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**Pioneer**  
**PIONEER GLOBAL GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code : 00224)**

**DISCLOSEABLE TRANSACTION:  
FORMATION OF A JOINT VENTURE FOR PROPERTY INVESTMENT**

On 23 November 2007, Win Plus, a wholly owned subsidiary of the Company, entered into a joint venture agreement with VCGL, AG1 and AG2 in relation to their capital contribution to be made to and the continuing management of the JV Company, which has on 23 November 2007 entered into an agreement to acquire the entire interests in the holding companies of the Property. The Group has a 30% equity interest in the JV Company and has committed to make a capital contribution of HK\$180 million towards the JV Company.

The Group's participation in the JV Company under the terms of the Agreement constitutes a discloseable transaction of the Company pursuant to Rule 14.06(2) of the Listing Rules. A circular relating to the transaction will be dispatched to the Shareholders as soon as practicable.

**THE AGREEMENT**

**(a) Date**

23 November 2007

**(b) Parties**

- (i) Win Plus, a wholly owned subsidiary of the Company;
- (ii) VCGL;
- (iii) AG1; and
- (iv) AG2

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of VCGL, AG1 and AG2 and their respective 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. AG1 and AG2 are special purpose vehicles of private equity funds managed by Angelo, Gordon & Co, which is a US investment adviser while VCGL has no relationship with AG1 and AG2.

**(c) Shareholding structure and capital commitments**

The JV Company is held by Win Plus: VCGL: AG1: AG2 on a 30%: 20%: 46.8%: 3.2% basis. The total committed share capital contribution is HK\$600 million, of which HK\$560 million will be used for the acquisition of the Property and HK\$40 million will be used as working capital of the JV Company, and shall be contributed by the Parties in accordance with their shareholding. Win Plus's commitment is HK\$180 million which will be partly funded by the Group's internal resources and partly by bank borrowings.

**(d) Management of the JV Company**

The board of directors of the JV Company consists of 6 directors. Win Plus has the right to appoint 2 directors while VCGL has the right to appoint 1 and AG1 with AG2 together have the right to appoint 3 directors.

The Group will enter into an agreement with the Property holding subsidiary of the JV Company pursuant to which the Group will provide asset management services (including leasing, renovation and operation) in relation to the Property at an agreed fee after considering the scope of services provided.

**PURPOSE OF THE JOINT VENTURE**

The JV Company was formed to acquire from the Vendor the entire interests in the holding companies of the Property including the associated shareholder loan due to the Vendor. The agreement for such acquisition was entered into between the JV Company and the Vendor on 23 November 2007. The total acquisition cost is approximately HK\$1,560 million (including assumption of liabilities) and is proposed to be financed by a non-recourse mortgaged bank loan of HK\$1,000 million and the balance by the capital contribution to be made to the JV Company by the JV Parties.

The Property, consists of a 24-storey commercial building with a 16-storey office block atop an 8-storey retail and carpark podium, is held for long-term capital appreciation purpose. The total GFA is about 229,200 square feet. The current occupancy is about 99% with monthly rental income of HK\$5.1 million in the month of October 2007. The Property was valued at HK\$1,600 million by an independent valuer, DTZ as at 16 November 2007 on the "Market Value" basis adopted by the Hong Kong Institute of Surveyors.

**RELATIONSHIP WITH THE VENDOR**

The Group owns a 5% equity interest in the Vendor (reference is to be made to the announcement made by the Company on 25 May 2004). The Vendor was formed to acquire two investment properties: the Property and the shopping mall named "Kowloon City Plaza" in May 2004.

**INFORMATION ABOUT THE JV COMPANY**

As the JV Company is a newly incorporated entity and has not yet commenced business, its turnover, profits before and after tax are nil. Except for the cash commitment provided by the JV Parties, the JV Company has no other assets as at the date of this announcement. The Joint Venture will be treated as an associated company in the Company's financial statements.

## **REASONS FOR THE GROUP'S PARTICIPATION IN THE JOINT VENTURE**

The Group's 30% equity participation in the JV Company is in line with the principal business activities of the Group – property and hotel investment and management. The Directors confirm that the terms of the Agreement have been determined after arm's length negotiations and consider such terms are fair and reasonable and in the best interest of the Company and the Shareholders as a whole.

## **DISCLOSEABLE TRANSACTION OF THE COMPANY**

The Group's participation in the JV Company under the Agreement constitutes a discloseable transaction of the Company under Chapter 14.06(2) of the Listing Rules. A circular in connection with the transaction 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.

“AG1”	AG Core Plus II Corp., a Delaware corporation with principal activities of investment holdings
“AG2”	AG Core Plus II (AU) Holdings, Corp., a Delaware corporation with principal activities of investment holdings
“Agreement”	the joint venture agreement entered into on 23 November 2007 between Win Plus, VCGL, AG1 and AG2 in relation to their capital contribution to be made to and the continuing management of the JV 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
“Directors”	directors of the Company
“GFA”	gross floor area
“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
“JV Company”	Causeway Bay 68 Limited, a company incorporated in the British Virgin Islands with limited liability on 23 October 2007 by AG1
“JV Parties”	Win Plus, VCGL, AG1 and AG2

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the property located at 68 Yee Wo Street, Causeway Bay
“Shareholder(s)”	holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“VCGL”	Value Creation Group Limited, a company incorporated in the British Virgin Islands with limited liability with principal activities of investment holdings
“Vendor”	MSR Project Grand Slam Limited, a company incorporated in Cayman Islands, which save for the Group’s 5% shareholding in it, 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
“Win Plus”	Win Plus Development Limited, a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

*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., Mr. Stephen Tan and Mr. Arnold Tin Chee Ip.*

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

Hong Kong, 26 November 2007