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, 2015

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, 2015, together with comparative figures as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended October 31, 2015

	Note	2015 HK$'000	2014 HK$'000
Turnover	2	**4,216,164**	3,833,383
Cost of sales		**(3,009,435)**	(2,693,993)
Gross profit		**1,206,729**	1,139,390
Other income	3	**79,564**	72,558
Distribution costs		**(479,189)**	(457,935)
Administrative expenses		**(465,787)**	(456,327)
Other operating expenses		**(2,073)**	(880)
Profit from operations		**339,244**	296,806
Finance costs	4	**(1,055)**	(2,361)
		338,189	294,445
Share of profits of associates		**24,085**	10,903
Share of losses of joint ventures		**(3,846)**	(5)
Profit before tax		**358,428**	305,343
Income tax expense	5	**(77,579)**	(63,884)
Profit for the year	6	**280,849**	241,459
Attributable to:			
Owners of the Company		**274,695**	240,494
Non-controlling interests		**6,154**	965
		280,849	241,459
EARNINGS PER SHARE	8		
Basic		**22.54 cents**	19.77 cents
Diluted		**22.50 cents**	19.72 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended October 31, 2015

	2015	2014
	HK$'000	*HK$'000*
Profit for the year	**280,849**	241,459
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	**(91,107)**	(17,061)
Investment revaluation reserve reclassified to profit or loss on disposal of available-for-sale financial assets	**–**	186
Reserve reclassified to profit or loss on dissolution/disposal of subsidiaries	**259**	(869)
Other comprehensive income for the year, net of tax	**(90,848)**	(17,744)
Total comprehensive income for the year	**190,001**	223,715
Attributable to:		
Owners of the Company	**191,909**	223,525
Non-controlling interests	**(1,908)**	190
	190,001	223,715

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At October 31, 2015

	Note	2015 HK$'000	2014 HK$'000
Non-current Assets			
Investment properties		**172,151**	116,511
Property, plant and equipment		**571,414**	636,251
Prepaid land lease payments		**66,350**	66,397
Intangible assets		**17,866**	20,822
Interests in joint ventures		**7,500**	70
Interests in associates		**141,811**	146,423
Club membership		**3,975**	4,132
Available-for-sale financial assets		**151**	1,307
Other assets		**12,214**	69,622
Deferred tax assets		**1,226**	1,650
Loan due from an associate		**9,351**	10,368
		1,004,009	1,073,553
Current Assets			
Inventories		**57,640**	46,980
Contract work in progress		**76,088**	57,594
Debtors, deposits and prepayments	*9*	**1,152,107**	1,184,109
Amounts due from associates		**12,657**	21,887
Amounts due from joint ventures		**2,596**	146
Current tax assets		**17,703**	11,609
Pledged bank deposits		**23,345**	4,213
Bank and cash balances		**1,009,707**	841,812
		2,351,843	2,168,350
Current Liabilities			
Payments received on account		**144,485**	233,575
Creditors and accrued charges	*10*	**1,400,713**	1,251,614
Amounts due to associates		**9,547**	9,724
Current tax liabilities		**52,685**	45,824
Borrowings		**186**	6,271
Finance lease obligations		**285**	388
		1,607,901	1,547,396
Net Current Assets		**743,942**	620,954
Total Assets Less Current Liabilities		**1,747,951**	1,694,507

	2015	2014
	HK$'000	*HK$'000*
Non-current Liabilities		
Finance lease obligations	**269**	202
Deferred tax liabilities	**32,071**	33,394
	32,340	33,596
NET ASSETS	**1,715,611**	1,660,911
Capital and Reserves		
Share capital	**61,007**	60,811
Reserves	**1,620,343**	1,551,024
Equity attributable to owners of the Company	**1,681,350**	1,611,835
Non-controlling interests	**34,261**	49,076
TOTAL EQUITY	**1,715,611**	1,660,911

NOTES:

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

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, 2014. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations.

Adoption of new and revised HKFRSs

The following standards have been adopted by the Group for the first time for the financial year beginning November 1, 2014.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27, Investment entities

The amendments provide consolidation relief to those parents which qualify to be an investment entity as defined in the amended HKFRS 10. Investment entities are required to measure their subsidiaries at fair value through profit or loss. These amendments do not have an impact on these consolidated financial statements as the Company does not qualify to be an investment entity.

Amendment to HKAS 32, Offsetting financial assets and financial liabilities

This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the Group financial statements.

