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, 2010

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, 2010, together with comparative figures for the corresponding year in 2009 as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended October 31, 2010

	Note	**2010** **HK$'000**	2009 *HK$'000*
Turnover	*2*	**3,075,114**	2,225,635
Cost of sales		**(2,194,762)**	(1,487,126)
Gross profit		**880,352**	738,509
Other income	*3*	**44,626**	58,889
Distribution costs		**(336,794)**	(305,103)
Administrative expenses		**(344,798)**	(332,777)
Other operating expenses		**(1,404)**	(1,545)
Profit from operations		**241,982**	157,973
Finance costs	*4*	**(3,982)**	(2,982)
		238,000	154,991
Share of profits of associates		**7,997**	719
Share of profits of jointly controlled entities		**16,030**	12,252
Profit before tax		**262,027**	167,962
Income tax expense	*5*	**(58,873)**	(36,154)
Profit for the year	*6*	**203,154**	131,808
Attributable to:			
Owners of the Company		**191,821**	123,831
Non-controlling interests		**11,333**	7,977
		203,154	131,808
EARNINGS PER SHARE	*8*		
Basic		**15.99 cents**	10.35 cents
Diluted		**15.89 cents**	10.34 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended October 31, 2010

	2010 HK$'000	2009 HK$'000
Profit for the year	**203,154**	131,808
Other comprehensive income:		
Exchange differences on translating foreign operations	**52,282**	19,792
Exchange differences reclassified to profit or loss on disposal of subsidiaries	**34**	(79)
Other comprehensive income for the year, net of tax	**52,316**	19,713
Total comprehensive income for the year	**255,470**	151,521
Attributable to:		
Owners of the Company	**240,160**	143,731
Non-controlling interests	**15,310**	7,790
	255,470	151,521

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At October 31, 2010

	Note	2010 HK$'000	2009 HK$'000
Non-current Assets			
Investment properties		**171,594**	54,121
Property, plant and equipment		**285,306**	330,989
Prepaid land lease payments		**55,655**	56,340
Intangible assets		**10,595**	11,172
Interests in jointly controlled entities		**15,371**	17,775
Interests in associates		**132,439**	127,090
Club membership		**4,859**	4,795
Available-for-sale financial assets		**11,892**	4,920
Deferred tax assets		**524**	430
		688,235	607,632
Current Assets			
Inventories		**12,961**	10,730
Contract work in progress		**15,086**	40,102
Debtors, deposits and prepayments	*9*	**844,693**	647,254
Amounts due from associates		**12,220**	10,228
Amounts due from jointly controlled entities		**13,650**	9,561
Current tax assets		**3,129**	1,506
Pledged bank deposits		**964**	4,158
Bank and cash balances		**822,776**	620,123
		1,725,479	1,343,662
Current Liabilities			
Payments received on account		**191,652**	182,394
Creditors and accrued charges	*10*	**866,925**	591,221
Amounts due to associates		**3,459**	2,520
Amounts due to jointly controlled entities		**4,786**	27
Current tax liabilities		**55,334**	30,128
Borrowings		**24,773**	53,918
Finance lease obligations		**1,235**	1,690
		1,148,164	861,898
Net Current Assets		**577,315**	481,764
Total Assets Less Current Liabilities		**1,265,550**	1,089,396

	2010	2009
	HK$'000	*HK$'000*
Non-current Liabilities		
Borrowings	**28,760**	39,614
Finance lease obligations	**833**	1,448
Deferred tax liabilities	**26,516**	16,886
	56,109	57,948
NET ASSETS	**1,209,441**	1,031,448
Capital and Reserves		
Share capital	**60,354**	59,811
Reserves	**1,069,071**	902,281
Equity attributable to owners of the Company	**1,129,425**	962,092
Non-controlling interests	**80,016**	69,356
TOTAL EQUITY	**1,209,441**	1,031,448

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, 2009. 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 significant changes to the Group's accounting policies and amounts reported for the current year and prior years except as stated below.

(a) HKAS 1 (Revised) Presentation of Financial Statements

HKAS 1 (Revised) "Presentation of Financial Statements" affects certain disclosures and presentation of the financial statements. The balance sheet is renamed as the statement of financial position and the cashflow statement is renamed as the statement of cash flows. All income and expenses arising from transactions with non-owners are presented in the income statement and statement of comprehensive income, and the total carried to the statement of changes in equity. The owner changes in equity are presented in the statement of changes in equity. HKAS 1 (Revised) also requires disclosure of the reclassification adjustments and tax effects relating to each component of other comprehensive income for the year. These presentation requirements have been applied retrospectively in these financial statements.

