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Pioneer
PIONEER GLOBAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code : 00224)

DISCLOSEABLE TRANSACTION: ACQUISITION OF PROPERTY

Discloseable Transaction

On 6 April 2006, Eternal Champion Limited, a wholly owned subsidiary of the Group, entered into an agreement to acquire the Property from the Vendor, an independent third party at a consideration of HK\$82 million in cash.

The transaction contemplated under the Agreement constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules. A circular in connection with the Acquisition will be dispatched to the shareholders of the Company as soon as practicable.

AGREEMENT

On 6 April 2006, the Group entered into a provisional sale and purchase agreement (“Agreement”) to acquire the Property with the following terms:

- Date of Agreement: 6 April 2006
- Purchaser: Eternal Champion Limited, a wholly owned subsidiary of the Company
- Vendor: Everbright Financial Products Limited, a wholly owned subsidiary of China Everbright Holdings Company Limited. The Vendor is the holding company of the Property. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of Everbright Financial Products Limited and its ultimate beneficial owners is a third party independent of the Company and any connected person of the Company and is not a connected person of the Company.
- Property: The whole of 1st, 2nd, 22nd, 25th, 27th, 29th, 31st and 35th floors and eleven car parking spaces of Morrison Plaza, 9 Morrison Hill Road, Wanchai, Hong Kong
- Consideration: HK\$82 million payable in cash
- Payment Terms: HK\$3 million was paid to the Vendor as deposit on signing of the Agreement. HK\$5.2 million shall be paid upon signing of sale and purchase agreement on or before 8 May 2006. Balance of the purchase price HK\$73.8 million shall be paid upon completion of the transaction on or before the Date of completion.

Option: The Purchaser has, until 25 April 2006, an option to acquire 100% shareholding of the Vendor on a debt free basis instead of the Property for the same Consideration.

Date of completion: On or before 20 July 2006

The Property has a total gross floor area of approximately 29,540 square feet. Except the 1st and 2nd floors which are vacant, the Property shall be delivered subject to existing tenancy on the Date of completion. The existing tenancies provide a total monthly rental revenue of HK\$178,000.

The Property had generated revenue and net profit before taxation for the year ended 31 December 2005 and 31 December 2004 as follows:

	For the year ended	
	31 December 2005	31 December 2004
Revenue	HK\$2.0 million	HK\$3.7 million
Net profit before taxation	HK\$1.8 million	HK\$3.5 million

The principal activity of the Vendor is property investment. Its principal asset is the Property and its liabilities include bank loan of HK\$19.5 million and loan from its holding company of HK\$51.4 million as at 31 December 2004. Its net asset value was HK\$25.1 million as at 31 December 2004.

REASONS AND BENEFITS OF THE ACQUISITION

The Acquisition is within the principal business activities of the Group, which consist of property and hotel investment and management. The Property is to generate rental revenue to the Group.

The Property was valued at HK\$100 million by a professional independent valuer, Vigers Appraisal & Consulting Ltd. at 6 April 2006 on the basis of the "Market Value" adopted by the Hong Kong Institute of Surveyors. The Directors confirm that the Consideration for the Property has been determined after arm's length negotiations between the parties. The Directors consider the terms of the Agreement are fair and reasonable and in the best interest of the Company and shareholders as a whole. The Acquisition will be funded by internal resources and bank financing which has not yet finalized as at the date of this announcement.

Cash and bank balance and unutilised bank facilities available to the Company as at 6 April 2006 were HK\$30 million and HK\$160 million. The total debt to equity ratio as at 30 September 2005 was 22.7% which was arrived at by dividing total debt of HK\$162 million to total equity of HK\$715 million. Total debt consisted of short-term secured bank loans of HK\$62 million and long-term secured bank loans of HK\$100 million. Assuming 100% bank financing of this Acquisition, the total debt to equity ratio will be increased.

The Company will comply with Rule 14.75 of the Listing Rules to make an announcement if the Company exercises the above Option. The Company will comply with Rule 14.77 of the Listing Rules to make an announcement upon (a) the expiry of the Option; (b) the Option holder notifying the grantor that the Option will not be exercised; or (c) the transfer by the Option to a third party.

DISCLOSEABLE TRANSACTION OF THE COMPANY

The transaction contemplated under the Agreement constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules. A circular in connection with the Acquisition will be dispatched to the shareholders of the Company as soon as practicable.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“Acquisition”	the acquisition of the Property by Eternal Champion Limited
“Board”	directors 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
“connected person”	has the meaning ascribed to it under the Listing Rules
“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 People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

As at the date of this announcement, the executive directors of the Company are Mrs. Rossana Wang Gaw, Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Jane Kwai Ying Tsui. The independent non-executive directors of the Company are Dr. Charles Wai Bun Cheung, J.P., The Hon. Bernard Charnwut Chan and Mr. Arnold Tin Chee Ip.

By order of the Board
Kenneth Gaw
Managing Director

Hong Kong, 10 April 2006