Amendment to HKAS 36, Recoverable amount disclosures for non-financial assets

The amendments reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount based on fair value less costs of disposal is determined using a present value technique. The amendments do not have an impact on these consolidated financial statements as the recoverable amounts of assets or cash-generating units have been determined on the basis of their value in use.

HK(IFRIC) 21, Levies

The Interpretation provides guidance on when a liability to pay a levy imposed by a government should be recognised. The amendments do not have an impact on these consolidated financial statements as the Group is not currently subjected to significant levies.

Amendments to HKAS 39, Novation of derivatives and continuation of hedge accounting

The amendments to HKAS 39 provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The amendments do not have an impact on these consolidated financial statements as the Group has not novated any of its derivatives.

Amendments to HKAS 19, Defined Benefit Plans: Employee Contributions

The amendments clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In particular, contributions that are independent of the number of years of service can be recognised as a reduction in the service cost in the period in which the related service is rendered (instead of attributing them to the periods of service). As the Group has no post-employment benefit plans requiring employees or third parties to meet some of the cost of the plan, the amendments had no effect on the Group's consolidated financial statements.

Amendments to HKFRS 2 (Annual Improvements to HKFRSs 2010–2012 Cycle)

This amendment clarifies the definitions of "vesting condition" and "market condition" and adds definitions for "performance condition" and "service condition". The amendment is applicable prospectively to share-based payment transactions for which the grant date is on or after July 1, 2014 and had no effect on the Group's consolidated financial statements.

Amendments to HKFRS 3 (Annual Improvements to HKFRSs 2010–2012 Cycle)

This amendment, applicable prospectively to business combinations for which the acquisition date is on or after July 1, 2014, requires any contingent consideration that is classified as an asset or a liability (i.e. non-equity) to be measured at fair value at each reporting date with changes in fair value recognised in profit or loss. It had no effect on the Group's consolidated financial statements.

Amendments to HKFRS 13 (Annual Improvements to HKFRSs 2010–2012 Cycle)

This amendment to the standard's basis for conclusions only clarifies that the ability to measure certain short-term receivables and payables on an undiscounted basis is retained.

Amendments to HKAS 40 (Annual Improvements to HKFRSs 2011–2013 Cycle)

The amendment clarifies the application of HKFRS 3 and HKAS 40 in respect of acquisitions of investment property. HKAS 40 assists preparers to distinguish between investment property and owner-occupied property, then HKFRS 3 helps them to determine whether the acquisition of an investment property is a business combination. The amendments had no effect on the Group's consolidated financial statements.

Amendments to HKFRS 3 (Annual Improvements to HKFRSs 2011–2013 Cycle)

The amendment, applicable prospectively to annual periods beginning on or before July 1, 2014, clarifies that HKFRS 3 excludes from its scope the accounting for the formation of any joint arrangement in the financial statements of the joint arrangement itself. This had no effect on the Group's consolidated financial statements.

Amendments to HKFRS 13 (Annual Improvements to HKFRSs 2011–2013 Cycle)

The amendment clarifies that the portfolio exception in HKFRS 13 – allowing an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis – applies to all contracts (including non-financial) within the scope of HKAS 19/HKFRS 9. This had no effect on the Group's consolidated financial statements.

2. TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in the exhibition and event marketing services; brand signage and visual identity; museum, themed environment, interior and retail; 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. During the year, the management also reviewed the assets, liabilities and share of profits or losses of associates and joint ventures separately. Comparative figures have been restated accordingly.

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 income tax expense and income and expenses arising from corporate teams. Segment assets do not include 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 inter-segment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