(b) HKFRS 8 Operating Segments

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Previously, HKAS 14 "Segment Reporting" required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's 'system of internal financial reporting to key management personnel' serving as the starting point for the identification of such segments. HKFRS 8 results in a redesignation of the Group's reportable segment, but has had no impact on the reported results or financial position of the Group. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's most senior executive management. Corresponding amounts have been provided on a basis consistent with the revised segment information.

HKFRS 8 has been applied retrospectively. The segment accounting policies under HKFRS 8 are stated in the Note 2 to the announcement.

(c) HKAS 27 (Revised) Consolidated and Separate Financial Statements

HKAS 27 (Revised) "Consolidation and Separate Financial Statements" contains the following requirements:

Total comprehensive income is attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance. The previous HKAS 27 requires excess losses to be allocated to the owners of the Company, except to the extent that the non-controlling shareholders have a binding obligation and are able to make an additional investment to cover the losses.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognised directly in equity and attributed to the owners of the Company. The previous HKAS 27 does not have specific requirements for such transactions.

When the disposal of a subsidiary results in a loss of control, the consideration of the sale and any investment retained in that subsidiary are required to be measured at their fair values. The previous HKAS 27 does not have specific requirements for such fair value measurements.

The above requirement of HKAS 27 (Revised) has been applied prospectively.

(d) Improvements to HKFRSs (2008) – Amendments to HKAS 40 Investment Property

As a result of the amendments to HKAS 40 "Investment Property", investment property which is under construction will be carried at fair value at the earlier of when the fair value first becomes reliably measurable and the date of completion of the property. Any gain or loss will be recognised in profit or loss. Previously such property was carried at cost until the construction was completed, at which time it was fair valued with any gain or loss being recognised in profit or loss. This amendment is applied prospectively. As a result of this amendment, the Group's certain properties under development have been reclassified to investment properties as at November 1, 2009.

	2010
	HK$'000
Increase in investment properties	**62,912**
Decrease in property, plant and equipment	**(62,912)**

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; museum, themed environment, interior and retail; brand signage and visual communication; conference and show management; and their related business.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in notes to the financial statements. Segment profits or losses do not include share of profits or losses of associates and jointly controlled entities, income tax expense and unallocated income and expenses arising from corporate teams. Segment assets do not include interests in associates and jointly controlled entities, certain properties and motor vehicles which are used as corporate assets, current tax assets and deferred tax assets. Segment liabilities do not include current tax liabilities and deferred tax liabilities.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

(a) Information about reportable segment profit or loss, assets and liabilities

	Exhibition and event marketing services *HK$'000*	Museum, themed environment, interior and retail *HK$'000*	Brand signage and visual communication *HK$'000*	Conference and show management *HK$'000*	Total *HK$'000*
For the year ended October 31, 2010					
Revenue from external customers	**2,393,555**	**299,386**	**282,929**	**99,244**	**3,075,114**
Intersegment revenue	**264,170**	**14,548**	**10,511**	**508**	**289,737**
Segment profits	**213,216**	**14,158**	**31,405**	**7,911**	**266,690**
Interest income	**3,155**	**2**	**1,487**	**13**	**4,657**
Interest expenses	**3,656**	**10**	**118**	**198**	**3,982**
Depreciation and amortisation	**36,236**	**2,955**	**2,742**	**1,088**	**43,021**
Share of profits (losses) of associates	**1,416**	**–**	**(18)**	**6,599**	**7,997**
Share of profits (losses) of jointly controlled entities	**(143)**	**16,173**	**–**	**–**	**16,030**
Additions to segment non-current assets	**74,713**	**6,852**	**1,273**	**1,181**	**84,019**
At October 31, 2010					
Segment assets	**1,546,263**	**148,121**	**231,895**	**78,882**	**2,005,161**
Segment liabilities	**837,172**	**116,233**	**128,262**	**40,756**	**1,122,423**
Interests in associates	**86,402**	**–**	**–**	**46,037**	**132,439**
Interests in jointly controlled entities	**2,892**	**12,479**	**–**	**–**	**15,371**

