

PIONEER GLOBAL GROUP LIMITED

建 牛 國 際集團有限公司

(Incorporated in Rermuda with limited liability)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2001

The Board of Directors of Pioneer Global Group Limited ("the Company") is pleased 4. Comparative figures to announce that the audited consolidated results of the Company and its subsidiaries ("the Group") for the year ended 31 March 2001, together with the comparative figures for the corresponding period in 2000 are as follows:-

| FINAL RESULTS | | For the year ended 31 March | |
|--|------|--------------------------------|-------------------------|
| | Note | 2001 HK\$'000 | 2000 HK\$'000 |
| Turnover | 1 | 63,913 | 184,559 |
| Properties operating expenses Staff costs | | (8,428) (25,595) | (39,936) (30,588) |
| Depreciation & amortization | | (1,121) | (5,562) |
| Net profit/(loss) on disposal of assets less provision Other operating expenses | | 2,883 (8,799) | (95,993) (47,454) |
| | | (41,060) | (219,533) |
| Operating profit/(loss) Finance costs | 1 | 22,853 (9,220) | (34,974) (46,090) |
| | | 13,633 | (81,064) |
| Share of profits/(losses) of associates Listed Unlisted | | (13,557) | (14,111) 3,708 |
| Profit/(Loss) before taxation Taxation | 2 | 76 (1,210) | (91,467) 2,350 |
| Minority interest | | (1,134) 1,329 | (89,117) (1,555) |
| Profit/(Loss) attributable to shareholders | | 195 | (90,672) |
| Earnings/(Loss) per share (HK cents) | 3 | 0.03 | (18.07) |
| Notes: 1. Segmental information | | | |

| | 2001 | 2001 | 2000 | 2000 |
|---|----------|---------------|----------|---------------|
| | | Operating | | Operating |
| Business Segments | Turnover | profit/(loss) | Turnover | profit/(loss) |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Property rental and management | 28,884 | 12,694 | 147,187 | 68,523 |
| Ski operations | | | 23,717 | (3,967) |
| IT services | 24,021 | 5,293 | 1,527 | (1,590) |
| Investment and interest income | 11,008 | 5,350 | 12,128 | 4,172 |
| Net profit/(loss) on disposal of assets | | | | |
| less provision | | 2,883 | | (95,993) |
| | 63,913 | 26,220 | 184,559 | (28,855) |
| Less: unallocated corporate expenses | | (3,367) | | (6,119) |
| | | 22,853 | | (34,974) |
| | | | | (0.1,2.1.1) |
| Geographical Segments | | | | |
| | | Operating | | Operating |
| | Turnover | profit/(loss) | Turnover | profit/(loss) |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Hong Kong | 57,251 | 19,898 | 30,556 | 3,234 |
| Thailand and South East Asia | 1,319 | 1,740 | 7,584 | 97,872 |
| United States of America | 4,963 | 1,077 | 146,333 | (135,968) |
| Mainland China | 380 | 138 | 86 | (112) |
| | 63,913 | 22,853 | 184,559 | (34,974) |
| | | | | |

Taxation

Hong Kong

Taxation consists of the following: HK\$'000

- Profits tax provided for the year

Comparative figures have been reclassified to conform with the current year's presentation. FINAL DIVIDEND

The Board of Directors has resolved not to pay a final dividend for the year ended 31 March 2001 (2000: Nil). Accordingly, there will be no closure of the Transfer Books and Register of Members of the Company.

BUSINESS REVIEW

The Group's activities consist of provision of IT services, telecommunication infrastructure and investments in properties and stocks. For the year ended 31 March 2001, the Group's consolidated turnover was HK\$64 million (2000; HK\$185 million) and operating profit was HK\$23 million (2000: Loss of HK\$35 million). The decrease The Group's investments in properties and stocks continued to generate steady in turnover (from the previous year) was due principally to the disposal of the Group's recurrent income. Turnover from properties rental proceeds was HK\$29 million (2006): In this mover (the properties portfolio at the end of the previous fiscal year, as revenues from those HK\$147 million) and attributable operating profit was HK\$13 million (2000: HK\$69 properties were no longer reflected in this year's results. After taking into account the properties of the Group's associate companies, finance costs, minority interest and the disposal of the Group's US properties portfolio in February 2000. taxation, the consolidated profit attributable to shareholders was HK\$195.000 (2000: Loss of HK\$ 91 million)

Pioneer iConcepts Limited ("Pioneer iConcepts")

Pioneer iConcepts, 55% owned by the Group and 45% by the management team led by Financial Resources, Liquidity and Contingent Liabilities Francis Ng. is the IT services division of the Group. Its services are in IT outsourcing. IT consultancy, system integration and geographical information system (GIS)

Despite the difficulties, the company achieved a turnover of HK\$24 million and an attributable operating profit of HK\$5 million in the fiscal year.

