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, 2008

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, 2008, together with comparative figures for the corresponding year in 2007 as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended October 31, 2008

	Note	**2008** *HK$'000*	2007 *HK$'000*
Turnover	*2*	**2,631,065**	2,149,070
Cost of sales		**(1,778,497)**	(1,426,736)
Gross profit		**852,568**	722,334
Other income	*3*	**43,424**	48,601
Distribution costs		**(325,381)**	(292,657)
Administrative expenses		**(349,217)**	(300,108)
Other operating expenses		**(1,380)**	(2,846)
Profit from operations		**220,014**	175,324
Finance costs	*4*	**(2,524)**	(3,156)
		217,490	172,168
Share of profits of associates		**12,395**	16,188
Share of profits of jointly controlled entities		**1,091**	2,527
Profit before tax		**230,976**	190,883
Income tax expense	*5*	**(44,080)**	(28,547)
Profit for the year	*6*	**186,896**	162,336
Attributable to:			
Equity holders of the Company		**169,652**	145,521
Minority interests		**17,244**	16,815
		186,896	162,336
Dividends paid	*7*	**83,734**	83,646
Earnings per share	*8*		
Basic		**14.18 cents**	12.18 cents
Diluted		**14.13 cents**	12.09 cents

CONSOLIDATED BALANCE SHEET
At October 31, 2008

	Note	2008 HK$'000	2007 HK$'000
Non-current Assets			
Investment properties		**42,693**	38,713
Property, plant and equipment		**299,288**	261,990
Prepaid land lease payments		**57,262**	58,986
Intangible assets		**14,332**	14,090
Interests in jointly controlled entities		**6,639**	7,332
Interests in associates		**135,004**	97,163
Club membership		**5,570**	5,430
Available-for-sale financial assets		**336**	293
Deferred tax assets		**1,113**	–
		562,237	483,997
Current Assets			
Inventories		**29,962**	24,040
Contract work in progress		**48,474**	35,220
Debtors, deposits and prepayments	*9*	**672,785**	577,791
Amounts due from associates		**15,447**	20,298
Amounts due from jointly controlled entities		**2,484**	4,807
Current tax assets		**1,134**	305
Pledged bank deposits		**14,317**	8,702
Bank and cash balances		**560,192**	471,826
		1,344,795	1,142,989
Current Liabilities			
Payments received on account		**223,082**	183,768
Creditors and accrued charges	*10*	**641,271**	498,629
Amounts due to associates		**8,721**	7,501
Current tax liabilities		**28,589**	28,292
Borrowings		**38,645**	29,991
Finance lease obligations		**1,916**	1,861
		942,224	750,042
Net Current Assets		**402,571**	392,947
Total Assets Less Current Liabilities		**964,808**	876,944

	2008	2007
	HK$'000	*HK$'000*
Non-current Liabilities		
Borrowings	**10,090**	19,106
Finance lease obligations	**2,715**	3,466
Deferred tax liabilities	**12,632**	11,850
	25,437	34,422
NET ASSETS	**939,371**	842,522
Capital and Reserves		
Share capital	**59,810**	59,771
Reserves	**811,450**	717,182
Equity attributable to equity holders of the Company	**871,260**	776,953
Minority Interests	**68,111**	65,569
TOTAL EQUITY	**939,371**	842,522

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 its accounting year beginning on November 1, 2007. 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 Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

2. TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in the exhibition stand design and fabrication; museum, themed environment, interior and retail; brand signage and visual communication; 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, 2008

	Greater China *HK$'000*	Asia other than Greater China *HK$'000*	Others *HK$'000*	Elimination *HK$'000*	Group *HK$'000*
REVENUE					
External sales	**1,253,525**	**1,193,415**	**184,125**	**–**	**2,631,065**
Inter-segment sales	**216,090**	**50,907**	**7,818**	**(274,815)**	**–**
Total revenue	**1,469,615**	**1,244,322**	**191,943**	**(274,815)**	**2,631,065**

