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# Pioneer

## PIONEER GLOBAL GROUP LIMITED

*(incorporated in Bermuda with limited liability)*

### DISCLOSEABLE TRANSACTION

The Board noted the recent increase in price and trading volume of the Shares on 10 July 2003 and wishes to state that the Board is not aware of any reasons for such changes, saved as disclosed herein.

Grand Prospect Enterprise Limited, a 51% non-wholly owned subsidiary of the Group, as the Buyer, entered into the Contract Arrangements with the Seller on 11 July 2003 to acquire the Fund from the Seller at the total consideration of Baht870 million (approximately HK\$163 million). The Group's share of investment is 51% representing an amount of Baht443.7 million (approximately HK\$ 83 million). The Fund is a Thai property fund which currently owns a 382-room hotel, Garden Beach Resort (the "Hotel"), in Pattaya, Thailand. The consideration was determined after arm's length negotiations with reference to an independent valuation of the Hotel.

The acquisition transaction constitutes a discloseable transaction of the Company under the Listing Rules. A circular containing further details of the transaction will be despatched to shareholders of the Company as soon as possible.

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 11 July 2003 pending 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 16 July 2003.

### CONTRACTUAL ARRANGEMENTS

#### 1. Date

11 July 2003

#### 2. Buyer

Grand Prospect Enterprise Limited, registered in Hong Kong, is 51% directly owned by the Group and 49% owned by companies beneficially owned by the Connected Party of the Group.

### **3. Seller**

Orchid REO LP, a limited partnership incorporated under the laws of the Cayman Islands and having its registered office at Uglan House, South Church Street, P.O. Box 309, George Town, Grand Cayman, Cayman Islands, is the beneficial and registered owner of 100% of the Fund. The general partner of the Seller is CFSC Capital Corp. LXI, a corporation established under the laws of the state of Delaware, USA and having its registered office at The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801. The Seller is independent of and not connected with the directors, chief executive or substantial shareholders of the Company, its subsidiaries or their respective associates as defined in the Listing Rules.

### **4. Fund**

Orchid Fund Four, an unlisted property fund duly organised and validly existing under the laws of Thailand with the registered office at c/o MFC Asset Management Public Company Limited, 30-32nd Floor, Lake Rajada Building, 193-195 Ratchadapisek Road, Klong Toey, Bangkok 10110 Thailand in January 2000. The Fund acquired 100% of the Hotel including its land use right for rental purpose in January 2000. The Fund has no other activity other than above.

### **5. Acquisition**

The Buyer shall buy 100% of the Fund from the Seller.

### **6. Consideration/payment method**

The consideration is Baht870 million (approximately HK\$163 million) will be paid in cash. A deposit of Baht100 million (approximately HK\$19 million) will be paid on or before 17 July 2003 with the balance of consideration to be paid on 10 October 2003.

### **7. Delivery**

10 October 2003

### **8. Major conditions to completion**

The completion is subject to Thai government approval on the acquisition and an independent accountant's (KPMG) review, appointed by the Seller, on the past financial performance of the Hotel.

### **9. Source of funds**

The purchase of the 51% share of interest of the Fund will be financed by a combination of bank borrowing and internal resources of the Group.

## **REASONS FOR THE ACQUISITION**

The principal business activities of the Group consist of property investment & management, investment of securities, and information service provision. Hotel investment is included under the property investment and management activity.

In January 2000, the Fund was formed to acquire the Hotel for rental purpose. The unaudited net tangible asset value of the Fund was Baht766 million (approximately HK\$144 million) as of 31 May 2003. The unaudited revenue and profit before and after taxation of the Fund were Baht96 million (approximately HK\$18 million) and Baht90 million (approximately HK\$17 million) respectively for the financial year ended May 2003. The audited revenue and profit before and after taxation of the Fund were Baht101 million (approximately HK\$19 million) and Baht96 million (approximately HK\$18 million) respectively for the financial year ended May 2002. The Fund is not subject to corporation income tax in Thailand.

The unaudited rental income generated from the Hotel was Baht96 million (approximately HK\$18 million) for the financial year ended May 2003. The audited rental income generated from the Hotel was Baht101 million (approximately HK\$19 million) for financial year ended May 2002.

The unaudited net tangible asset value of the Hotels was Baht701 million (approximately HK\$131 million) as of 31 May 2003.

The consideration for the purchase has been determined after arm's length negotiations with reference to an independent valuation of the Hotel. The valuation amount as at 21 May 2003 is Baht1,023 million (approximately HK\$192 million) determined by an independent valuer, Nexus Property Consultants Co., Ltd., Thailand. The Board consider that the investment will contribute to the income of the Group and therefore is in the best interest of the Group and its shareholders.

## **GENERAL**

Under the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company. A circular containing further details of the transaction will be despatched to shareholders of the Company as soon as possible.

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

The Board noted the recent increase in price and trading volume of the Shares on 10 July 2003 and wishes to state that the Board is not aware of any reasons for such changes, saved as disclosed herein.

Save as disclosed above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a prices sensitive nature.

Made by the order of the Board of Pioneer Global Group Limited, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

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 11 July 2003 pending 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 16 July 2003.

Unless otherwise specified, amounts denominated in Baht have been translated, for the purpose of illustration only, into Hong Kong Dollars at the rate of Baht1.00 = HK\$0.1875 as at 14 July 2003. No representation is made that any amounts in Baht or Hong Kong Dollars could have been or could be converted at the above rate or at any other rate or at all.

## DEFINITIONS

“Board”	the board of directors including independent non-executive directors of the Company
“Company”	Pioneer Global Group Limited, a company incorporated in Bermuda whose shares are listed on the Stock Exchange
“Connected Party”	Family Trusts of the Gaw family, certain members of which, namely, Mrs. Rossana Wang Gaw, Mr. Goodwin Gaw and Mr. Kenneth Gaw are directors of the Company. The Connected Party and its associates together are beneficially interested in approximately 59.58% of the issued share capital of the Company.
“Fund”	Orchid Fund Four, an unlisted property fund duly organised and validly existing under the laws of Thailand with the registered office at c/o MFC Asset Management Public Company Limited, 30-32nd Floor, Lake Rajada Building, 193-195 Ratchadapisek Road, Klong Toey, Bangkok 10110 Thailand, is currently the 100% beneficial and registered owner of the Hotel. The total issued and outstanding capital of the Fund consisting of 57,964,332.9738 investment units, with a par value of Baht10 each
“Group”	The Company and its subsidiaries
“Hotel”	the Garden Beach Resort, a 382-room resort on a 4.7 acre freehold land located at Pattaya, Banglamung, Chonburi, Thailand
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Shares”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 15 July 2003