



PIXIE GROUP LIMITED

(Incorporated in the Republic of Singapore. Registration No. 200700159Z)

ARBN 126 494 880

2A HOOT KIAM ROAD SINGAPORE 249391

Tel 65 6235 3508 Fax 65 6235 3506

<http://pixie-group.co/>

Pixie Group Limited to open Tonino Lamborghini Clubs across Asia Pacific

- Share Purchase Agreement signed to acquire a 51% majority equity interest in Pixie Group Hong Kong Limited ('Pixie HK')
- Pixie HK had entered into joint venture collaboration with KV International Group Pte Ltd to operate the Tonino Lamborghini Club in Singapore and Shanghai, and potentially across the whole region of Asia Pacific (APAC)
- The Tonino Lamborghini Clubs are envisioned to be premium clubs inspired by the renowned Tonino Lamborghini brand
- Targeting a growing demographic throughout APAC, with increasing spending power and an expanding demand for entertainment
- Tonino Lamborghini's own line of delicacies, high-quality coffee, spirits, fine wines and other merchandise will be offered throughout the venues
- First venue opening in Singapore on October 20, closely followed by Shanghai and Bangkok before the end of 2016, and with Sydney and Johor Bahru expected to open during 1H 2017

28 SEPTEMBER 2016: Pixie Group Limited (ASX:PEG, 'Pixie Group' or the 'Company') is pleased to provide shareholders an update on its intention to acquire a 51% majority equity interest in Pixie Group Hong Kong Limited, who has entered into joint venture collaboration to open the Tonino Lamborghini Club in Singapore and Shanghai, and potentially across the whole region of Asia Pacific (APAC).

Share Purchase Agreement Update

On 15 September 2016, the Company announced that it had entered into a Share Purchase Agreement ('SPA') with one of the shareholders of Pixie HK, V Capital Investments Limited, to acquire a 51% majority equity interest in Pixie HK for a total of \$4 million (\$2 million in cash and \$2 million in shares).

The acquisition is subject to a capital raising and will become a substantial asset of the Company, as such shareholder approval must be obtained. This will be put to shareholders at the Extraordinary General Meeting, expected to take place in October 2016.

Strategic Rationale for the Acquisition of Pixie Group Hong Kong Limited

- Provides the Company with an equity stake in the Tonino Lamborghini Club project, in addition to contracted fees from its current service agreement with Pixie HK for managing and operating the venues
- Expected to deliver significant benefits to the Company and its shareholders, with the Company receiving 51% of all revenues and profits generated through the venues
- Highly complementary asset to the Company's existing portfolio of club venues: Pixie Mansion @ Chandelier in Kuala Lumpur, Malaysia and The Ark in Petaling Jaya, Malaysia, which is expected to open in the coming months, following completion of a refurbishment
- Tonino Lamborghini Clubs leverage the renowned Tonino Lamborghini brand and the high demand for entertainment across APAC as the wealth and disposable income in the region increases
- Further cements the Company's position in the rapidly growing entertainment and food & beverage sector, and expected to generate additional revenues to the Company

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Targeted Locations for Tonino Lamborghini Clubs

The locations targeted for the venues in APAC include; Singapore, Shanghai, Bangkok, Johor Bahru, Kuala Lumpur, Sydney, Hong Kong, Macau, Tokyo and Seoul.

Wealth across APAC is growing at a rapid rate. In 2015, it grew by 10%, propelling it into the lead position as the region with the most HNWI wealth globally. This is the first time that APAC is ahead of North America. In 2015, APAC held US\$17.4 trillion in wealth with a 5.1 million HNWI population vs North America's US\$16.6 trillion in HNWI wealth and a 4.8 million HNWI population (Source: * World Wealth Report (WWR), released by Capgemini).

Disposable income is increasing in APAC as a whole. By 2020, approximately 400 million people in Southeast Asia are expected to have spending power of US\$16-100 per day (Source: *Asean 2015, released by Nielsen). Millennials are also demonstrating an increased appetite, compared to previous generations, to spend on experiences rather than possessions (Source: *CNBC).

Venues have been secured in Singapore and Shanghai, while negotiations for a venue in Bangkok are in progress. The first venue in Singapore will hold its grand opening ceremony on the 20 October 2016, with Shanghai and Bangkok to follow by the end of 2016. The opening of the first venue in Sydney is expected to occur in 1H of 2017.

About Tonino Lamborghini and Club Venues

Tonino Lamborghini is a luxury Italian lifestyle brand founded by the son of famous automaker legend Ferruccio Lamborghini in 1981, and is synonymous with cutting-edge design, fashion, culture and hospitality. It offers a wide range of non-automotive luxury merchandise including clothing apparel, luggage, furniture, watches, pens, eyewear, perfumes, and more. In addition to this it also offers its own line of delicacies including high-quality coffee, fine wines and gastronomic delights that will be offered throughout Pixie Group's nightlife outlets.

The license comes as part of Tonino Lamborghini's intentions to expand its offering. Pixie Group's Tonino Lamborghini Clubs will feature high-end furniture design, premium gastronomical experiences, bespoke cocktails and state-of-the-art sound and lighting systems, as well as the latest in smartphone app integration for remote bookings and purchases.

Mr. Tin Yu Jiann, Executive Director and CEO of Pixie Group commented:

"We're confident that this project will deliver significant value to our shareholders. Tonino Lamborghini is a renowned brand and we intend to leverage both the brand status and the growing wealth and demand for entertainment across APAC to drive traffic to the Tonino Lamborghini Clubs. The cities targeted are where we believe the Tonino Lamborghini brand can be best represented. Each of the initial targeted cities are highly populated with our target demographic and we aim for the venues to become a popular location for locals and visitors alike to experience."

ENDS



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About Pixie Group Limited

Pixie Group Limited (ASX:PEG) is an established lifestyle entertainment and food and beverage (F&B) group that manages bistros, restaurants, lounges and clubs. It is headquartered in Singapore, with operations in Malaysia and listed on the ASX in December 2015, through a reverse take-over with Zingmobile Group Limited. It currently operates an existing live entertainment outlet in Kuala Lumpur, Pixie Mansion @ Chandelier, and a concert promotions and technical productions company, The Mammoth Collaborative Pte Ltd, headquartered in Singapore.

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