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

	Exhibition and event marketing services HK$'000	Brand signage and visual identity HK$'000	Museum, themed environment, interior and retail HK$'000	Conference and show management HK$'000	Unallocated HK$'000	Total HK$'000
For the year ended October 31, 2015						
Revenue from external customers	**2,969,690**	**491,311**	**495,236**	**259,927**		**4,216,164**
Inter-segment revenue	**349,001**	**1,899**	**51,296**	**9,228**		**411,424**
Segment profits	**308,141**	**49,290**	**20,763**	**20,937**		**399,131**
Share of profits of associates	**14,808**	**—**	**—**	**9,277**	**—**	**24,085**
Share of losses of joint ventures	**(3,846)**	**—**	**—**	**—**	**—**	**(3,846)**
Interest income	**5,871**	**2,958**	**176**	**182**	**—**	**9,187**
Interest expenses	**829**	**—**	**—**	**226**	**—**	**1,055**
Depreciation and amortisation	**24,680**	**4,493**	**3,438**	**2,950**	**18,586**	**54,147**
Other material non-cash Items:						
Impairment of assets	**208**	**—**	**—**	**—**	**—**	**208**
Impairment of goodwill	**2,779**	**—**	**—**	**—**	**—**	**2,779**
Allowance for bad and doubtful debts	**15,426**	**5,515**	**952**	**2,614**	**—**	**24,507**
Additions to segment non-current assets	**29,942**	**281**	**686**	**1,366**	**3,984**	**36,259**
At October 31, 2015						
Segment assets	**2,131,332**	**371,205**	**195,679**	**217,812**		**2,916,028**
Segment liabilities	**1,053,714**	**214,614**	**166,282**	**120,875**		**1,555,485**
Interests in associates	**105,697**	**—**	**—**	**36,114**	**—**	**141,811**
Interests in joint ventures	**7,500**	**—**	**—**	**—**	**—**	**7,500**
For the year ended October 31, 2014						
Revenue from external customers	2,761,573	475,812	471,431	124,567		3,833,383
Inter-segment revenue	339,193	2,637	43,008	506		385,344
Segment profits, restated	257,447	70,469	7,814	7,633		343,363
Share of profits of associates	2,146	—	—	8,757	—	10,903
Share of losses of joint ventures	(5)	—	—	—	—	(5)
Interest income	4,323	4,472	49	421	—	9,265
Interest expenses	2,037	—	—	324	—	2,361
Depreciation and amortisation	23,114	4,995	3,471	3,713	19,104	54,397
Other material non-cash Items:						
Impairment of assets	8	—	—	—	—	8
Allowance for bad and doubtful debts	9,851	4,674	9,753	213	—	24,491
Additions to segment non-current assets	41,467	19,625	4,853	6,571	6,663	79,179
At October 31, 2014						
Segment assets, restated	1,993,217	402,679	199,523	176,616		2,772,035
Segment liabilities	990,898	260,397	161,083	89,396		1,501,774
Interests in associate	107,322	—	—	39,101	—	146,423
Interests in joint ventures	70	—	—	—	—	70

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

	2015	2014
	HK$'000	*HK$'000*
		(Restated)
Revenue		
Total revenue of reportable segments	**4,627,588**	4,218,727
Elimination of inter-segment revenue	**(411,424)**	(385,344)
Consolidated revenue	**4,216,164**	3,833,383
Profit or loss		
Total profits of reportable segments, restated	**399,131**	343,363
Unallocated amounts:		
Corporate expenses	**(40,703)**	(38,020)
Consolidated profit before tax	**358,428**	305,343
Assets		
Total assets of reportable segments, restated	**2,916,028**	2,772,035
Unallocated amounts:		
Corporate motor vehicles	**12,225**	13,449
Properties	**408,670**	443,160
Deferred tax assets	**1,226**	1,650
Current tax assets	**17,703**	11,609
Consolidated total assets	**3,355,852**	3,241,903
Liabilities		
Total liabilities of reportable segments	**1,555,485**	1,501,774
Unallocated amounts:		
Current tax liabilities	**52,685**	45,824
Deferred tax liabilities	**32,071**	33,394
Consolidated total liabilities	**1,640,241**	1,580,992

Apart form the above, the totals of other material items disclosed in the segment information are the same as the consolidated totals.

(c) Geographical information

	Revenue		Non-current assets	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Greater China	**2,513,344**	2,281,828	**620,620**	644,525
India, Malaysia, Singapore, the Philippines and Vietnam	**1,077,899**	1,024,222	**345,396**	376,629
Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates	**225,117**	150,004	**16,339**	18,433
Italy, Russia, United Kingdom and United States	**177,977**	198,469	**3,979**	305
Others	**221,827**	178,860	**2,972**	3,283
Consolidated total	**4,216,164**	3,833,383	**989,306**	1,043,175

In presenting the geographical information, revenue is based on the locations of the customers, and the non-current assets are based on location of assets.

3. OTHER INCOME

	2015	2014
	HK$'000	*HK$'000*
Included in other income are:		
Allowance written back on bad and doubtful debts	**3,070**	8,794
Bad debts written off recovery	**25**	1,078
Dividend income from available-for-sale financial assets	**16**	4
Interest income	**9,187**	9,265
Rental income	**31,083**	31,687

Due to the settlement of the doubtful debts by the customers and associates that have been impaired previously, it led to the allowance written back recognised in profit or loss.

