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**Pioneer**  
**PIONEER GLOBAL GROUP LIMITED**

*(incorporated in Bermuda with limited liability)*

**MAJOR TRANSACTION**  
**DISPOSAL OF PROPERTY**

PGGD, a wholly-owned subsidiary of the Company, and the Purchaser entered into Agreement on 12 November 2003 whereby PGGD has agreed to sell the Property to the Purchaser. The consideration for the Disposal of the Property by PGGD is HK\$40,000,000 payable in cash and has been determined after arm's length negotiations by reference to the market value of similar properties in the market.

The Agreement constitutes a major transaction of the Company under the Rule 14.09 of the Listing Rules. A circular containing further details of the Agreement will be despatched to shareholders of the Company on or before 4 December 2003.

At the request of the Company, trading of the shares of the Company on the Stock Exchange was suspended with effect from 9:30 a.m. on 29 October 2003 pending the issue of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the shares of the Company with effect from 9:30 a.m. on 13 November 2003.

**THE AGREEMENT**

**Date**

12 November 2003

**Parties**

- (1) the Vendor – PGGD; and
- (2) the Purchaser – The Purchaser is an independent third party not connected with any of the directors, chief executives and substantial shareholders of the Company or any of its subsidiaries, or of any of their respective associates.

## **Property**

The whole of 13th Floor and portion of 12th Floor occupied by the staircase of Tower A, Mandarin Plaza, No. 14 Science Museum Road, Kowloon, Hong Kong. The Property is to be sold on an “as is” basis and subject to the existing lettings and tenancies under a Tenancy Agreement dated 28 September 2001 made between PGGD as Landlord and China International Travel Services Hong Kong Limited, as Tenant. The term of the Tenancy Agreement covered the period from 28 September 2001 to 31 December 2004. The Tenant and its ultimate beneficiary are independent third parties not connected with the directors, chief executives or substantial shareholders of the Company or its subsidiaries, or of any of their respective associates.

## **Consideration and payment terms**

The consideration for the Disposal of the Property by PGGD is HK\$40,000,000 payable in cash and has been determined after arm’s length negotiations by reference to the market value of similar properties in the market. An initial deposit of HK\$1,500,000 was paid on 17 October 2003 and a further deposit of HK\$2,500,000 was paid on 12 November 2003 on signing of the Agreement for Sale and Purchase. Balance of the purchase price of HK\$36,000,000 shall be paid upon completion of the transaction on or before 27 November 2003.

## **Date of completion**

On or before 27 November 2003

## **REASONS FOR THE DISPOSAL**

In September 2001, the Property was purchased for HK\$40,000,000 together with a rental contract generating a 9.7% annual yield. The purchase price was determined after arm’s length negotiations by reference to the market value of similar properties in the market. The net profits before taxation attributable to the Property were HK\$1,873,000 and HK\$3,759,000 for the years ended 31 March 2002 and 31 March 2003 respectively. The Disposal will realize a levered internal rate of return (before taxation) of 14% to the Group. The sale proceeds of HK\$40,000,000 less associated costs of approximately HK\$250,000 from the Disposal will all be used to reduce the Group’s bank loans from HK\$97,400,000 to HK\$57,650,000.

## **MAJOR TRANSACTION OF THE COMPANY**

The Agreement constitutes a major transaction of the Company under Rule 14.09 of the Listing Rules. A circular containing further details of the Agreement will be despatched to shareholders of the Company on or before 4 December 2003.

## **APPROVAL BY SHAREHOLDERS**

Pursuant to Rule 14.10 of the Listing Rules, a major transaction must be made conditional on approval by shareholders. For this major transaction, a written irrevocable approval of the Agreement has been sought from a closely allied group of shareholders comprising Mrs. Rossana Wang Gaw and Mr. Kenneth Gaw who are directors of the Company and their family members, who together are entitled to more than 50% of the issued voting share capital of the Company, in lieu of a resolution to be passed at the shareholders’ meeting. The closely allied group of shareholders has no material interest in the Disposal. A shareholders’ meeting will therefore not be convened for the purpose of obtaining approval by shareholders.

## INFORMATION RELATING TO THE GROUP

The principal business activities of the Group consist of property investment and management, investment in securities, and information service provision.

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## DEFINITIONS

“Agreement”	the Agreement for Sale and Purchase entered into on 12 November 2003 between PGGD and the Purchaser in respect of the Disposal of the Property
“associates”	has the meaning as defined in the Listing Rules
“closed allied group of shareholders”	group of shareholders comprising Mrs. Rossana Wang Gaw and Mr. Kenneth Gaw who are directors of the Company and their family members, who together are entitled to more than 50% of the issued voting share capital of the Company
“Company”	Pioneer Global Group Limited, a company incorporated in Bermuda with limited liability the shares of which are listed on the Stock Exchange
“Disposal”	the disposal of the Property
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PGGD”	PGG Development Company Limited, a company incorporated in Hong Kong with limited liability which is a wholly-owned subsidiary of the Company
“Property”	the whole of 13th Floor and Portion of 12th Floor occupied by the staircase of Tower A, Mandarin Plaza, No. 14 Science Museum Road, Kowloon, Hong Kong
“Purchaser”	Mulitex Limited, an independent third party not connected with any of the directors, chief executives and substantial shareholders of the Company or any of its subsidiaries, or of any of their respective associates
“share”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“shareholders”	holders of shares

“Stock Exchange”                      The Stock Exchange of Hong Kong Limited

“substantial shareholders” has the meaning as defined in the Listing Rules

By order of the Board  
**Kenneth Gaw**  
*Managing Director*

Hong Kong, 12 November 2003

“Please also refer to the published version of this announcement in The Standard”