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, 2009

The Board of Directors (the "Board") of Pico Far East Holdings Limited (the "Company") is pleased to announce the audited final results of the Company and its subsidiaries (the "Group") for the year ended October 31, 2009, together with comparative figures for the corresponding year in 2008 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended October 31, 2009

	Note	2009 HK$'000	2008 HK$'000
Turnover	2	**2,225,635**	2,631,065
Cost of sales		**(1,487,126)**	(1,778,497)
Gross profit		**738,509**	852,568
Other income	3	**58,889**	43,424
Distribution costs		**(305,103)**	(325,381)
Administrative expenses		**(332,777)**	(349,217)
Other operating expenses		**(1,545)**	(1,380)
Profit from operations		**157,973**	220,014
Finance costs	4	**(2,982)**	(2,524)
		154,991	217,490
Share of profits of associates		**719**	12,395
Share of profits of jointly controlled entities		**12,252**	1,091
Profit before tax		**167,962**	230,976
Income tax expense	5	**(36,154)**	(44,080)
Profit for the year	6	**131,808**	186,896
Attributable to:			
Equity holders of the Company		**123,831**	169,652
Minority interests		**7,977**	17,244
		131,808	186,896
Dividends paid	7	**53,829**	83,734
Earnings per share	8		
Basic		**10.35 cents**	14.18 cents
Diluted		**10.34 cents**	14.13 cents

CONSOLIDATED BALANCE SHEET
At October 31, 2009

	Note	2009 HK$'000	2008 HK$'000
Non-current Assets			
Investment properties		**54,121**	42,693
Property, plant and equipment		**330,989**	299,288
Prepaid land lease payments		**56,340**	57,262
Intangible assets		**11,172**	14,332
Interests in jointly controlled entities		**17,775**	6,639
Interests in associates		**127,090**	135,004
Club membership		**4,795**	5,570
Available-for-sale financial assets		**4,920**	336
Deferred tax assets		**430**	1,113
		607,632	562,237
Current Assets			
Inventories		**10,730**	29,962
Contract work in progress		**40,102**	48,474
Debtors, deposits and prepayments	*9*	**647,254**	672,785
Amounts due from associates		**10,228**	15,447
Amounts due from jointly controlled entities		**9,561**	2,484
Current tax assets		**1,506**	1,134
Pledged bank deposits		**4,158**	14,317
Bank and cash balances		**620,123**	560,192
		1,343,662	1,344,795
Current Liabilities			
Payments received on account		**182,394**	223,082
Creditors and accrued charges	*10*	**591,221**	641,271
Amounts due to associates		**2,520**	8,721
Amounts due to jointly controlled entities		**27**	–
Current tax liabilities		**30,128**	28,589
Borrowings		**53,918**	38,645
Finance lease obligations		**1,690**	1,916
		861,898	942,224
Net Current Assets		**481,764**	402,571
Total Assets Less Current Liabilities		**1,089,396**	964,808

	2009 *HK$'000*	2008 *HK$'000*
Non-current Liabilities		
Borrowings	**39,614**	10,090
Finance lease obligations	**1,448**	2,715
Deferred tax liabilities	**16,886**	12,632
	57,948	25,437
NET ASSETS	**1,031,448**	939,371
Capital and Reserves		
Share capital	**59,811**	59,810
Reserves	**902,281**	811,450
Equity attributable to equity holders of the Company	**962,092**	871,260
Minority Interests	**69,356**	68,111
TOTAL EQUITY	**1,031,448**	939,371

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, 2008. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; 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 and event marketing services; brand signage and visual communication; museum, themed environment, interior and retail; 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, India, 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, 2009

	Greater China *HK$'000*	Asia other than Greater China *HK$'000*	Others *HK$'000*	Elimination *HK$'000*	Group *HK$'000*
REVENUE					
External sales	1,058,352	1,010,016	157,267	–	2,225,635
Inter-segment sales	136,962	57,695	18,341	(212,998)	–
Total revenue	1,195,314	1,067,711	175,608	(212,998)	2,225,635

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	122,820	74,363	(15,119)		182,064
Interest income					4,903
Unallocated costs					(28,994)
Profit from operations					157,973
Finance costs					(2,982)
Share of profits (losses) of associates	(2,829)	3,891	(343)		719
Share of profits of jointly controlled entities	–	11,775	477		12,252
Profit before tax					167,962
Income tax expense					(36,154)
Profit for the year					131,808

