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Pioneer
PIONEER GLOBAL GROUP LIMITED

(incorporated in Bermuda with limited liability)

Disposal of interests in Grand Prospect

DISPOSAL OF INTEREST IN GRAND PROSPECT

Pursuant to an agreement dated 8 August 2003, Pioneer Industries, a wholly-owned subsidiary of the Company, has sold and the Purchaser has purchased 15 shares in Grand Prospect, representing 1.5% of the issued share capital of Grand Prospect. Pioneer Industries has also assigned to the Purchaser a portion, in the amount of HK\$285,480, of the shareholder's loan Pioneer Industries had advanced to Grand Prospect, which is equivalent to 1.5% of the aggregate principal amount of all the shareholders' loans advanced to Grand Prospect by all the shareholders of Grand Prospect. The total consideration of the disposal of the Sale Shares and the assignment of the Shareholder's Loan Portion was HK\$285,495. Following completion of the Disposal, the Company, through Pioneer Industries, is now interested in 495 shares in Grand Prospect, representing 49.5% of the issued share capital of Grand Prospect with Add Return and the Purchaser interested in the remaining 47.5% and 3% of its issued share capital respectively. Grand Prospect has therefore ceased to be a subsidiary of the Company and has become a 49.5% owned associated company of the Company.

DISCLOSEABLE TRANSACTION OF THE COMPANY

At the time Grand Prospect entered into the Contract, it was a 51% non-wholly owned subsidiary of the Company. Although Grand Prospect has ceased to be a subsidiary of the Company following completion of the Disposal, the original transaction represented by Grand Prospect entering into the Contract continues to be regarded as a discloseable transaction of the Company for Listing Rules purposes and the Company will issue and despatch a circular to its shareholders in that connection. Further details of the Disposal will also be included in the circular in respect of the Contract to be despatched to the shareholders of the Company on or before 27 August 2003.

Reference is made to the Previous Announcement issued on 15 July 2003 in respect of the Contract regarding the purchase of Orchid Fund Four and the further announcement issued on 6 August 2003 in respect of the delay in the despatch of the circular regarding the Contract.

THE AGREEMENT

Date

8 August 2003

Parties

(1) Pioneer Industries; and

(2) the 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.

Disposal of Sale Shares and assignment of Shareholder's Loan Portion

Pursuant to the Agreement, Pioneer Industries, a wholly-owned subsidiary of the Company, has sold and the Purchaser has purchased 15 shares in Grand Prospect, representing 1.5% of the issued share capital of Grand Prospect, at a consideration of HK\$15. Pioneer Industries has also assigned to the Purchaser the Shareholder's Loan Portion at its face value of HK\$285,480. The Shareholder's Loan Portion represents 1.5% in principal amount of the aggregate amount of all the shareholders' loans advanced to Grand Prospect by its shareholders (being Pioneer Industries and Add Return). (There is no restriction provided in the Contract on any disposal, prior to the completion of the Contract, by any shareholder of Grand Prospect of any of its interests in Grand Prospect.)

The total consideration of the disposal of the Sale Shares and the assignment of the Shareholder's Loan Portion was HK\$285,495, which has been satisfied by payment in cash to Pioneer Industries on the date of completion of the Disposal.

Following the completion of the Disposal, the Company, through Pioneer Industries, is now interested in 495 shares in Grand Prospect, representing 49.5% of the issued share capital of Grand Prospect with Add Return and the Purchaser interested in the remaining 47.5% and 3% of its issued share capital respectively. Grand Prospect has therefore ceased to be a subsidiary of the Company and has become a 49.5% owned associated company of the Company.