The gross rental income from investment properties for the year amounted to HK$4,753,000 (2014: HK$26,768,000).

4. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest on bank borrowings	**1,007**	2,322
Finance charges in respect of finance lease obligations	**48**	39
Total borrowing costs	**1,055**	2,361

5. INCOME TAX EXPENSE

	2015	2014
	HK$'000	*HK$'000*
The charge comprises:		
Current tax		
Profits tax for the year		
Hong Kong	**3,087**	3,041
Overseas	**77,765**	59,411
(Over) Under provision in prior years		
Hong Kong	**(1,430)**	(106)
Overseas	**(2,098)**	1,478
	77,324	63,824
Deferred tax	**255**	60
	77,579	63,884

Hong Kong profits tax is calculated at 16.5% (2014: 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:

	2015	2014
	HK$'000	*HK$'000*
Profit before tax (excluding share of results of associates and joint ventures)	**338,189**	294,445
Tax at the domestic income tax rate of 16.5% (2014: 16.5%)	**55,801**	48,584
Effect of different taxation rates in other countries	**12,519**	11,089
Tax effect of income that is not taxable	**(2,245)**	(32,270)
Tax effect of expenses that are not deductible	**13,262**	27,935
Tax effect of utilisation of previously unrecognised tax losses	**(3,070)**	(3,308)
Tax effect of tax losses not recognised	**4,993**	5,617
Deferred taxation on withholding tax arising on undistributed earnings of subsidiaries	**(126)**	(23)
(Over) Under provision in prior years	**(3,528)**	1,372
Others	**(27)**	4,888
Income tax expense	**77,579**	63,884

6. PROFIT FOR THE YEAR

	2015	2014
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Auditors' remuneration	**5,071**	5,107
Depreciation	**50,055**	49,331
Loss on disposal of property, plant and equipment	**362**	671
Loss on dissolution of subsidiaries	**9**	—
Loss on disposal of associates	**1,247**	—
Loss on disposal of available-for-sale financial assets, net	**—**	79
Operating lease rentals in respect of:		
Amortisation of prepaid land lease payments	**1,920**	1,910
Office premises	**18,968**	21,660
Equipment	**2,618**	3,216
Direct operating expenses of investment properties that generate rental income	**2,534**	6,584
Cost of inventories sold	**254,368**	217,838
Allowance for bad and doubtful debts	**24,507**	24,491
Allowance for inventories	**—**	85
Amortisation of other intangible assets (included in administrative expenses)	**2,172**	3,156
Net exchange loss	**—**	3,827
Impairment on club membership (included in administrative expenses)	**8**	8
Impairment on available-for-sale financial assets (included in administrative expenses)	**200**	—
Impairment on goodwill (included in administrative expenses)	**2,779**	—
Staff costs:		
Directors' emoluments:		
Fees	**1,811**	1,724
Other emoluments including benefits in kind (excluded estimated rental value for rent-free accommodation)	**23,232**	16,817
	25,043	18,541
Other staff costs:		
Salaries, allowances and benefits in kind	**639,849**	597,114
Share-based payments	**435**	274
Group's contributions to retirement scheme, net of forfeited contribution of HK$108,000 (2014: HK$108,000)	**60,420**	55,237
Total staff costs	**725,747**	671,166
and crediting:		
Net exchange gain	**3,941**	—
Gain on disposal of property, plant and equipment	**607**	853
Gain on disposal of subsidiaries	**5,205**	—
Gain on dissolution of subsidiaries	**—**	921
Gain on disposal of available-for-sale financial assets, net	**11**	—
Increase in net fair value of investment properties	**9,567**	11,874

7. DIVIDENDS PAID

	2015	2014
	HK$'000	*HK$'000*
2014 final dividend paid HK6.0 cents per share (2014: 2013 final dividend paid HK5.5 cents per share)	**73,161**	66,888
2015 interim dividend paid HK4.5 cents per share (2014: 2014 interim dividend paid HK4.5 cents per share)	**54,906**	54,729
Total	**128,067**	121,617

A final dividend of HK6.5 cents per share and a special dividend of HK3.0 cents per share for the year ended October 31, 2015 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:

	2015	2014
	HK$'000	*HK$'000*
Earnings for the purposes of calculating basic and diluted earnings per share	**274,695**	240,494

