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, 2011

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, 2011, together with comparative figures for the corresponding year in 2010 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended October 31, 2011

	Note	**2011** *HK$'000*	2010 *HK$'000*
Turnover	*2*	**3,508,555**	3,075,114
Cost of sales		**(2,460,908)**	(2,194,762)
Gross profit		**1,047,647**	880,352
Other income	*3*	**76,059**	44,626
Distribution costs		**(377,893)**	(336,794)
Administrative expenses		**(431,929)**	(344,798)
Other operating expenses		**(1,471)**	(1,404)
Profit from operations		**312,413**	241,982
Finance costs	*4*	**(3,047)**	(3,982)
		309,366	238,000
Share of profits of associates		**23,433**	7,997
Share of profits of jointly controlled entities		**2,093**	16,030
Profit before tax		**334,892**	262,027
Income tax expense	*5*	**(79,917)**	(58,873)
Profit for the year	6	**254,975**	203,154
Attributable to:			
Owners of the Company		**247,851**	191,821
Non-controlling interests		**7,124**	11,333
		254,975	203,154
EARNINGS PER SHARE	*8*		
Basic		**20.46 cents**	15.99 cents
Diluted		**20.41 cents**	15.89 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended October 31, 2011

	2011	2010
	HK$'000	*HK$'000*
Profit for the year	**254,975**	203,154
Other comprehensive income:		
Exchange differences on translating foreign operations	**40,468**	52,282
Release of reserves upon disposal of subsidiaries reclassified to profit or loss	**(3,620)**	34
Fair value changes of available-for-sale financial assets	**(794)**	–
Other comprehensive income for the year, net of tax	**36,054**	52,316
Total comprehensive income for the year	**291,029**	255,470
Attributable to:		
Owners of the Company	**281,567**	240,160
Non-controlling interests	**9,462**	15,310
	291,029	255,470

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At October 31, 2011

	Note	**October 31, 2011**	October 31, 2010 *(Restated)*	November 1, 2009 *(Restated)*
		HK$'000	*HK$'000*	*HK$'000*
Non-current Assets				
Investment properties		**192,430**	171,594	54,121
Property, plant and equipment		**314,757**	326,831	373,135
Prepaid land lease payments		**73,699**	14,130	14,194
Intangible assets		**17,098**	10,595	11,172
Interests in jointly controlled entities		**13,794**	15,371	17,775
Interests in associates		**135,030**	132,439	127,090
Club membership		**4,924**	4,859	4,795
Available-for-sale financial assets		**4,743**	11,892	4,920
Deferred tax assets		**606**	524	430
		757,081	688,235	607,632
Current Assets				
Inventories		**22,598**	12,961	10,730
Contract work in progress		**50,714**	15,086	40,102
Debtors, deposits and prepayments	*9*	**988,414**	844,693	647,254
Amounts due from associates		**13,887**	12,220	10,228
Amounts due from jointly controlled entities		**6,477**	13,650	9,561
Current tax assets		**8,169**	3,129	1,506
Pledged bank deposits		**996**	964	4,158
Bank and cash balances		**1,075,469**	822,776	620,123
		2,166,724	1,725,479	1,343,662
Current Liabilities				
Payments received on account		**329,742**	191,652	182,394
Creditors and accrued charges	*10*	**1,100,894**	866,925	591,221
Amounts due to associates		**5,277**	3,459	2,520
Amounts due to jointly controlled entities		**5,717**	4,786	27
Current tax liabilities		**63,183**	55,334	30,128
Borrowings		**14,374**	24,773	53,918
Finance lease obligations		**397**	1,235	1,690
		1,519,584	1,148,164	861,898
Net Current Assets		**647,140**	577,315	481,764
Total Assets Less Current Liabilities		**1,404,221**	1,265,550	1,089,396

	October 31, 2011	October 31, 2010	November 1, 2009
		(Restated)	*(Restated)*
	HK$'000	*HK$'000*	*HK$'000*
Non-current Liabilities			
Borrowings	–	28,760	39,614
Finance lease obligations	**328**	833	1,448
Deferred tax liabilities	**30,216**	26,516	16,886
	30,544	56,109	57,948
NET ASSETS	**1,373,677**	1,209,441	1,031,448
Capital and Reserves			
Share capital	**60,632**	60,354	59,811
Reserves	**1,242,704**	1,069,071	902,281
Equity attributable to owners of the Company	**1,303,336**	1,129,425	962,092
Non-controlling interests	**70,341**	80,016	69,356
TOTAL EQUITY	**1,373,677**	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, 2010. HKFRSs comprise Hong Kong Financial Reporting Standards; 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.