	Exhibition and event marketing services *HK$'000*	Museum, themed environment, interior and retail *HK$'000*	Brand signage and visual communication *HK$'000*	Conference and show management *HK$'000*	Total *HK$'000*
For the year ended October 31, 2009					
Revenue from external customers	1,828,361	144,770	201,075	51,429	2,225,635
Intersegment revenue	192,975	6,869	–	13,154	212,998
Segment profits (losses)	147,397	16,304	16,497	(80)	180,118
Interest income	4,095	–	794	14	4,903
Interest expenses	2,646	13	–	323	2,982
Depreciation and amortisation	37,176	2,103	2,337	985	42,601
Share of profits (losses) of associates	(4,724)	–	18	5,425	719
Share of profits of jointly controlled entities	477	11,775	–	–	12,252
Other material non-cash items:					
Impairment of assets	2,430	–	–	–	2,430
Additions to segment non-current assets	56,049	5,587	3,559	377	65,572
At October 31, 2009					
Segment assets	1,307,290	110,015	134,977	47,996	1,600,278
Segment liabilities	714,691	51,074	70,812	36,255	872,832
Interests in associates	84,371	–	2,056	40,663	127,090
Interests in jointly controlled entities	2,941	14,834	–	–	17,775

(b) **Reconciliation of reportable segment revenue, profit or loss, assets and liabilities**

	2010	2009
	HK$'000	*HK$'000*
Revenue		
Total revenue of reportable segments	**3,364,851**	2,438,633
Elimination of intersegment revenue	**(289,737)**	(212,998)
Consolidated revenue	**3,075,114**	2,225,635

	2010	2009
	HK$'000	*HK$'000*
Profit or loss		
Total profits of reportable segments	**266,690**	180,118
Share of profits of associates	**7,997**	719
Share of profits of jointly controlled entities	**16,030**	12,252
Unallocated amounts:		
Dividend income	**201**	–
Corporate expenses	**(28,891)**	(25,127)
Consolidated profit before tax	**262,027**	167,962

	2010	2009
	HK$'000	*HK$'000*
Assets		
Total assets of reportable segments	**2,005,161**	1,600,278
Interests in associates	**132,439**	127,090
Interests in jointly controlled entities	**15,371**	17,775
Unallocated amounts:		
Corporate motor vehicles	**5,285**	5,699
Properties	**251,805**	198,516
Deferred tax assets	**524**	430
Current tax assets	**3,129**	1,506
Consolidated total assets	**2,413,714**	1,951,294

	2010	2009
	HK$'000	*HK$'000*
Liabilities		
Total liabilities of reportable segments	**1,122,423**	872,832
Unallocated amounts:		
Current tax liabilities	**55,334**	30,128
Deferred tax liabilities	**26,516**	16,886
Consolidated total liabilities	**1,204,273**	919,846

(c) **Geographical information**

	Revenue		**Non-current assets**	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Greater China	**1,608,612**	1,058,352	**265,253**	257,009
India, Malaysia, Singapore and Vietnam	**964,495**	724,196	**403,129**	312,284
Bahrain, Kuwait, Libya, Oman, Pakistan, Qatar, Saudi Arabia and United Arab Emirates	**276,088**	196,708	**7,834**	9,326
France, United Kingdom and United States	**83,932**	154,885	**213**	2,237
Others	**141,987**	91,494	**11,806**	26,776
Consolidated total	**3,075,114**	2,225,635	**688,235**	607,632

In presenting the geographical information, revenue is based on the locations of the customers.

3. OTHER INCOME

	2010	2009
	HK$'000	*HK$'000*
Included in other income are:		
Allowance written back on bad and doubtful debts	**2,384**	3,230
Dividend income from available-for-sale financial assets	**201**	–
Gain on acquisition of remaining non-controlling interests	**–**	410
Gain on disposal of club membership	**–**	3,050
Interest income	**4,657**	4,903
Rental income	**11,700**	11,192

The gross rental income from investment properties for the year amounted to approximately HK$3,686,000 (2009: HK$2,468,000).

4. FINANCE COSTS

	2010	2009
	HK$'000	*HK$'000*
Interest on bank borrowings	**3,871**	2,779
Finance charges in respect of finance lease obligations	**111**	203
Total borrowing costs	**3,982**	2,982

5. INCOME TAX EXPENSE

	2010	2009
	HK$'000	*HK$'000*
The charge comprises:		
Profits tax for the year		
Hong Kong	**5,975**	2,733
Overseas	**45,284**	29,349
Over provision in prior years		
Hong Kong	**(20)**	(242)
Overseas	**(931)**	(500)
	50,308	31,340
Deferred tax	**8,565**	4,814
	58,873	36,154

Hong Kong profits tax is calculated at 16.5% (2009: 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 reconciliation between the income tax expense and the product of profit before tax multiplied by the Hong Kong profits tax rate is as follows:

	2010	2009
	HK$'000	*HK$'000*
Profit before tax (excluding share of profits of associates and jointly controlled entities)	**238,000**	154,991
Tax at the domestic income tax rate of 16.5% (2009: 16.5%)	**39,270**	25,574
Effect of different taxation rates in other countries	**12,485**	7,146
Tax effect of income that is not taxable	**(7,220)**	(6,817)
Tax effect of expenses that are not deductible	**9,844**	7,064
Tax effect of utilisation of previously unrecognised tax losses	**(1,487)**	(2,011)
Tax effect of tax losses not recognised	**6,402**	6,840
Deferred taxation on withholding tax arising on undistributed earnings of subsidiaries	**725**	570
Over provision in prior years	**(951)**	(742)
Others	**(195)**	(1,470)
Income tax expense	**58,873**	36,154

6. PROFIT FOR THE YEAR

	2010	2009
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Auditors' remuneration	**3,600**	3,600
Depreciation	**41,092**	40,694
Loss on disposal of property, plant and equipment	**1,120**	371
Loss on disposal of available-for-sale financial assets	**284**	447
Loss on disposal of partial interest in subsidiaries	**–**	297
Operating lease rentals in respect of:		
Amortisation of prepaid land lease payments	**1,122**	1,126
Office premises	**27,252**	28,751
Equipment	**1,720**	1,478
Direct operating expenses of investment properties that generate rental income	**1,025**	568
Cost of inventories sold	**205,628**	197,967
Allowance for bad and doubtful debts	**15,219**	12,716
Amortisation of other intangible assets (included in administrative expenses)	**807**	781
Net exchange loss	**4,945**	691
Impairment on club membership (included in administrative expenses)	**50**	627
Impairment on goodwill (included in administrative expenses)	**–**	2,430
Staff costs:		
Directors' emoluments:		
Fees	**1,650**	1,800
Other emoluments including benefits in kind (exclude estimated rental value for rent-fee accommodation)	**17,101**	16,414
	18,751	18,214
Other staff costs:		
Salaries, allowances and benefits in kind	**455,110**	405,850
Share-based payment	**523**	442
Group's contributions to retirement scheme, net of forfeited contribution of approximately HK$108,000 (2009: HK$108,000)	**31,390**	30,150
Total staff costs	**505,774**	454,656
and crediting:		
Gain on disposal of subsidiaries	**4,357**	1,921
Gain on disposal of an associate	**54**	–
Gain on disposal of available-for-sale financial assets	**193**	–
Gain on disposal of property, plant and equipment	**142**	14
Increase in fair value of investment properties	**12,571**	11,404

7. DIVIDENDS PAID

	2010	2009
	HK$'000	*HK$'000*
2009 final dividend paid HK3.5 cents per share (2008: HK2.0 cents per share)	**41,896**	23,924
2010 interim dividend paid HK3.5 cents per share (2009: HK2.5 cents per share)	**42,247**	29,905
Total	**84,143**	53,829

A final dividend of HK4.0 cents per share and a special dividend of HK1.5 cents per share for the year ended October 31, 2010 have been proposed by the Directors and are 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:

	2010	2009
	HK$'000	*HK$'000*
Earnings for the purposes of calculating basic and diluted earnings per share	**191,821**	123,831

	2010	2009
Issued ordinary shares at beginning of year	**1,196,226,104**	1,196,196,104
Effect of new shares issued	**3,542,931**	1,825
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,199,769,035**	1,196,197,929
Effect of dilutive potential ordinary shares in respect of options	**7,364,134**	1,217,124
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,207,133,169**	1,197,415,053

9. DEBTORS, DEPOSITS AND PREPAYMENTS

	2010	2009
	HK$'000	*HK$'000*
Trade debtors	**697,843**	558,695
Less: allowance for bad and doubtful debts	**(36,418)**	(35,633)
	661,425	523,062
Other debtors	**42,900**	12,649
Prepayments and deposits	**140,368**	111,543
	844,693	647,254

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:

	2010	2009
	HK$'000	*HK$'000*
Less than 90 days	**527,734**	420,105
91 – 180 days	**71,730**	64,456
181 – 365 days	**53,373**	25,292
More than 1 year	**8,588**	13,209
	661,425	523,062

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 dirhams**	**Other**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At October 31, 2010	**74,182**	**65,506**	**205,375**	**136,786**	**59,332**	**40,284**	**79,960**	**661,425**
At October 31, 2009	58,531	50,038	139,927	132,435	50,744	41,169	50,218	523,062

At October 31, 2010, an allowance was made for estimated irrecoverable trade debtors of approximately HK$36,418,000 (2009: HK$35,633,000) 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:

	2010	2009
	HK$'000	*HK$'000*
At beginning of year	**35,633**	34,231
Exchange adjustments	**747**	202
Allowance for the year	**11,839**	11,476
Amounts written off as uncollectible	**(10,842)**	(7,154)
Allowance written back	**(959)**	(3,122)
At end of year	**36,418**	35,633