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	862,402	797,097	61,751		1,721,250
Interests in associates	48,189	75,046	3,855		127,090
Interests in jointly controlled entities	943	13,891	2,941		17,775
Unallocated assets					85,179
Consolidated total assets					1,951,294
LIABILITIES					
Segment liabilities	418,075	406,649	48,108		872,832
Unallocated liabilities					47,014
Consolidated total liabilities					919,846
Other Information					
Capital expenditure	12,470	52,498	604		65,572
Depreciation and amortisation	20,328	20,471	1,802		42,601
Impairment on goodwill	2,430	–	–		2,430
Other non-cash items	(6,227)	5,850	2,316		1,939

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

	Greater China *HK$'000*	Asia other than Greater China *HK$'000*	Others *HK$'000*	Elimination *HK$'000*	Group *HK$'000*
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 items	4,983	4,486	1,816		11,285

(ii) Secondary reporting format – business segments

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

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

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

Year ended October 31, 2009

	Revenue *HK$'000*	**Segment assets** *HK$'000*	**Capital expenditure** *HK$'000*
Exhibition and event marketing services	**1,828,359**	**1,428,262**	**56,049**
Brand signage and visual communication	**201,074**	**134,977**	**3,559**
Museum, themed environment, interior and retail	**144,770**	**110,015**	**5,587**
Conference and show management	**51,432**	**47,996**	**377**
	2,225,635	**1,721,250**	**65,572**

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
Brand signage and visual communication	187,826	140,359	2,408
Museum, themed environment, interior and retail	197,110	101,966	2,312
Conference and show management	51,246	39,528	2,493
	2,631,065	1,690,777	80,093

3. OTHER INCOME

	2009 *HK$'000*	2008 *HK$'000*
Included in other income are:		
Allowance written back on bad and doubtful debts	**3,230**	1,124
Allowance written back on amount due from investee company	**–**	2,653
Dividend income from available-for-sale financial assets	**–**	4
Gain on acquisition of remaining minority interests	**410**	–
Gain on early termination of investment and liquidation	**–**	2,731
Gain on disposal of club membership	**3,050**	–
Interest income	**4,903**	8,805
Rental income, net of outgoings	**11,192**	12,342

The gross rental income from investment properties for the year amounted to approximately HK$2,468,000 (2008: HK$2,342,000).

4. FINANCE COSTS

	2009 HK$'000	2008 HK$'000
Interest on bank borrowings	**2,779**	2,150
Finance charges in respect of finance lease obligations	**203**	374
Total borrowing costs	**2,982**	2,524

5. INCOME TAX EXPENSE

	2009 HK$'000	2008 HK$'000
The charge comprises:		
Profits tax for the year		
Hong Kong	**2,733**	1,772
Overseas	**29,349**	44,116
Over provision in prior years		
Hong Kong	**(242)**	(234)
Overseas	**(500)**	(1,752)
	31,340	43,902
Deferred tax	**4,814**	178
	36,154	44,080

Hong Kong profits tax is calculated at 16.5% (2008: 16.5%) 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:

	2009 HK$'000	2008 HK$'000
Profit before tax (excluding share of profits of associates and jointly controlled entities)	**154,991**	217,490
Tax at the domestic income tax rate of 16.5% (2008: 16.5%)	**25,574**	35,886
Effect of different taxation rates in other countries	**7,146**	10,505
Tax effect of income that is not taxable	**(6,817)**	(11,295)
Tax effect of expenses that are not deductible	**7,064**	8,499
Tax effect of utilisation of previously unrecognised tax losses	**(2,011)**	(1,282)
Tax effect of tax losses not recognised	**6,840**	2,110
Deferred taxation on withholding tax arising on undistributed earnings of subsidiaries	**570**	701
Over provision in prior years	**(742)**	(1,986)
Others	**(1,470)**	942
Income tax expense	**36,154**	44,080

