



Pioneer PIONEER GLOBAL GROUP LIMITED

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

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

The Board of Directors of Pioneer Global Group Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2007, together with the comparative figures for the corresponding period in 2006 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	For the six months ended 30 September	
		2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
Turnover			
Company and subsidiaries		25,192	24,051
Share of associates		13,817	11,665
		<u>39,009</u>	<u>35,716</u>
Turnover of Company and subsidiaries	2	<u>25,192</u>	<u>24,051</u>
Properties operating expenses		(4,878)	(6,162)
Staff costs		(4,725)	(4,780)
Depreciation and amortisation		(1,515)	(1,645)
Other expenses		(1,482)	(2,299)
		<u>(12,600)</u>	<u>(14,886)</u>
Operating profit	2	<u>12,592</u>	9,165
Share of profits of associates		24,384	44,603
Change in fair value of investment properties		29,726	25,633
Other gains and losses	3	10,641	9,700
Finance costs		(3,396)	(4,776)
Profit before taxation		<u>73,947</u>	84,325
Taxation – current	4	(2,806)	(264)
– deferred	4	(5,373)	(4,846)
Profit for the period		<u>65,768</u>	<u>79,215</u>
Attributable to:			
Minority interests		665	707
Shareholders of the Company		65,103	78,508
		<u>65,768</u>	<u>79,215</u>
Interim dividend	5	<u>6,155</u>	<u>3,847</u>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share	6	<u>8.46</u>	<u>10.20</u>

CONDENSED CONSOLIDATED BALANCE SHEET

		30 September 2007 (Unaudited) HK\$'000	31 March 2007 (Audited) HK\$'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Investment properties		465,600	489,600
Associates		560,200	481,815
Available for sale investments		402,500	358,853
Property, plant and equipment		21,090	22,509
Leasehold land		11,002	11,121
Other assets		1,447	1,447
		<u>1,461,839</u>	<u>1,365,345</u>
Current assets			
Investment properties to be disposed	7	66,000	–
Debtors, advances and prepayments		10,881	8,312
Financial assets at fair value		7,280	5,392
Cash and bank balances		20,109	15,568
		<u>104,270</u>	<u>29,272</u>
Total assets		<u>1,566,109</u>	<u>1,394,617</u>
EQUITY			
Share capital	8	76,935	76,935
Reserves		1,273,189	1,087,513
Shareholders' funds		1,350,124	1,164,448
Minority interests		15,748	15,332
Total equity		<u>1,365,872</u>	<u>1,179,780</u>
LIABILITIES			
Non-current liabilities			
Secured bank loans		17,000	39,100
Deferred tax liabilities		57,875	52,502
		<u>74,875</u>	<u>91,602</u>
Current liabilities			
Creditors and accruals		17,204	13,257
Secured bank loans		104,700	109,356
Tax liabilities		3,458	622
		<u>125,362</u>	<u>123,235</u>
Total liabilities		<u>200,237</u>	<u>214,837</u>
Total equity and liabilities		<u>1,566,109</u>	<u>1,394,617</u>

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 September 2007

1. Basis of Presentation and Accounting Policies

These unaudited consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard No. 34 – Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants. The accounting policies used in the preparation of interim financial statements are consistent with those set out in the annual financial statements for the year ended 31 March 2007, except for the adoption of the new Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards, which are effective for periods beginning on or after 1 January 2007. Such adoption did not result in material changes to the Group's accounting policies.

2. Segment Information

Segment information is presented in respect of the Group primary business segment.

	For the period ended 30 September					
	Property and Hotel		Investments and Others		Consolidated	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Segment turnover						
Company and subsidiaries	<u>16,824</u>	<u>16,734</u>	<u>8,368</u>	<u>7,317</u>	<u>25,192</u>	<u>24,051</u>
Segment result	4,698	2,748	8,011	6,886	12,709	9,634
Unallocated corporate expenses					<u>(117)</u>	<u>(469)</u>
Operating profit					12,592	9,165
Share of profits of associates	24,384	44,603	–	–	24,384	44,603
Change in fair value of investment properties	29,726	25,633	–	–	29,726	25,633
Other gains and losses	–	9,079	10,641	621	10,641	9,700
Finance costs					(3,396)	(4,776)
Taxation					(8,179)	(5,110)
Minority interests					<u>(665)</u>	<u>(707)</u>
					<u>65,103</u>	<u>78,508</u>

3. Other Gains and Losses

	2007 HK\$'000	2006 HK\$'000
Change in fair value of financial assets	1,728	661
Gain on disposal of available for sale investments	9,792	–
Impairment loss on available for sale investments and other assets	(833)	–
Negative goodwill recognised	–	9,079
Others	(46)	(40)
	<u>10,641</u>	<u>9,700</u>

