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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Pioneer Global Group Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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**

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## DEFINITIONS

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*In this circular, 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
“Latest Practicable Date”	13 December 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“Property”	the property located at 68 Yee Wo Street, Causeway Bay
“SFO”	Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“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

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## LETTER FROM THE BOARD

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# Pioneer

## PIONEER GLOBAL GROUP LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00224)**

*Executive Directors:*

Rossana Wang Gaw (*Chairman*)  
Goodwin Gaw (*Vice Chairman*)  
Kenneth Gaw (*Managing Director*)  
Jane Kwai Ying Tsui

*Registered Office:*

Canon's Court, 22 Victoria Street  
Hamilton HM 12  
Bermuda

*Independent Non-executive Directors:*

Dr. Charles Wai Bun Cheung, JP  
Stephen Tan  
Arnold Tin Chee Ip

*Principal Place of Business and  
Head Office in Hong Kong:*

Suites 08-11, 18th Floor  
Great Eagle Centre  
23 Harbour Road  
Wanchai Hong Kong

17 December 2007

*To Shareholders*

Dear Sir/Madam

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

#### **INTRODUCTION**

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. The purpose of this circular is to provide Shareholders with further information on the transaction as set out in the Appendix to this circular in compliance with the requirements of the Listing Rules.

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## LETTER FROM THE BOARD

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### 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.

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## **LETTER FROM THE BOARD**

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### **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 professional property 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 circular. The JV Company will be treated as an associated company in the Company’s financial statements and its financial results will be equity accounted for the Group’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 Shareholders as a whole.

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## LETTER FROM THE BOARD

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### GENERAL INFORMATION

Your attention is drawn to the information set out in the appendix to this circular.

Yours faithfully,  
For and on behalf of  
**Pioneer Global Group Limited**  
**Kenneth Gaw**  
*Managing Director*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the following Directors of the Company were interested, or were deemed to be interested in the following long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company to be notified to the Company and the Stock Exchange.

### Long position in shares of the Company

	Personal interests	Interests held by controlled corporation	Interests held by family trust	Total	%
Rossana Wang Gaw	–	15,934,364 <sup>1</sup>	123,148,701 <sup>3</sup>	139,083,065	18.08
Kenneth Gaw	1,805,527	8,453,375 <sup>2</sup>	27,537,243 <sup>4</sup>	37,796,145	4.91
Jane Kwai Ying Tsui	600,750	–	–	600,750	0.08

<sup>1</sup> Mrs. Rossana Wang Gaw owns the entire issued share capital of Vitality Holdings Limited, which was beneficially interested in 15,934,364 shares.

<sup>2</sup> Mr. Kenneth Gaw owns the entire issued share capital of Top Elite Company Limited, which was beneficially interested in 8,453,375 shares.

<sup>3</sup> Family trust of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 123,148,701 shares.

<sup>4</sup> Family trust of which Mr. Kenneth Gaw is a beneficiary held an aggregate of 27,537,243 shares.

**Long position in shares of associated corporations**

<b>Name of company</b>	<b>Name of director</b>	<b>Number of shares held by controlled corporation</b>	<b>%</b>
Grandsworth Pte. Ltd.	Rossana Wang Gaw	1*	50.0
Grandsworth Pte. Ltd.	Kenneth Gaw	1*	50.0
Pioneer Hospitality Siam (GBR) Ltd.	Rossana Wang Gaw	475,000*	47.5
Pioneer Hospitality Siam (GBR) Ltd.	Kenneth Gaw	475,000*	47.5
Keencity Properties Ltd.	Rossana Wang Gaw	4,721,034*	47.5
Keencity Properties Ltd.	Kenneth Gaw	4,721,034*	47.5
Pioneer iNetwork Ltd.	Rossana Wang Gaw	1*	50.0
Pioneer iNetwork Ltd.	Kenneth Gaw	1*	50.0

\* Interested by Mrs. Rossana Wang Gaw and Mr. Kenneth Gaw represented the same interests and were therefore duplicated amongst these two directors for the purpose of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors of the Company were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company to be notified to the Company and the Stock Exchange.

**3. SUBSTANTIAL SHAREHOLDERS**

As at the Latest Practicable Date, so far is known to any director or chief executive of the Company the following persons, other than a director or chief executive of the Company, who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or any options in respect of such capital.

**Interests or short positions in the shares of the Company**

<b>Name of shareholder</b>	<b>Number of shares</b>	<b>%</b>
Asset-Plus Investments Ltd.	68,076,076	8.85
Forward Investments Inc.	181,388,105	23.58
Intercontinental Enterprises Corporation	123,148,701 <sup>1</sup>	16.01
Prosperous Island Limited	65,939,293	8.57

<sup>1</sup> Family trust of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 123,148,701 shares, which duplicated to those disclosed in “long position in shares of the Company”.

**Interests in other members of the Group**

<b>Name of subsidiary</b>	<b>Name of shareholder</b>	<b>%</b>
Forerunner Investments Limited	Farnham Group Limited	30
Pioneer iConcepts Limited	Ng Poon Wing Man Agnes	40

Save as disclosed above, the Directors were not aware of any other persons (other than a director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such capital.

**4. DIRECTORS’ SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of compensation other than statutory compensation).

**5. LITIGATION**

As at the Latest Practicable Date, no litigation or claims of material importance was known to the Directors to be pending or threatened against any member the Group.

**6. COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest in any business which competed or was likely to compete with the business of the Group.

**7. GENERAL**

- (i) The Qualified Accountant of the Company is Mr. Lee Kam Hung Alan, a fellow member of the Hong Kong Institute of Certified Public Accountants.
- (ii) The Secretary of the Company is Ms. Tsui Kwai Ying Jane, an associate of the Institute of Bankers of London.
- (iii) The registered office of the Company is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.
- (iv) The share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (v) In the event of inconsistency, the English text shall prevail over the Chinese text.