Improvements to HKFRSs 2009 – Amendment to HKAS 17 Leases

The Improvements to HKFRSs 2009 consist of further amendments to existing standards, including an amendment to HKAS 17. The amendment to HKAS 17 requires the land element of a property lease to be classified as a finance lease rather than an operating lease if it transfers substantially all the risks and rewards of ownership. Before the amendment, HKAS 17 stated that the land element of a property lease would normally be classified as an operating lease unless the title to the land was expected to pass to the lessee at the end of the lease term. On adoption of the amendment, the Group has assessed its leases in Hong Kong and outside Hong Kong and has reclassified the land element of its leases in Hong Kong from operating leases to finance leases. In addition, the amortisation of the prepaid land lease payments has been reclassified to depreciation.

Amendment to HKAS 17 has been applied retrospectively and resulted in changes in the consolidated amounts reported in the financial statements as follows:

Consolidated Statement of Financial Position

	October 31, 2011	October 31, 2010	November 1, 2009
	HK$'000	*HK$'000*	*HK$'000*
Increase in property, plant and equipment	**40,906**	41,525	42,146
Decrease in prepaid land lease payments	**(40,906)**	(41,525)	(42,146)

Consolidated Income Statement

	2011	2010
	HK$'000	*HK$'000*
Increase in depreciation	**619**	621
Decrease in amortisation of prepaid land lease payments	**(619)**	(621)

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 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, 2011					
Revenue from external customers	**2,402,752**	**381,138**	**424,472**	**300,193**	**3,508,555**
Intersegment revenue	**312,686**	**18,183**	**191**	**100**	**331,160**
Segment profits	**246,404**	**1,001**	**42,430**	**36,828**	**326,663**
Interest income	**5,739**	**10**	**2,200**	**1,426**	**9,375**
Interest expenses	**2,792**	**25**	**153**	**77**	**3,047**
Depreciation and amortisation	**41,242**	**1,340**	**1,764**	**3,677**	**48,023**
Other material non-cash items					
Impairment of assets	**6,730**	**–**	**–**	**5,758**	**12,488**
Allowance for bad and doubtful debts	**12,954**	**2,022**	**3,579**	**2,941**	**21,496**
Additions to segment non-current assets	**22,637**	**400**	**1,972**	**12,599**	**37,608**
At October 31, 2011					
Segment assets	**1,666,314**	**146,764**	**360,016**	**256,131**	**2,429,225**
Segment liabilities	**935,495**	**107,172**	**229,133**	**184,929**	**1,456,729**
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
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

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

	2011 *HK$'000*	2010 *HK$'000*
Revenue		
Total revenue of reportable segments	**3,839,715**	3,364,851
Elimination of intersegment revenue	**(331,160)**	(289,737)
Consolidated revenue	**3,508,555**	3,075,114

	2011 *HK$'000*	2010 *HK$'000*
Profit or loss		
Total profits of reportable segments	**326,663**	266,690
Share of profits of associates	**23,433**	7,997
Share of profits of jointly controlled entities	**2,093**	16,030
Unallocated amounts:		
Dividend income	**134**	201
Corporate expenses	**(17,431)**	(28,891)
Consolidated profit before tax	**334,892**	262,027

	2011 *HK$'000*	2010 *HK$'000*
Assets		
Total assets of reportable segments	**2,429,225**	2,005,161
Interests in associates	**135,030**	132,439
Interests in jointly controlled entities	**13,794**	15,371
Unallocated amounts:		
Corporate motor vehicles	**5,919**	5,285
Properties	**331,062**	251,805
Deferred tax assets	**606**	524
Current tax assets	**8,169**	3,129
Consolidated total assets	**2,923,805**	2,413,714

	2011 *HK$'000*	2010 *HK$'000*
Liabilities		
Total liabilities of reportable segments	**1,456,729**	1,122,423
Unallocated amounts:		
Current tax liabilities	**63,183**	55,334
Deferred tax liabilities	**30,216**	26,516
Consolidated total liabilities	**1,550,128**	1,204,273

