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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 2025

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 2025, together with the comparative figures for the corresponding period in 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the year ended 31 March	
		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	3, 4	<u>239,931</u>	<u>249,480</u>
Properties operating expenses		(49,008)	(50,879)
Staff costs		(19,727)	(19,124)
Depreciation		(490)	(732)
Other expenses		<u>(4,045)</u>	<u>(4,234)</u>
		<u>(73,270)</u>	<u>(74,969)</u>

		For the year ended	
		31 March	
		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
Operating profit	3	166,661	174,511
Share of results of associates		(109,301)	(102,027)
Change in fair value of investment properties		(34,012)	(12,000)
Change in fair value of investments in equity instruments at fair value through profit or loss (“FVTPL”)		(64,347)	(7,580)
Other gains and losses		(93)	336
Finance costs	5	(120,389)	(121,694)
Loss before taxation	6	(161,481)	(68,454)
Taxation			
Current	7	(2,507)	(2,829)
Deferred	7	678	21,717
Loss for the year		(163,310)	(49,566)
Loss attributable to:			
Shareholders of the Company		(161,696)	(56,169)
Non-controlling interests		(1,614)	6,603
		(163,310)	(49,566)
		HK cents	HK cents
Loss per share	9	(14.01)	(4.87)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended	
	31 March	
	2025	2024
	HK\$'000	HK\$'000
Loss for the year	<u>(163,310)</u>	<u>(49,566)</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")	10,100	(1,008)
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange difference on translation of associates	<u>3,840</u>	<u>(17,236)</u>
Other comprehensive income/(expense) for the year, net of tax	<u>13,940</u>	<u>(18,244)</u>
Total comprehensive expense for the year	<u>(149,370)</u>	<u>(67,810)</u>
Total comprehensive expense attributable to:		
Shareholders of the Company	(149,544)	(75,500)
Non-controlling interests	<u>174</u>	<u>7,690</u>
	<u>(149,370)</u>	<u>(67,810)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31 March 2025 HK\$'000	At 31 March 2024 HK\$'000
	<i>Notes</i>		
ASSETS			
Non-current assets			
Investment properties		7,857,288	7,891,300
Interests in associates		2,329,454	2,471,177
Equity instruments designated at FVTOCI		179,324	173,055
Equity instruments at FVTPL		86,511	150,859
Property, plant & equipment		1,976	2,448
Other assets		300	300
		<u>10,454,853</u>	<u>10,689,139</u>
Current assets			
Debtors, advances & prepayments	10	25,333	28,305
Tax recoverable		1,263	1,201
Cash & bank balances		389,634	302,502
		<u>416,230</u>	<u>332,008</u>
Total assets		<u>10,871,083</u>	<u>11,021,147</u>
EQUITY			
Share capital		115,404	115,404
Reserves		7,208,102	7,357,646
Shareholders' funds		7,323,506	7,473,050
Non-controlling interests		1,112,694	1,113,027
Total equity		<u>8,436,200</u>	<u>8,586,077</u>

		At 31 March 2025 HK\$'000	At 31 March 2024 HK\$'000
	<i>Notes</i>		
LIABILITIES			
Non-current liabilities			
Creditors & other payables	11	30,315	44,759
Secured bank loans		2,223,117	663,500
Deferred tax liabilities		63,842	64,520
		<u>2,317,274</u>	<u>772,779</u>
Current liabilities			
Creditors & other payables	11	58,776	44,764
Secured bank loans		57,883	1,617,500
Tax liabilities		950	27
		<u>117,609</u>	<u>1,662,291</u>
Total liabilities		<u>2,434,883</u>	<u>2,435,070</u>
Total equity and liabilities		<u>10,871,083</u>	<u>11,021,147</u>
Net current assets/(liabilities)		<u>298,621</u>	<u>(1,330,283)</u>
Total assets less current liabilities		<u>10,753,474</u>	<u>9,358,856</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 2024, 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 2024 for the preparation of the consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

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 2025 (31 March 2024)