Based on multi-year service contracts, Pioneer iConcepts provides IT outsourcing services to several major multinational companies for their IT help desk and 24x7 management of corporate data centers. Pioneer iConcepts also provides IT helpdesk Employees services to major local manufacturers.

During the year, Pioneer iConcepts successfully implemented notable projects for its customers, including the development and implementation of e-procurement system, logistics system, GIS applications, ERP system integration, as well as merchandizing / inventory control systems. To strengthen its competitive advantage and service as appropriate. offerings, Pioneer iConcepts also formed strategic alliance with prominent industry partners including iPlanet. Sun Microsystems. Compuware. ESRI, ICUS, and

In addition to providing services to its customers, Pioneer iConcepts is also a shareholder (35%) and technology partner of iShipExchange, an Asia-based leading snareholder (35%) and technology partner of Ishipexchange, an Asia-based leading e-procurement solutions provider for the maritime industry. Other shareholders in iShipexchange include Fairmont Shipping (Hong Kong), Marubeni Corporation (Japan), Keymax Corporation (Japan), and Command Line Corporation (US). As its (rapan), Keymax Corporation (rapan), and Command Line Corporation (CS). As its technology partner, Pioneer iConcepts developed a proprietary e-procurement system for iShipExchange and in early 2001, iShipExchange successfully launched its web-based procurement solutions for the shipping industry. By 31 March 2001, registered users consisted of 27 ship operators as well as 427 suppliers in US, Canada, Japan, Korea, Hong Kong, China, Taiwan, Philippines, Singapore, and Malaysia. The share in the first year results of iShipExchange by Pioneer iConcepts was a loss of HK\$4.1 million for the year. Due to its start-up nature, iShipExchange is not expected to be profitable in the near future.

Looking ahead, we believe that this year will continue to be challenging for the IT services industry. With worldwide economic slowdown, the burst in the Internet bubble, and extreme weakness in the capital markets, even healthy companies are generally cutting IT spending. We therefore forecast that while Pioneer iConcepts' business will continue to grow, the growth will be modest in the coming year. In the next twelve months, Pioneer iConcepts will focus on the continued development of its core services products and the expansion of its IT outsourcing business.

Global Gateway, L.P. ("Global Gateway")

The Group's telecommunication infrastructure business is conducted through Global Gateway, a 20:80 partnership between the Group and Morgan Stanley Real Estate March 2001 and provided recommendations to the Board of Directors. The members

of US\$200 million from its partners, we have invested prudently from the beginning As the management is keenly aware of the downturn in the telecommunication and technology industries, Global Gateway has only invested 19% of its planned capital as of 31 March 2001.

Much like the IT services industry, we foresee a slow year ahead for the telecom infrastructure business. The same macro-economic difficulties affecting the IT services sector are also contributing to the cutback in spending by the world's telecom companies. Some market players that expanded quickly last year are facing difficulties and their facilities are now available at attractive pricing. As a result, the challenging market environment has also created a tremendous opportunity for us.

Properties and Stock Investments

million) before finance costs and taxation. The change from previous year was due to

For the fiscal year, dividend income from stock investments and interest income received were HK\$6 million and HK\$5 million respectively (2000; HK\$9 million and HK\$2 million respectively).

In order to prepare for its investment in Global Gateway, the Company issued 250,890,972 new shares in October 2000 for net proceeds of HK\$162 million. At 31 March 2001, the Group has total net assets of HK\$584 million (2000: HK\$420 million) Due to the severe downturn in the world's capital markets (particularly affecting the technology sector), the twelve months ended 31 March 2001 was a difficult year for the IT services industry. It was also Pioneer iConcepts' first full year of operation.

The Group's overall treasury policies focus on cost efficient funding of the Group and on managing financial risks. At the balance date, the debt to equity gearing ratio was 0.2% (2000: 26%). The contingent liabilities including guarantees and commitments were HK\$9 million (2000: HK\$ 34 million).