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	**106,358**	**121,288**	**(1,270)**		**226,376**
Interest income					**8,805**
Unallocated costs					**(15,167)**
Profit from operations					**220,014**
Finance costs					**(2,524)**
Share of profits (losses) of associates	**(799)**	**13,663**	**(469)**		**12,395**
Share of profit (loss) of jointly controlled entities	**–**	**(263)**	**1,354**		**1,091**
Profit before tax					**230,976**
Income tax expense					**(44,080)**
Profit for the year					**186,896**

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	**791,711**	**812,952**	**86,114**		**1,690,777**
Interests in associates	**55,981**	**73,397**	**5,626**		**135,004**
Interests in jointly controlled entities	**943**	**13**	**5,683**		**6,639**
Unallocated assets					**74,612**
Consolidated total assets					**1,907,032**
LIABILITIES					
Segment liabilities	**426,596**	**446,076**	**62,748**		**935,420**
Unallocated liabilities					**32,241**
Consolidated total liabilities					**967,661**
Other Information					
Capital expenditure	**27,895**	**48,938**	**3,260**		**80,093**
Depreciation and amortisation	**15,934**	**20,561**	**1,693**		**38,188**
Impairment on goodwill	**608**	**563**	**–**		**1,171**
Other non-cash expenses	**4,983**	**4,486**	**1,816**		**11,285**

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

(ii) Secondary reporting format – business segments

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

- Exhibition and event marketing services;
- Museum, themed environment, interior and retail;
- Brand signage and visual communication; and
- Conference and show management.

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

Year ended October 31, 2008

	Revenue *HK$'000*	**Segment assets** *HK$'000*	**Capital expenditure** *HK$'000*
Exhibition and event marketing services	**2,194,883**	**1,408,924**	**72,880**
Museum, themed environment, interior and retail	**197,110**	**101,966**	**2,312**
Brand signage and visual communication	**187,826**	**140,359**	**2,408**
Conference and show management	**51,246**	**39,528**	**2,493**
	2,631,065	**1,690,777**	**80,093**

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, themed environment, interior and retail	217,315	117,353	1,704
Brand signage and visual communication	143,882	102,150	1,396
Conference and show management	24,393	34,561	10,590
	2,149,070	1,445,962	71,589

3. OTHER INCOME

	2008 *HK$'000*	2007 *HK$'000*
Included in other income are:		
Allowance written back on bad and doubtful debts	**1,124**	3,296
Allowance written back on amount due from investee company	**2,653**	–
Dividend income from available-for-sale financial assets	**4**	13
Gain on early termination of investment and liquidation	**2,731**	–
Gain on disposal of subsidiaries	**–**	7,206
Interest income	**8,805**	8,264
Rental income, net of outgoings	**12,342**	10,459

The gross rental income from investment properties for the year amounted to approximately HK$2,342,000 (2007: HK$1,710,000).

4. FINANCE COSTS

	2008 *HK$'000*	2007 *HK$'000*
Interest on bank borrowings	**2,150**	2,850
Finance charges in respect of finance lease obligations	**374**	306
Total borrowing costs	**2,524**	3,156

5. INCOME TAX EXPENSE

	2008 *HK$'000*	2007 *HK$'000*
The charge comprises:		
Profits tax for the year		
Hong Kong	**1,772**	1,148
Overseas	**44,116**	28,896
Over provision in prior years		
Hong Kong	**(234)**	(565)
Overseas	**(1,752)**	(661)
	43,902	28,818
Deferred tax	**178**	(271)
	44,080	28,547

Hong Kong profits tax is calculated at 16.5% (2007: 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 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 was effective from January 1, 2008. In addition, the new EIT Law also provides a five-year grandfathering period starting from its effective date for those enterprises which were established before March 16, 2007.

