PICO FAR EAST HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 752)

AUDITED FINAL RESULTS FOR THE YEAR ENDED OCTOBER 31, 2007

The Board of Directors (the "Board") of Pico Far East Holdings Limited (the "Company") is pleased to announce the audited results of the Company and its subsidiaries (the "Group") for the year ended October 31, 2007, together with comparative figures for the corresponding year in 2006 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended October 31, 2007

	Note	2007 HK$'000	2006 HK$'000
Turnover	2	**2,149,070**	1,803,512
Cost of sales		**(1,426,736)**	(1,187,633)
Gross profit		**722,334**	615,879
Other income	3	**48,601**	39,745
Distribution costs		**(292,657)**	(243,119)
Administrative expenses		**(300,108)**	(247,405)
Other operating expenses		**(2,846)**	(365)
Profit from operations		**175,324**	164,735
Finance costs	4	**(3,156)**	(3,042)
		172,168	161,693
Share of profits of associates		**16,188**	15,585
Share of profits of jointly controlled entities		**2,527**	–
Profit before tax		**190,883**	177,278
Income tax expense	5	**(28,547)**	(29,048)
Profit for the year	6	**162,336**	148,230
Attributable to:			
Equity holders of the Company		**145,521**	135,300
Minority interests		**16,815**	12,930
		162,336	148,230
Dividends paid	7	**83,646**	121,150
Earnings per share	8		
Basic		**12.18 cents**	11.61 cents
Diluted		**12.09 cents**	11.53 cents

CONSOLIDATED BALANCE SHEET
At October 31, 2007

	Note	2007 HK$'000	2006 HK$'000
Non-current Assets			
Investment properties		**38,713**	20,870
Property, plant and equipment		**261,990**	255,340
Prepaid land lease payments		**58,986**	88,486
Intangible assets		**14,090**	3,572
Interests in jointly controlled entities		**7,332**	–
Interests in associates		**97,163**	84,820
Club membership		**5,430**	5,352
Available-for-sale financial assets		**293**	949
		483,997	459,389
Current Assets			
Inventories		**24,040**	19,855
Contract work in progress		**35,220**	34,393
Debtors, deposits and prepayments	*9*	**577,791**	589,092
Amounts due from associates		**20,298**	17,974
Amounts due from jointly controlled entities		**4,807**	–
Current tax assets		**305**	405
Financial assets at fair value through profit or loss		**–**	1,493
Pledged bank deposits		**8,702**	8,564
Bank and cash balances		**471,826**	329,032
		1,142,989	1,000,808
Current Liabilities			
Payments received on account		**183,768**	161,148
Creditors and accrued charges	*10*	**498,629**	483,505
Amounts due to associates		**7,501**	1,580
Current tax liabilities		**28,292**	25,316
Borrowings		**29,991**	22,575
Finance lease obligations		**1,861**	1,688
		750,042	695,812
Net Current Assets		**392,947**	304,996
Total Assets Less Current Liabilities		**876,944**	764,385

	2007	2006
	HK$'000	*HK$'000*
Non-current Liabilities		
Borrowings	**19,106**	16,329
Finance lease obligations	**3,466**	3,909
Deferred tax liabilities	**11,850**	12,113
	34,422	32,351
NET ASSETS	**842,522**	732,034
Capital and Reserves		
Share capital	**59,771**	59,515
Reserves	**717,182**	623,261
Equity attributable to equity holders of the Company	**776,953**	682,776
Minority Interests	**65,569**	49,258
TOTAL EQUTIY	**842,522**	732,034

NOTES:

1. THE ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for accounting periods beginning on or after November 1, 2006. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group.

2. TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in the exhibition stand design and fabrication; museum, theme park and interior fit-out; sign advertising; conference and show management; and their related business.

(i) Primary reporting format – geographical segments

The Group operates, through its subsidiaries, associates and jointly controlled entities on a worldwide basis, and mainly in three major geographical areas – Greater China (including Hong Kong, Mainland China, Macau and Taiwan), Asia other than Greater China (including mainly Singapore, Malaysia, Japan, Middle East, South Korea, Vietnam, etc), and other countries include North America, United Kingdom and France.

In presenting information on the basis of geographical segments, segment revenue and segment operating results are based on the geographical location of customers, as follows:

Income Statement
Year ended October 31, 2007

	Greater China *HK$'000*	Asia other than Greater China *HK$'000*	Others *HK$'000*	Elimination *HK$'000*	Group *HK$'000*
REVENUE					
External sales	**1,009,701**	**949,416**	**189,953**	**–**	**2,149,070**
Inter-segment sales	**231,925**	**40,343**	**12,063**	**(284,331)**	**–**
Total revenue	**1,241,626**	**989,759**	**202,016**	**(284,331)**	**2,149,070**

Inter-segment sales are charged at prevailing market rates.