At October 31, 2010, trade debtors of HK$352,910,000 (2009: HK$225,679,000) 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:

	2010	2009
	HK$'000	*HK$'000*
Less than 90 days	**252,569**	155,752
91 – 180 days	**66,592**	50,757
181 – 365 days	**29,178**	11,678
More than 1 year	**4,571**	7,492
	352,910	225,679

10. CREDITORS AND ACCRUED CHARGES

	2010	2009
	HK$'000	*HK$'000*
Trade creditors	**317,641**	263,354
Accrued charges	**544,100**	324,894
Other creditors	**5,184**	2,973
	866,925	591,221

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

	2010	2009
	HK$'000	*HK$'000*
Less than 90 days	**194,760**	204,621
91 – 180 days	**42,824**	30,537
181 – 365 days	**45,273**	12,580
More than 1 year	**34,784**	15,616
	317,641	263,354

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 dirhams**	**Other**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At October 31, 2010	**11,428**	**11,286**	**146,853**	**46,506**	**32,658**	**68,910**	**317,641**
At October 31, 2009	17,548	16,377	104,341	55,885	25,228	43,975	263,354

BUSINESS REVIEWS AND PROSPECTS

Results

The Group has delivered a record performance for the year ended October 31, 2010 despite continued uncertainty in the global economy. The Group's turnover topped HK$3 billion for the first time to reach HK$3.075 billion (2009: HK$2.226 billion), representing an increase of 38.1% from the previous year.

Profit from operations increased by 53.2% to HK$242 million (2009: HK$158 million).

Profit attributable to owners of the Company increased by 54.9% to HK$192 million (2009: HK$124 million). Basic earnings per share was HK15.99 cents (2009: HK10.35 cents).

Cash generated from operations was HK$372 million (2009: HK$140 million).

Given this set of good financial results, the Group is now in a stronger position than it was before the global financial crisis of 2008. All this has been achieved by our focus on efficiency, timely actions taken to protect our margins, and the leverage on our strong brand image and global network of companies.

Dividend

The Board is recommending an increase in final dividend to HK4.0 cents per ordinary share (2009: HK3.5 cents per ordinary share). The Board is also proposing a special dividend of HK1.5 cents per ordinary share for this year. Together with the interim dividend of HK3.5 cents per ordinary share (2009: HK2.5 cents per ordinary share), total dividend for the year amounts to HK9.0 cents per ordinary share (2009: HK6.0 cents per ordinary share). The final and special dividends will be payable on Friday, April 8, 2011 to shareholders on the register of members of the Company on Monday, March 21, 2011.

Review of Operations

In 2009, we forecast that the outlook for 2010 would improve as our Asian-based business particularly from China would continue to do well, and that our associate company, Pico (Thailand) Public Company Limited which is listed on the Stock Exchange of Thailand, should achieve a turnaround during 2010. They achieved a turnaround in 2010.

The highlight of the year has been the Shanghai World Exposition which was held from May 1, 2010 to October 31, 2010. The Group designed and/or built a total of 38 pavilions for countries, cities and companies. They included the Algeria, Holland, Philippines, Turkmenistan, UAE, Tianjin and Tibet country and province pavilions; Cisco and Shanghai corporate pavilions; oil pavilion of China National Petroleum Corporation, China Petrochemical Corporation and China National Offshore Oil Corporation; Urban Best Practice Area's Hong Kong, Macau, Paris, Porto Alegre, Pondicherry, Taipei and Vancouver pavilions; 10 nations in the African Joint Pavilion, six nations in the Asian Joint Pavilion and three nations in the European Joint Pavilion; and Lenovo VIP Hospitality Centre at World Expo Theme Pavilion. Shanghai World Expo contributed about 20% to the overall Group turnover. While this event was significant to our Exhibition and Event Marketing Services business segment, the other three segments – Museum, Themed Environment, Interior and Retail; Brand Signage and Visual Communication; and Conference and Show Management – all experienced significant growth of 107%, 41% and 93% respectively compared with that of the previous year.

Currently the Group operates in 19 countries and has a global network of 34 offices. The Group also has five regional headquarters with full production facilities in Beijing, Dubai, Hong Kong, Shanghai and Singapore responsible for its North China, Middle East, South China, Central China and South Asia operations respectively.

Geographically Greater China, which comprises Hong Kong, Mainland China, Macau and Taiwan, accounted for 52.3% (2009: 47.6%) of the Group's total turnover with the rest coming mainly from South Asia and the Middle East.