	Properties and hotels		Investments and others		Consolidated	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue	212,195	231,768	27,736	17,712	239,931	249,480
Segment results	140,117	157,763	26,659	16,865	166,776	174,628
Unallocated corporate expenses					(115)	(117)
Operating profit					166,661	174,511
Share of results of associates	(109,301)	(102,027)	–	–	(109,301)	(102,027)
Change in fair value of investment properties	(34,012)	(12,000)	–	–	(34,012)	(12,000)
Change in fair value of investments in equity instruments at FVTPL	(64,347)	(7,580)	–	–	(64,347)	(7,580)
Other gains and losses	–	–	(93)	336	(93)	336
Finance costs					(120,389)	(121,694)
Loss before taxation					(161,481)	(68,454)

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 2025 (31 March 2024)

	Properties and hotels		Investments and others		Consolidated	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	8,164,645	8,247,938	376,984	302,032	8,541,629	8,549,970
Interests in associates	2,329,454	2,471,177	–	–	2,329,454	2,471,177
Consolidated total assets					<u>10,871,083</u>	<u>11,021,147</u>
Segment liabilities	(2,433,394)	(2,431,968)	(22)	(1,134)	(2,433,416)	(2,433,102)
Unallocated corporate liabilities					<u>(1,467)</u>	<u>(1,968)</u>
Consolidated total liabilities					<u>(2,434,883)</u>	<u>(2,435,070)</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 2025 (31 March 2024)

	2025	2024
	HK\$'000	HK\$'000
Hong Kong	215,664	237,251
Overseas	<u>24,267</u>	<u>12,229</u>
	<u>239,931</u>	<u>249,480</u>

Information about the Group's non-current assets

As at 31 March 2025 (31 March 2024)

	2025	2024
	HK\$'000	HK\$'000
Hong Kong	9,556,646	9,677,671
Overseas	<u>632,372</u>	<u>687,554</u>
	<u>10,189,018</u>	<u>10,365,225</u>

4. REVENUE

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

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Property management service income	39,640	43,877
Revenue from other sources		
Rental income from property leasing	172,555	187,891
Dividend income from equity instruments designated at FVTOCI	13,361	6,776
Interest income from financial assets at amortised cost	14,375	10,936
	239,931	249,480

5. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on bank loans	119,522	120,763
Interest on lease liabilities	–	14
Other finance costs	867	917
	120,389	121,694

6. LOSS BEFORE TAXATION

	2025 HK\$'000	2024 HK\$'000
Loss before taxation has been arrived at after charging:		
Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	16,348	15,745
Short-term lease payment for directors' quarters	3,120	3,120
Pension scheme contributions	259	259
Auditor's remuneration	660	660
Depreciation	490	732
Net exchange loss	115	48
and after crediting:		
Rental income from property leasing	172,555	187,891
Less: direct outgoings	(8,693)	(6,215)
Listed investment dividend income	1,930	4,257
Unlisted investment dividend income	11,431	2,519
Interest income	14,375	10,936

7. TAXATION

	2025 HK\$'000	2024 HK\$'000
Current tax		
Hong Kong profits tax	2,507	2,829
Deferred tax	(678)	(21,717)
	<u>1,829</u>	<u>(18,888)</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

	2025 HK\$'000	2024 HK\$'000
The dividends which have been paid during the year by cash are as follows:		
Final dividend for the year ended 31 March 2024 (2023)	<u>–</u>	<u>17,311</u>

The Board of Directors does not recommend the payment of a final dividend for the year ended 31 March 2025 (2024: Nil).

9. LOSS PER SHARE

Loss per share is calculated on loss attributable to ordinary shareholders of the Company amounting to HK\$161,696,000 (2024: HK\$56,169,000) and on 1,154,038,656 shares (2024: 1,154,038,656 shares) in issue during the year.

No diluted loss per share have been presented for the years ended 31 March 2025 and 2024 as the Company had no dilutive potential ordinary shares during both years.

