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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in doubt** as to any aspect of this circular or as to the actions to be taken, you should consult your 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 and the accompanying Form of Election (if any) to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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# Pioneer PIONEER GLOBAL GROUP LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00224)**

*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  
in Hong Kong:*

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

15 September 2004

*To the Shareholders*

Dear Sir or Madam

### **Final Scrip Dividend with Cash Option For the Year Ended 31 March 2004**

#### **Introduction**

At the annual general meeting of Pioneer Global Group Limited (the "Company") held on 6 September 2004, it was resolved that a final dividend for the year ended 31 March 2004 of

HK\$0.01 per issued share of the Company of HK\$0.10 each (a “Share”) be paid to shareholders whose names appear on the register of members on 2 September 2004. It was also resolved that such dividend should be satisfied by way of scrip dividend by an allotment of new Shares credited as fully paid in accordance with the Memorandum of Association and Bye-laws of the Company and that shareholders may elect to receive cash wholly or partly in lieu of the scrip dividend.

**Particulars of the Final Dividend**

Shareholders have the following choices in respect of the final dividend:

- (i) an allotment of new Shares (“New Shares”) credited as fully paid and having an aggregate discounted market value (as defined below) equal to the total amount of final dividend which shareholders could elect to receive in cash in respect of HK\$0.01 per Share, subject to any fractional entitlement being disregarded as mentioned below; or
- (ii) final dividend of HK\$0.01 per Share in cash; or
- (iii) partly New Shares and partly cash.

For the purpose of calculating the number of New Shares to be allotted, the discounted market value (“Discounted Market Value”) of a New Share has been set at HK\$0.2451 which is equivalent to the average of the closing prices of one Share on The Stock Exchange of Hong Kong Limited for the 5 trading days from 7 September 2004 to 13 September 2004 (both days inclusive), less 5% discount, rounding down such figure to four decimal places. A press announcement of the Discounted Market Value for the purpose of calculating the number of New Shares to be allotted by way of scrip dividend has been made on 14 September 2004. The last day on which shareholders will be entitled to make their choice of the above alternatives is 30 September 2004.

Accordingly, the number of New Shares which shareholders will receive, in respect of the existing Shares registered in their names as at 2 September 2004 and for which elections to receive the final dividend in cash are not lodged with the Company’s branch share registrars in Hong Kong on or before 30 September 2004, will be calculated as follows:

Number of New  
Shares to be received

=

Number of Shares held on  
2 September 2004 for which  
cash election is not made

x

HK\$0.01

HK\$0.2451

The New Shares to be issued pursuant to the scrip dividend arrangements will rank pari passu in all respects with the existing issued Shares, except for the final dividend for the year ended 31 March 2004 and will rank in full for all future dividends and distributions which may be declared, made or paid. No shareholder will be entitled to be issued any fraction of a Share under the scrip dividend arrangements. Fractional entitlements to Shares will be disregarded and the benefit thereof will accrue to the Company.

**Advantage of the Scrip Dividend**

The scrip dividend will enable shareholders to increase their holdings of Shares without incurring dealing costs or stamp duty. The scrip dividend will also be to the advantage of the Company because, to the extent that shareholders elect to receive New Shares, in whole or in part, such cash as would otherwise have been paid to shareholders will be retained for use as working capital by the Company.

## Effect of the Scrip Dividend

If the elections to receive the final dividend in cash were received in respect of all the existing 748,956,917 Shares registered as at 2 September 2004, the total cash dividend payable by the Company would be approximately HK\$7,490,000.

Shareholders of the Company should note that the scrip dividend may give rise to notification requirements under the Securities and Futures Ordinance for those shareholders who may have notifiable interests in the Company. Shareholders of the Company who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice.

The Company, being an exempted company incorporated in Bermuda, has been designated as non-resident for Bermuda exchange control purposes and has been granted an assurance by the Minister of Finance in Bermuda under the Exempted Undertakings Tax Protection Act 1966. Accordingly, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax shall not be applicable to the Company or any of its operations or Shares, debentures or other obligations of the Company provided that such assurance shall not be construed as to:

- (i) prevent the application of any such tax or duty to such persons as are ordinarily resident in Bermuda;
- (ii) prevent the application of any tax payable in accordance with the provisions of the Land Tax Act, 1967 or otherwise payable in relation to the land leased to the Company.

