EMPLOYEES**

As at 31 March 2024, the number of salaried staff at the holding company level was 18 (31 March 2023: 17). 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 Board of Directors does not recommend the payment of a final dividend for the year ended 31 March 2024 (2023: HK1.5 cents per ordinary share).

## **CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING (“AGM”)**

The AGM of the Company is scheduled to be held on Tuesday, 10 September 2024. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 6 September 2024 to 10 September 2024, 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, 5 September 2024.

## **CORPORATE GOVERNANCE**

The Company is committed to maintain high standards of corporate governance to protect the interests of its shareholders and to enhance corporate value and accountability.

The Company has adopted the principles and the corporate governance code (the “CG Code”) set out in Part 2 of Appendix 14 of the Listing Rules. The Company has complied with all the code provisions set out in the CG Code throughout the year under review.

## **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.

## **SCOPE OF WORK OF MESSRS. CHENG & CHENG LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. CHENG & CHENG LIMITED, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. CHENG & CHENG LIMITED in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. CHENG & CHENG LIMITED on the preliminary announcement.

## **AUDIT COMMITTEE REVIEW**

The Audit Committee has reviewed with the management of the Company 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 for the year ended 31 March 2024.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

The annual results announcement is published on the websites of the Company ([www.pioneerglobalgroup.com](http://www.pioneerglobalgroup.com)) and the Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). The Company's 2024 annual report will be published on the abovementioned websites in due course.

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

Hong Kong, 25 June 2024

*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, Mr. Arnold Tin Chee Ip and Mr. Kin Chan.*

\* *For identification purposes only*