	Greater China *HK$'000*	Asia other than Greater China *HK$'000*	Others *HK$'000*	Elimination *HK$'000*	Group *HK$'000*
RESULTS					
Segment results	**102,313**	**79,088**	**2,415**		**183,816**
Interest income					**8,264**
Unallocated costs					**(16,756)**
Profit from operations					**175,324**
Finance costs					**(3,156)**
Share of profits (loss) of associates	**5,711**	**10,495**	**(18)**		**16,188**
Share of profits of jointly controlled entities	**933**	**–**	**1,594**		**2,527**
Profit before tax					**190,883**
Income tax expense					**(28,547)**
Profit for the year					**162,336**

Balance Sheet

	Greater China *HK$'000*	Asia other than Greater China *HK$'000*	Others *HK$'000*	Elimination *HK$'000*	Group *HK$'000*
ASSETS					
Segment assets	**768,394**	**596,790**	**80,778**		**1,445,962**
Interests in associates	**27,256**	**68,492**	**1,415**		**97,163**
Interests in jointly controlled entities	**942**	**–**	**6,390**		**7,332**
Unallocated assets					**76,529**
Consolidated total assets					**1,626,986**
LIABILITIES					
Segment liabilities	**416,766**	**286,011**	**47,330**		**750,107**
Unallocated liabilities					**34,357**
Consolidated total liabilities					**784,464**

Other Information

	Greater China *HK$'000*	Asia other than Greater China *HK$'000*	Others *HK$'000*	Elimination *HK$'000*	Group *HK$'000*
Capital expenditure	**55,751**	**13,305**	**2,533**		**71,589**
Depreciation and amortisation	**16,241**	**15,291**	**1,346**		**32,878**
Other non-cash expenses	**9,515**	**8,273**	**2,909**		**20,697**

Income Statement
Year ended October 31, 2006

	Greater China *HK$'000*	Asia other than Greater China *HK$'000*	Others *HK$'000*	Elimination *HK$'000*	Group *HK$'000*
REVENUE					
External sales	792,316	804,126	207,070	–	1,803,512
Inter-segment sales	180,655	36,592	10,588	(227,835)	–
Total revenue	972,971	840,718	217,658	(227,835)	1,803,512

Inter-segment sales are charged at prevailing market rates.

	Greater China *HK$'000*	Asia other than Greater China *HK$'000*	Others *HK$'000*	Elimination *HK$'000*	Group *HK$'000*
RESULTS					
Segment results	71,485	96,561	7,442		175,488
Interest income					5,442
Unallocated costs					(16,195)
Profit from operations					164,735
Finance costs					(3,042)
Share of profits of associates	7,207	8,045	333		15,585
Profit before tax					177,278
Income tax expense					(29,048)
Profit for the year					148,230

Balance Sheet

	Greater China *HK$'000*	Asia other than Greater China *HK$'000*	Others *HK$'000*	Elimination *HK$'000*	Group *HK$'000*
ASSETS					
Segment assets	628,549	585,136	74,300		1,287,985
Interests in associates	32,748	50,637	1,435		84,820
Unallocated assets					87,392
Consolidated total assets					1,460,197
LIABILITIES					
Segment liabilities	357,587	291,273	41,769		690,629
Unallocated liabilities					37,534
Consolidated total liabilities					728,163

Other Information

	Greater China *HK$'000*	Asia other than Greater China *HK$'000*	Others *HK$'000*	Elimination *HK$'000*	Group *HK$'000*
Capital expenditure	34,808	9,779	1,427		46,014
Depreciation and amortisation	12,500	13,841	1,097		27,438
Other non-cash expenses	12,697	5,703	148		18,548

(ii) Secondary reporting format – business segments

The Group's business is mainly categorised into four main business segments:

- Exhibition and event marketing services;
- Museum, theme park and interior fit-out;
- Sign advertising; and
- Conference and show management.

Revenue, which is also the Group's turnover, analysed is as follows:

Year ended October 31, 2007

	Revenue *HK$'000*	**Segment assets** *HK$'000*	**Capital expenditure** *HK$'000*
Exhibition and event marketing services	**1,763,480**	**1,191,898**	**57,899**
Museum, theme park and interior fit-out	**217,315**	**117,353**	**1,704**
Sign advertising	**143,882**	**102,150**	**1,396**
Conference and show management	**24,393**	**34,561**	**10,590**
	2,149,070	**1,445,962**	**71,589**

Year ended October 31, 2006

	Revenue *HK$'000*	Segment assets *HK$'000*	Capital expenditure *HK$'000*
Exhibition and event marketing services	1,555,902	1,101,574	38,707
Museum, theme park and interior fit-out	101,768	77,275	1,425
Sign advertising	107,399	84,207	5,439
Conference and show management	38,443	24,929	443
	1,803,512	1,287,985	46,014

3. OTHER INCOME

	2007 *HK$'000*	2006 *HK$'000*
Included in other income are:		
Interest income	**8,264**	5,442
Rental income, net of outgoings	**10,459**	7,631
Gain on disposal of subsidiaries	**7,206**	19
Dividend income from available-for-sale financial assets	**13**	18

The gross rental income from investment properties for the year amounted to approximately HK$1,710,000 (2006: HK$947,000).