10. DEBTORS, ADVANCES & PREPAYMENTS

Debtors, advances & prepayments comprised the following:

	2025 HK\$'000	2024 HK\$'000
Deferred rental receivables	11,422	10,784
Other deposits and prepayments	10,681	12,497
Debtors	3,230	5,024
	<u>25,333</u>	<u>28,305</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:

	2025 HK\$'000	2024 HK\$'000
0 – 30 days	1,966	2,559
31 – 60 days	528	1,693
61 – 90 days	172	254
> 90 days	564	518
	<u>3,230</u>	<u>5,024</u>

11. CREDITORS & OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Creditors & other payables (due within one year)		
Rental deposits received	25,135	12,656
Accruals and other payables	30,573	26,784
Creditors	3,068	5,324
	<u>58,776</u>	<u>44,764</u>
Creditors and other payables (due more than one year)		
Rental deposits received	30,315	44,759
	<u>89,091</u>	<u>89,523</u>

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

	2025	2024
	HK\$'000	HK\$'000
0 – 30 days	2,564	4,930
31 – 60 days	427	320
61 – 90 days	42	25
> 90 days	35	49
	<hr/> 3,068	<hr/> 5,324

12. EVENT AFTER THE REPORTING DATE

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

Treasure Spot Investments Limited (“Treasure Spot”), a non-wholly owned subsidiary of the Company, as the landlord, leased partial of 18th and 19th Floors and unit 1001, 10th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong to Gaw Capital Advisors Limited (“GCAL”) and Gaw Capital Asset Management (HK) Ltd (“GCAM”), respectively, for office use under 3-year lease agreements from 1 July 2022 to 30 June 2025. On 23 May 2025, Treasure Spot renewed the lease agreements with GCAL and GCAM respectively for another 3-year terms from 1 July 2025 to 30 June 2028. 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 23 May 2025.

BUSINESS REVIEW

During the fiscal year 2024/2025, Hong Kong's economy has been marked by incremental improvements in some sectors but continued headwinds in others. The lingering effects of high interest rates, structural shifts in the office market, and a slower-than-expected rebound in tourism have weighed on the economy, though policy adjustments and external developments have provided some welcomed relief.

The US Federal Reserve's decision in September 2024 to cut interest rates by 50 basis points (plus another 25 basis points cut in November 2024) provided much-needed relief to Hong Kong's interest-rate-sensitive economy. However, borrowing costs remained elevated for most of the fiscal year, continuing to suppress investment sentiment in the commercial real estate sector. Office vacancy rates stayed high, and rental declines persisted, particularly in non-core business districts. The Group's Hong Kong investment properties faced valuation pressures, though leasing activity shows early signs of stabilization especially in core Central district.

The residential market, on the other hand, experienced a notable rebound following the Hong Kong government's removal of all property cooling measures in February 2024. Transaction volumes surged, particularly in the mass to mid-range segments, as pent-up demand was unleashed, both from local residents and new immigrants. Even the luxury sector appeared to have found a bottom as some large size transactions resumed. While transaction prices were at substantial discounts to previous peak, the policy shift restored liquidity and improved market confidence, bringing a positive development for the broader economy.

Hong Kong's tourism recovery remained subdued, with full-year 2024 arrivals reaching only approximately 70% of pre-COVID (2018) levels. While mainland Chinese visitors continued to dominate, their average length of stay has shortened and spending patterns shifted toward more budget-conscious travel, impacting average room rates and occupancy especially for the luxury hotel sector. The ramping up of our Regent Hotel in Hong Kong has therefore been slower than expected, reflecting these broader industry trends. Whilst the government's efforts to boost tourism, including mega-event promotions and relaxed visa policies for key markets, have been helpful, they have yet to yield a full rebound. The lack of high-spending, long-stay visitors remains a concern, though the normalization of international flights and conventions in 2025 provides hope for a more balanced recovery.

Thailand's hospitality sector outperformed expectations, with full-year 2024 arrivals nearing 90% of 2019 levels. While Chinese tourist numbers remained below historical highs, strong demand from other countries helped diversify the market and sustain growth. Our Thai hotels have benefited from these industry trends, with both exceeding operational and financial targets for the year.