## Form of Election

Enclosed is a form of election. **No action is required if you wish the final dividend for the year ended 31 March 2004 which you are entitled to receive to be wholly satisfied by an allotment of New Shares on the abovementioned basis. Otherwise, if you wish to receive such dividend wholly in cash in lieu of New Shares, or partly in cash with balance satisfied by an allotment of New Shares, you must complete the enclosed form of election in accordance with the instructions printed thereon and lodge it with the Company's Branch Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on 30 September 2004.** If you have signed the form of election but do not specify the number of Shares in respect of which you wish to receive the dividend in cash or, if you elect to receive the dividend in cash in respect of a greater number of Shares than your registered holding, then in either case you will be deemed to have exercised your election to receive the dividend in cash in lieu of New Shares in respect of all the Shares registered in your name(s). No acknowledgement of receipt of form of election will be issued.

## Shareholders Resident Outside Hong Kong

Based on the Company's register of members at 2 September 2004, there were overseas shareholders with registered address in Japan, Singapore, Thailand and the Philippines. In view of the legal advice received from the relevant local legal counsels of the aforesaid locations, there are no legal restrictions under the laws or regulatory requirements for the issuing of scrip dividend and sending the relevant circular and election form to overseas shareholders in Japan, Singapore, Thailand, and the Philippines.

No shareholder will be excluded from the Scrip Dividend Scheme. However it is the responsibility of any shareholder wishing to join the Scrip Dividend Scheme to satisfy themselves as to full observance of the laws of any relevant territory, including obtaining any governmental or other consents which may be required. The Circular, the form of election and the Final Scrip Dividend Shares will be registered or filed under the securities laws of Hong Kong.

For the avoidance of doubt, the Final Scrip Dividend Shares are not offered to the public and the forms of election are not transferable.

All shareholders resident outside Hong Kong should consult their bankers or other professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable them to receive Shares in satisfaction of the final dividend for the year ended 31 March 2004. No person receiving in any territory outside Hong Kong a copy of this letter and/or a form of election may treat the same as an invitation to him unless in the relevant territory such invitation could lawfully be made to him without having to comply with any unfulfilled registration or other legal requirements.

### **Listing and Dealings**

Shares issued by the Company have been admitted as eligible securities for deposit and settlement in the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited. Dealings in the Company's Shares may be settled through the Central Clearing and Settlement System. Investors should seek the advice of their stockbroker or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

The Shares are listed and dealt in on The Stock Exchange of Hong Kong Limited. On no other stock exchanges are any part of the Shares of the Company listed or dealt in or on which listing or permission to deal is being or is proposed to be sought. Application has been made to The Stock Exchange of Hong Kong Limited for the listing of and permission to deal in the New Shares to be issued pursuant to the scrip dividend arrangements. It is expected that share certificates in respect of such Shares and dividend warrants will be posted at the risk of those entitled thereto on 15 October 2004 and dealings in such Shares will commence on 21 October 2004. In the unlikely event that New Shares are not admitted to listing by The Stock Exchange of Hong Kong Limited before 15 October 2004, the Forms of Election will be disregarded and the full cash dividend will be paid to the entitled shareholders according to their registered shareholdings.

### **Recommendation and Advice**

It is the shareholders' responsibility to decide in this regard whether or not to exercise their rights to receive cash in lieu of the scrip dividend. Whether or not it is to the shareholders' advantages to receive cash or New Shares, in whole or in part, depends upon their own individual circumstances. The effect on the tax position of any shareholder will depend on that shareholder's particular circumstances. If you are in any doubt as to what to do, you should consult your professional advisers. Shareholders who are trustees are recommended to take professional advice as to whether the choice to receive cash or New Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

Yours faithfully  
By Order of the Board  
**Rossana Wang Gaw**  
*Chairman*