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:

	2008 *HK$'000*	2007 *HK$'000*
Profit before tax (excluding share of profits of associates and jointly controlled entities)	**217,490**	172,168
Tax at the domestic income tax rate of 16.5% (2007: 17.5%)	**35,886**	30,129
Effect of different taxation rates in other countries	**10,505**	7,990
Tax effect of income that is not taxable	**(11,295)**	(18,269)
Tax effect of expenses that are not deductible	**8,499**	6,500
Utilisation of previously unrecognised tax losses	**(1,282)**	(1,530)
Tax effect of tax losses not recognised	**2,110**	5,491
Tax effect of withholding tax on dividends	**701**	–
Over provision in prior years	**(1,986)**	(1,226)
Others	**942**	(538)
Income tax expense	**44,080**	28,547

6. PROFIT FOR THE YEAR

	2008	2007
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Auditors' remuneration	**3,189**	2,936
Depreciation	**36,269**	31,142
Loss on disposal of property, plant and equipment, investment properties and prepaid land lease payments	**469**	1,634
Loss on disposal of available-for-sale financial assets	**–**	1,212
Decrease in fair value of investment properties, net	**111**	–
Operating lease rentals in respect of:		
Amortisation of prepaid land lease payments	**1,135**	1,736
Office premises	**24,992**	23,198
Equipment	**7,892**	6,219
Direct operating expenses of investment properties that generate rental income	**1,110**	445
Cost of inventories sold	**201,328**	142,087
Allowance for bad and doubtful debts	**10,705**	13,277
Allowance for amount due from investee company	**–**	4,574
Allowance for inventories (included in cost of sales)	**2,665**	–
Amortisation of other intangible assets (included in administrative expenses)	**784**	–
Net exchange loss	**4,873**	–
Impairment on club membership (included in administrative expenses)	**49**	38
Impairment on goodwill (included in administrative expenses)	**1,171**	–
Staff costs:		
Directors' emoluments:		
Fees	**1,800**	1,800
Other emoluments including benefits in kind (exclude estimated rental value for rent-fee accommodation)	**17,631**	17,126
	19,431	18,926
Other staff costs:		
Salaries, allowances and benefits in kind	**425,065**	361,332
Share-based payment	**508**	680
Group's contributions to retirement scheme, net of forfeited contribution of approximately HK$107,000 (2007: HK$105,000)	**27,735**	21,870
Total staff costs	**472,739**	402,808
and crediting:		
Gain on disposal of property, plant and equipment, investment properties and prepaid land lease payments	**934**	9,306
Gain on disposal of financial assets at fair value through profit or loss	**–**	37
Increase in fair value of investment properties, net	**–**	7,105
Net exchange gain	**–**	2,002

7. DIVIDENDS PAID

	2008	2007
	HK$'000	*HK$'000*
2007 final dividend paid HK3.5 cents per share (2006: HK3.5 cents per share)	**41,867**	41,807
2008 interim dividend paid HK3.5 cents per share (2007: HK3.5 cents per share)	**41,867**	41,839
Total	**83,734**	83,646

A final dividend of HK2.0 cents per share for the year ended October 31, 2008 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:

	2008	2007
	HK$'000	*HK$'000*
Earnings for the purposes of calculating basic and diluted earnings per share	**169,652**	145,521

	2008	2007
Issued ordinary shares at beginning of year	**1,195,422,104**	1,190,294,104
Effect of consideration shares issued	**771,316**	4,450,164
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,196,193,420**	1,194,744,268
Effect of dilutive potential ordinary shares in respect of options	**4,296,740**	9,010,780
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,200,490,160**	1,203,755,048

9. DEBTORS, DEPOSITS AND PREPAYMENTS

	2008	2007
	HK$'000	*HK$'000*
Trade debtors	**583,270**	488,401
Less: allowance for bad and doubtful debts	**(34,231)**	(31,943)
	549,039	456,458
Other debtors	**32,289**	49,425
Prepayments and deposits	**91,457**	71,908
	672,785	577,791

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:

	2008 HK$'000	2007 HK$'000
0 – 90 days	**449,670**	384,017
91 – 180 days	**59,541**	39,995
181 – 365 days	**27,116**	29,066
More than 1 year	**12,712**	3,380
	549,039	456,458

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

	Hong Kong dollars HK$'000	US dollars HK$'000	Renminbi HK$'000	Singapore dollars HK$'000	Malaysian ringgit HK$'000	United Arab Emirates dirham HK$'000	Others HK$'000	Total HK$'000
At October 31, 2008	**64,926**	**72,284**	**109,786**	**146,731**	**41,908**	**45,714**	**67,690**	**549,039**
At October 31, 2007	160,478	33,094	110,537	63,628	50,269	2,623	35,829	456,458

At October 31, 2008, trade debtors of HK$12,183,000 (2007: HK$16,897,000) were pledged to a bank to secure revolving credit loans.