6. PROFIT FOR THE YEAR

	2009 *HK$'000*	2008 *HK$'000*
Profit for the year has been arrived at after charging:		
Auditors' remuneration	**3,600**	3,189
Depreciation	**40,694**	36,269
Loss on disposal of property, plant and equipment	**371**	469
Loss on disposal of available-for-sale financial assets	**447**	–
Loss on disposal of partial interest in subsidiaries	**297**	–
Decrease in fair value of investment properties, net	**–**	111
Operating lease rentals in respect of:		
Amortisation of prepaid land lease payments	**1,126**	1,135
Office premises	**28,751**	24,992
Equipment	**1,478**	7,892
Direct operating expenses of investment properties that generate rental income	**568**	1,110
Cost of inventories sold	**197,967**	201,328
Allowance for bad and doubtful debts	**12,716**	10,705
Allowance for inventories (included in cost of sales)	**–**	2,665
Amortisation of other intangible assets (included in administrative expenses)	**781**	784
Net exchange loss	**691**	4,873
Impairment on club membership (included in administrative expenses)	**627**	49
Impairment on goodwill (included in administrative expenses)	**2,430**	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)	**16,414**	17,631
	18,214	19,431
Other staff costs:		
Salaries, allowances and benefits in kind	**405,850**	425,065
Share-based payment	**442**	508
Group's contributions to retirement scheme, net of forfeited contribution of approximately HK$108,000 (2008: HK$107,000)	**30,150**	27,735
Total staff costs	**454,656**	472,739
and crediting:		
Gain on disposal of subsidiaries	**1,921**	–
Gain on disposal of property, plant and equipment	**14**	934
Increase in fair value of investment properties, net	**11,404**	–

7. DIVIDENDS PAID

	2009	2008
	HK$'000	*HK$'000*
2008 final dividend paid HK2.0 cents per share (2007: HK3.5 cents per share)	**23,924**	41,867
2009 interim dividend paid HK2.5 cents per share (2008: HK3.5 cents per share)	**29,905**	41,867
Total	**53,829**	83,734

A final dividend of HK3.5 cents per share for the year ended October 31, 2009 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:

	2009	2008
	HK$'000	*HK$'000*
Earnings for the purposes of calculating basic and diluted earnings per share	**123,831**	169,652

	2009	2008
Issued ordinary shares at beginning of year	**1,196,196,104**	1,195,422,104
Effect of consideration shares issued	**1,825**	771,316
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,196,197,929**	1,196,193,420
Effect of dilutive potential ordinary shares in respect of options	**1,217,124**	4,296,740
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,197,415,053**	1,200,490,160

9. DEBTORS, DEPOSITS AND PREPAYMENTS

	2009	2008
	HK$'000	*HK$'000*
Trade debtors	**558,695**	583,270
Less: allowance for bad and doubtful debts	**(35,633)**	(34,231)
	523,062	549,039
Other debtors	**12,649**	32,289
Prepayments and deposits	**111,543**	91,457
	647,254	672,785

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:

	2009	2008
	HK$'000	*HK$'000*
0 – 90 days	**420,105**	449,670
91 – 180 days	**64,456**	59,541
181 – 365 days	**25,292**	27,116
More than 1 year	**13,209**	12,712
	523,062	549,039

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

	Hong Kong dollars	**Malaysian ringgits**	**Renminbi**	**Singapore dollars**	**US dollars**	**United Arab Emirates dirham**	**Others**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At October 31, 2009	**58,531**	**50,038**	**139,927**	**132,435**	**50,744**	**41,169**	**50,218**	**523,062**
At October 31, 2008	64,926	41,908	109,786	146,731	72,284	45,714	67,690	549,039

At October 31, 2009, trade debtors with carrying amount of HK$2,851,000 (2008: HK$12,183,000) and deposits, prepayments and other debtors with carrying amount of HK$645,000 (2008: nil) were pledged to a bank to secure a revolving credit loan.

At October 31, 2009, an allowance was made for estimated irrecoverable trade debtors of approximately HK$35,633,000 (2008: HK$34,231,000) which have either been placed under liquidation or in severe financial difficulties. The Group does not hold any collateral over these balances.