4. Taxation

	2007			2006		
	Current taxation HK\$'000	Deferred taxation HK\$'000	Total HK\$'000	Current taxation HK\$'000	Deferred taxation HK\$'000	Total HK\$'000
The Company and its subsidiaries						
Hong Kong	2,790	5,373	8,163	209	4,846	5,055
Overseas	16	–	16	55	–	55
	<u>2,806</u>	<u>5,373</u>	<u>8,179</u>	<u>264</u>	<u>4,846</u>	<u>5,110</u>

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated Hong Kong source assessable profits for the period. Overseas tax has been provided at the applicable rates in the countries in which the tax is levied.

5. Interim Dividend

The Board of Directors declares an interim dividend of HK0.80 cent per share (2006: HK0.50 cent), totaling HK\$6,155,000 for the six months ended 30 September 2007 (2006: HK\$3,847,000) to shareholders whose names appear on the registers of members of the Company at the close of business on 31 January 2008. This amount is not included as a liability in these interim financial statements.

6. Earnings Per Share

Earnings per share is calculated on profit attributable to shareholders amounting to HK\$65,103,000 (2006: HK\$78,508,000) and on 769,359,104 shares in issue during both periods of 2006 and 2007.

No diluted earnings per share have been presented for the periods ended 30 September 2007 and 30 September 2006 as the Company had no dilutive potential ordinary shares during both periods.

7. Investment Properties to be Disposed

In September 2007, the Group entered into a provisional sale and purchase agreement to dispose of the whole of 22nd, 25th, 27th, 29th, 31st and 35th floors and 9 car parking spaces of Morrison Plaza, Wanchai, Hong Kong for HK\$78,600,000. Details were provided in an announcement on 21 September 2007.

8. Share Capital

	No. of Shares of HK\$0.10 each	HK\$'000
Authorised		
At 30 September 2007 and 31 March 2007	<u>2,000,000,000</u>	<u>200,000</u>
Issued and fully paid		
At 30 September 2007 and 31 March 2007	<u>769,359,104</u>	<u>76,935</u>

9. Contingent Liabilities and Commitments

	30 September 2007 HK\$'000	31 March 2007 HK\$'000
Guarantees		
– on utility deposits	160	402
Commitments		
– for total future minimum lease payments		
– not later than one year	1,440	2,050
– later than one year and not later than five years	1,440	755
– for purchase of investment properties		
– not later than one year	–	1,729
– later than one year and not later than five years	<u>12,548</u>	<u>12,548</u>

10. Event After Balance Sheet Date

In November 2007, the Group participated in a joint venture with 30% ownership. The joint venture shall purchase an investment holding company which owns a commercial and office building on 68 Yee Wo Street in Causeway Bay, Hong Kong. The capital commitment by the Group is HK\$180 million. Details were provided in the announcement on 26 November 2007.

INTERIM DIVIDEND

The Board of Directors recommends the payment of an interim dividend for the six months ended 30 September 2007 at the rate of HK0.80 cent per share (2006: HK0.50 cent), payable on 5 February 2008 to all persons registered as shareholders on 31 January 2008. The transfer books and register of members of the Company will be closed from 28 January 2008 to 31 January 2008, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Friday, 25 January 2008.

BUSINESS REVIEW

I am pleased to report that the Group's total turnover including share of associates for the six months period ended 30 September 2007 was HK\$39.0 million, a 9.2% increase compared to HK\$35.7 million in 2006. The increase in turnover was due mainly to higher revenues from the Group's Aisawan Resort & Spa in Thailand.

Net profit for the Group during the six months period ended 30 September 2007 was HK\$65.8 million, a 17.0% decline from the same period in 2006. This decline in profit was due mainly to smaller fair value increase from properties held by associates.

Property Investments

The Pioneer Building at Kwun Tong, Kowloon continued to enjoy a high occupancy rate of 92% and contributed rental revenues of HK\$9.3 million (2006: HK\$9.4 million). In addition, the property contributed HK\$22.0 million in fair value increase from revaluation (2006: HK\$24.0 million).

The Group owns a total of 63,840 sq.ft. in Maximall, City Garden, North Point. Revenues from this asset were HK\$3.5 million for the period.

In September 2007, a sale and purchase agreement was signed to dispose of the Group's holdings in Morrison Plaza for HK\$78.6 million. The transaction will be completed on or before 30 April 2008 and will generate a gain of HK\$14.1 million for the Group.