	2015	2014
Issued ordinary shares at beginning of year	**1,216,216,104**	1,216,080,104
Effect of new shares issued	**2,371,299**	80,153
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,218,587,403**	1,216,160,257
Effect of dilutive potential ordinary shares in respect of options	**2,467,075**	3,542,059
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,221,054,478**	1,219,702,316

9. DEBTORS, DEPOSITS AND PREPAYMENTS

	2015	2014
	HK$'000	*HK$'000*
Trade debtors	**985,509**	996,454
Less: allowance for bad and doubtful debts	**(43,912)**	(32,805)
	941,597	963,649
Other debtors	**48,928**	43,261
Prepayments and deposits	**161,582**	177,199
	1,152,107	1,184,109

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:

	2015	2014
	HK$'000	*HK$'000*
Less than 91 days	**668,865**	739,348
91–180 days	**115,078**	124,358
181–365 days	**108,377**	82,124
More than 1 year	**49,277**	17,819
	941,597	963,649

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 Arabs 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, 2015	**28,715**	**9,519**	**30,338**	**529,552**	**190,040**	**69,182**	**36,079**	**48,172**	**941,597**
At October 31, 2014	63,375	10,796	42,786	504,140	205,529	63,656	25,638	47,729	963,649

At October 31, 2015, an allowance was made for estimated irrecoverable trade debtors of HK$43,912,000 (2014: HK$32,805,000) which have either been placed under liquidation or in severe financial difficulties. The Group does not hold any collateral over these balances.

Movement in the allowance for bad and doubtful debts:

	2015	2014
	HK$'000	*HK$'000*
At beginning of year	**32,805**	30,712
Exchange adjustments	**(2,345)**	(19)
Allowance for the year	**18,595**	11,088
Amounts written off as uncollectible	**(1,729)**	(2,935)
Allowance written back	**(2,686)**	(6,041)
Disposal of subsidiaries	**(728)**	—
At end of year	**43,912**	32,805

At October 31, 2015, trade debtors of HK$519,147,000 (2014: HK$514,388,000) 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:

	2015	2014
	HK$'000	*HK$'000*
Less than 91 days	**287,393**	328,347
91–180 days	**124,056**	139,487
181–365 days	**64,156**	31,389
More than 1 year	**43,542**	15,165
	519,147	514,388

At October 31, 2015, prepayments and deposits have been arrived at after deducting impairment loss of HK$16,970,000 (2014: HK$17,312,000).

10. CREDITORS AND ACCRUED CHARGES

	2015	2014
	HK$'000	*HK$'000*
Trade creditors	**468,423**	456,231
Accrued charges	**913,679**	773,762
Other creditors	**18,611**	21,621
	1,400,713	1,251,614

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

	2015	2014
	HK$'000	*HK$'000*
Less than 91 days	**277,662**	292,646
91–180 days	**67,451**	65,812
181–365 days	**56,496**	70,693
More than 1 year	**66,814**	27,080
	468,423	456,231

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 Arabs 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, 2015	**36,860**	**7,178**	**8,232**	**345,940**	**26,569**	**10,873**	**14,968**	**17,803**	**468,423**
At October 31, 2014	17,074	9,139	13,698	314,168	25,808	18,716	22,107	35,521	456,231

BUSINESS REVIEWS AND PROSPECTS

Results

While we started the year on an upbeat note, the global economic outlook became less optimistic as the year unfolded because of the continuous drop in commodities and oil prices due to a lower than expected demand from China as well as other factors. Business sentiment was also aggravated by flash points in other parts of the world. All this created a sense of uncertainty for both businesses and consumers. There were concerns about how we would cope with this challenge as our business depends on the marketing spend of clients which would be affected by a weak growth prognosis of the world economy. Against this unfolding scenario of bleak economic forecasts, we applied ourselves diligently throughout the year and achieved a set of remarkable results as follows:

- Turnover increased 10.0% to HK$4,216 million (2014: HK$3,833 million).

- EBITDA increased 14.6% to HK$404.4 million (2014: HK$352.8 million).

- Profit for the year increased 16.3% to HK$280.8 million (2014: HK$241.5 million).

- Profit attributable to owners of the Company increased by 14.2% to HK$274.7 million (2014: HK$240.5 million).

As we operate in many countries where all currencies had weakened against our reporting currency, total turnover and other earning metrics would have increased by around 3% if exchange rate depreciation were eliminated.