At October 31, 2008, an allowance was made for estimated irrecoverable trade debtors of approximately HK$34,231,000 (2007: HK$31,943,000) which have either been placed under liquidation or in severe financial difficulties. The Group does not hold any collateral over these balances.

Movement in the allowance for bad and doubtful debts:

	2008 HK$'000	2007 HK$'000
At beginning of year	**31,943**	32,562
Allowance for the year	**9,658**	10,109
Amounts written off as uncollectible	**(6,113)**	(7,406)
Disposal of subsidiaries	**–**	(260)
Currency alignment	**(133)**	234
Allowance written back	**(1,124)**	(3,296)
At end of year	**34,231**	31,943

At October 31, 2008, trade debtors of HK$212,129,000 (2007: HK$271,443,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade debtors is as follows:

	2008 HK$'000	2007 HK$'000
Less than 90 days	**142,804**	201,931
91 – 180 days	**46,635**	48,752
181 – 365 days	**14,958**	18,846
More than 1 year	**7,732**	1,914
	212,129	271,443

10. CREDITORS AND ACCRUED CHARGES

	2008	2007
	HK$'000	*HK$'000*
Trade creditors	**237,625**	204,419
Accrued charges	**401,887**	291,652
Other creditors	**1,759**	2,558
	641,271	498,629

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

	2008	2007
	HK$'000	*HK$'000*
0 – 90 days	**184,718**	156,998
91 – 180 days	**32,963**	33,726
181 – 365 days	**10,751**	6,269
More than 1 year	**9,193**	7,426
	237,625	204,419

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

	Hong Kong dollars	**Renminbi**	**Singapore dollars**	**Malaysian ringgit**	**Others**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At October 31, 2008	**37,935**	**95,745**	**33,384**	**22,232**	**48,329**	**237,625**
At October 31, 2007	75,821	77,076	15,002	14,882	21,638	204,419

REVIEW AND PROSPECTS

Results

The Group continued to deliver record turnover and earnings for the year ended October 31, 2008.

Turnover for the year was up 22.4% to HK$2,631 million (2007: HK$2,149 million). Profit for the year attributable to equity holders was up 16.4% to HK$170 million (2007: HK$146 million) while earnings per share were up 16.4% to HK14.18 cents (2007: HK12.18 cents).

Earnings before interest, tax, depreciation and amortisation were up 20.1% to HK$263 million (2007: HK$219 million). Cash flow of HK$307 million (2007: HK$224 million) was generated from operations, and the Group ended the year with a net cash balance of HK$526 million (2007: HK$431 million).

Final Dividend

The Directors now recommend the payment of a final dividend of HK2.0 cents per ordinary share (2007: HK3.5 cents per ordinary share). Together with the interim dividend of HK3.5 cents per ordinary share (2007: HK3.5 cents per ordinary share), the total dividend for the year amounted to HK5.5 cents per ordinary share (2007: HK7.0 cents per ordinary share). The final dividend will be payable on Wednesday, April 8, 2009 to shareholders on the register of members of the Company on Thursday, March 19, 2009.

Review of Operations

The Group began the year on a path of business uncertainty following the sub-prime crisis that emerged in the United States in the second half of 2007, which escalated to devastating effect and spread across the world in the second half of 2008. Financial experts are still debating how long this crisis will last: while some say one more year, others predict another two to three. Amid this gloomy world economic outlook, there is little doubt that the year the Group has just passed has been a difficult one in business terms. Like any company committed to staying relevant in the increasing uncertainties of today's business environment, we continue to conduct our affairs but remain ever vigilant to the fact that the ongoing crisis has substantially increased business risk.