Movements in the allowance for bad and doubtful debts:

	2009	2008
	HK$'000	*HK$'000*
At beginning of year	**34,231**	31,943
Allowance for the year	**11,476**	9,658
Amounts written off as uncollectible	**(7,154)**	(6,113)
Exchange adjustments	**202**	(133)
Allowance written back	**(3,122)**	(1,124)
At end of year	**35,633**	34,231

At October 31, 2009, trade debtors of HK$225,679,000 (2008: HK$212,129,000) 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 receivables is as follows:

	2009	2008
	HK$'000	*HK$'000*
Less than 90 days	**155,752**	142,804
91 – 180 days	**50,757**	46,635
181 – 365 days	**11,678**	14,958
More than 1 year	**7,492**	7,732
	225,679	212,129

10. CREDITORS AND ACCRUED CHARGES

	2009	2008
	HK$'000	*HK$'000*
Trade creditors	**263,354**	237,625
Accrued charges	**324,894**	401,887
Other creditors	**2,973**	1,759
	591,221	641,271

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

	2009	2008
	HK$'000	*HK$'000*
0 – 90 days	**204,621**	184,718
91 – 180 days	**30,537**	32,963
181 – 365 days	**12,580**	10,751
More than 1 year	**15,616**	9,193
	263,354	237,625

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

	Hong Kong dollars	**Malaysian ringgits**	**Renminbi**	**Singapore dollars**	**United Arab Emirates dirham**	**Others**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At October 31, 2009	**17,548**	**16,377**	**104,341**	**55,885**	**25,228**	**43,975**	**263,354**
At October 31, 2008	37,935	22,232	95,745	33,384	12,258	36,071	237,625

BUSINESS REVIEWS AND PROSPECTS

Results

During the year under review, the Group was severely impacted by the global financial crisis. Against this backdrop, the Group's turnover for the year was HK$2.226 billion (2008: HK$2.631 billion), representing a decrease of 15.4%. Profit for the year attributable to equity holders was HK$124 million (2008: HK$170 million), representing a decrease of 27.1%.

Earnings before interest, tax, depreciation and amortisation were HK$209 million (2008: HK$263 million).

Final Dividend

The Directors recommend the payment of a final dividend of HK3.5 cents per ordinary share (2008: HK2.0 cents per ordinary share). Together with the interim dividend of HK2.5 cents per ordinary share (2008: HK3.5 cents per ordinary share), total dividend for the year amounted to HK6.0 cents per ordinary share (2008: HK5.5 cents per ordinary share). The final dividend will be payable on Thursday, April 8, 2010 to shareholders on the register of members of the Company on Friday, March 19, 2010.

Review of Operations

In the annual report of 2008, we foresaw an uncertain and a challenging year ahead of us. Indeed, 2009 had been a very difficult year for most businesses. In our industry, customers' budget for trade shows and related activities shrank while competition intensified as companies battled for business to steer through the crisis. Considering this difficult business environment, the financial results of the year under review have been encouraging. They were achieved thanks to the collective hard work of all our staff.

In our interim report of 2009, we highlighted the prevailing uncertainties of the North American and European markets. We also explained that our challenge was to reduce the cost of sales and overhead expenses without sacrificing the thrust and direction of the Group's medium-term business strategy. Due to continuing weakness of the business and uncertainties in both Europe and North America, we have ceased operations in Europe except London which remains profitable and reduced overheads in North America.

The rest of the Group suffered comparative declines in turnover and profits due to the global financial crisis, but those businesses remained profitable.

We believe that 2009 would be regarded as the most difficult year amid the global financial crisis. Going forward, the situation should improve as we have many special projects that will be delivered this year while confidence is also slowly returning to the marketplace.

A synopsis of the four primary segments of the Group is as follows:

1. Exhibition and Event Marketing Services

It is our largest business segment, accounting for 82.2% of the Group's turnover (2008: 83.5%). During the year under review, the Group has been appointed as official service provider by organisers for a variety of trade shows during the year. Among the projects in which we were appointed as official service provider were:

1. 50+ Singapore Expo in Singapore in January 2009

2. China 2009 World Stamp Exhibition in Luoyang in April 2009

3. China Sourcing Fairs in Mumbai, Hong Kong and Dubai in November 2008, April, June and October 2009 respectively

4. Defence and Industry Conference & Trade Exhibition in Adelaide in July 2009

5. Motor Expo and 30th Bangkok International Motor Show in Bangkok in December 2008 and March 2009

6. The 2nd Brunei Darussalam International Defence Conference & Exhibition in August 2009

7. The 10th International Congress of the Middle East African Council of Ophthalmology in Bahrain in March 2009

8. The 10th Western China International Economy & Trade Fair in Chengdu in October 2009

9. The 11th China International Machine Tool Show in Beijing in April 2009

10. Vietnam Telecomp in Ho Chi Minh City in November 2008

In addition, we have also provided direct services to multinational corporations and governments. Some of these projects were:

1. China National Petroleum Corporation at Offshore Technology Conference and World Gas Conference in Houston and Buenos Aires

2. Christmas and New Year decoration for HongKong Land and Sun Hung Kai in Hong Kong, and Hutchison Whampoa in Chongqing

3. Emarat, Higher Colleges of Technology, Jordan Group, Midex Airlines, Mubadala and Offset Program Bureau at Dubai Air Show

4. Huawei at CeBIT Hannover, Consumer Electronics Show in Las Vegas and Vietnam Telecomp

5. Hutchison Whampoa, Sun Hung Kai, Chongqing Shui On and a number of property developers in various trade shows and events in Chengdu, Chongqing and Guangzhou

6. Korea Trade-Investment Promotion Agency at Consumer Electronics Show and Automotive Aftermarket Products Expo in Las Vegas, Cosmoprof Asia in Hong Kong and road shows in Chengdu

7. Nokia and ZTE at 3GSM Mobile World Congress in Barcelona

8. Peugeot at Auto Shanghai and Guangzhou Motor Show

9. Qatar Petroleum at Abu Dhabi International Petroleum Exhibition, International Petroleum Technology Conference in Kuala Lumpur and Middle East Oil & Gas Show in Bahrain

10. Raytheon at Paris Air Show, Australia International Air Show and Air India

Other event marketing services included the supply of temporary facilities such as grandstand seating and hospitality suites for national celebrations, sport events and other brand and product promotion events. During the year, we successfully completed many events such as:

1. 2009 Formula 1 SingTel Singapore Grand Prix (second year of a five-year contract)

2. Abu Dhabi Golf Championship

3. Bacardi Mojito Program in Europe

4. Bahrain Summer Festival

5. Barclays Singapore Open 2008 and World Junior Hockey Tournament 2009 in Singapore

6. Bayer Yasmin Launch in Sanya

7. China Mobile 3G road shows in Zhengzhou

8. Doha Tribecca Film Festival and Qatar Marine Festival in Doha

9. HSBC Golf Championship in Shanghai and Women's Golf Champions in Singapore

10. Korea Central Officials Training Institute events in Seoul

11. MasterCard Luxury Week in Hong Kong

12. McDonald's China Managers Convention in Sydney

13. Mercedes-Benz and Nissan road shows and events in Thailand

14. Mercedes-Benz motor shows and events in Taiwan and various cities in China

15. Motorola at MotoDriven Tour in North America

16. Nokia Partners Conference in Dubai

17. OSIM road shows in Hong Kong

18. Samsung road shows in Klang Valley in Malaysia

19. Singapore Day in London

20. Singapore National Day Parade 2009

21. The Asian Banker Summit in Beijing

22. Toyota car launch in Ho Chi Minh City

The Group's extensive global reach and industry coverage is made possible by an established international network of 33 offices in 18 countries. In addition, we utilise 20 production facilities occupying a gross area of more than 100,000 square metres in Atlanta, Beijing, Chennai, Dongguan, Dubai, Hanoi, Ho Chi Minh City, Kuala Lumpur, Los Angeles, Nantong, New Delhi, Noida, Shanghai, Singapore and Taiwan.

2. Brand Signage and Visual Communication

This segment accounted for 9.0% of the Group's turnover (2008: 7.1%).

Our brand signage and visual communication business segment continued to grow and expand in China during the year.

During the period, we won many new contracts, including one to supply a new corporate identity customer lounge for all Rolls-Royce showrooms on a global basis. The Rolls-Royce global showroom project complements other prestigious automobile accounts that we service, such as Buick, Changan Suzuki, Chevrolet, Chrysler Jeep Dodge, Fiat, GTMC, Infiniti, Jaguar, Lamborghini, Land Rover, Lexus, Mercedes-Benz, Nissan and Renault. As China is now the biggest automobile market in the world, our strength in the automobile signage sector should lead to more business opportunities.

In the banking sector, we have been involved in the strategic planning phase as well as on-going implementation for the Agriculture Bank of China. The scope of work includes exterior and interior signage, ATM machine environment, point-of-purchase displays and other environmental graphics. We also provide signage for the DBS Bank building and HSBC Bank building in Shanghai and both banks branches in China.

Other on-going contracts include McDonald's and KFC restaurants in China.

