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Pioneer

PIONEER GLOBAL GROUP LIMITED

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

DISCLOSEABLE TRANSACTION: DISPOSAL OF PROPERTY

DISCLOSEABLE TRANSACTION

On 12 June 2006, the Vendor and the Purchaser entered into the Agreement, whereas the Vendor has agreed to sell the Property to the Purchaser. The consideration for the Disposal is HK\$33.0 million payable in cash and has been negotiated on an arm's length basis. The Disposal constitutes a discloseable transaction of the Company under Rule 14.06 (2) of the Listing Rules. A circular containing further details of the Disposal will be dispatched to the Shareholders as soon as practicable.

BACKGROUND

Reference is made to the Company's announcement dated 10 April 2006 and 26 April 2006. The Group acquired the holding company of the property with the whole of 1st, 2nd, 22nd, 25th, 27th, 29th, 31st and 35th floors and eleven car parking spaces of 9 Morrison Hill Road, Wanchai, Hong Kong from China Everbright Holdings Company Limited and China Everbright Holdings (Nominee) Limited ("the Ex-vendors").

AGREEMENT

On 12 June 2006, the Group entered into a provisional sale and purchase agreement ("Agreement") to dispose the Property with the following terms:

Date of agreement: 12 June 2006

Purchaser: An Individual, who was introduced by a property agent to enter into the Agreement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is a third party independent of the Company and any connected person of the Company and is neither a connected person of the Company nor the Ex-vendors.

Vendor: Everbright Financial Products Limited (in the process of name change to PGG Morrison Holding Limited), a wholly owned subsidiary of the Group

Property: The whole of 1st and 2nd floors of 9 Morrison Hill Road, Wanchai, Hong Kong

Consideration: HK\$33.0 million payable in cash

Payment terms: HK\$1.0 million was paid to the Vendor as deposit on signing of the Agreement. HK\$2.3 million shall be paid upon signing of sale and purchase agreement on or before 30 June 2006. Balance of the purchase price HK\$29.7 million shall be paid upon completion of the transaction on or before the Date of completion.

Date of completion: On or before 15 December 2006

The Property

The Property, which has a total gross floor area of approximately 8,562 square feet, is a commercial property and has been vacant since March 2005. Before being left vacant, it was used for rental purpose and its average occupancy rate was 100%. The Property was a part of the total property portfolio acquired by the Vendor in 2002 and the Vendor was acquired by the Group for HK\$82.0 million in June 2006. The whole property was valued at HK\$100.0 million by a professional independent valuer, Vigers Appraisal & Consulting Ltd. at 6 April 2006.

The carrying value of the Property was approximately HK\$26.0 million which is about 28% of the total carrying value of the whole property of HK\$93.0 million as per 31 March 2006 accounts of the Vendor. The revenue and net profit before taxation generated by the Property for the year ended 31 March 2005 and 31 March 2006 were as follows:

	31 March 2006	31 March 2005
Revenue	Nil	HK\$2.2 million
Net profit before taxation	Nil	HK\$2.2 million

The Group shall report a gain before and after taxation of approximately HK\$7.0 million on the Disposal in the financial year ended 31 March 2007. This is arrived at after deducting from the Consideration the carrying value of the Property and certain selling and legal costs.

REASONS AND BENEFITS OF THE DISPOSAL

The principal business activities of the Group are property and hotel investment and management. The Property was originally intended to rent out but a disposal opportunity was come up for the Company by a property agent. After considering that the Property was vacant and the Disposal provided an opportunity for the Group to realize a profit, the Company finally chose to dispose the Property. The proceeds from the Disposal will be used for new investments when attractive opportunities arise within the scope of the principal business of the Group. The Directors confirm that the consideration for the property has been determined after arm's length negotiations between the parties with reference to the proportional value of the whole property estimated by Vigers Appraisal & Consulting Ltd. 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.

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 Disposal will be dispatched to the Shareholders as soon as practicable.

DEFINITIONS

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

“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
“Directors”	directors of the Company
“Disposal”	the disposal of the Property on 12 June 2006
“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
“Shareholder(s)”	holders of shares of the Company
“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, 13 June 2006