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**Pioneer**

**PIONEER GLOBAL GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00224)**

## **VERY SUBSTANTIAL ACQUISITION**

On 23 August 2010, Win Plus, a wholly-owned subsidiary of the Company, made the Offer to the Seller to purchase the Sale Shares, which represent 50% of the issued share capital of CWB 68, and on the same day, the Seller accepted the Offer. Win Plus currently holds 30% of the issued share capital of CWB 68. Pursuant to the terms of the Shareholders' Deed, on 26 August 2010, the Seller made the ROFR Offer to Value Creation in relation to part of the Sale Shares representing 20% of the issued share capital of CWB 68, and as at the date of this announcement, Value Creation has not yet formally responded to the ROFR Offer. If Value Creation does not accept the ROFR Offer, Win Plus will proceed with the purchase of all of the Sale Shares.

Upon Completion, CWB 68 will become a subsidiary of the Company and its financial results will be consolidated into the accounts of the Group from the date of Completion.

The Transaction constitutes a very substantial acquisition for the Company under Rule 14.06(5) of the Listing Rules and is subject to approval by the Shareholders under Rule 14.49 of the Listing Rules.

A circular containing, among other things, further details of the Transaction and a notice of the SGM for the purpose of approving the Transaction will be dispatched by the Company to the Shareholders in accordance with the Listing Rules.

Trading in the shares of the Company was suspended at the request of the Company with effect from 9:30 a.m. on 24 August 2010 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the trading in the shares of the Company to resume from 9:30 a.m. on 31 August 2010 following the publication of this announcement.

## **THE OFFER**

### **Date of Agreement (the “Agreement”):**

23 August 2010

### **Seller:**

AG Core Plus II Causeway Bay 68, L.L.C. and AG Core Plus II (AU) Causeway Bay 68, L.L.C., the principal activity of each of which is investment holding.

The entities constituting the Seller are owned by private equity funds based in the US. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the entities constituting the Seller 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.

### **Purchaser:**

Win Plus, a wholly-owned subsidiary of the Company

### **Acquisition:**

Win Plus offered to purchase and the Seller agreed to sell the Sale Shares, representing 50% of the issued and outstanding shares in the capital of CWB 68.

CWB 68 is a joint venture company the issued share capital of which is currently held by Win Plus (30%), the Seller (50%) and Value Creation (20%), which had been formed for the purpose of acquiring the entire interest in the holding companies of the Property (details of the formation of the joint venture were set out in the Company’s announcement dated 26 November 2007).

CWB 68 is currently treated as an associated company in the Group’s financial statements. Upon Completion, CWB 68 will become a subsidiary of the Company and its financial results will be consolidated into the accounts of the Group from the date of Completion.

Win Plus currently holds 30% of the issued share capital of CWB 68. Pursuant to the terms of the Shareholders’ Deed, on 26 August 2010, the Seller made the ROFR Offer to Value Creation in relation to part of the Sale Shares representing 20% of the issued share capital of CWB 68, and as at the date of this announcement, Value Creation has not yet formally responded to the ROFR Offer. If Value Creation does not accept the ROFR Offer within 30 days after its receipt, Win Plus will proceed with the purchase of all of the Sale Shares.

**Consideration:**

The consideration payable for the sale and purchase of all the Sale Shares shall represent 50% of the value of all the issued shares of CWB 68 calculated based on an agreed unencumbered value of the Property (including all fixtures, fittings, plant and machinery normally associated with the Property) at HK\$1,922.0 million which shall be subject to adjustments to reflect the combined liabilities and the cash and other assets of CWB 68 and its subsidiaries as at Completion. No adjustment shall be made in relation to the value of the Property or any loans or indebtedness between CWB 68 and its subsidiaries or any deferred tax liabilities. The consideration shall be reduced by HK\$10.0 million if by Completion the Claims remain outstanding and unresolved. The Claims, which are in relation to the use of certain premises in the Property and certain rental right of the claimant, are not expected to have any material financial impact on the Transaction. The fact that the Claims may be outstanding shall not affect the completion of the Transaction. Based on the consolidated balance sheet in the unaudited management accounts of CWB 68 as at 31 March 2010, the consideration for the Sale Shares is estimated to be approximately HK\$428.5 million, but the final amount is subject to certain adjustments at Completion.

**Payment Term:**

Win Plus has paid the sum of HK\$25.0 million to the appointed legal counsel of the Seller as initial deposit. A further sum of HK\$50.0 million shall be paid to the Seller as further deposit on the date of signing of the formal share purchase agreement or 23 September 2010 whichever is earlier. The balance of the consideration is payable at Completion in cash.

**ROFR Offer:**

Apart from the Seller and Win Plus, the remaining shareholder with a 20% shareholding in CWB 68 is Value Creation. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Value Creation and its ultimate beneficial owner is a third party independent of the Company and any connected person of the Company and is not a connected person of the Company.

If Value Creation does not accept the ROFR Offer in accordance with the Shareholders' Deed, Win Plus shall proceed to purchase all of the Sale Shares in accordance with the Offer. If Value Creation agrees to accept the ROFR Offer, Win Plus shall purchase only the remaining 60% of the Sale Shares, representing 30% of the issued share capital of CWB 68.

As at the date of this announcement, Value Creation has not yet formally responded to the ROFR Offer.

**Condition:**

The Completion is conditional upon fulfillment of the Condition. If the Condition is not fulfilled by 22 December 2010, the Transaction shall not proceed and the Agreement shall terminate. In such an event, an amount of HK\$40.0 million out of the deposits shall be absolutely and fully forfeited to the Seller. The Seller shall be entitled to forfeit up to the entire remaining balance of the deposits of HK\$35.0 million if so awarded by the Court or by agreement between the parties.