The good financial results achieved last year, therefore, are commendable. They were achieved by the collective efforts of our staff and management under extremely stressful macro business conditions not seen by the Group before outside of the Asian financial crisis of 1997. To a large extent, the 1997 Asian financial crisis and the 2003 SARS crisis inoculated and prepared us to withstand crises of similar proportions; indeed, the sudden and extreme nature of the current credit crunch would challenge the raison d'etre of the best companies even in normal times. The Group began the year under review with a healthy net cash position and has ended the year with an even higher net cash position despite the fact that the Group paid a total dividend of HK$83,734,000 during the financial year. Our financial position remains strong and we intend to conserve cash until the financial industry recovers its equilibrium and financial institutions begin to conduct business in a normal manner once more.

A synopsis of the four primary business segments of the Group follows:

1. *Exhibition and Event Marketing Services*

   It is our largest business segment accounting for 83.5% of the Group's turnover (2007: 82.1%). We have a diversified portfolio of exhibition clients and no single client accounts for more than 5% of the Group's total turnover.

   For many years, we have been appointed by organisers of major trade shows as official service provider of technical services in exhibition venues which include the supply of standard exhibitions booths. We are also engaged by individual exhibitors that do not hire standard exhibition booths to custom design and fabricate their exhibition stands. Our services extend to many prestigious trade shows in many countries and across diverse industries.

   We have been appointed official service provider by organisers for a diversity of trade shows during the year:

   1. Langkawi International Maritime & Aerospace in December 2007
   2. Singapore Airshow in February 2008
   3. Auto China in April 2008 in Beijing
   4. China Sourcing Fairs in April and October 2008 in Hong Kong and in June 2008 in Dubai
   5. SEMICON Singapore in May 2008 and SEMICON Taiwan in September 2008
   6. The 22nd China International Sporting Goods Show in June 2008 in Beijing
   7. Vietnam Computer Electronics World Expo in July 2008 in Ho Chi Minh City
   8. National Science & Technology Fair in August 2008 in Bangkok
   9. ITU Telecom Asia in September 2008 in Bangkok
   10. Hong Kong Jewellery and Watch Fair in September 2008

   In addition to providing services to organisers, multinational corporations and government bodies have retained our services to build their stands at various exhibitions. These include:

   1. Nortel at International Association for the Wireless Telecommunications' CTIA Wireless in Las Vegas and Global Connect in Stuttgart
   2. Volkswagen, Peugeot and Mazda at various car shows in China
   3. NEC and Japan pavilion at ITU Telecom Asia in Bangkok
   4. Raytheon at Pacific 2008 and Singapore Airshow 2008

5. Mercedes-Benz, Ford and Chevrolet at Bangkok International Motor Show

6. Wells Fargo, Kohler and Toshiba at various exhibitions in North America

7. Panasonic, Mubadala, Qatar Airways and Qatar Petroleum at various exhibitions in the Middle East

8. Taiwan External Trade Development Council's Taiwan pavilions at various exhibitions in Europe

Our services also extend to the supply of temporary facilities for national celebrations and sports events. During the year, we successfully completed a number of projects for the 2008 Beijing Olympics in tandem with a variety of services related to national sporting bodies such as the Korea Olympic Committee and the Equestrian Events (Hong Kong) of the Games of XXIX Olympiad. We also provided a variety of services such as design and interior decoration for pavilions and showcases for major sponsors such as Coca-Cola, Volkswagen, China Mobile, China Netcom, Bank of China, Lenovo, Samsung, McDonald's, Nike, NBA, Deutsche Bank and DB Schenker, and in addition to constructing temporary facilities and fit-outs for the studios for renowned TV broadcasting companies like Nippon TV, TV Asahi and TV Azteca. In addition to our involvement with events in Beijing and Qingdao, we successfully handled the look programme and delivered wayfinding signage for competition venues as well as Olympic villages and train stations for the Olympic and Paralympic Equestrian Events in Hong Kong.