At 31 March 2001, the number of salaried staff was 69. 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. Share options are granted by the Board of Directors to staff members

Outlook

Since the last quarter of 2000, the growth in telecommunication, IT technology and Internet industries were affected by the dramatic decline in the world's equity markets. More recently, there are signs of economic slowdown in the United States and of worsening economic conditions in Japan. The breakneck pace of network building by telecom companies in the past few years, pushed forward by the seemingly cheap and abundant capital, has left the world with a temporary bandwidth glut. Despite the prevailing environment, we still believe that the world's future economic growth will continue to be led by the applications of Internet and telecommunication technologies. We also believe that the so called "bandwidth glut" will be soaked up far quicker than people can imagine by newly developed technology applications, similar to the growth in computing capacity in the 80's and 90's.

With a strong financial position, the Group and its operating units are in a good position to take advantage of attractive opportunities in the market. Our strategy is to adopt prudent expansion in the IT services and telecom infrastructure businesses while maintaining a conservative financial position of the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed shares.

During the year, the Audit Committee held meetings twice to discuss with management and the external auditors the accounting principles and practices adopted by the Group as well as internal control and financial reporting matters. The Audit Committee has reviewed with satisfaction the audited financial statements for the year ended 31

| dusiness Segments | rurnover | prom/(ross) | rurnover | prom/(ioss) |
|---|----------|---------------|----------|---------------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
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| Geographical Segments | | | | |
| | | Operating | | Operating |
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| United States of America | 4,963 | 1,077 | 146,333 | (135,968) |
| Mainland China | 380 | 138 | 86 | (112) |
| | 63,913 | 22,853 | 184,559 | (34,974) |
| | | | | |

2. Taxation

Taxation consists of the following:

| | | HK\$'000 | HK\$'00 |
|---------------|--|----------|---------|
| Hong Kong | - Profits tax provided for the year | 76 | - |
| | Overprovision in prior years | _ | (1 |
| Overseas | Tax provided for the year | _ | 11,28 |
| | - Under/(over) provision in prior years | 1,134 | (14,29 |
| | | 1,210 | (3,02 |
| Listed associ | ated company | | 67 |
| Tax charge/(c | redit) for the year | 1,210 | (2,35 |
| | | | |

Hong Kong profits tax has been provided at the rate of 16% (2000: 16%) on the estimated Hong Kong source assessable profits for the year. Group overseas tax has been provided at the applicable rates in the countries in which the Group operates.

Overseas dividends and certain rental and interest income are stated after deduction of applicable withholding taxes. In respect of deferred taxation, the Group has not made provision for potential liabilities representing taxation in the event of future disposal of certain properties amounting to HK\$1.360.000 (2000: HK\$1.300.000).

Earnings per share

during the year (2000: 501,781,945 shares in issue during the year). There was no bonus element in the Open Offer which was open for acceptance until 17 October 2000.

No diluted earnings per share have been presented for the years ended 31 March 2001 and 2000 as the exercise prices of the share options granted by the Company were higher than the fair value per

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of Pioneer Global Group Limited (the "Company") will be held at the principal place of business of the Company in Hong Kong at 29th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong on 18 September 2001 (Tuesday) at 4:00 p.m. for the following purposes:-

- To receive and consider the audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31 March 2001.
- 2. To re-elect Directors and to fix their remuneration.
- 3. To re-appoint Auditors and to authorise the Directors to fix their remuneration
- 4. To consider as special business and, if thought fit, adopt with or without amendment, the following resolutions as ordinary resolutions:-

ORDINARY RESOLUTIONS

- A. "THAT the Directors be and are hereby granted an unconditional general mandate to repurchase issued shares in the capital of the Company in accordance with all applicable laws and subject to the following conditions:
 - (a) such mandate should not extend beyond the Relevant Period (defined in sub-paragraph (c) below);
 - (b) the aggregate nominal amount of share capital purchased or agreed conditionally or unconditionally to be purchased by the Directors of the Company pursuant to this Resolution should not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution; and
 - (c) for the purpose of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

(i) the conclusion of the next Annual General Meeting of the Company;

offerings Ploneer it oncepts also formed strategic affiance with partners including iPlanet. Sun Microsystems. Compuware. ESRI, ICUS, and

In addition to providing services to its customers, Pioneer iConcepts is also a shareholder (35%) and technology partner of iShipExchange, an Asia-based leading e-procurement solutions provider for the maritime industry. Other shareholders in ishipexchange include Fairmont Shipping (Hong Kong), Marubeni Corporation (Japan) Keymax Corporation (Japan) and Command Line Corporation (US) As its technology partner Pioneer iConcepts developed a proprietary e-procurement system for iShinExchange and in early 2001 iShinExchange successfully launched its web-based procurement solutions for the shipping industry By 31 March 2001 registered users consisted of 27 ship operators as well as 427 suppliers in US. Canada Japan, Korea, Hong Kong, China, Taiwan, Philippines, Singapore, and Malaysia. The share in the first year results of iShinExchange by Pioneer iConcepts was a loss of HK\$4.1 million for the year. Due to its start-up nature, iShipExchange is not expected to be profitable in the near future