We are also implementing corporate signage re-branding rollout for some major international clients such as BASF, Cengage Learning Center, Chartis Insurance, Juniper Networks, Shell and Thomson Reuters.

3. Museum, Themed Environment, Interior and Retail

This segment accounted for 6.5% of the Group's turnover (2008: 7.5%).

Some of the museum and theme park projects completed or substantially completed were:

1. 50-Year Armed Forces Academies Preparatory School Museum, Thailand

2. Daqing Oil Museum, northeastern China

3. Kowloon Walled City Park, Hong Kong

4. Melaka Planetarium & Adventure Science Centre, Malaysia

5. Navy Museum, Singapore

6. New Mexico History Museum, Sante Fe, New Mexico, the United States

7. Pearl Museum at Bin Mattar House, Bahrain

8. The Exhibition of Artefacts of Michael Jackson, London

9. Universal Studios Singapore: Lost World, Jurassic Park and Egypt zones

For interior and retail fit-out, some of the projects completed were:

1. China Mobile showroom and office in Zhengzhou and Panzhihua

2. Dell, Volkswagen and DutyFree shop, Hanoi

3. Huawei Symantec Customer Experience Centre, Chengdu

4. Lenovo Brand Experience Centre, Shanghai

5. Mary Kay Flagship Stores in eight cities in China and South Korea

6. Parkson Saigon store and Singapore International School in Ho Chi Minh City

7. Princess Al Jawanara Auditorium at Arabian Gulf University, GB Corporation and Mena Aerospace office in Bahrain

8. Samsung customer service centre in Libya and corporate office in Dubai

9. Siemens Solution Centre, Singapore

10. Swarovski Flagship Stores, New Delhi

4. Conference and Show Management

This segment accounted for 2.3% of the Group's turnover (2008: 1.9%).

The projects we managed included:

1. 14th Asia Pacific Economic Cooperation Women Leaders Network Meeting in Singapore

2. 32nd Asia Pacific Economic Cooperation Transport Working Group Meeting in Singapore

3. APEC Senior Officials Meeting II and Meeting of Ministers Responsible for Trade in Singapore

4. Asia Game Show in Hong Kong

5. Education, Consumer and Santastic Fairs in Colombo

6. Incentive Travel & Conventions, Meetings (IT&CM) China and China EPower in Shanghai

7. International Furniture Fair in Singapore

8. Wine for Asia in Singapore

Going into the new financial year, we have completed our scope of work for the 21st APEC meetings held in Singapore in November 2009 that was attended by world leaders and over 1,800 delegates from the Asia-Pacific region. We have also commenced work as the appointed exhibition manager for the Urban Best Practice Area at the Shanghai World Expo 2010.

We will also commence show management services for ITMA International Textile Machinery Exhibition Asia ("ITMA") 2010 to be held this year in Shanghai and the ITMA 2011 to be held in 2011 in Barcelona, Spain.

Financial Position

At year end date, total net tangible assets of the Group increased by 11.0% to about HK$951 million (2008: HK$857 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 1.56 times (2008: 1.43 times) and the liquidity ratio (current assets – excluding inventory and contract work in progress/current liabilities) was 1.50 times (2008: 1.34 times). The gearing ratio (long term borrowings/total assets) increased to 2.03% (2008: 0.53%) 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$624 million (2008: HK$575 million). Overall total borrowings were at HK$94 million for year ended October 31, 2009 (2008: HK$49 million). 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 73% of the Group's sales and purchases were denominated in Singapore dollars, Hong Kong dollars, Renminbi and US dollars, and the remaining 27% were denominated in other Asian currencies and European currencies. Bank borrowings are mainly denominated in Singapore dollars and US dollars, and the interest is charged on a mix of 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

At October 31, 2009, the Group employs a total of approximately 2,400 full time employees (2008: 2,400) 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 were about HK$455 million (2008: HK$473 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, 2009 the following assets were pledged as collaterals for credit facilities granted to the Group by certain banks.