(c) Geographical information

	Revenue		Non-current assets	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Greater China	**1,771,728**	1,608,612	**312,968**	265,253
India, Malaysia, Singapore, and Vietnam	**1,004,214**	964,495	**422,851**	403,129
Bahrain, Kuwait, Libya, Oman, Pakistan, Qatar, Saudi Arabia and United Arab Emirates	**269,111**	276,088	**6,012**	7,834
Spain, United Kingdom and United States	**263,188**	83,932	**357**	213
Others	**200,314**	141,987	**4,620**	11,806
Consolidated total	**3,508,555**	3,075,114	**746,808**	688,235

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

3. OTHER INCOME

	2011	2010
	HK$'000	*HK$'000*
Included in other income are:		
Allowance written back on bad and doubtful debts	**2,549**	2,384
Dividend income from available-for-sale financial assets	**134**	201
Interest income	**9,375**	4,657
Rental income	**28,242**	11,700

The gross rental income from investment properties for the year amounted to approximately HK$27,487,000 (2010: HK$3,686,000).

4. FINANCE COSTS

	2011	2010
	HK$'000	*HK$'000*
Interest on bank borrowings	**2,986**	3,871
Finance charges in respect of finance lease obligations	**61**	111
Total borrowing costs	**3,047**	3,982

5. INCOME TAX EXPENSE

	2011 *HK$'000*	2010 *HK$'000*
The charge comprises:		
Profits tax for the year		
Hong Kong	**2,207**	5,975
Overseas	**74,786**	45,284
Under (Over) provision in prior years		
Hong Kong	**245**	(20)
Overseas	**(559)**	(931)
	76,679	50,308
Deferred tax	**3,238**	8,565
	79,917	58,873

Hong Kong profits tax is calculated at 16.5% (2010: 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:

	2011 *HK$'000*	2010 *HK$'000*
Profit before tax (excluding share of profits of associates and jointly controlled entities)	**309,366**	238,000
Tax at the domestic income tax rate of 16.5% (2010: 16.5%)	**51,045**	39,270
Effect of different taxation rates in other countries	**22,188**	12,485
Tax effect of income that is not taxable	**(19,227)**	(7,220)
Tax effect of expenses that are not deductible	**16,829**	9,844
Tax effect of utilisation of previously unrecognised tax losses	**(745)**	(1,487)
Tax effect of tax losses not recognised	**6,776**	6,402
Deferred taxation on withholding tax arising on undistributed earnings of subsidiaries	**1,383**	725
Over provision in prior years	**(314)**	(951)
Others	**1,982**	(195)
Income tax expense	**79,917**	58,873

6. PROFIT FOR THE YEAR

	2011	2010
		(Restated)
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Auditors' remuneration	**4,422**	3,600
Depreciation	**43,402**	41,713
Loss on disposal of property, plant and equipment	**1,061**	1,120
Loss on disposal of available-for-sale financial assets	**–**	284
Loss on disposal of a subsidiary	**371**	–
Loss on acquisition of equity interest held before upon on business combination	**1,312**	–
Operating lease rentals in respect of:		
Amortisation of prepaid land lease payments	**1,512**	501
Office premises	**32,744**	27,252
Equipment	**1,894**	1,720
Direct operating expenses of investment properties that generate rental income	**5,125**	1,025
Cost of inventories sold	**336,570**	205,628
Allowance for bad and doubtful debts	**21,496**	15,219
Allowance for inventories	**620**	–
Amortisation of other intangible assets (included in administrative expenses)	**3,109**	807
Net exchange loss	**4,019**	4,945
Impairment on club membership (included in administrative expenses)	**55**	50
Impairment on other intangible assets (included in administrative expenses)	**5,758**	–
Impairment on available-for-sale financial assets (included in administrative expenses)	**6,675**	–
Staff costs:		
Directors' emoluments:		
Fees	**1,650**	1,650
Other emoluments including benefits in kind (exclude estimated rental value for rent-fee accommodation)	**22,133**	17,101
	23,783	18,751
Other staff costs:		
Salaries, allowances and benefits in kind	**491,570**	455,110
Share-based payment	**892**	523
Group's contributions to retirement scheme, net of none forfeited contribution (2010: HK$108,000)	**35,441**	31,390
Total staff costs	**551,686**	505,774
and crediting:		
Gain on disposal of subsidiaries	**3,871**	4,357
Gain on disposal of an associate	**–**	54
Gain on disposal of an jointly controlled entity	**1,834**	–
Gain on disposal of available-for-sale financial assets	**–**	193
Gain on disposal of property, plant and equipment	**1,437**	142
Increase in fair value of investment properties	**13,876**	12,571

