
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Pioneer Global Group Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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Pioneer
PIONEER GLOBAL GROUP LIMITED
(incorporated in Bermuda with limited liability)

MAJOR TRANSACTION
DISPOSAL OF PROPERTY

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“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
“board”	the board of directors, including independent non-executive directors, of the Company
“closely 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
“Directors”	the directors (including independent non-executive directors) of the Company
“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
“Latest Practicable Date”	21 November 2003, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information referred to in this circular
“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

DEFINITIONS

“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
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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
“Vendor”	PGGD

LETTER FROM THE BOARD



Pioneer

PIONEER GLOBAL GROUP LIMITED

(incorporated in Bermuda with limited liability)

Executive Directors:

Rossana Wang Gaw (*Chairman*)
Goodwin Gaw (*Vice Chairman*)
Kenneth Gaw (*Managing Director*)
Jane Kwai Ying Tsui

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Independent non-executive Directors:

Dr. Charles Wai Bun Cheung, J.P.
The Hon. Bernard Charnwut Chan
Arnold Tin Chee Ip

*Principal place of business and
head office:*

Suites 01-03, 30/F, Office Tower
Convention Plaza
1 Harbour Road
Wanchai, Hong Kong

28 November 2003

To the Shareholders

Dear Sir/Madam,

MAJOR TRANSACTION

DISPOSAL OF PROPERTY

INTRODUCTION

On 12 November 2003, PGGD, a wholly-owned subsidiary of the Company, as Vendor, entered into Agreement with Mulitex Limited, as Purchaser, whereby PGGD has agreed to sell and Mulitex Limited has agreed to purchase the Property. The Property includes 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, gross floor area of which is approximately 19,747 square feet. The Agreement constitutes a major transaction of the Company under Rule 14.09 of the Listing Rules.

The purpose of this circular is to provide shareholders with details of the Agreement, general information on the nature of transaction in relation to the Agreement and certain information of the Group in compliance with the requirements of Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

THE AGREEMENT

1. Date

12 November 2003

2. Parties

Vendor – PGGD; and

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.

3. 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, gross floor area of which is approximately 19,747 square feet.

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 and the rental rate is HK\$315,952 per month exclusive of rates, management fees and air-conditioning charges. Rates is HK\$30,135 for the quarter ending 31 December 2003 and management fee is HK\$60,241 per month. 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.

4. 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 comparable transactions in the market. Such comparable transactions included certain completed sale and purchase transactions of other properties near Mandarin Plaza during the period from July to September 2003.

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 was paid upon completion of the transaction on 27 November 2003.

5. Completion

27 November 2003

LETTER FROM THE BOARD

REASONS FOR THE DISPOSAL AND USE OF PROCEEDS

In September 2001, the Property was purchased for investment purpose for HK\$40,000,000 together with a rental contract generating a 9.7% annual yield and was treated and recorded as investment property in the consolidated audited accounts of the Group for the years ended 31 March 2002 and 31 March 2003. The purchase price was determined after arm's length negotiations by reference to the comparable transactions in the market. Such comparable transactions included certain completed sale and purchase transactions of other units of Mandarin Plaza in July 2001.

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 carrying value of the Property was HK\$37,200,000 as included in the consolidated audited accounts of the Group for the year ended 31 March 2003. Taking into account the revaluation deficit to be released to the profit and loss account upon completion of the Disposal amounting to approximately HK\$1,770,000, the loss before expenses (estimated to be around HK\$250,000) on the Disposal, calculated on a pro-forma basis, is approximately HK\$2,000,000.

Due to the declining rental rate in the property market as per the reports of completed tenancy transactions during the period from July to September 2003 provided by property consultants, it is anticipated that the future rental renewal will likely generate a lower yield. As such, the Company decided to sell the Property at HK\$40,000,000.

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. With the repayment of certain loans including the release of mortgage of the Property after the Disposal, the Group may utilize the banking facilities made available to the Group for investments when attractive opportunities arise.

MAJOR TRANSACTION OF THE COMPANY AND DESPATCH OF CIRCULAR

The Agreement constitutes a major transaction of the Company under Rule 14.09 of the Listing Rules and the Company has issued this circular to shareholders in that connection.

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.

LETTER FROM THE BOARD

INFORMATION OF THE GROUP

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

Net tangible assets of the Group for the years ended 31 March 2002 and 31 March 2003 were HK\$535,846,000 and HK\$534,149,000 respectively.

The loss before and after taxation of the Group for the year ended 31 March 2002 were HK\$53,256,000 and HK\$55,382,000 respectively and the profits before and after taxation of the Group for the year ended 31 March 2003 were HK\$4,388,000 and HK\$2,134,000 respectively.

Your attention is drawn to the information set out in the Appendices to this circular.

Yours faithfully
Kenneth Gaw
Managing Director

1. INDEBTEDNESS

At the close of business on 30 September 2003, being the latest practicable date for the purpose of this indebtedness statement, the Group had outstanding borrowings from banks of approximately HK\$81.8 million comprising short term secured loans of approximately HK\$61.4 million and long term loan of approximately HK\$20.4 million. The Group also had contingent liabilities of approximately HK\$93.8 million comprising guarantees for payment of drawn and undrawn banking facilities to an associate and a related party of the Group amounting to approximately HK\$93.6 million and guarantees given to bankers in lieu of utility deposits amounting to approximately HK\$0.2 million.