For the twelve months ended 31 March 2025, the Group had revenues of HK\$239.9 million, a slight decline of 3.8% from last year's revenues of HK\$249.5 million. The drop in revenues was due to lower rental revenues from our investment properties. During the twelve months reporting period, operating profit was HK\$166.7 million, a decrease of 4.5% from HK\$174.5 million the year before. Despite stronger performance by our Thai hotels, the overall share of results of associates still recorded with a loss of HK\$109.3 million, compared to a loss of HK\$102.0 million during the same period in 2024. This was mainly attributable to the share of losses of HK\$149.3 million allocated from our 30% ownership in The Regent Hong Kong, which included a decline in fair value of the hotel of HK\$94.1 million. Fair value of investment properties decreased by HK\$34.0 million, compared to a decrease of HK\$12.0 million during the same period in 2024. This year there was also a substantial write down in the equity values of our investments in Shanghai Ciro's Plaza and Cityplaza 3&4 in Hong Kong, resulting in a HK\$64.3 million fair value decline under equity instruments at fair value through profit or loss. While much of these decline in fair values and write downs were non-cash in nature, they reflected the challenging operating environment we faced. As a result, despite the strong performance by our Thai hotels and relatively stable operating profits generated by our investment properties, the Group suffered a net loss of HK\$163.3 million for the fiscal year ending 31 March 2025 (2024: loss of HK\$49.6 million), of which net loss attributable to shareholders was HK\$161.7 million (2024: loss of HK\$56.2 million).

Property Investments (Hong Kong and Asia)

By Subsidiaries

As of 31 March 2025, the occupancy rate of Pioneer Place (245,678 sq. ft.) in Kwun Tong, Hong Kong was 76% (March 2024 occupancy rate: 76%). Due to a substantial supply of new office stock in the area, the East Kowloon district had been the most challenging district in Hong Kong for office leasing, with high vacancies and falling rental rates. For the twelve months reporting period, Pioneer Place contributed rental and related revenues of HK\$44.0 million (2024: HK\$48.2 million) and a fair value decrease of HK\$7.0 million (2024: a fair value increase of HK\$1.0 million).

At the end of March 2025, the Group's 60% owned 68 Yee Wo Street Building (227,118 sq. ft.) in Causeway Bay, Hong Kong had an occupancy rate of 81% (March 2024: 86%). The decrease in occupancy was mainly due to the cessation of business of PHYSICAL Fitness & Beauty in early September 2024, which occupied two floors of our property. In October 2024, one of the floors has been taken up by a new operator. For the fiscal year ended 31 March 2025, the property had rental and related revenues of HK\$94.2 million (2024: HK\$99.5 million) and a fair value decrease of HK\$17.0 million (2024: a fair value decrease of HK\$10.0 million).

For the twelve months period ended 31 March 2025, the Club Lusitano Building (80,140 sq. ft.) in Central, Hong Kong had an occupancy rate of 92% (March 2024: 92%). During the fiscal year period, the property contributed HK\$51.0 million (2024: HK\$60.7 million) in rental and related revenues and its fair value decreased by HK\$5.0 million (2024: no fair value increase).

At the end of March 2025, 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% (March 2024: 100%), benefiting from long-term leases. For the reporting period, the property contributed HK\$21.0 million (2024: HK\$21.2 million) in rental and related revenues and a decline in fair value of HK\$4.5 million (2024: fair value decrease of HK\$2.6 million).

By Associates

The Group has an investment in Shanghai K. Wah Centre (7.7%) in China through an associate company. As of 31 March 2025, the property had an occupancy rate of 80% (compared to 92% in March 2024) and the share of associate’s results recorded a profit of HK\$8.5 million (2024: HK\$8.9 million) before foreign exchange difference.

The Group owned an effective stake of 5.1% in three adjacent commercial buildings in Tokyo, Japan through an associate company. The sale of properties was signed in March 2024. The full proceeds of JPY1,734.8 million (HK\$88.5 million equivalent) were received in the reporting period, while the historical cost was about HK\$71.6 million).

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 2025, the properties had an occupancy rate of 74% (March 2024: 76%). This investment recorded an equity value loss of HK\$27.6 million during the period (2024: loss of HK\$5.0 million) due mainly to lower valuation reflecting the deteriorating Hong Kong office sector.

The Group has an investment in Ciro’s Plaza (4.0%) in Shanghai, China through an equity instrument. This investment recorded an equity value loss of HK\$36.7 million (2024: loss of HK\$2.6 million) due to the uncertainty surrounding the refinancing of the property’s debts and the very poor commercial property market in Shanghai.