The four business segments of the Group are as follows:

1. Exhibition and Event Marketing Services

It is our largest business segment, accounting for 77.9% of the Group's turnover (2009: 82.2%). Pico was appointed 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. 7th World Stroke Congress in Seoul in October 2010
2. 15th Macao International Trade and Investment Fair in October 2010
3. China Sourcing Fairs in Dubai, Hong Kong and Mumbai in November 2009 and April, June, September and October 2010
4. Defense Services Asia in Kuala Lumpur in April 2010
5. Hong Kong Jewelry and Gem Fairs in June and September 2010
6. International Electrical Installation, Transmission & Distribution and Lighting Technologies, Supplies & Services Exhibition in Ho Chi Minh City in September 2010
7. Power Exhibition in Colombo in June 2010
8. POWER-GEN India & Central Asia in Mumbai in April 2010
9. SEMICON Taiwan in October 2010
10. Singapore Air Show in February 2010

In addition, we have also provided direct services to multinational corporations and government agencies at hundreds of international trade shows. Some of these projects were:

1. Access and ZTE at Mobile World Congress in Barcelona
2. Bacardi and Kraft at Tax Free World Association 2010 in Cannes
3. Chevrolet, Ford, Isuzu, Mercedes-Benz, Toyota and Volvo at Bangkok International Motor Show 2010
4. Chevron, IHI, JGC, Kawasaki, PTT, Toshiba Mitsubishi-Electric Industrial Systems Corporation and Tokyo Boeki at 16th International Conference & Exhibition on Liquefied Natural Gas in Algeria
5. Dongfeng Nissan and Renault at Guangzhou Motor Show 2009
6. Hewlett Packard at Vietnam Computer & Electronics World Expo 2010
7. Huawei at IFA Consumer Electronics Show in Berlin and Consumer Electronics Show in Las Vegas
8. Italian Trade Commission and Spanish Trade Commission at various exhibitions in Hong Kong
9. Korea Trade-Investment Promotion Agency, Singapore Tourism Board and Hong Kong Tourism Board at various overseas exhibitions in Berlin, Dubai, Hong Kong, Guangzhou, Moscow and Singapore
10. Macao Trade and Investment Promotion Institute at various exhibitions in Hong Kong and Seoul
11. P&G Crest at Sino Dental 2010 in Beijing

12. Peugeot, Shanghai Automotive Industry Corporation and Mitsuoka at Auto China 2010 in Beijing
13. Qatar Petroleum at Saudi Arabia International Oil and Gas Exhibition and Maersk Oil at International Petroleum Technology Conference in Doha
14. Solar Frontier at Intercooler shows in many world cities
15. SSM Turkey at Defense Services Asia and African Aerospace Exhibition 2010
16. SWIFT at SIBOS International Banker's Operation Seminar 2010 in Amsterdam
17. Taiwan External Trade Development Council at various events and exhibitions in Dusseldorf, Ho Chi Minh City, Jakarta, Mumbai, New Delhi and Tokyo

Other experiential marketing services included the creation of 38 country and corporate pavilions in the Shanghai World Expo 2010, 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. 2010 Formula 1 SingTel Singapore Grand Prix (third year of a five-year contract)
2. ASEAN Football Federation Suzuki Cup in Laos
3. Bacardi Mojito Program in Europe
4. Bahrain National Charter Ceremony, Bahrain National Day and the Saudi Arabian King's Royal Visit to Bahrain
5. Bahrain Summer Festival – The Little Big Club & BEN 10
6. China Mobile G3 Event in Zhengzhou
7. HSBC World Golf Championship in Shanghai
8. Media Fiesta 2010 in Singapore
9. Mercedes-Benz and Nissan road shows and events in Thailand
10. Mercedes-Benz event at Shanghai Formula One Grand Prix
11. Motorola MotoDriven Tour in USA
12. Opple road shows in 11 cities in China
13. OSIM road shows in Hong Kong
14. Panasonic Dealer Convention in Ho Chi Minh City
15. Philips event in Nha Trang, Vietnam
16. Singapore 2010 Youth Olympic Games
17. Singapore National Day Parade 2010
18. Thai Airways 50th Anniversary Event
19. Tourism Development and Investment Company Abu Dhabi Art Collection
20. Volkswagen event in Sanya

At the beginning of the new financial year, we completed overlays project at the 2nd Asian Beach Games held in Muscat, Oman, the XIX Commonwealth Games 2010 held in Delhi and four sponsors' showcases at the 16th Asian Games held in Guangzhou.

2. Museum, Themed Environment, Interior and Retail

This segment accounted for 9.7% of the Group's turnover (2009: 6.5%).