The Group's joint venture with Morgan Stanley Real Estate Funds and PamFleet Investments Limited owns the 229,200 sq.ft. 68 Yee Wo Street in Causeway Bay and the 640,000 sq.ft. KCP in Kowloon City. Since the completion of renovation at KCP in November 2006, the property has continued to lease up. As at the end of the reporting period, occupancy rate at KCP has reached approximately 80%. And with the leasing of the retail podium of 68 Yee Wo Street to G.O.D. (a leading furniture and lifestyle retailer), occupancy rate of the 68 Yee Wo Street building was 99% by the end of the reporting period.

The AIA Tower Macau is owned by the Group's joint venture with Morgan Stanley Real Estate Funds and Wachovia Development Corporation. Since the completion of the major renovation program and the re-launch of the property under its current name, the 22-storey, 437,000 sq.ft. commercial building has become one of the leading class-A office towers in Macau both in terms of tenant mix and rental rates. As at the end of the reporting period, 66% of the building has been leased. Since the re-launch of the building in the leasing market in the second quarter of 2006, we have seen continued increase in demand for high quality office space in Macau as the territory witnesses strong economic growth.

Through an associated company, the Shanghai K. Wah Centre contributed HK\$21.5 million in profits to the Group (mainly from fair value increase in property value). The property has also performed well by maintaining full occupancy.

In September 2007, the Group participated in a 50:50 new joint venture with a strategic investor. The joint venture was formed to acquire a commercial and office building (GFA 11,500 sq.m.) for RMB80.0 million in Guangzhou, China. The building occupancy is over 90% with monthly revenue of about RMB0.5 million. The capital contribution to the joint venture by the Group was HK\$20.7 million.

Investments in Hotel Industry

For the six months period ended 30 September 2007, the Aisawan Resort & Spa in Pattaya, Thailand generated revenues of Baht 111.1 million, compared to Baht 101.1 million during the same period in 2006. Gross operating profit for the period was Baht 48.1 million, compared to Baht 39.4 million in 2006. We expect the upcoming high season winter will continue the growth trend. Through an associated company, Aisawan Resort & Spa contributed HK\$1.6 million to the Group during the period (2006: HK\$1.4 million).

The Group's associated company Pioneer iNetwork Limited owns 10.3% of Dusit Thani Public Company Limited ("Dusit Thani"), the leading owner and operator of hotels in Thailand. During the nine months ended 30 September 2007, Dusit Thani had revenues of Baht 2.3 billion (2006 restated: Baht 2.4 billion) and net income of Baht 39.4 million (2006 restated: Baht 138.5 million). The decrease in net income was attributed to an exceptional gain of Baht 113.3 million received in the period of 2006.

PROSPECTS

The Group is optimistic about the commercial property market in Hong Kong. On 23 November 2007, the Group formed a new joint venture to acquire the entire ownership of the 68 Yee Wo Street property in Causeway Bay. The other joint venture partners consist of two US private equity funds and a local investor. The capital commitment by the Group will be up to HK\$180 million. As a result of this investment, the Group shall increase its beneficial holding in the 68 Yee Wo Street property from 5% to 30%. Moreover, the Group shall provide asset management services to the joint venture. Details were provided in the announcement dated 26 November 2007.

We shall continue to look for attractive real estates and hotels investments in the region.

LIQUIDITY AND FINANCIAL RESOURCES

As of 30 September 2007, the Group continued to enjoy a strong financial position, maintaining substantial unutilized bank facilities. At the balance sheet date, the Group's total debt to shareholders' fund ratio was 9% (March 2007: 13%) and net debt (net of cash and cash equivalents) to shareholders' fund ratio was 8% (March 2007: 11%).

EMPLOYEES

As at 30 September 2007, the number of salaried staff not including associates was 18. The Group ensures that its employees' remuneration packages are competitive. Employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the six months ended 30 September 2007, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the shares of the Company.

CORPORATE GOVERNANCE

During the six months ended 30 September 2007, the Company has applied the principles of and complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules.

REVIEW OF INTERIM REPORT

The Audit Committee comprises three independent non-executive directors, including Dr. Charles Wai Bun Cheung, JP, Mr. Stephen Tan and Mr. Arnold Tin Chee Ip. The Committee has reviewed the unaudited consolidated interim financial statements of the Group for the six months ended 30 September 2007 and discussed with management the accounting principles and practices adopted by the Group as well as financial reporting matters.

By Order of the Board
Kenneth Gaw
Managing Director

Hong Kong, 3 December 2007

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 and the independent non-executive directors of the Company are Dr. Charles Wai Bun Cheung, JP, Mr. Stephen Tan and Mr. Arnold Tin Chee Ip.