4. FINANCE COSTS

	2007	2006
	HK$'000	*HK$'000*
Interest on bank borrowings	**2,850**	2,849
Finance charges in respect of finance lease obligations	**306**	193
Total borrowing costs	**3,156**	3,042

5. INCOME TAX EXPENSE

	2007	2006
	HK$'000	*HK$'000*
The charge comprises:		
Profits tax for the year		
Hong Kong	**1,148**	2,537
Overseas	**28,896**	25,799
(Over) under provision in prior years		
Hong Kong	**(565)**	148
Overseas	**(661)**	713
	28,818	29,197
Deferred tax	**(271)**	(149)
	28,547	29,048

Hong Kong profits tax is calculated at 17.5% (2006: 17.5%) on the estimated assessable profit for the year. A portion of the Group's profit is derived offshore and is not subject to Hong Kong profits tax.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The reconciliation between the income tax expense and the product of profit before tax multiplied by the Hong Kong profits tax rate is as follows:

	2007	2006
	HK$'000	*HK$'000*
Profit before tax (excluding share of profits of associates and jointly controlled entities)	**172,168**	161,693
Tax at the domestic income tax rate of 17.5% (2006: 17.5%)	**30,129**	28,296
Effect of different taxation rates in other countries	**7,990**	9,016
Tax effect of income that is not taxable	**(18,269)**	(9,783)
Tax effect of expenses that are not deductible	**6,500**	2,150
Utilisation of previously unrecognised tax losses	**(1,530)**	(3,019)
Tax effect of tax losses not recognised	**5,491**	1,057
(Over) under provision in prior years	**(1,226)**	861
Others	**(538)**	470
Income tax expense	**28,547**	29,048

The new PRC Enterprise Income Tax Law (the "EIT Law") passed by the Tenth National People's Congress on March 16, 2007 introduces various changes which include the unification of the Enterprise Income Tax rate for domestic and foreign-invested enterprises at 25%. The new EIT Law will be effective from January 1, 2008. The impact of the new EIT Law on the Group's consolidated financial statement is not significant.

6. PROFIT FOR THE YEAR

	2007	2006
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Auditors' remuneration	**2,936**	2,127
Depreciation	**31,142**	25,779
Loss on disposal of property, plant and equipment, investment properties and prepaid land lease payments	**1,634**	223
Loss on disposal of available-for-sale financial assets	**1,212**	–
Operating lease rentals in respect of:		
Amortisation of prepaid land lease payments	**1,736**	1,659
Office premises	**23,198**	19,410
Equipment	**6,219**	3,221
Direct operating expenses of investment properties that generate rental income	**445**	86
Cost of inventories sold	**142,087**	135,548
Allowance for bad and doubtful debts	**13,277**	17,523
Allowance for amount due from investee company	**4,574**	509
Impairment on club membership (included in administrative expenses)	**38**	326
Staff costs:		
Directors' emoluments:		
Fees	**1,800**	1,044
Other emoluments including benefits in kind (exclude estimated rental value for rent-fee accommodation)	**17,126**	15,043
	18,926	16,087
Other staff costs:		
Salaries, allowances and benefits in kind	**361,332**	301,152
Share-based payment	**680**	687
Group's contributions to retirement benefits scheme, net of forfeited contribution of approximately HK$105,000 (2006: HK$118,000)	**21,870**	17,598
Total staff costs	**402,808**	335,524
and crediting:		
Gain on disposal of property, plant and equipment, investment properties and prepaid land lease payments	**9,306**	948
Gain on disposal of financial assets at fair value through profit or loss	**37**	–
Increase in fair value of investment properties	**7,105**	10
Net exchange gain	**2,002**	1,807

7. DIVIDENDS PAID

	2007	2006
	HK$'000	*HK$'000*
2006 final dividend paid HK3.5 cents per share (2005: HK3.5 cents per share)	**41,807**	40,083
2006 special dividend paid nil per share (2005: HK5 cents per share)	**–**	57,261
2007 interim dividend paid HK3.5 cents per share (2006: HK2 cents per share)	**41,839**	23,806
	83,646	121,150

A final dividend of HK3.5 cents per share has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming Annual General Meeting.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2007	2006
	HK$'000	*HK$'000*
Earnings for the purposes of calculating basic and diluted earnings per share	**145,521**	135,300

	2007	2006
Issued ordinary share at beginning of year	**1,190,294,104**	570,463,252
Effect of consideration shares issued	**4,450,164**	21,924,436
Effect of share subdivision	**–**	572,563,688
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,194,744,268**	1,164,951,376
Effect of dilutive potential ordinary shares in respect of options	**9,010,780**	8,669,624
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,203,755,048**	1,173,621,000

9. DEBTORS, DEPOSITS AND PREPAYMENTS

	2007	2006
	HK$'000	*HK$'000*
Trade debtors	**456,458**	472,069
Other debtors	**49,425**	29,639
Prepayments and deposits	**71,908**	87,384
	577,791	589,092

The Group allows a credit period ranged from 30 to 90 days to its customers.