Some of the museum and theme park projects completed were:

1. Chengdu Chenghua Zone Planning Centre
2. Hong Kong EcoPark Visitor Centre and Gallery
3. Hong Kong National Geopark Visitor Centre

4. Housing and Development Board Gallery in Singapore
5. Macao Science Centre
6. Next Gen Infocomm Experience Centre in Singapore
7. Ocean Park Chinese Sturgeon Aquarium in Hong Kong
8. Tianshui Museum in Gansu, China

Other projects that we will be commencing work in 2011 include works at the Cotai Strip Macau as well as those in Beijing, Hong Kong and Singapore with total contract value exceeding HK$200 million.

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

1. Alcatel Shanghai Bell Demo Centre in Shanghai
2. Baidu showroom in Beijing
3. Barcardi Martini Spumante Experience at Pessione in Turin, Italy
4. Boeing Visitor Technology Experience Centre in Beijing
5. Celio and Volkswagen showrooms in Ho Chi Minh City
6. Chaoyang Tech Plaza in Beijing
7. Chrysler showroom at Changi Exhibition Centre in Singapore
8. Dell showroom in Hanoi and Panasonic showrooms in Hanoi and Ho Chi Minh City
9. ENN Experience Centre in Langfang, China
10. Huawei showrooms in Shenzhen
11. Kenes shop in London
12. LG Jafza office in Dubai
13. Marina Bay Sands retail mall in Singapore
14. Opple stores in many cities in China
15. Samsung Training Centre in Jafza, Dubai
16. Sony shop in Singapore
17. Swarovski shops in India and Singapore
18. Swiss Chronometric Boutique in Luzern, Switzerland
19. VIVA outlets in Bahrain
20. Zadina Flagship Store in Abu Dhabi

3. Brand Signage and Visual Communication

This segment accounted for 9.2% of the Group's turnover (2009: 9.0%).

Our brand signage and visual communication business segment experienced strong growth of 41% compared with 2009, as the underlying potential for signage and visual communication in China is only beginning to be realised.

Benefiting from Beijing government's investment in urban development, we were involved in street planning, design, renovation and signage production for the three-kilometre Chezhan Road of Tongzhou District, which is located in the Beijing CBD economic zone. This iconic project has opened up new opportunities for our signage business in North China.

During the period, we rolled out the new Rolls-Royce corporate identity customer lounge on a global basis. Other prestigious automobile accounts that we service include Changan Automobile, Changan Suzuki, Chevrolet, Ford, Infiniti, JAC, Lexus, Mercedes-Benz, Nissan, Shanghai General Motor and Toyota. As China is now the biggest automobile market in the world, our strength in the automobile signage sector continues to provide a strong revenue stream. One of the new projects we will be involved is the re-branding for Peugeot in China and Asia.

In the banking sector, following our strategic signage planning for Agricultural Bank of China last year, we are now implementing the corporate identity signage for their offices and branches in China. We also continue to provide services to HSBC in Shanghai, and for Citibank and Guangzhou Rural Commercial Bank in many cities in China.

Other on-going contracts include McDonald's and KFC restaurants in China, Inter-Continental Hotels Group in China, Thomson Reuters re-branding in Asia and Motorola re-branding in the USA.

4. Conference & Show Management

This segment accounted for 3.2% of the Group's turnover (2009: 2.3%).

The projects we managed included:

1. 10th ASEAN Health Ministers' Meeting in Singapore
2. 50plus Expo and ProcessCem Asia in Singapore
3. Asia Game Show in Hong Kong
4. China EPower and Incentive Travel & Conventions, Meetings (IT&CM) China and in Shanghai
5. International Furniture Fair in Singapore
6. ITMA International Textile Machinery Exhibition Asia + CITME China International Textile Machinery Exhibition 2010 in Shanghai
7. Shanghai World Expo 2010 Urban Best Practice Area
8. Singapore Garden Festival
9. Singapore International Arbitration Forum
10. Wine for Asia in Singapore

Going into the new financial year, we have just completed International Skyrise Greenery Conference in Singapore and InfoComm Asia in Hong Kong in November 2010. We shall continue our key roles with most of the above annual and recurring conferences and shows. In addition, we have been appointed to organise ITMA 2011 for CEMATEX in Barcelona in September 2011 as well as ITMA 2015 in Milan. ITMA is by far the world's largest international textile and garment machinery show, and it's recognised as the 'Olympics' of the textile and garment machinery industry. CEMATEX (Comité Européen des Constructeurs de Machines Textiles) is an organisation comprising nine national European textile machinery associations.

Other new events include the 11th World Chinese Entrepreneurs Convention 2011, the 21st International Association for Volunteer Effort World Volunteer Conference 2011, Industrial Fabrics Association International Expo Asia 2011 and Oishii Japan in Singapore.