7. DIVIDENDS PAID

	2011	2010
	HK$'000	*HK$'000*
2010 final dividend paid HK4.0 cents per share and special dividend paid HK1.5 cents per share (2009: final dividend paid HK3.5 cents per share)	**66,622**	41,896
2011 interim dividend paid HK4.0 cents per share (2010: HK3.5 cents per share)	**48,461**	42,247
Total	**115,083**	84,143

A final dividend of HK4.0 cents per share and a special dividend of HK4.0 cents per share for the year ended October 31, 2011 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:

	2011	2010
	HK$'000	*HK$'000*
Earnings for the purposes of calculating basic and diluted earnings per share	**247,851**	191,821

	2011	2010
Issued ordinary shares at beginning of year	**1,207,072,104**	1,196,226,104
Effect of new shares issued	**4,286,849**	3,542,931
Effect of repurchase of shares	**(51,337)**	–
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,211,307,616**	1,199,769,035
Effect of dilutive potential ordinary shares in respect of options	**3,054,184**	7,364,134
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,214,361,800**	1,207,133,169

9. DEBTORS, DEPOSITS AND PREPAYMENTS

	2011	2010
	HK$'000	*HK$'000*
Trade debtors	**799,358**	697,843
Less: allowance for bad and doubtful debts	**(49,930)**	(36,418)
	749,428	661,425
Other debtors	**39,495**	42,900
Prepayments and deposits	**199,491**	140,368
	988,414	844,693

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:

	2011	2010
	HK$'000	*HK$'000*
Less than 90 days	**608,494**	527,734
91 – 180 days	**80,461**	71,730
181 – 365 days	**38,056**	53,373
More than 1 year	**22,417**	8,588
	749,428	661,425

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

	Hong Kong dollars	**Euro**	**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*	*HK$'000*
At October 31, 2011	**80,801**	**42,813**	**52,056**	**233,500**	**131,175**	**81,903**	**37,924**	**89,256**	**749,428**
At October 31, 2010	74,182	11,520	65,506	205,375	136,786	59,332	40,284	68,440	661,425

At October 31, 2011, an allowance was made for estimated irrecoverable trade debtors of approximately HK$49,930,000 (2010: HK$36,418,000) 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:

	2011	2010
	HK$'000	*HK$'000*
At beginning of year	**36,418**	35,633
Exchange adjustments	**366**	747
Allowance for the year	**17,946**	11,839
Amounts written off as uncollectible	**(2,979)**	(10,842)
Allowance written back	**(1,896)**	(959)
Acquisition of a subsidiary	**75**	–
At end of year	**49,930**	36,418

At October 31, 2011, trade debtors of HK$446,958,000 (2010: HK$352,910,000) 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:

	2011	2010
	HK$'000	*HK$'000*
Less than 90 days	**344,921**	252,569
91 – 180 days	**54,475**	66,592
181 – 365 days	**24,620**	29,178
More than 1 year	**22,942**	4,571
	446,958	352,910

10. CREDITORS AND ACCRUED CHARGES

	2011	2010
	HK$'000	*HK$'000*
Trade creditors	**444,080**	317,641
Accrued charges	**646,114**	544,100
Other creditors	**10,700**	5,184
	1,100,894	866,925

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

	2011	2010
	HK$'000	*HK$'000*
Less than 90 days	**326,406**	194,760
91 – 180 days	**62,419**	42,824
181 – 365 days	**38,498**	45,273
More than 1 year	**16,757**	34,784
	444,080	317,641

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

	Hong Kong dollars	Euro	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*	*HK$'000*
At October 31, 2011	**28,122**	**38,914**	**15,602**	**207,105**	**29,223**	**48,749**	**29,281**	**47,084**	**444,080**
At October 31, 2010	11,428	9,170	11,286	146,853	46,506	23,379	32,658	36,361	317,641

BUSINESS REVIEW AND PROSPECTS

Results

The Group increased the profit attributable to the owners of the Company by 29.2% to HK$248 million (2010: HK$192 million). This is despite a very challenging year with ongoing problems in the global economy and, in particular, not having the Shanghai World Expo 2010 mega project which contributed about 20 percent to the previous year's revenue.

Cash generated from operations increased by 38.7% to HK$516 million (2010: HK$372 million). After subtracting capital expenditure of HK$98 million (2010: HK$84 million), free cash flow increased by 45.1% to HK$418 million (2010: HK$288 million).