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 Hong Kong. After a complete renovation, the hotel was partially soft opened in December 2022, and all of the 497 rooms had been reopened since February 2024. During the twelve months ended 31 March 2025, the hotel had revenues of HK\$840.7 million (2024: HK\$564.6 million) and operating profit of HK\$131.5 million (2024: loss of HK\$23.5 million). Due to the slow recovery of the hotel and tourism industry in Hong Kong, the hotel's ramp up from the re-opening period was also slower than expected, with average occupancy rate of 51% (2024: 45%) during the fiscal period. While the performance was a substantial improvement from the soft-opening period in 2023/2024, it was still well short of covering the bank loan interest of HK\$269.4 million during the period. In addition, the Group's share in the fair value of the property also decreased by HK\$94.1 million. As a result, the share of results from this associate recorded a loss of HK\$149.3 million (2024: loss of HK\$137.1 million).

As noted in the Business Review section, the Group's hotels in Thailand have performed well, with all matrices on the rise. For the twelve months ended 31 March 2025, the Pullman Bangkok Hotel G (owned by the Group's 49.5% owned associate company) had revenues of Baht 588.3 million (HK\$132.7 million equivalent), up from Baht 542.7 million (HK\$118.4 million equivalent) in 2024. Operating profit was Baht 213.6 million (HK\$48.2 million equivalent), a 19.8% increase from Baht 178.3 million (HK\$38.9 million equivalent) the year before. Average occupancy also increased from 76% in 2024 to 83% for the fiscal year. 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 437.3 million (HK\$98.7 million equivalent), up from Baht 420.8 million (HK\$91.8 million equivalent) in 2024. Likewise, operating profit rose from Baht 147.8 million (HK\$32.2 million equivalent) in 2024 to Baht 157.2 million (HK\$35.5 million equivalent) during the fiscal year, with an average occupancy rate of 80% (2024: 79%). The share of results of the Thai associate recorded a profit of HK\$32.3 million (2024: HK\$19.0 million).

PROSPECTS

As we look ahead, the economic landscape presents both challenges and promising developments across our key markets. In China, we are witnessing a significant transformation driven by technological innovation and policy shifts. The remarkable rise of DeepSeek and other Chinese AI leaders has reinvigorated global investor interest in the country's tech sector, sparking substantial capital expenditures in AI infrastructure that are creating ripple effects throughout the economy. These technological advancements are expected to deliver tangible efficiency gains across multiple industries, helping drive long term economic growth for the country. This technological revolution also coincides with the Central Government's concerted efforts to re-engage with private enterprises and entrepreneurs, which are critical to bring back investment confidence for both domestic and international businesses.

In Hong Kong, we are seeing encouraging signs of recovery across several sectors. The residential property market appears to have bottomed out, with transaction volumes and prices stabilizing thanks to the complete removal of property cooling measures and falling interest rates. Furthermore, the territory's financial sector has received a significant boost from the resurgence of its IPO market, which reclaimed its position as the world's top equity fundraising hub in the first half of 2025. This revival could serve as a catalyst for the recovery of the commercial office sector, though we anticipate that any meaningful rental recovery may not materialize until 2026. On the tourism front, recovery continues at a slower pace than initially projected, which means The Regent Hong Kong's ramp-up may also take longer than expected. However, the hotel's strong recognition by both customers and industry players, as demonstrated by its multiple industry awards in 2024 (e.g. the hotel won the award as Best Hong Kong Hotel from Travel + Leisure Awards Asia Pacific 2024 & 2025, the 3rd of the Top 10 Hotels in Hong Kong and Macau from Condé Nast Traveler Readers' Choice Award 2024 and the Best Design Hotel from the Bund Design Hotel Awards 2024), positions it well to regain market share in the luxury segment as conditions improve. The recent fall in Hong Kong interest rates should also provide some relief to the hotel's cash flow situation.