We also handled other major events include designing and building Malaysia and Qatar Pavilions at World Expo 2008 in Zaragoza, setting up temporary grandstand seating and hospitality suites for the 2008 FORMULA 1™ SingTel Singapore Grand Prix circuit, building 36-metre orchestra pit, lighting and audio towers on a floating platform for the Singapore National Day Parade, MasterCard Luxury Week event in Hong Kong, Motorola and Nortel events in North America, Samsung and Toyota road shows in Ho Chi Minh City, Chevrolet events in Malaysia and Thailand, HSBC golf events in Shanghai and Singapore, Mercedes-Benz events in Taiwan and Thailand, Nissan events in Thailand, Rolex event in Shanghai, Skyworth event in Shenzhen, Industrial and Commercial Bank of China Macau branch grand opening, Sutasi events in Ho Chi Minh City and Seoul, Prince Mohammed Bin Fahd University and Arabian Gulf University events in Bahrain, and Bacardi Travel Retail's events in Dubai, Singapore, Sydney and Europe.

The Group's extensive global reach and industry coverage is made possible by an established international network of 34 offices in 19 countries. In addition, we utilise 17 production facilities occupying a gross area of some 100,000 square metres in Atlanta, Beijing, Chennai, Dongguan, Dubai, Ho Chi Minh City, Kuala Lumpur, Los Angeles, Nantong, New Delhi, Noida, Shanghai, Singapore and Taiwan.

2. *Museum, Themed Environment, Interior and Retail*

For the financial year ended October 31, 2008, our Museum, Themed Environment, Interior and Retail segment accounted for 7.5% of the Group's turnover (2007: 10.1%).

In Asia, our associate company in Thailand completed the National Discovery Museum (Museum of Siam), Thailand Post Museum and IRPC Visitor Centre and History Museum. In Singapore, we completed the Land Transport Authority Visitor Centre, Public Utilities Board's Newater Visitor Centre and One North Visitor Centre at Fusionopolis.

In France, we have provided interior decorations for Benjamin Franklin at Musee des Arts et Métiers and Albertr Kahn at Musee Albert Kahn. In the U.S., we completed the Boise Watershed Environment Education Centre.

On the interior architecture side, the Group has completed many interior fit-out projects including GB Corp and Venture Capital Bank offices in Bahrain, Mary Kay and Motorola branding in North America, LG Dubai office, Samsung mobile showroom and Porsche showroom in Ho Chi Minh City, Ferrari showroom and GN Resound office in Seoul, China Mobile showroom in Chengdu, Royal Thai Consulate office in Dubai, Osim, Ferrari and See's Candies stores in Macau, KPMG and CPA Australia offices in Kuala Lumpur, Nokia showrooms in China, India, Singapore and Taiwan, Greenall corporate office in UK, 3M showroom and Jill Stuart retail counters in Taiwan, Civil Aviation Authority of Singapore's new entertainment centre and Friven showroom in Singapore, Sony Ericsson Discovery Centre in Sweden and Bacardi Travel Retail display worldwide.

3. *Brand Signage and Visual Communication*

This segment accounted for 7.1% of the Group's turnover (2007: 6.7%) during the year. With the continuing rise of consumerism in China, the expansion of the Brand Signage and Visual Communication segment continues unabated. Turnover has grown by 30.5% during the year. This growth is derived primarily from the China and European markets.

During the year, the Chinese automobile sector remained robust for our signage business. We secured continuing business from Shanghai General Motors, Nissan, Infiniti, Mercedes-Benz, Ford, Mazda, Great Wall and Changan, inking new contracts for Chrysler, Jeep, Dodge, Jaguar and Land Rover China, Fiat China, Haima and GTMC.

Elsewhere, the Group secured business for Dacia in Europe, Citröën in France, Infiniti in EU and Nissan in UK.

The Group built on its success in the petrol station sector, completing signage for Total Sinochem and PetroChina Refinery in China. For the coming year, we have secured contracts for Total Sinochem and Sinopec in China, BP in Europe and Shell in the U.S..

With the liberalisation of banking in China, and with more banks operating across the country, our business opportunities in this sector continue to look attractive. We have signed on-going contracts for building signage for Bank of China, Industrial and Commercial Bank of China, HSBC, Bank of East Asia, the Royal Bank of Scotland, ABN AMRO, Citibank and Societe Generale.