Given our strong balance sheet and cash generation ability, our financial position is stronger than ever.

Dividend

The Board of Directors is confident in the on-going cash generation of the Group, and is recommending a final dividend of HK4.0 cents (2010: HK4.0 cents) and a special dividend of HK4.0 cents (2010: HK1.5 cents) per ordinary share. Altogether, the full year dividend is HK12.0 cents (2010: HK9.0 cents) per ordinary share representing an increase of 33.3% over the previous year's. The final and special dividends will be payable on Monday, April 16, 2012 to shareholders on the register of members of the Company on Thursday, March 29, 2012.

Review of Operations

Our Group has delivered a robust and resilient performance in spite of testing conditions in the global economy. More than this, we have improved on our result. This comes from our entrepreneurial and creative culture that enables our people to pursue initiatives swiftly and develop them into business opportunities and revenue. Our people also recognise the need to diversify revenues within our core competencies so as to make up for sectors that experience decline or slow growth due to the dynamics of the market place. The strong result we have achieved this year would not have been possible without the leadership and dedication of our staff.

To maintain our market leadership in the industry, we have focused on some key areas to diversify revenues and improve efficiencies as follows:

Expansion of our network and production facilities

Our network of international offices and production facilities will continue to be strengthened. Last year, we operated in 19 countries and a network of 34 offices with production facilities in Hong Kong, Dongguan, Shanghai, Beijing, Singapore, Kuala Lumpur and Dubai. This year we have expanded to 22 countries and a network of 36 offices. The new countries include Brazil, Saudi Arabia and Cambodia.

We shall also be unveiling a new office and production complex of 170,000 square feet in Beijing by the end of 2012. It is now under construction. In mid 2013, another complex of 410,000 square feet will be completed in Shanghai. The Shanghai complex will be the largest in the Group. Both complexes including land premium will cost about RMB250 million or HK$306 million million when completed. With these two complexes established in the top two cities of China, the Group will have a very strong presence in terms of capacity in the fastest growing market in the world. Together with a strengthened network, these two infrastructure projects will help to improve our services and cost structure in the years to come.

Information Technology

The Group utilises an Enterprise Resource Planning system (the "ERP system") to control its operations in Singapore, Hong Kong, Shenzhen and Guangzhou, and has started implementation in Beijing and Shanghai. When fully implemented in China, the ERP system will control almost 80% of our total business volume. Some of the cost savings that we have derived this year have been due to timely management data provided by the ERP system. Besides saving on manpower, the ERP system will enable the Group to handle higher business volume in the future without causing stress to our management information needs.

Concurrently, a Knowledge Management (the "KM") platform was launched during the year. The objective of this KM platform is to consolidate, distill and share knowledge within our network. It also helps to safe-keep the lessons of experience that we have learned so we do not need to go through the same learning curve. In particular, we have created a document management system comprising a marketing library and a design library which is a repository capturing knowledge created in our business processes. It serves as the platform for managing company knowledge, the content of which has been structured in a way to optimise day-to-day sharing in all our offices worldwide. It also facilitates knowledge transfer from individuals to the organisation's centralised library. In the long run, the KM platform will improve our productivity and competitiveness.

Talent and Staff Development

The Group places great importance on our people and their career development. We recognise that talent is crucial to the success of the Group and we make sustained efforts to develop the future capability of our staff.

During the year, we conducted various training courses for junior staff and managers. For senior managers, we initiated a new Group-wide talent management programme which is conducted by a US based Leadership Development company. This leadership and talent programme is aimed at developing identified middle management staff to prepare them for a senior management role. Our senior management also provided feedback to the staff undergoing this training programme.

Review of Business

Geographical Review

Geographically, Greater China which includes Hong Kong, Macau, Taiwan and the PRC accounted for 50.5% (2010: 52.3%) of the Group's revenue of HK$3,508 million (2010: HK$3,075 million). South Asia (Singapore, Malaysia, Vietnam and India) accounted for 28.6% (2010: 31.4%), and the Middle East accounted for 7.7% (2010: 9.0%). The remaining 13.2% (2010: 7.3%) were derived from Europe, North America and Japan.

In terms of volume, the business has not shifted significantly to any particular region in 2011. Greater China still accounts for over 50% of the Group's revenue although there was no mega project contribution like the Shanghai World Expo of 2010.