While Thailand's hospitality market continued to demonstrate robust performance during the first quarter of 2025, the industry witnessed a general slowdown post-high season due to a sharp drop in Chinese arrivals after a high profile kidnapping case of an actor from China. Furthermore, the industry experienced many cancelled bookings after the 28th March 2025 earthquake in Myanmar, which affected many high-rise hotels in Bangkok. The tremors unfortunately also caused non-structural damages to our Pullman Bangkok Hotel G. While most of the damages will be covered by insurance, the necessary repairs will require taking a substantial number of rooms out of service for one to two quarters, which will inevitably impact the property's near-term performance. Currently we have 223 rooms (out of 469 total rooms) back in service and all repairs shall finish by early September 2025. We remain confident that the slowdown in Chinese arrivals and earthquake related cancellations are temporary setbacks to an otherwise resilient Thai tourism industry.

Globally, we remain mindful of several risk factors that could create market volatility. The renewed trade tensions under the Trump administration, coupled with Moody's recent downgrade of US debt, could cause disruptions to trade flows as well as create substantial financial market and currency fluctuations. In light of these macroeconomic uncertainties and the need to maintain sufficient liquidity to support The Regent Hong Kong's operations, the Board has made the prudent decision to withhold dividend payments for this financial year. This conservative approach to capital allocation will not only help us navigate potential market disruptions but also position us to capitalize on strategic opportunities that may emerge in this evolving landscape. While we must remain vigilant about these external challenges, we are encouraged by the confluence of positive developments including AI-driven productivity gains, China's pro-business policy direction, and Hong Kong's financial market revival.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group continued to enjoy a healthy financial position. As at 31 March 2025, the Group had cash and bank balances amounting to HK\$389.6 million (31 March 2024: HK\$302.5 million) together with an undrawn standby banking facility of HK\$50.0 million (31 March 2024: HK\$50.0 million).

As at 31 March 2025, the total bank borrowings of the Group were HK\$2,281.0 million (31 March 2024: HK\$2,281.0 million), among which HK\$57.9 million (31 March 2024: HK\$1,617.5 million) was classified as current liabilities and HK\$2,223.1 million (31 March 2024: HK\$663.5 million) was non-current liabilities. The effective interest rate was 4.88% p.a. for the year (2024: 5.28% p.a.). The Group's total debts to total assets ratio was 21.0% (31 March 2024: 20.7%) and net debt to total assets ratio was 17.4% (31 March 2024: 18.0%).

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 and China with carrying amounts of HK\$406.2 million and HK\$197.7 million equivalents respectively as at 31 March 2025 (31 March 2024: HK\$361.8 million and HK\$207.3 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\$129.5 million and HK\$29.0 million equivalents respectively as at 31 March 2025 (31 March 2024: HK\$124.4 million and HK\$65.7 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\$7,780.0 million (31 March 2024: HK\$7,813.5 million) were pledged to secure bank loan facilities to the extent of HK\$2,281.0 million (31 March 2024: HK\$2,281.0 million) of which all facilities have been fully utilized.

Contingent Liabilities

As at 31 March 2025, the Group had guarantees of HK\$1,879.8 million (31 March 2024: HK\$1,879.8 million) given to banks in respect of banking facilities utilised by subsidiaries.

EMPLOYEES

As at 31 March 2025, the number of salaried staff at the holding company level was 18 (31 March 2024: 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 Board of Directors does not recommend the payment of any final dividend for the year ended 31 March 2025 (2024: Nil).

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

The AGM of the Company is scheduled to be held on Thursday, 11 September 2025. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 6 September 2025 to 11 September 2025, 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 Friday, 5 September 2025.

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 C1 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 2025 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 opinion or assurance has been expressed by Messrs. CHENG & CHENG LIMITED on the preliminary announcement.

AUDIT COMMITTEE REVIEW

The Audit Committee comprises four independent non-executive directors, including Dr. Charles Wai Bun Cheung, JP, Mr. Stephen Tan, Mr. Arnold Tin Chee Ip and Mr. Kin Chan. The 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 2025.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results announcement is published on the websites of the Company (www.pioneerglobalgroup.com) and the Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The Company's 2025 annual report will be dispatched to the Shareholders (if a printed copy is requested) and published on the abovementioned websites in due course on or before 30 July 2025.

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

Hong Kong, 27 June 2025

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*