The aging analysis of trade debtors, based on the invoice date, and net of allowance, is as follows:

	2007	2006
	HK$'000	*HK$'000*
0 – 90 days	**384,017**	409,743
91 – 180 days	**39,995**	29,998
181 – 365 days	**29,066**	15,084
More than 1 year	**3,380**	17,244
	456,458	472,069

The carrying amounts of the Group's trade debtors are denominated in the following currencies:

	Hong Kong dollars	**US dollars**	**RMB**	**Singapore dollars**	**Others**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At October 31, 2007	**160,478**	**33,094**	**110,537**	**63,628**	**88,721**	**456,458**
At October 31, 2006	98,517	66,923	95,556	106,918	104,155	472,069

At October 31, 2007, approximately HK$16,897,000 (2006: HK$14,069,000) of trade debtors were pledged to a bank to secure trust receipt loans.

At October 31, 2007, an allowance was made for estimated irrecoverable trade debtors of approximately HK$31,943,000 (2006: HK$32,562,000).

Included in "Other debtors" is an amount of approximately HK$11,988,000 (2006: HK$16,654,000) due from an investee company which is unsecured, non-interest bearing and has no fixed terms of repayment.

10. CREDITORS AND ACCRUED CHARGES

	2007	2006
	HK$'000	*HK$'000*
Trade creditors	**204,419**	258,248
Accrued charges	**291,652**	221,575
Other creditors	**2,558**	3,682
	498,629	483,505

The aging analysis of trade creditors, based on the date of receipt of goods or services, is as follows:

	2007	2006
	HK$'000	*HK$'000*
0 – 90 days	**156,998**	228,695
91 – 180 days	**33,726**	17,059
181 – 365 days	**6,269**	5,917
More than 1 year	**7,426**	6,577
	204,419	258,248

The carrying amounts of the Group's trade creditors are denominated in the following currencies:

	Hong Kong dollars	US dollars	RMB	Singapore dollars	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At October 31, 2007	**75,821**	**3,078**	**77,076**	**15,002**	**33,442**	**204,419**
At October 31, 2006	42,981	16,838	73,390	82,529	42,510	258,248

REVIEW AND PROSPECTS

Results

The Group continued to deliver record turnover and earnings for the year ended October 31, 2007.

Turnover for the year was up 19.1% to HK$2,149 million (2006: HK$1,804 million). Profit for the year attributable to equity holders was up 8.1% to HK$146 million (2006: HK$135 million) while earnings per share were up 4.9% to HK12.18 cents (2006: HK11.61 cents).

Earnings before interest, tax, depreciation and amortisation were up 8.4% to HK$219 million (2006: HK$202 million). Cashflow of HK$224 million (2006: HK$67 million) was generated from operations, and the Group ended the year with a net cash balance of HK$431 million (2006: HK$299 million).

Final Dividend

The Directors now recommend the payment of a final dividend of HK3.5 cents per ordinary share (2006: HK3.5 cents per ordinary share). Together with the interim dividend of HK3.5 cents per ordinary share (2006: HK2.0 cents per ordinary share), the total dividend for the year amounted to HK7.0 cents per ordinary share (2006: HK5.5 cents per ordinary share). The final dividend will be payable on Tuesday, March 18, 2008.

Our Business Focus

The Group is committed to building sustainable growth in turnover and profit through the retention and recruitment of talents, business acquisition and co-operation, cost control, and the improvement of its business structure, services, and delivery channels.

Review of Operations

1. *Exhibition and Event Marketing Services*

	2007	2006
	HK$'000	*HK$'000*
Turnover	**1,763,480**	1,555,902

It is our largest business segment accounting for 82.1% of the Group's turnover (2006: 86.3%). With a wide range of exhibition customers, no single customer accounts for more than 4% of the Group's total turnover.

In this segment, we design and build exhibition stands for trade shows. The shows cover a wide range of industries such as telecommunications, aerospace, automobile, defence, industrial machinery, information technology, oil and gas, tourism and travel, semiconductor and consumer products.