The main event that increased the contribution from Europe, North America and Japan sector was the ITMA (International Textile Machinery Association) show which was held in Barcelona, Spain in September 2011 where the Group was the co-organiser with the European textile machinery association.

Business Segments Review

1. Exhibition and Event Marketing Services

This segment accounted for HK$2,403 million (2010: HK$2,394 million) or 68.5% (2010: 77.9%) of the Group's revenue of HK$3,508 million (2010: HK$3,075 million). Even in the absence of the Shanghai World Expo which contributed about 20% to the revenue in 2010, this segment has improved on its business compared to 2010.

Segment profit was HK$246.4 million (2010: HK$213.2 million) or a margin of 10.3% (2010: 8.9%).

Besides many exhibitions and events that were held throughout the year, some highlights of the year were the services and work we delivered for the 2nd Asian Beach Games in Oman, the sponsors of the 16th Asian Games in Guangzhou, and the promoter of the 2011 Real Madrid soccer team China Tour in Guangzhou and Tianjin.

The global economy is still very fragile and the near term outlook is still uncertain. And the euro land sovereign debt crisis is still unfolding. Against this backdrop, our customers are becoming more budget conscious in all areas in order to stay competitive. To deal with these challenges, we have adjusted our services to remain relevant to our customers. Although cost cutting is one way to stay competitive ourselves, we are also promoting a more effective and efficient Total Brand Activation (the "TBA") strategy to assist clients to achieve more for less. Thus, we have taken a revolutionary approach by widening the creative options available to our clients. This means that they will receive even more innovative solutions including digital and high-tech tools together with the latest social media applications which better address their ultimate needs, while enhancing our servicing offerings, closing rate and profit margins.

In the new financial year, we look forward to working on the Yeosu World Expo 2012 in Korea. We have confirmed jobs to create the Yeosu Expo Marine Life Pavilion, Singapore Pavilion, Sri Lanka Pavilion and the Jeonbuk Pavilion. At the London Olympics 2012, we have confirmed jobs to build showcase, pavilion and lounges for the Acer group. Our sales efforts are still ongoing for the Yeosu World Expo and the London Olympics.

2. Museum, Themed Environment, Interior and Retail

This segment accounted for HK$381 million (2010: HK$299 million) or 10.9% (2010: 9.7%) of the Group's revenue.

Segment profit was HK$1.0 million (2010: HK$14.2 million) or a margin of 0.3% (2010: 4.7%).

This segment has not been as profitable as the previous year as it is more competitive since there are many interior fit out companies vying for the same business.

Some of museum and theme environment projects are undertaken through jointly controlled entities and their revenue have not been consolidated. They have also not done well this year compared to the previous year.

3. Brand Signage and Visual Communication

This segment accounted for HK$424 million (2010: HK$283 million) or 12.1% (2010: 9.2%) of the Group's revenue.

Segment profit was HK$42.4 million (2010: HK$31.4 million) or a margin of 10.0% (2010: 11.1%).

Our brand signage and visual communication business segment experienced strong growth of 50% compared to 2010, as the signage and visual communication industry in China is still in the high growth path.

Benefiting from the China government's investment in railway development, we were involved in the design and signage production for Line 15 of the Beijing subway. This iconic project has helped the signage and visual communication segment to open up a new focus area in government's infra-structure projects, which will be one of our growth sectors in the coming few years.

During the period, we were involved with the re-branding exercise of Peugeot in China and Asia and the Rolls Royce Phantom launch globally. Other prestigious automobile accounts that we serviced include Changan Automobile, Changan Suzuki, Chevrolet, Ford, Infiniti, JAC, Lexus, Mercedes-Benz, Nissan, Shanghai General Motors, Honda, GAC and Toyota. As China is now the biggest automobile market in the world, our strength in the automobile signage sector continues to provide a stable revenue stream. While growth in automobile sales in China has dropped from double digits to single digits this year, the automobile sector will still be one of our leading growth sectors in 2012. New projects we will be involved in include the Harley-Davidson re-branding in Asia and the new brand launch of Venucia by Dongfang-Nissan in China.

In the hospitality sector, we are making in-roads with Continental Hotels Group and the Accor Group in China this year. We will continue to expand our business by providing value for money services to our clients. And by leveraging on the experience gained in the hospitability sector, we will branch out into the commercial property sector like shopping malls and office complexes which we believe will be another fast growing sector in the near future.