The terms of the Agreement, including the consideration which was determined by reference to the portion of the total investment in Grand Prospect (being the total paid-up share capital of Grand Prospect of HK\$1,000 and the shareholders' loans advanced to Grand Prospect of approximately HK\$19 million) made by the original shareholders (being Pioneer Industries and Add Return) attributable to a 1.5% interest in Grand Prospect, have been reached following arm's length negotiations between the parties to the Agreement. The board of directors of the Company (including the independent non-executive directors of the Company) are of the view that the terms of the Agreement are fair and reasonable as far as its shareholders are concerned and that the entering into and implementation of the Agreement and the transactions contemplated thereunder are in the interest of Company and its shareholders as a whole.

In conjunction with the Disposal, the Purchaser has separately also purchased from Add Return 15 shares in Grand Prospect, representing 1.5% of its issued share capital, and taken up from Add Return the assignment of a portion, in the amount of HK\$285,480, of the shareholder's loan which Add Return had advanced to Grand Prospect in proportion to its shareholding, for a total consideration of HK\$285,495, which is equal to the consideration received by Pioneer Industries under the Disposal.

INFORMATION RELATING TO GRAND PROSPECT

Prior to completion of the Agreement, Grand Prospect was a 51% non-wholly owned subsidiary of the Company. As described in the Previous Announcement, on 11 July 2003, Grand Prospect as purchaser entered into the Contract with Orchid REO LP as the vendor in respect of the acquisition of Orchid Fund Four at a total consideration of Baht 870 million (approximately HK\$163 million). Pursuant to the Contract, a Baht 100 million (approximately HK\$19 million) deposit was paid by Grand Prospect to Orchid REO LP on 17 July 2003 with the balance of the consideration due to be paid on 10 October 2003. The completion of the Contract is subject to obtaining Thai government approval of the acquisition of Orchid Fund Four and an independent accountant's review of the past financial performance of the

Hotel. Grand Prospect has no other activity other than the above and, apart from its issued share capital of HK\$1,000 and the deposit paid under the Contract, has no other material asset or, apart from the total shareholders' loans in the aggregate amount of approximately HK\$19 million due to its shareholders, material liability. The unaudited net tangible assets of Grand Prospect as at the date of the Agreement is HK\$1,000 and no profit or loss has been incurred throughout the period from its incorporation to the date of the Agreement.

REASONS FOR THE DISPOSAL

Pursuant to the Disposal, the Company has reduced its indirect shareholding in Grand Prospect from 51% to 49.5%. As a result, Grand Prospect is no longer a subsidiary of the Company and a member of the Group. The board of Grand Prospect comprises one director nominated by Pioneer Industries and one director nominated by Add Return with neither of them has a casting vote and in case of a dead-lock, the shareholders of Grand Prospect might seek to effect a voluntary winding-up of the company in accordance with the articles of association of Grand Prospect. By reducing its interests in Grand Prospect from 51% to 49.5%, the Company will no longer have to consolidate the results and balance sheet of Grand Prospect (including the borrowings which Grand Prospect is expected to have to incur in order to finance part of the consideration payable for the purchase of Orchid Fund Four pursuant to the Contract) and, following completion of the acquisition of Orchid Fund Four pursuant to the Contract, Orchid Fund Four into the Group's own financial statements. This will enable the Company to conserve its assets and financial resources for other potential applications. At the same time, the directors of the Company consider that the continuing participation of the Group as a 49.5% shareholder in Grand Prospect will enable the Group to share in the income to be generated by Grand Prospect's investment in the Hotel through its acquisition of Orchid Fund Four pursuant to the Contract. The Company intends to keep the 49.5% interest in Grand Prospect as a long term investment and it has no present intention to dispose further interests in Grand Prospect.