Due to the numerous trade shows in which we are involved every year, it is not possible to list all the shows and customers in this report. However, some of the more familiar shows include:

1. The 8th Auto China held in November 2006 in Beijing and the 12th Auto Shanghai held in April 2007

2. GITEX 2006 and 2007 (Gulf Information Technology Exhibition) held in November 2006 and September 2007 in Dubai

3. The 28th Bangkok International Motor Show held in March 2007

4. China Sourcing Fair held in April and October 2007 in Hong Kong

5. SEMICON Singapore held in May 2007

6. Oil and Gas Asia 2007 held in June 2007 in Kuala Lumpur

7. Vietnam Computer Electronics World Expo 2007 held in July 2007 in Ho Chi Minh City

8. The 1st Interior Lifestyle China held in September 2007 in Shanghai

9. PT/Expo Comm held in October 2007 in Beijing

Highlights of our achievements in 2007 include our appointment as the Official Technical Services Provider for the first ITU Telecom World exhibition in December 2006 in Hong Kong, the first to be held outside Geneva. The Group was the Official Show Management Service Provider, the Technical Services Provider as well as the Special Design Contractor for several multi-national corporations which took part in this exhibition which is held once every three years. We constructed many exhibition stands including those for Agilent Technologies, Alcatel-Lucent, Anritsu, Ericsson, Fujitsu, Korea Telecom, Kyocera, Microsoft, Mitsubishi Electric, Motorola, NEC, Panasonic, PCCW, Sharp, Siemens, Toshiba and Yulong, and five country pavilions: Canada, Hong Kong, Israel, Macau and Singapore.

We have also designed, produced and managed special events which are organised by individual companies and customers. These have included the launch of Microsoft Windows Vista in Hanoi and Ho Chi Minh City in March 2007, Canon road shows in 42 cities in China, Volkswagen road shows in six cities in China, Cathay Pacific International Chinese New Year Night Parade in Hong Kong in February 2007, the Singapore National Day Parade in August 2007, Ford and Toyota Yaris road shows in Thailand, point-of-sales counters for Nokia in North China, Honda Singapore's Jazz and City Weekend events, and the Sony Ericsson Partners Conference in Dubai in May 2007.

Our services also extend to the supply and construction of temporary facilities for national celebrations, international meetings and sports events. During the year we completed the supply and construction of 35,000 square metres of tentage at the 15th Asian Games which was held in Doha, Qatar in December 2006.

All in all, the first half of the year was stronger than the second half due to the ITU Telecom World and the Doha Asian Games which were held in December 2006, as well as GITEX 2006 and Auto China which should have been held during year ended October 31, 2006, but were both held in November 2006.

At the start of our new financial year, we have secured contracts to design and build the Malaysian Pavilion and the Qatar Pavilion at World Expo 2008 to be held in Zaragoza, Spain. We have been appointed as the Official Service Provider for the first Singapore Airshow to be held in February 2008. We have also been awarded a contract to set up temporary seating and hospitality suites for some sites around the 2008 Formula One Singapore Grand Prix circuit.

We have also secured several projects related to the Beijing Olympic Games 2008 such as service provider to the Coca-Cola Olympic Torch Relay Programme, the Look Programme for the Olympic Equestrian Events in Hong Kong, the pavilions of China Netcom and Bank of China, event management for the African House, the temporary fittings of NBC studio at the International Broadcast Centre, the Budweiser Event, the Lenovo internet cafe and the management programme for Coca-Cola Pin Trading Centre at the Olympic Village. These confirmed Olympic projects will generate about HK$100 million in revenue when completed. We expect to secure more projects in the next few months.

The Group's extensive global reach and industry coverage is made possible by our established international network of 30 sales offices in 18 countries. In addition, we occupy 14 production facilities with a combined area of over 60,000 square metres, in Atlanta, Beijing, Chicago, Dongguan, Dubai, Ho Chi Minh City, Hong Kong, India, Kuala Lumpur, Los Angeles, Shanghai, Singapore and Taiwan.

2. *Museums, Theme Parks and Interior Fit-Out*

	2007	2006
	HK$'000	*HK$'000*
Turnover	**217,315**	101,768

This segment is a success story of the Group's deployment of core competencies into related fields. For the financial year ended October 31, 2007, our Museums, Theme Parks and Interior Fit-Out accounted for 10.1% of the Group's turnover (2006: 5.6%). Over the years the Group has been slowly but steadily gaining worldwide recognition as a major provider for services to this segment. Our 2007 worldwide achievements highlight this recognition.

In Thailand, our associate company completed the second Children's Museum, the Rama VII Museum and the National Discovery Museum in Bangkok. We have started work at the History Museum of Kitti Damnuanchanvanich in Chachoengsao which will be completed in April 2008.

In Malaysia, we were appointed to design and fabricate exhibits, including their research, development and content, for the Malaysian Trade Museum in Kuala Lumpur. Our concept is a modern museum aligned to the contemporary style of an interactive centre. This museum covers an area of 600 square metres and features a high level of multimedia experience for visitors.

In Hong Kong, we completed the design and construction of the Cathay Pacific Visitor Centre and the Kid's World refurbishment in Ocean Park, the production and installation for the Daodejing (Taoism) Exhibition, and a permanent exhibition at the University of Hong Kong Li Ka Shing Faculty of Medicine. We also started construction on It's A Small World for Hong Kong Disneyland and exhibition work at the Kowloon Walled City Park for the Architectural Services Department.