In the banking sector, we have successfully secured recurring business from clients such as Agricultural Bank of China, Bank of China, HSBC, Royal Bank of Scotland, Societe Generale, Citibank and Guangzhou Rural Commercial Bank in many cities in China.

Other on-going contracts include Burger King, YongHe King, Dairy Queen, KFC and McDonald's restaurants in China. We have also supplied signage to Sinochem's gasoline stations and FamilyMart convenience stores.

4. Conference and Show Management

This segment accounted for HK$300 million (2010: HK$99 million) or 8.5% (2010: 3.2%) of the Group's revenue.

Segment profit was HK$36.8 million (2010: HK$7.9 million) or a margin of 12.3% (2010: 8.0%).

This year we achieved growth of 200% due to the completion of the ITMA 2011 (International Textile Machinery Association) show held in Barcelona, Spain. This is by far the world's largest international textile and garment machinery show. We have also been appointed to manage the next ITMA Asia in Shanghai in June 2012 and ITMA 2015 in Milan.

Other major projects we have managed included:

1. 21st IAVE World Volunteer Conference
2. International Furniture Fair in Singapore
3. 50plus Expo in Singapore
4. Asia Game Show in Hong Kong
5. China EPower and Incentive Travel & Conventions, Meetings (IT & CM) China in Shanghai
6. InfoComm China in Beijing
7. 11th World Chinese Entrepreneurs Convention in Singapore
8. Wine for Asia and Wine Fiesta in Singapore
9. APLAR Symposium in Taipei
10. Singapore International Arbitration Forum 2011

At the beginning of 2012, we have just completed Ecobuild Asia in Manila, 20th World Orchid Conference in Singapore, India International Furniture Fair in Mumbai and Asia Game Show in Hong Kong.

Financial Position

As at year end date, total net tangible assets attributable to owners of the Company of the Group increased by 14.9% to about HK$1,286 million (2010: HK$1,119 million).

Bank and cash balances amounted to HK$1,075 million (2010: HK$823 million), pledged bank deposits was HK$1 million (2010: HK$1 million). Deducting interest bearing external borrowings from cash and bank balances, the net cash balance was HK$1,062 million (2010: HK$771 million).

Total bank borrowings were at HK$14 million for year ended October 31, 2011 (2010: HK$53 million). They are mainly denominated in Singapore dollars and Korean Won, and the interest is charged on a mix of floating and fixed rate basis.

	2011	2010
	HK$' million	*HK$' million*
Bank and cash balances	**1,075**	823
Pledged bank deposits	**1**	1
Less: Bank borrowings	**(14)**	(53)
Net cash balance	**1,062**	771

The Group's strong operating cash generation continued throughout the year with full year cash generated from operations of HK$516 million (2010: HK$372 million). After capital expenditure, the Group's free cash flow was HK$418 million (2010: HK$288 million).

For the year ended October 31, 2011, the Group invested HK$98 million (2010: HK$84 million) in purchase of property, plant and equipment and other tangible assets of which HK$61 million was payment for prepaid land lease in the PRC for development of new office and production complex. All these were financed from internal resources.

The Group has no long term borrowings at October 31, 2011 (2010: HK$29 million). The current ratio was 1.43 times (2010: 1.50 times) and the liquidity ratio was 1.38 times (2010: 1.48 times).

	2011	2010
Current ratio (current assets/current liabilities)	**1.43 times**	1.50 times
Liquidity ratio (current assets – excluding inventory and contract work in progress/current liabilities)	**1.38 times**	1.48 times
Gearing ratio (long term borrowing/total assets)	**N/A**	1.19%

Although our subsidiaries are located in many different countries of the world, over 64% of the Group's sales and purchases were denominated in Singapore dollars, Hong Kong dollars, Renminbi and US dollars, and the remaining 36% were denominated in other Asian currencies and European currencies. 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. It is the Group's policy not to enter into derivative transactions for speculative purposes.

Employees and Emoluments Policies

At October 31, 2011, the Group employs a total of some 2,500 full time employees (2010: 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$552 million (2010: HK$505 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, 2011, the following assets were pledged as collaterals for credit facilities granted to the Group by certain banks.