Save as aforesaid and apart from intra-group liabilities, actual and contingent, none of the companies in the Group had outstanding at the close of business on 30 September 2003 indebtedness in respect of any mortgages, charges or debentures, loan capital, long-term loans, bank overdrafts, other loans, debt securities or other similar indebtedness, or hire purchase commitments, finance lease commitments, guarantees or other material contingent liabilities.

Foreign currency amounts have been translated into Hong Kong dollars at the approximate rates of exchange prevailing at the close of business on 30 September 2003.

2. WORKING CAPITAL

The Directors are of the opinion that taking into account the net proceeds from the Disposal, the Group's available facilities from financial institutions and internal resources, the Group has sufficient working capital for its immediate requirements.

3. FINANCIAL AND TRADING PROSPECTS

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2003, being the date up to which the latest published consolidated audited accounts of the Group were made.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contain in this circular and confirm, having made full reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the following Directors of the Company were interested, or were deemed to be interested in the following long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company to be notified to the Company and the Stock Exchange:

The Company

Long positions in the shares

	Personal	Corporate	Others	Total	%
Rossana Wang Gaw	–	15,309,732 [#]	Note 1	138,458,433	18.49
Kenneth Gaw	1,734,750	8,122,000 ^{##}	Note 2	36,314,524	4.85
Jane Kwai Ying Tsui	600,750	–	–	600,750	0.08

Notes:

1.

Family trust of which members of the family of Mrs. Rossana Wang Gaw are amongst the beneficiaries held an aggregate of 123,148,701 shares.
2.

Family trust of which Mr. Kenneth Gaw is a beneficiary held an aggregate of 26,457,774 shares.
- #

Mrs. Rossana Wang Gaw owns the entire issued share capital of Vitality Holdings Limited, which was beneficially interested in 15,309,732 shares.
- ##

Mr. Kenneth Gaw owns the entire issued share capital of Fortune South China Limited, which was beneficially interested in 8,122,000 shares.

Share options

	Number of Options	Exercise Price HK\$	Date of grant	Exercise period
Rossana Wang Gaw	8,167,113	1.582	06/03/97	06/03/97 to 05/03/07
Goodwin Gaw	9,668,588	1.941	24/10/96	24/10/96 to 23/10/06
	7,507,374	1.582	06/03/97	06/03/97 to 05/03/07
Kenneth Gaw	9,668,588	1.941	24/10/96	24/10/96 to 23/10/06
	7,507,374	1.582	06/03/97	06/03/97 to 05/03/07
Jane Kwai Ying Tsui	2,274,961	1.941	24/10/96	24/10/96 to 23/10/06
	2,274,962	1.582	06/03/97	06/03/97 to 05/03/07

Save as disclosed above, as at the Latest Practicable Date, none of the Directors of the Company were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code of Securities Transactions by Directors adopted by the Company to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, according to the register of interests in long positions and short positions kept by the Company under the provisions of Divisions 2 and 3 of Part XV of section 336 of the SFO and so far as the Directors were aware, the following persons had a long position or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

	Number of shares	%
Asset-Plus Investments Ltd.	68,076,076	9.09
Forward Investments Inc.	174,277,635	23.27
Intercontinental Enterprises Corporation	72,650,000	9.70
Prosperous Island Limited	63,354,452	8.46

Save as disclosed below, the Directors are not aware of any other persons (other than a Director of the Company) who, as at the Latest Practicable Date, was directly or indirectly interested in 10% or more

of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

Name of company	Name of shareholder	%
Forerunner Investments Limited	Farnham Group Limited	30
Pioneer iConcepts Limited	Ng Poon Wing Man Agnes	40

4. SERVICE CONTRACTS

None of the Directors have any existing or proposed service contract with the Company or any member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of compensation other than statutory compensation).

5. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS/ARRANGEMENTS

None of the Directors has any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group, since 31 March 2003, the date up to which the latest published consolidated audited accounts of the Group were made.

None of the Directors is materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Group.

6. LITIGATION

No litigation or claim of material importance is known to the Directors to be pending or threatened against the Group.

7. MATERIAL CONTRACTS

There have been no material contracts (not being contracts entered into the ordinary course of business of any member of the Group) within the two years preceding the date of this circular.

8. GENERAL

- (i) The secretary of the Company is Jane Kwai Ying Tsui who is an associate of The Institute of Bankers of London.
- (ii) The registered office of the Company is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.
- (iii) The share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (iv) The English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the principal office of the Company at Suites 01-03, 30/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong up to and including 19 December 2003.

- (i) the Memorandum of Association and Bye-Laws of the Company;
- (ii) the consolidated audited accounts of the Group for the financial years ended 31 March 2002 and 31 March 2003;
- (iii) a circular of the Company dated 26 August 2003 in relation to the acquisition of 100% of PGG Siam Property Fund (formerly known as Orchid Fund Four); and
- (iv) the Agreement as referred to in this circular.