Dividend

The Directors now recommend the payment of a final dividend of HK6.5 cents (2014: HK6.0 cents) and a special dividend of HK3.0 cents per ordinary share. Together with the interim dividend of HK4.5 cents (2014: HK4.5 cents) per ordinary share, total dividend for the year amounted to HK14.0 cents (2014: HK10.5 cents) per ordinary share. The final and special dividends will be payable on Thursday, April 14, 2016 to shareholders on the register of members of the Company as of Wednesday, April 6, 2016.

Review of Operations

Annually the Group is involved in more than 1,000 trade shows and events in Asia and other parts of the world. While most of these trade shows and events are held in the cities where our offices are located, the Group also launched services to cities or towns which are within the operational distance of each permanent office. Therefore, the number of cities where we conduct our business exceeds the physical count of our permanent offices. As at October 31, 2015, we have 45 permanent offices in 38 cities.

Our international network of offices is complemented by around 80,000 square metres of production facilities located in Bangkok, Beijing, Doha, Dongguan, Dubai, Johor Bahru, Kuala Lumpur, Shanghai and Singapore which provide first line production support in the major locations supplemented by a group of specialist subcontractors.

Review of business

Geographical Review

Geographically, Greater China – including Hong Kong, Macau, Taiwan and the PRC – accounted for 59.6% (2014: 59.5%) of the total turnover of HK$4,216 million (2014: HK$3,833 million).

South and Southeast Asia (India, Malaysia, the Philippines, Singapore and Vietnam) accounted for 25.6% (2014: 26.7%), and the Middle East (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates) accounted for 5.3% (2014: 3.9%). Italy, Russia, United Kingdom and United States accounted for 4.2% (2014: 5.2%). The remaining regions accounted for 5.3% (2014: 4.7%).

Business Segment Review

1. *Exhibition and Event Marketing Services*

   During the period under review, turnover in the Exhibition and Event Marketing Services segment accounted for HK$2,970 million (2014: HK$2,762 million) or 70.5% (2014: 72.1%) of the total turnover. Profit in this segment was HK$308.1 million (2014: HK$257.4 million, restated).

   During the year, we delivered services to exhibitors and show organisers in about 1,000 trade shows and customised events around the world. Such services included being the official service provider to show organisers, event manager to product owners, custom stand designer and builder to individual exhibitors, and as total brand activation ("TBA") specialist to key account clients, offering a whole gamut of services which extend beyond the walls of the exhibition hall before and after an exhibition. As TBA specialist, we deploy digital technology, social media, and data analytics alongside our creative exhibition offering to expand the depth and breadth of our involvement in our clients' marketing activities.

Highlights:

1. The 14th China International Machine Tool Show (CIMT) in Beijing
2. The 17th International Exhibition of Food and Drink, Hotel, Restaurant and Foodservice Equipment, Supplies and Services (HOFEX) in Hong Kong
3. The 31st Thailand International Motor Expo 2014; the 36th Bangkok International Motor Show; the 66th IAA 2015 Cars Frankfurt/Main; the 85th Geneva International Motor Show; Auto Guangzhou 2014; Auto Shanghai 2015; Qatar Motor Show 2015; and the Singapore Motorshow 2015
4. Asia-Pacific Economic Cooperation (APEC) 2014 Economic Leaders' Week in Beijing
5. ARABLAB in Dubai
6. ArtBahrain; Art Basel and Art Central in Hong Kong; Singapore Art Fair and Affordable Art Fair Singapore
7. Australian International Airshow and Aerospace and Defence Exposition in Geelong; and Paris Airshow 2015
8. Automechanika Shanghai 2014
9. Bahrain National Day; Singapore National Day; and UAE National Day events
10. China International General Aviation Convention in Xian
11. China International Gold, Jewellery and Gem Fair in Shenzhen
12. China Sourcing Fair (Spring and Autumn editions) in Hong Kong
13. Clean and Green Singapore 2014
14. ITU Telecom World 2014 in Doha
15. National Science and Technology Fair 2015 in Bangkok
16. ProPak Vietnam 2015 in Ho Chi Minh City
17. Sri Lanka Design Festival in Colombo
18. SWIFT International Banker's Operation Seminar (SIBOS) 2015 in Singapore
19. Thailand Industry Expo 2015 in Bangkok
20. World Golf Championships – HSBC Champions in Shanghai

On top of exhibitions and events in this financial year, signature projects included providing the Fung Group with a 360-degree integrated marketing strategy, involving planning and execution of branding, experiential marketing and digital marketing for their Explorium which is a 23,000 square metre retail laboratory and trade exhibition space in Shanghai; embarking on an integrated omni-channel strategy for Yonex in Beijing, Guangzhou and Shanghai, embracing everything from digital presence and publicity to media advertising and dealer events; creating an online-to-offline event for Amazon China's target audience to experience a vast array of international products and delivery services through multiple media and digital channels; and activating Coca-Cola's Winter Polar Bear Promotional Tour by providing campaign design, video content and event production in 11 cities across China.