In Macau, we completed the Venetian Macao canal interior fit-out in August 2007 which involved the design, supply, installation and fabrication of balustrades along 1.2 kilometres of the canal, including 11 bridges and a boat. We also completed the interior fit-out of the Duty Free Americas shop in the Venetian complex. Together with two joint venture partners, we have also started facade work in one of the Venetian theme areas and, on our own, we won a contract to fit out the foyer and entrance of a theatre. All these projects are scheduled to be completed by the end of 2008. The development of the Cotai Strip, where more casino complexes will be built over the next five years, should generate new theme park projects where we can offer our services.

On the interior architecture side, the Group has completed many interior fit-out projects including 15 shops in the new International Airport in Ho Chi Minh City, Samsung Vina showrooms across Vietnam, the temporary art gallery of the new Guggenheim Abu Dhabi Museum, the Tiffany & Co. retail store at Changi Airport in Singapore, the Mercedes-Benz Accessory shop in Busan, Korea, the Vanke Building Experience Centre in Shenzhen, a re-branding of Motorola facilities across continental America including Motorola Headquarters in Illinois, interactive exhibits at the Siemens Power Transmission and Distribution Visitor Centre in Shanghai, a five-storey Leica flagship store in Taipei, the Yunnan Mobile Communications Company Limited's 1,000 square metres showroom in Kunming, the new 1,300 square metres Panasonic showroom in Bahrain, and the Hutchison Whampoa Properties showroom in Shenzhen.

In London, the Group continues to develop and build counters at various airports for the Bacardi Global Merchandise Group which carries well-known brands such as Bacardi Rum, Martini & Rossi Vermouth, Dewar's Scotch Whisky, Bombay Sapphire Gin and Grey Goose Vodka. The most recent project was the creation of a series of striking Grey Goose premium vodka window displays at the Paris Charles de Gaulle International Airport as well as work done in another 20 airports during the last quarter of the financial year. In France, we completed the scenography for the Normandy American Cemetery Visitor Centre at Omaha Beach which was opened in May 2007.

3. Sign Advertising

	2007	2006
	HK$'000	*HK$'000*
Turnover	**143,882**	107,399

Sign advertising accounted for 6.7% of the Group's turnover (2006: 6.0%). With a favourable trend towards sign advertising, this segment continues to do well. Turnover has grown by 34.0% during the year. This growth is derived mainly from the China market.

During the year, the Chinese automobile sector remained robust for our signage business. Besides continuing business from Shanghai General Motors, Nissan, Mercedes-Benz and Mazda, we have also secured contracts from local automobile brands such as Great Wall, ChangAn, JMC and Wuling.

Related to the automobile sector is the petrol station sector where the Group has made significant progress during the year. As the petrol station business in China is gradually opening up to foreign investors, and also due to the booming automobile market, our revenue from this sector should enjoy growth in the years to come.

The business from the fast food sector in China also continued to grow. In addition to serving McDonald's, Häagen-Dazs, Burger King and Papa John's, we have become one of the major signage suppliers to the Yum! Brands which owns the Kentucky Fried Chicken, Pizza Hut, Long John Silver's, Taco Bell and East Dawning franchises in China. Recently the Group has also been awarded an image conversion contract from Yonghe King Restaurant for more than one hundred of its restaurants in China.

With the liberalisation of the banking sector in China, and with more banks now operating across the country, our business opportunities in this sector have improved. During the year we secured contracts to produce signage domestically for the Bank of East Asia, Industrial and Commercial Bank of China, China Merchants Bank, Citigroup, Deutsche Bank, Korean Hana Bank and ABN AMRO Bank.

To cater for increased demand in the foreseeable future, we have formed strategic joint ventures with local sub-contractors to build new facilities in northern China for signage production. At present our facilities are located in Shanghai and Jiangsu province.

We are also seeking business co-operation with overseas signage brokers and producers in the European Union and North America to supply signage from China to these countries.

4. *Conference and Show Management*

	2007	2006
	HK$'000	*HK$'000*
Turnover	**24,393**	38,443

Conference and Show Management accounted for 1.1% of the Group's turnover (2006: 2.1%). This segment operates under the name of MP International Pte Limited ("MPI").

MPI's turnover is dependent upon the number of shows which are organised in a particular year. Some shows are held annually, some every two years and some every four years. Turnover is also dependent on the percentage of our share in the company organising the show. For example, International Furniture Fair Singapore Private Limited organises a very large annual show called the Singapore International Furniture Fair which occupied about 60,000 square metres in March 2007. However, its results have been accounted as a 40%-owned associate company.

Other shows organised by MPI in 2007 included the Integrated Systems China held in April 2007 in Beijing and the Incentive Travel, Conventions & Meetings China also held in April 2007 in Shanghai.

In the new financial year, MPI has been appointed as co-organiser for the first combined textile machinery show, International Textile Machinery Association ("ITMA") + China International Textile Machinery Exhibition ("CITME"), to be held in Shanghai in July 2008. This show will be Asia's biggest and most significant international textile machinery event for the industry as it combines the ITMA Asia and the CITME.