	2011	2010
		(Restated)
	HK$'000	*HK$'000*
Pledged bank deposits	**996**	964
Freehold land and buildings	**17,011**	16,814
Leasehold land and buildings	**14,767**	15,125
	32,774	32,903

Contingent Liabilities

Financial guarantees issued

At October 31, 2011, the Group has issued the following guarantees:

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Guarantees given to banks in respect of banking facilities granted to				
– subsidiaries	**–**	–	**497,297**	456,229
– associates	**36,678**	34,860	**36,678**	34,860
– jointly controlled entities	**–**	2,488	**–**	–
	36,678	37,348	**533,975**	491,089
Performance guarantees				
– secured	**52,879**	6,881	**–**	–
– unsecured	**81,093**	40,933	**–**	–
	133,972	47,814	**–**	–
Other guarantees				
– secured	**5,384**	5,655	**–**	–
– unsecured	**538**	21,836	**–**	–
	5,922	27,491	**–**	–

Performance and other guarantees in total of HK$37,081,000 (2010: HK$28,493,000) are given for a jointly controlled entity of the Group.

At October 31, 2011, 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

	2011	2010
	HK$'000	*HK$'000*
Capital expenditures in respect of property, plant and equipment and investment cost in a subsidiary		
– contracted but not provided for	**17,783**	26,539
– authorised but not contracted for	**138,246**	41,251
	156,029	67,790

The Company did not have any other significant capital commitments at October 31, 2011 and 2010.

Outlook

Looking ahead, the Group is in a better position now than at any time since its inception. Financially, the Group's balance sheet is even stronger than it was ever before. All these qualities enhance our brand name and will give the Group a strong competitive edge and a dominant presence in the industry.

In North America and Europe, the economies are still fragile. Our strategy there is to wait for clearer signals. Given our operational strengths and financial resources, we are poised to seize business opportunities whenever they appear.

In Asia, China is still a very important market to the Group. Besides investing and improving our competitiveness in China, we will continue to expand our business into emerging markets like India and more recently into Brazil.

To remain competitive and profitable we have and will continue to innovate our services. We also look at ways to extend a broader and wider set of services to the same customers by leveraging on our extensive network.

This year, the Group celebrates its 20th anniversary year of listing on The Stock Exchange of Hong Kong Limited. Reporting outstanding financial results in twenty consecutive years is a powerful encouragement for every person in the company to work harder. At the same time, everyone is well aware that it is even more difficult to maintain our excellent results under the difficult economic conditions we are currently experiencing. All our business units are therefore charged to adopt a careful approach and closely monitor budgets in order to counter possible shortfalls due to external factors.

CLOSURE OF REGISTER

The Register of Members of the Company will be closed from Monday, March 19, 2012 to Thursday, March 22, 2012, both days inclusive, during which period no transfer of shares will be effected. 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, no later than 4:30 p.m. on Friday, March 16, 2012 in order to establish the identity of the shareholders who are entitled to attend and vote at the annual general meeting of the Company (the "Entitlement to AGM"). The record date for the Entitlement to AGM will be on Thursday, March 22, 2012.

The Register of Members of the Company will be closed from Thursday, March 29, 2012 to Tuesday, April 3, 2012, both days inclusive, during which period no transfer of shares will be effected. 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, no later than 4:30 p.m. on Wednesday, March 28, 2012 in order to establish the identity of the shareholders who are entitled to qualify for the final and special dividends (the "Entitlement to Final and Special Dividends"). The record date for the Entitlement to Final and Special Dividends will be on Thursday, March 29, 2012. The payment date for the Final and Special Dividends will be on Monday, April 16, 2012.

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

During the year, the Company repurchased 2,014,000 shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for an aggregate consideration of approximately HK$2,578,000 before expenses. The repurchased shares were subsequently cancelled. The repurchases were effected by the Board for the enhancement of shareholders' value in the long term.

During the year, the Company repurchased its own shares through the Stock Exchange pursuant to the Company's share repurchase mandate granted on March 21, 2011 as follows:

	Price per share		Number of ordinary shares of	Aggregate
Month of repurchase	**Highest**	**Lowest**	**HK$0.05 each**	**consideration**
	HK$	*HK$*		*HK$'000*
September 2011	1.22	1.20	666,000	809
October 2011	1.35	1.16	1,348,000	1,769
Total			2,014,000	2,578

The repurchased shares were cancelled and accordingly, the issued share capital was reduced by the nominal value thereof. The premium payable on repurchase was charged against the retained earnings of the Company.

Save as disclosed above, 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, 2011, 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 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, 2011.

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 www.pico.com.

The 2011 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 31, 2012

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.