In mega sporting events we strengthened our reputation after successfully completing the temporary venue overlays for the Cycling and Triathlon venues at the First European Games, held in June 2015 in Baku, Azerbaijan.

In Singapore, our strong project team was entrusted by the Singapore Tourism Board and the Housing and Development Board to complete a series of Singapore50 events which celebrated the country's 50th anniversary; namely the Inside Out International Showcases, Portraits of the People, Sing50 Concert and the SG Heart Map. Our global network helped to deliver Inside Out in Beijing, London, New York and Singapore. The Group was also selected by the organising committee of the Singapore National Day Parade to handle the work involving the temporary infrastructure and event management of the parade. We also fulfilled the third year of our renewed five-year contract with Formula One Singapore Grand Prix, successfully delivering grandstands and government suites for the eighth annual night race.

At Expo Milano 2015, we delivered the 2,000 square metre Malaysia Pavilion which ran from May to October 2015 and provided a full range of expo activation services including conceptual design, content development and event management. For Argentina, we built and installed the main structure and pavilion interior; for Brunei we designed and fabricated an interior display; and for Cambodia we designed and constructed and maintained the pavilion. We are redoubling our marketing efforts to prepare for the Expo 2017, to be held in Astana, Kazakhstan. We have set up a new office in Astana to focus on this exposition – this marks three decades of our world exposition business, which began at the 1986 Vancouver Expo.

The Group's exhibition hall management portfolio was further strengthened by the opening of the Chenzhou International Convention and Exhibition Center (CZCEC) in Hunan, China in 2014. During the year, CZCEC organised and hosted a number of exhibitions and events. The highlight was the Third China (Hunan) International Mineral and Gem Show held in May 2015 which was endorsed by the Minister of the Ministry of Land and Resources. Over its five-day run, the 60,000 square metre show welcomed over 380,000 visitors. Other trade shows included the Third Xiangnan Conference on Industry Transfer, Investment and Trade, and the Xiangnan New Light Industrial Products Expo in September 2015; and the 11th Chenzhou, Hunan Real Estate and Home Appliances, Products and Materials Expo, and Auto Show in October 2015 which rounded off an outstanding year for the CZCEC.

In October 2015, our subsidiary Pico International Services Limited and its partner, Long Yuan Construction Group Co. Ltd. ("Long Yuan"), were named the preferred bidder for a Public Private Partnership contract for the construction, financing and management of the proposed Jinjiang International Convention and Exhibition Center (the "Jinjiang CEC") in China's Fujian Province. Upon successfully entering into a formal contract, Pico will be responsible for managing the Jinjiang CEC, while Long Yuan will handle all construction work and arrange construction financing. The construction is expected to be completed by the end of 2018.

2. *Brand Signage and Visual Identity*

This segment accounted for HK$491 million (2014: HK$476 million) or 11.6% (2014: 12.4%) of the total turnover. Segment profit was HK$49.3 million (2014: HK$70.5 million).

The last financial year saw a slowdown in automobile sales in China partly due to consumer demand for automobiles being met over the previous 10 years when the growth rate was double digit. While China's automobile industry has been experiencing a single digit growth rate for the past two years, the pace is still much higher than the current outlook for other markets like Europe and the US. During the period under review, our automobile clients began resuming their marketing activities in China and in other parts of the world. This, together with the rise in China's retail sector, created a favourable environment for this segment throughout the financial year.

We continued to provide visual identity solutions for major car brands in China, namely Brilliance Auto, Chevrolet, Dongfeng Peugeot, Ford, Jaguar Land Rover, Jiangling Motors, Lexus, Mercedes-Benz, Nissan, Shanghai General Motors and Volkswagen.

During the same period, our sophisticated knowledge and branding expertise was called upon by a number of European and Japanese car makers like Infiniti, Jaguar, Lexus, Lincoln, Mercedes-Benz, Rousseau-Peugeot, Rousseau-Renault and Rolls-Royce to produce and export signage to overseas countries.