**Completion:**

Completion shall take place within 10 days from the date on which the Condition is fulfilled.

**FINANCIAL INFORMATION OF CWB 68**

The audited financial information of CWB 68 for the period from the date of incorporation 23 October 2007 to 31 December 2009 were as follows:

	<b>For the year ended 31 December 2009</b>	<b>For the period from 23 October 2007 (date of incorporation) to 31 December 2008</b>
Revenue	HK\$70.7 million	HK\$70.0 million
Net profit/(loss) before taxation	HK\$420.2 million	HK\$(221.0) million
Net profit/(loss) after taxation	HK\$350.1 million	HK\$(191.0) million
Total assets	HK\$1,843.3 million	HK\$1,412.7 million
Total liabilities	HK\$1,084.2 million	HK\$1,003.7 million
Net assets	HK\$759.1 million	HK\$409.0 million

**REASONS FOR AND BENEFITS OF THE TRANSACTION**

The principal activities of the Group are property and hotel investments and asset management. The Group acquired, through Win Plus, a 30% interest in CWB 68, a wholly-owned subsidiary of which owns the Property, in 2007 and has since managed the Property. The Property, consisting of a 24-storey commercial building with a 16-storey office block atop and 8-storey retail and carpark podium, has a gross floor area of approximately 229,200 sq.ft.. As of end-July 2010, the occupancy rate was 87%. The consideration payable for the sale and purchase of all the Sale Shares is based on an agreed valuation of the Property of HK\$1,922.0 million, which represents a purchase price of approximately HK\$8,460 per sq.ft. with a rental yield of 3.65% per annum. Through the purchase of the Sale Shares, the Group will become the majority owner and will control the operation of the Property. The Directors believe that the Transaction, which will consolidate the Group's interest in the Property, is in line with the Company's business strategy and is a valuable investment with good potential return for the Group. They also consider the terms of the Agreement, including the consideration payable, to be fair and reasonable and in the best interest of the Company and Shareholders as a whole. The Directors intend to use the Group's internal resources and/or bank borrowings to finance the payment of the consideration under the Transaction.

**GENERAL**

The Transaction constitutes a very substantial acquisition for the Company under Rule 14.06(5) of the Listing Rules and is subject to approval by the Shareholders under Rule 14.49 of the Listing Rules.

Since, to the best of the Directors' knowledge, information and belief, no Shareholders have any material interest in the Transaction, no Shareholders are required to abstain from voting at the SGM on the resolution to approve the Agreement and the transaction contemplated thereunder.

A circular containing, among other things, further details of the Transaction and a notice of the SGM for the purpose of approving the Transaction will be dispatched by the Company to the Shareholders in accordance with the Listing Rules. Since additional time will be required for preparation of the accountants' report on CWB 68 and the unaudited pro forma financial information of the Group as enlarged by the Transaction, the Company expects that the circular will be dispatched on or before 30 September 2010.

Trading in the shares of the Company was suspended at the request of the Company with effect from 9:30 a.m. on 24 August 2010 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the trading in the shares of the Company to resume from 9:30 a.m. on 31 August 2010 following the publication of this announcement.

## **DEFINITIONS**

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

“Business Day”	a day, other than Saturday, on which commercial banks in Hong Kong are open for business
“CWB 68”	Causeway Bay 68 Limited, a limited liability company incorporated in the British Virgin Islands
“Claims”	certain current legal proceedings relating to the Property against the registered owner of the Property (being a subsidiary of CWB 68) claiming: <ul style="list-style-type: none"><li>(i) a breach of deed of covenant relating to the use of certain area of the basement of the Property for rental purpose;</li><li>(ii) a right to rent certain car parking spaces and premises at the basement of the Property on demand pursuant to the deed of covenant;</li><li>(iii) a breach of deed of covenant and occupation permit relating to violation of the lease terms by certain tenants of the Property using the premises for purposes other than office use</li></ul>
“Company”	Pioneer Global Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	the completion of the Transaction
“Condition”	the approval by the Shareholders for the Transaction to the extent required under the Listing Rules
“connected person”	has the meaning ascribed to it under the Listing Rules

“Directors”	directors of the Company
“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
“Offer”	the conditional offer in relation to the Sale Shares made by Win Plus to the Seller
“Property”	the commercial property with a gross floor area of approximately 229,200 sq.ft. located at No.68 Yee Wo Street, Causeway Bay, Hong Kong
“ROFR Offer”	the offer in relation to 40% of the Sale Shares, representing 20% of the issued share capital of CWB 68, made by the Seller to Value Creation on the same terms and conditions of the Offer
“Sale Shares”	the sale shares representing 50% of the issued share capital of CWB 68 under the Offer
“Seller”	AG Core Plus II Causeway Bay 68, L.L.C. and AG Core Plus II (AU) Causeway Bay 68, L.L.C., each a Delaware incorporated limited liability company, each of which being an existing shareholder of CWB 68
“Shareholder(s)”	holders of shares of the Company
“Shareholders’ Deed”	the Shareholders’ Deed in relation to CWB 68 dated 23 November 2007 entered into by and among AG Core Plus II Corp., AG Core Plus II (AU) Holdings, Corp., Win Plus, Value Creation and CWB 68 (as supplemented by subsequent agreements)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the sale and purchase of the Sale Shares (or, if Value Creation accepts the ROFR Offer, part of the Sale Shares) between the Seller and Win Plus

“US”	the United States of America
“Value Creation”	Value Creation Group Limited, a limited liability company incorporated in the British Virgin Islands, being an existing shareholder of CWB 68
“Win Plus”	Win Plus Development Limited, a limited liability company incorporated in the British Virgin Islands, being an existing shareholder of CWB 68

*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, 30 August 2010