Another two major events in 2008 will be Process CEM Asia to be held in Singapore in October and China EPower to be held in Shanghai in April. Process CEM is an international exhibition on plant construction, engineering and maintenance for the process industry while China EPower is an international exhibition for the electric power and engineering industries. Both shows will be organised by MPI together with our respective strategic business partners.

During the year, MPI acquired a 40% interest in Global-Link, the largest organiser in the Philippines with a portfolio of more than 10 leading trade shows. We also acquired a 60% interest in Hong Kong's Asian Games Show for HK$6 million. This is a leading consumer show which includes exhibitions, virtual games and on-site games competitions. It is also a showcase for high definition technology and was last held in December 2007.

Financial Position

As at year end date, total net tangible assets of the Group increased by 12.4% to about HK$763 million (2006: HK$679 million). The Group's funding requirements are cash on hand, internally generated cash and to the extent required, by external bank borrowings. In terms of liquidity, the current ratio (current assets/current liabilities) was 1.52 times (2006: 1.44 times) and the liquidity ratio (current assets – excluding inventories and contract work in progress/current liability) improved to 1.44 times (2006: 1.36 times). The gearing ratio (long term borrowings/total assets) was 1.17% (2006: 1.12%) at the end of the year. The Group continues to preserve a healthy financial position by maintaining a low gearing ratio.

The total bank and cash balances and the pledged bank deposits of the Group stood at HK$481 million (2006: HK$338 million). Overall total borrowings amounted to HK$49 million, an increase of HK$10 million (or 25.6%) as compared to HK$39 million for year ended October 31, 2006. Our sound financial position will enable the Group to capitalise on any business expansion and investments opportunities in the future.

Although our subsidiaries are located in many different countries of the world, over 66% of the Group's sales and purchases were denominated in Singapore dollars, Hong Kong dollars, Renminbi and US dollars, and the remaining 34% were denominated in other Asian currencies and European currencies. Bank borrowings are mainly denominated in Singapore dollars, Hong Kong dollars, Renminbi and Canadian dollars, and the interest is charged on a floating rate basis.

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars, United States dollars, Singapore dollars and Renminbi. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Employees and emoluments policies

At October 31, 2007, the Group employs a total of approximately 2,300 full time employees (2006: 2,000) engaged in project management, design, production, sales and marketing and administration, which was supported by a large pool of subcontractors and suppliers. The staff costs incurred in the year was about HK$403 million (2006: HK$336 million).

The Group's emolument policies are formulated on the performance of individual employees and on the basis of the trends of salaries in various regions, which will be reviewed regularly every year. Apart from provident fund scheme and medical insurance, discretionary bonuses and employee share options are also awarded to employees according to the assessment of individual performance.

Pledge of assets

At October 31, 2007 the following assets were pledged as collaterals for credit facilities granted to the Group by certain banks.

	2007	2006
	HK$'000	*HK$'000*
Pledged bank deposits	**8,702**	8,564
Freehold land and buildings	**15,949**	14,874
Leasehold land	**10,597**	50,106
Leasehold buildings	**16,489**	148,329
Investment properties	**32,336**	13,870
Trade debtors	**16,897**	14,069
Inventories	**–**	966
Equipment	**2,605**	1,361
	103,575	252,139

Contingent liabilities

As at balance sheet date, Pico Art International Pte Limited, a subsidiary of the Company, together with a Group's subsidiary and an associate in Dubai, have been named as first defendants in a civil proceeding in Dubai brought by the other shareholder of the Company's subsidiary, Pico International (Middle East) L.L.C. ("PIME") which had filed for liquidation and not traded since the middle of 2002, for an amount of Dirhams 30 million or HK$62 million for alleged loss of profits by PIME. The Group is currently disputing the claim and no provision for any potential liability has been made in the financial statements. The plaintiff's case against the above mentioned defendants were dismissed by the lower and higher courts in July 2006 and February 2007 respectively, and the plaintiff has appealed to the final court of appeal.

Last year, Pico Hong Kong Limited ("Pico Hong Kong"), a subsidiary of the Company, was notified of a default judgement given by a district court in northern Italy against it in the sum of about Euro 1 million or HK$11 million. Pico Hong Kong appealed and the court has suspended the enforcement of the default judgement pending a further hearing in February 2008. No potential liability has been made in the financial statements as Pico Hong Kong did not enter into any purchase of services contract with the plaintiff which is the subject of the plaintiff's claim. Pico Hong Kong was only a shareholder of an Italian company now in liquidation to which the plaintiff supplied services.

Financial Guarantees issued

At October 31, 2007, the Group has issued the following guarantees:

	THE GROUP		THE COMPANY	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
(i) Guarantees given to banks in respect of banking facilities granted to				
– subsidiaries	**–**	–	**509,351**	443,473
– associates	**17,000**	4,000	**–**	–
– investee company	**4,000**	4,000	**–**	–
	21,000	8,000	**509,351**	443,473

Guarantees amounting at HK$13,000,000 are provided to secure for banking facilities jointly and severally used by an associate and a subsidiary of the Group.