Financial Position

As at year end date, total net tangible assets of the Group increased by 17.7% to about HK$1,119 million (2009: HK$951 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 1.50 times (2009: 1.56 times) and the liquidity ratio (current assets – excluding inventory and contract work in progress/current liabilities) was 1.48 times (2009: 1.50 times). The gearing ratio (long term borrowing/total assets) decreased to 1.19% (2009: 2.03%) 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$824 million (2009: HK$624 million). Overall total borrowings were at HK$54 million for year ended October 31, 2010 (2009: HK$94 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 76% of the Group's sales and purchases were denominated in Hong Kong dollars, Renminbi, Singapore dollars and US dollars, and the remaining 24% were denominated in other Asian currencies and European currencies. Bank borrowings are mainly denominated in Singapore 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 related risks are manageable.

Employees and Emoluments Policies

At October 31, 2010, the Group employs a total of some 2,400 full time employees (2009: 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$506 million (2009: HK$455 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, 2010, the following assets were pledged as collaterals for credit facilities granted to the Group by certain banks.

	2010 ***HK$'000***	2009 *HK$'000*
Pledged bank deposits	**964**	4,158
Bank and cash balances	–	5,271
Freehold land and buildings	**16,814**	15,431
Leasehold land	**3,943**	4,056
Leasehold buildings	**11,182**	11,426
Trade debtors	–	2,851
Equipment	–	76
Deposits, prepayments and other debtors	–	645
	32,903	43,914

Contingent Liabilities

Pico International (Macao) Limited ("Pico Macao"), a subsidiary of the Company, was sued by Redland Precast Concrete Products (Macau) Limited ("Redland") for unpaid invoices in 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. Pico has counterclaimed in excess of HK$6.3 million for substantial delay to the works package which we believe was caused by the late, defective or failed delivery of Redland's goods. It is difficult to make an estimate on the ultimate liability, if any.

Financial Guarantees Issued

At October 31, 2010, the Group has issued the following guarantees:

	THE GROUP		THE COMPANY	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Guarantees given to banks in respect of banking facilities granted to				
– subsidiaries	–	–	**456,229**	336,325
– associates	**34,860**	38,053	**34,860**	38,053
– jointly controlled entities	**2,488**	2,567	–	–
	37,348	40,620	**491,089**	374,378
Performance guarantees				
– secured	**6,881**	81	–	–
– unsecured	**40,933**	60,582	–	–
	47,814	60,663	–	–
Other guarantees				
– secured	**5,655**	745	–	–
– unsecured	**21,836**	3,177	–	–
	27,491	3,922	–	–

Performance and other guarantees in total of HK$28,493,000 (2009: nil) are given for a jointly controlled entity of the Group.

At October 31, 2010, the Executive 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

	2010	2009
	HK$'000	*HK$'000*
Capital expenditures in respect of property, plant and equipment and investment cost in a subsidiary		
– contracted but not provided for	**26,539**	50,443
– authorised but not contracted for	**41,251**	–
	67,790	50,443

The Company did not have any other significant capital commitments at October 31, 2010 and 2009.

Outlook

The Group has ended the financial year on a positive note. The uncertainty will still remain in the global economy in the new financial year. However, it issues fresh challenges and opportunities.

In North America and Europe where the full impact of the global financial crisis was felt, we see trading conditions stabilising. From here, we should be able to capitalise on any new opportunities from a gradual recovery takes over. If recovery is delayed, we will not be adversely affected as our exposure has been substantially reduced.

In Asia, the engine of growth is still China. Therefore, the Chinese economy is an important factor in the continued growth of the Group's business. We believe that our business in China, while large in relation to our total turnover, is still small relative to the size and potential of the China market. While there won't be another World Exposition being held in China for many years to come, we are confident of the strong potential of the enormous exhibition and event business in China as the huge latent consumer market has only just started to be developed.

In the new world economy where the economy of one region is closely intertwined with the well-being of other regions and where one economic crisis follows another closely, the overriding factor for the continued well-being of a company is the resilience of its business model. We believe that the exhibition and event marketing business will remain resilient in the short term in spite of current difficult global economic conditions, and that the long-term prognosis for exhibition activities remains very good. In addition, the Group continues to strengthen our position in the Middle East and India.

CLOSURE OF REGISTER

The Register of Members of the Company will be closed from Tuesday, March 15, 2011 to Monday, March 21, 2011, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final and special dividends, 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 Monday, March 14, 2011.

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, 2010, 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 of Listed Issuers (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, 2010.

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.hkexnews.hk under "Latest Information" and at the Company's website http://www.pico.com.

The 2010 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 25, 2011

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. Mok Pui Keung; 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.