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2000 Global Gateway, L.P. ("Global Gateway")

The Group's telecommunication infrastructure business is conducted through Global Gateway, a 20:80 partnership between the Group and Morgan Stanley Real Estate 133 Funds, formed with initial equity capital plan of US\$200 million to develop and operate telecom carrier hotels in the Pacific Rim region (Asia and western U.S.). 290) Telecom carrier hotels are specialized real estate facilities providing mission-critical 120) infrastructure services to companies in the telecommunications, technology and Internet industries. The Group is the managing partner contributing management and technical expertise to the joint venture.

Global Gateway has total assets of HK\$704 million as at 31 March 2001, financed by equity and debt capital. The Group's investment in Global Gateway was HK\$ 60 million and accounted for as an investment in associates. The Group's share of results of Global Gateway was a loss of HK\$7.6 million for the year as the venture was still in its initial built-out period

As of 31 March 2001, Global Gateway has developed facilities in Hong Kong. Singapore. Seattle and San Diego. These facilities have a total of 979,000 square feet. The Singapore facility is a 60:40 joint venture between Global Gateway and Ascendas Earnings per share is calculated on profit attributable to shareholders amounting to HK\$195,000 Land International Pte Ltd, which is a wholly owned subsidiary of JTC (Jurong Town of technology and industrial parks in Asia.

In addition to the four locations above. Global Gateway is also in varying stages of acquisition or development of facilities in Tokyo, Seoul, Tainei, Sydney, Shanghai, as

Outlook

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With a strong financial position, the Group and its operating units are in a good position to take advantage of attractive opportunities in the market. Our strategy is to adopt prudent expansion in the IT services and telecom infrastructure businesses while maintaining a conservative financial position of the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year neither the Company nor any of its subsidiaries has purchased sold or redeemed any of the Company's listed shares.

AUDIT COMMITTEE

During the year, the Audit Committee held meetings twice to discuss with management and the external auditors the accounting principles and practices adopted by the Group as well as internal control and financial reporting matters. The Audit Committee has reviewed with satisfaction the audited financial statements for the year ended 31 March 2001 and provided recommendations to the Board of Directors. The members of the Audit Committee are Dr. Charles Wai Bun Cheung, JP. Mr. Bernard Charnwut Chan and Mr. Arnold Tin Chee In.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

During the year, the Company was in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited ("the Stock Exchange"), except that the independent non-executive directors have not been appointed for a specified term.

PUBLICATION OF FURTHER INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

All the financial information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules of the Stock Exchange will be published on the Stock Exchange's website in due course.

APPRECIATION

employees for their hard work and contribution throughout the year.

By order of the Board Kenneth Gaw Managing Director

well as certain cities in the U.S. While Global Gateway has equity capitalization plan Hong Kong, 19 July 2001

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-laws of the Company or any applicable law of Bermuda to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.
- B. "THAT the Directors be and are hereby granted an unconditional general mandate to issue and allot additional shares in the capital of the Company and to make or grant offers, agreements and options in respect thereof, subject to the following conditions:
 - (a) such mandate should not extend beyond the Relevant Period (defined in sub-paragraph (c) below) save that the Directors may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period:
 - (b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors, otherwise than pursuant to a Rights Issue (as defined in sub-paragraph (c) below) or pursuant to the grant or exercise of options issued under any share option scheme adopted by the Company or pursuant to any scrip dividend scheme or with the consent of the Company in general meeting, should not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution; and
 - (c) for the purpose of this Resolution:

"Relevant Period" means the period from the passing of this Resolution 1. until whichever is the earliest of:

- (i) the conclusion of next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-laws of the Company or any applicable law of Bermuda to be held; and

- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general
- "Right Issue" means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).
- C. "THAT the general mandate granted to the Directors to issue and dispose of additional shares pursuant to Ordinary Resolution 4B set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution 4A set out in the notice convening this meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of the Resolution."

By Order of the Board Jane Kwai Ying Tsui Secretary

Hong Kong, 19 July 2001

- A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him; a proxy need not also be a member of the Company.
- The instrument appointing a proxy or attorney or other authority (if any) under which it is signed, or a notarially executed copy of such power or authority shall be deposited at 29th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the Meeting
- There will be no closure of the Transfer Books and Register of Members.