	THE GROUP		THE COMPANY	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
(ii) Performance guarantees				
– secured	**6,158**	10,851	**–**	–
– unsecured	**4,596**	5,624	**–**	–
	10,754	16,475	**–**	–
(iii) Other guarantees				
– unsecured	**1,167**	6,704	**–**	–

At October 31, 2007, the Directors do not consider it probable that a claim will be made against the Group under any of the above guarantees.

The fair value of the guarantees at date of inception is not material and is not recognised in the financial statements.

Capital commitments

	THE GROUP	
	2007	2006
	HK$'000	*HK$'000*
Capital expenditure in respect of property, plant and equipment		
– contracted but not provided for	**2,642**	–
– authorised but not contracted for	**5,467**	–
	8,109	–

The Company did not have any other significant capital commitments at October 31, 2007.

Outlook

Looking ahead, we expect our current growth to continue. 2007 was a good year and we believe 2008 will be better as we get closer to the 2008 Beijing Olympic Games.

In spite of the poor economic outlook in the United States due to the subprime crisis, we believe that our business in Asia will be resilient to any further fallout from the United States.

The development of casino resorts inclusive of meetings, exhibitions and incentives events within these resorts in Macau and Singapore, the rapid development of the Arabian Gulf states into international tourist and exhibition destinations, and the continued economic growth of China, India and Vietnam, will all provide opportunities to sustain our growth over the next few years.

With the Group's deployment of core competencies into related fields including the following:

(a) the supply of custom-made permanent exhibits and structural artefacts for theme parks, visitor centres and museums;

(b) the development of regional visual merchandising display units and point-of-sale counters for branded luxury products and interior designs and architecture for corporate offices and retail branches;

(c) the extension of event marketing services for high value consumables; and

(d) the provision of temporary facilities for international sports events,

the Group's current business strategies complement the future trends in Asia well.

The Group aims to improve the overall performance through focusing on turnover growth, control of costs, expansion into new markets such as India and extending our reach into the inner cities in China. We also seek to enhance our global brand identity by improving our delivery channels and providing value-added services to our customers worldwide.

CLOSURE OF REGISTER

The Register of Members of the Company will be closed from Monday, February 25, 2008 to Thursday, February 28, 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch registers in Hong Kong, Union Registrars Limited, at Room 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, not later than 4:00 pm on Friday, February 22, 2008.

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

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Board of the Company is always committed to maintaining high standards of corporate governance. During the year ended October 31, 2007, the Company has complied with the principles set out in the Code on Corporate Governance Practices (the "CG Code Provision") in Appendix 14 of the Rules Governing the listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") except for the following deviations:

CG Code Provision A2.1 stipulates that the role of the Chairman and the Chief Executive Officer should be separate and should not be performed by the same individual. Given the current corporate structure, there is no separation between the roles of the Chairman and the Chief Executive Officer. Although the responsibilities of the Chairman and the Chief Executive Officer are vested in one person, all major decisions are made in consultation with the Board members and the senior management of the Company. There are three Independent Non-Executive Directors and one Non-Executive Director in the Board. The Board considers that there is sufficient balance of power and the current arrangement maintains a strong management position of the Company.

CG Code Provision A4.1 requires that Non-Executive Directors should be appointed for a specific term, subject to re-election. All existing Non-Executive Directors of the Company are not appointed for specific term, but are subject to retirement and re-election at the Company's annual general meeting. The Articles of Association of the Company requires one-third of the Directors retire by rotation. In the opinion of the Directors, it meets the same objective as the CG Code Provision A4.1.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors of the Company. Having made specific enquiry, the Company confirms that the Directors complied with the required standard set out in the Model Code for the year ended October 31, 2007.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the audited financial statements.

DISCLOSURE OF INFORMATION ON WEBSITES

This results announcement is available for viewing on the website of Hong Kong Exchange and Clearing Limited at www.hkex.com.hk under "Latest Listed Companies Information" and at the website at http://pico.quamir.com/JSOD/jsp/e/ipo.jsp?lang=e&code=0752.

The 2007 annual report of the Company containing financial statements and notes to the financial statements will be dispatched to the shareholders of the Company and will be published on the above websites in due course.

By Order of the Board
Lawrence Chia Song Huat
Chairman

Hong Kong, January 23, 2008

As at the date of this announcement, the Executive Directors of the Company are Mr. Lawrence Chia Song Huat, Mr. James Chia Song Heng, and Mr. Yong Choon Kong; the Non-Executive Directors is Mr. Frank Lee Kee Wai; the Independent Non-Executive Directors are Mr. Gregory Robert Scott Crichton, Mr. Charlie Yucheng Shi and Mr. James Patrick Cunningham.