	2009	2008
	HK$'000	*HK$'000*
Pledged bank deposits	**4,158**	14,317
Bank and cash balances	**5,271**	–
Freehold land and buildings	**15,431**	14,827
Leasehold land	**4,056**	4,169
Leasehold buildings	**11,426**	11,670
Investment properties	**–**	5,340
Trade debtors	**2,851**	12,183
Inventories	**–**	4,594
Equipment	**76**	2,793
Deposits, prepayments and other debtors	**645**	–
	43,914	69,893

Contingent Liabilities

Pico International (Macao) Limited ("Pico Macao"), a subsidiary of the Company, was sued by Redland Precast Concrete Products (Macau) Limited ("Redland") for the total amount of MOP6.6 million or HK$6.3 million for glass fibre reinforced concrete products, steel railings and wrought iron products package in Macau, supplied by Redland to Pico Macao pursuant to a supply contract in 2007. There had been substantial delay to the works package which we believe was caused by the late, defective or failed delivery of Redland's goods. Redland served its writ of summons on Pico Macao on November 23, 2009 setting out its claims against Pico Macao. Pico Macao will have until February 2, 2010 to serve its defence to Redland's claims and its counterclaims against Redland which are likely to be in excess of the amount of Redland's claims. Since the case is now at an early stage, it is difficult to make an estimate on the ultimate liability, if any.

Financial Guarantees Issued

At October 31, 2009, the Group has issued the following guarantees:

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Guarantees given to banks in respect of banking facilities granted to				
– subsidiaries	**–**	–	**336,325**	341,100
– associates	**38,053**	38,026	**38,053**	38,026
– jointly controlled entities	**2,567**	7,980	**–**	–
	40,620	46,006	**374,378**	379,126
Performance guarantees				
– secured	**81**	–	**–**	–
– unsecured	**60,582**	12,385	**–**	–
	60,663	12,385	**–**	–
Other guarantees				
– secured	**745**	–	**–**	–
– unsecured	**3,177**	6,303	**–**	–
	3,922	6,303	**–**	–

At October 31, 2009, 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

	2009	2008
	HK$'000	*HK$'000*
Capital expenditure in respect of property, plant and equipment and investment cost in a subsidiary		
– contracted but not provided for	**50,443**	81,674
– authorised but not contracted for	**–**	1,747
	50,443	83,421

Capital commitment of HK$47 million (2008: HK$80 million) is made for the building extension of the Pico Creative Centre situated at 20 Kallang Avenue, Singapore, which is scheduled for completion by December 31, 2010.

The Company did not have any other significant capital commitments at October 31, 2009.

Outlook

Geographically, Greater China forms the single largest market of the Group and accounted for about 50% of our total revenue during the year under review. This market remains resilient as the Chinese economy is still growing at more than 8% per annum. The Group recognises the existing and unfolding market opportunities in China, and we intend to focus and capitalise on them.

In the current year, the Group has begun building many national and corporate pavilions at the Shanghai World Expo 2010 which will open in May 2010. This six-month long mega event will also generate other event and exhibition-related opportunities at the exposition venue after the main construction phase is completed.

Besides China, the Group believes that India will provide a new platform for future growth. Therefore, the Group has re-established its presence in the country and set up a new company in New Delhi. That was highlighted by the completion of a large exhibition stand at the India Auto Show held in January 2010. From our base in New Delhi, we will expand to other major cities including Mumbai, Bangalore and Chennai.

In North America where business is still weak, we will take further remedial measures to reduce losses. In Thailand, the political situation is still uncertain but we believe business of our associate company, Pico (Thailand) Public Company Limited, should turn around during the year.

All in all, we are cautiously optimistic with the year ahead of us and, barring unforeseen circumstances, we believe that the global financial situation will gradually stabilise by 2011.

CLOSURE OF REGISTER

The Register of Members of the Company will be closed from Monday, March 15, 2010 to Friday, March 19, 2010, 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 Hong Kong branch share registrar, Union Registrars Limited, at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, not later than 4:00 pm on Friday, March 12, 2010.

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 is always committed to maintaining high standards of corporate governance. During the year ended October 31, 2009, 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 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 by rotation and re-election at the Company's Annual General Meeting. The Articles of Association of the Company requires one-third of the Directors to 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 of the Listing Rules as the 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, 2009.

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's website at http://www.pico.com.

The 2009 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.

CONCLUSION

Finally, I wish to thank our customers for their patronage, our subcontractors for their services, our staff for their dedication, and the Non-Executive Directors for their valuable advice. I also wish to thank our shareholders for their support.

By Order of the Board
Lawrence Chia Song Huat
Chairman

Hong Kong, January 28, 2010

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.