For many years, we have supplied signage for fast food chain giants like McDonald's, Dairy Queen and KFC in China, and will continue to provide services for McDonald's new corporate identity in China. For Dairy Queen, we will continue to supply signage and in-store menu board systems. For KFC, we will extend our signage supply in step with its expansion into southern China.

Other newly-acquired business includes AkzoNobel chemicals in the U.S., the InterContinental Hotels Group, JW Marriot and Ritz Carlton in China and IKEA in the Asia Pacific region.

To cater for increased demand, we have upgraded our production facilities in Beijing, Jiangsu and Shanghai province. With the opportunities emerging through the Chinese government's commitment to expanding the country's infrastructure, we are well placed to capture further business for railway stations, airports and MRT wayfinding signage.

4. *Conference and Show Management*

Conference and Show Management – operating as MP International Pte Limited ("MPI") – accounted for 1.9% of the Group's turnover (2007: 1.1%).

MPI's turnover is dependent upon the number of shows organised in a particular year, with some held annually, some every two years and some every four years. Turnover is also dependent upon the percentage of our share in the company organising the show. For example, International Furniture Fair Singapore Private Limited organises a very large annual event called the Singapore International Furniture Fair, which occupied about 70,000 sq.m. in March 2008. However, its results have been entered as a 40%-owned associate company.

Other shows organised by MPI in 2008 include Recycling Middle East in Dubai in March 2008, Incentive Travel & Conventions, Meetings (IT&CM) in Shanghai in April 2008, China EPower in Shanghai in April 2008, International Council of Shopping Centers Asia Expo in Macau in October 2008, Singapore Garden Festival in July 2008 and Wine for Asia in Singapore in October 2008.

During the year, MPI co-organised the first combined textile machinery show – International Textile Machinery Association (ITMA) + China International Textile Machinery Exhibition (CITME) – which was held in Shanghai in July 2008. Some 1,368 exhibitors from 30 countries occupied 126,500 sq.m. of the 11 halls in the Shanghai New International Expo Centre.

We are contracted to organise the next ITMA show in Barcelona in 2011. Many of our shows will continue throughout 2009 – InfoComm India will be held in March, as will the International Furniture Fair, while Singapore will host Wine for Asia in October, and Shanghai will host IT&CM and China EPower in April.

Review of Supporting Services

The Group also owns and/or manages exhibition halls and similar facilities to provide more direct avenues of business to our exhibition and event marketing services segment.

The 14,000 sq.m. Xian Greenland Pico Convention & Exhibition Centre, of which the Group has a 30% share, has been in operation since June 2008. More than 20 events and exhibitions have been hosted in five months, including the Shaanxi Tourism Expo 2008, the 4,000-attendee 22nd World Hakka Congress, 3,000-attendee China Medical Association's Anaesthetists' Congress, 2,000-attendee Liu Clan Congress, and BMW's Brand Experience Road Show & Test Drive events.

Our Sri Lanka Exhibition & Convention Centre was awarded the most prominent exhibitions in Sri Lanka, including the Sri Lankan government's South Asian Association for Regional Cooperation Expo 2008, the largest ever Colombo International Book Fair and also created the inaugural Home and Property Show in 2008.

Through the Singapore Sport Hub Consortium, formed by Pico's joint venture company with allied industry leaders, we will be involved as a preferred bidder for building, managing and operating the Singapore Sport Hub, which is expected to commence operation in 2011. When completed, it will offer a 55,000-seat National Stadium with retractable roof, a 3,000-seat multi-purpose arena both scaleable and flexible in layout, a 6,000-seat indoor aquatic centre meeting world tournament standards, the existing 12,000-seat Singapore Indoor Stadium, and 41,000 sq.m. of commercial space.