As mentioned in the announcement of the Company dated 6 August 2003 in respect of the delay in the despatch of the circular regarding the Contract, the Company were not able to despatch the circular within 21 days after the publication of the Previous Announcement as additional time was required to prepare and finalise the circular; the Company had been engaged in negotiations relating to the Disposal until towards the end of the 21 day period and had assumed that, when Grand Prospect ceased to be a subsidiary of the Company upon completion of the Disposal, the acquisition by Grand Prospect of Orchid Fund Four under the Contract would no longer be considered a discloseable transaction of the Company under the Listing Rules and that, accordingly the Company was not able to despatch the circular within the 21 day period. The Company entered into the Agreement on 8 August 2003 prior to the despatch to its shareholders of the circular in respect of the Contract because the opportunity to effect the Disposal pursuant to the Agreement had become available and the terms of the Agreement were considered by the directors of the Company to be fair and reasonable.

DISCLOSEABLE TRANSACTION OF THE COMPANY

At the time Grand Prospect entered into the Contract, it was a 51% non-wholly owned subsidiary of the Company. Although Grand Prospect has ceased to be a subsidiary of the Company upon completion of the Disposal, the original transaction represented by Grand Prospect entering into the Contract continues to be regarded as a discloseable transaction of the Company for Listing Rules purposes and the Company will issue and despatch a circular to its shareholders in that connection. Further details of the Disposal will also be included in the circular in respect of the Contract to be despatched to the shareholders of the Company on or before 27 August 2003.

INFORMATION RELATING TO THE COMPANY

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

DEFINITIONS

For the purposes of this announcement, capitalised terms appearing herein shall, unless the context otherwise admits, have the meanings set out below:

“Add Return”	a company incorporated in the British Virgin Island and is beneficially owned by the Gaw Family Trust
“Agreement”	an agreement dated 8 August 2003 entered into between Pioneer Industries and the Purchaser in respect of, inter alia, the Disposal
“associate”	has the meaning as defined in the Listing Rules
“Baht”	Baht, the lawful currency of Thailand
“Company”	Pioneer Global Group Limited, a company incorporated in Bermuda with limited liability the shares of which are listed on the Stock Exchange
“Contract”	the contract dated 11 July 2003 entered into between Grand Prospect and Orchid REO LP in respect of the acquisition by Grand Prospect of Orchid Fund Four
“Disposal”	the disposal of the Sale Shares and the assignment of the Shareholder’s Loan Portion by Pioneer Industries pursuant to the Agreement
“Gaw Family Trust”	a family trust 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
“Grand Prospect”	Grand Prospect Enterprise Limited, a company incorporated in Hong Kong with limited liability which is a 51% non-wholly owned subsidiary of the Company before the Disposal (the other 49% being owned by Add Return)
“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
“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

“Orchid Fund Four”	an unlisted property fund duly organised and validly existing under the laws of Thailand with its 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. It is currently the 100% beneficial and registered owner of the Hotel. The total issued and outstanding capital of Orchid Fund Four consists of 57,964,332.9738 investment units, with a par value of Baht 10 each
“Pioneer Industries”	Pioneer Industries (Holdings) Limited, a company incorporated in Hong Kong with limited liability which is a wholly-owned subsidiary of the Company
“Previous Announcement”	the announcement issued by the Company on 15 July 2003 in respect of the Contract entered into by Grand Prospect
“Purchaser”	Profit Multiples Development Limited, a company incorporated in the British Virgin Islands with limited liability which is an independent third party not connected with any of the directors, chief executives and substantial shareholders of the Company and its subsidiaries or their respective associates
“Sale Shares”	15 shares of HK\$1.00 each in the share capital of Grand Prospect
“Shareholder’s Loan Portion”	a portion, in the amount of HK\$285,480 which represents 1.5% of the total shareholders’ loans of approximately HK\$19 million in aggregate advanced to Grand Prospect by its shareholders (being Pioneer Industries and Add Return), of the shareholder’s loan which Pioneer Industries had advanced to Grand Prospect in proportion to its then 51% shareholding interest in Grand Prospect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholders”	has the meaning as defined in the Listing Rules

By Order of the Board
Kenneth Gaw
Managing Director

Hong Kong, 8 August 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 Baht 1.00 = HK\$0.1875. 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.