Financial Position

As at year end date, total net tangible assets of the Group increased by 12.3% to about HK$857 million (2007: HK$763 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 1.43 times (2007: 1.52 times) and the liquidity ratio (current assets – excluding inventories and contract work in progress/current liabilities) was 1.34 times (2007: 1.44 times). The gearing ratio (long term borrowing/total assets) decreased to 0.53% (2007: 1.17%) 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$575 million (2007: HK$481 million). Overall total borrowings maintained at the same amount of HK$49 million for year ended October 31, 2008 and October 31, 2007. 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 71% of the Group's sales and purchases were denominated in Singapore dollars, Hong Kong dollars, Renminbi and US dollars, and the remaining 29% were denominated in other Asian currencies and European currencies. Bank borrowings are mainly denominated in Singapore dollars and Hong Kong dollars, and the interest is charged on floating and fixed rate basis.

Since we are already diversified in many different currencies, and the major Asian currencies have been quite stable throughout the year, the Group's exposure to foreign exchange risk is minimal.

Employees and Emoluments Policies

As at October 31, 2008, the Group employs a total of approximately 2,400 full time employees (2007: 2,300) 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$473 million (2007: HK$403 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, 2008 the following assets were pledged as collaterals for credit facilities granted to the Group by certain banks.

	2008	2007
	HK$'000	*HK$'000*
Pledged bank deposits	**14,317**	8,702
Freehold land and buildings	**14,827**	15,949
Leasehold land	**4,169**	10,597
Leasehold buildings	**11,670**	16,489
Investment properties	**5,340**	32,336
Trade debtors	**12,183**	16,897
Inventories	**4,594**	–
Equipment	**2,793**	2,605
	69,893	103,575

Contingent Liabilities

Since 2003, two subsidiaries and an associate of the Company have been named as defendants in a civil proceedings in Dubai brought by the other shareholder of the Company's subsidiary Pico International (Middle East) L.L.C. which had been placed under receivership. Currently, an award of Dirhams 50,000 or HK$100,000 was made by the court to the plaintiff against the defendants for moral damages in April 2008 but this is still under appeal by both parties. A provision of HK$100,000 has been made in the consolidated financial statements.

In 2006, 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 approximately Euro 1 million or HK$9.93 million. Pico Hong Kong appealed and the court has suspended the enforcement of the default judgement pending a further hearing in April 2009. No provision 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, 2008, the Group has issued the following guarantees:

	THE GROUP		THE COMPANY	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Guarantees given to banks in respect of banking facilities granted to				
– subsidiaries	**–**	–	**341,100**	509,351
– associates	**38,026**	17,000	**38,026**	–
– jointly controlled entities	**7,980**	–	**–**	–
– investee company	**–**	4,000	**–**	–
	46,006	21,000	**379,126**	509,351
Performance guarantees				
– secured	**–**	6,158	**–**	–
– unsecured	**12,385**	4,596	**–**	–
	12,385	10,754	**–**	–
Other guarantees				
– unsecured	**6,303**	1,167	**–**	–

At October 31, 2008, the Directors do not consider it is 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

	2008	2007
	HK$'000	*HK$'000*
Capital expenditure in respect of property, plant and equipment		
– contracted but not provided for	**81,674**	2,642
– authorised but not contracted for	**1,747**	5,467
	83,421	8,109

Capital commitment of HK$79,836,000 is made for the building extension of the Pico Creative Centre situated at 20 Kallang Avenue, Singapore, which is scheduled for completion by December 2010.

The Company did not have any other significant capital commitments at October 31, 2008.

Outlook

We expect 2009 to be an uncertain and challenging year for many businesses including ours. Our exposure to the U.S. markets in terms of investment and business volume is small relative to our total business, which derives more than 90% of its turnover from Asia, and substantially from or through China.

Given our strong liquid position as a company and the experience of the management team that has steered the Group through the previous Asian financial crisis and SARS crisis, we believe that the Group will be able to weather the current financial storm and emerge even stronger in the exhibition industry in this part of the world.

CLOSURE OF REGISTER

The Register of Members of the Company will be closed from Monday, March 16, 2009 to Thursday, March 19, 2009, 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 registrar 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 p.m. on Friday, March 13, 2009.

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, 2008, 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 separated 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, 2008.

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 http://www.hkex.com.hk under "Latest Listed Companies Information" and at the Company website at http://www.pico.com.

The 2008 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, February 6, 2009

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 Director 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.