In Shanghai, our contract to supply environmental graphics and signage packages to Shanghai Disneyland will continue into 2016, while in other parts of China, we completed contracts for major fast food chains like Saizeriya and Yonghe King; and for Agricultural Bank of China, Citibank China and Rural Commercial Bank in the banking sector. In addition, we also provided signage design and build services to major hotel brands throughout the country like Accor Group, Hilton and InterContinental Hotels Group; and to Mary Kay and IKEA in China's retail sector.

We expect that our overall brand signage and visual identity business, which now has a strong foundation in China, will have room to grow in the years to come barring any unforeseen circumstances. As we prepare to maximise client values for further growth, we are continuously researching state-of-the-art technologies and modernised process management techniques to improve our output. We are also investing in upgrading our brand management knowledge base to expand our service offerings and win a larger share of our loyal clients' branding and marketing budgets.

3. Museum, Themed Environment, Interior and Retail

This segment accounted for HK$495 million (2014: HK$471 million) or 11.7% (2014: 12.3%) of the total turnover. Segment profit was HK$20.8 million (2014: HK$7.8 million).

Sustaining the excellent growth rate of the last financial year, this year saw improvements to the segment.

Highlights:

1. Alibaba Xixi Campus Hall 9 Exhibition in Hangzhou
2. AVIC (Aviation Industry Corporation of China) International showroom in Shenzhen
3. Audi Sport Centre in Beijing
4. China International Marine Containers (CIMC) showrooms in Guangzhou
5. China Resources Park View Mansion showroom in Shenzhen
6. Everest Charriol Boutique Siam Paragon in Thailand
7. Huawei Terminal Tianan Yungu showroom (phase one) in Shenzhen
8. Kia showrooms in Manama and Kia office in Dubai
9. Meiji showroom in Guangzhou
10. Mercedes-Benz Truong Chinh showroom in Ho Chi Minh City
11. Samsung New Business Experience Centre in Beijing
12. Saudi Arabia's Ministry of Water and Electricity — Water Gallery and Electricity Gallery in Riyadh
13. Sicily-Rome American Cemetery Visitor Centre (phase two) in Nettuno, Italy
14. Singapore Air Force Museum
15. Singapore Tourism Board Gallery
16. Wanda Movie Theme Park in Nanchang (design phase of the interactive theatre) and Wuxi (design phase of the theme park), China

In China, our contract with Shanghai Disneyland will be substantially completed in the first quarter of 2016. After this, our main focus in China will be projects which have been awarded to us by the Wanda Group. Work on the Wanda Movie Theme Parks started in December 2014. Construction for two interactive theatres and public areas in Nanchang have been in progress. Construction of a 3D theatre in Qingdao will soon begin. Both Nanchang and Qingdao projects are expected to be completed in phases between 2016 and 2018 respectively. We have also won a new design contract for the Wanda's Wuxi theme park which commenced in October 2015.

In Southeast Asia, the roll out of over 1,000 Lenovo outlets, including over 150 flagship stores, across the region was substantially completed this year, with only a few more outlets to complete in 2016; while some 440 Midea outlets across Southeast Asia were also delivered. Another contract to deliver a number of Panasonic outlets and shop-in-shop in Indonesia, Singapore, Thailand and Vietnam will be fulfilled in the next financial year of 2016.

Our key associate company, Pico (Thailand) Public Company Limited, will be involved in the construction of the Rama IX museum. Work commenced in 2015 and is expected to be completed in 2018.

Our strengths in production and our knowledge in technologies and digital media have provided us with a unique competitive advantage in enhancing visitor experiences in themed environments and branded spaces. Our expertise was called upon to design and create state-of-art branded and experiential environments for Audi and Samsung in Beijing and China Mobile in Zhejiang. In light of the significant global shift towards omni-channel marketing, the Group is well-placed to tap into the many opportunities which will arise in the future.

4. *Conference and Show Management*

This segment accounted for HK$260 million (2014: HK$124 million) or 6.2% (2014: 3.2%) of the total turnover. Segment profit was HK$20.9 million (2014: HK$7.6 million, restated).

Highlights:

1. 50plus EXPO in Singapore
2. The 14th Asian Australasian Congress of Neurological Surgeons (AACNS) in Jeju, Korea
3. ASEAN Tourism Forum 2015 in Naypyidaw, Myanmar
4. Cebu International Travel Expo 2015
5. China Machinery and Electronic Products Exhibition in Manila
6. Consumer Fair 2015 in Colombo
7. Digital Technology World 2015 in Manila
8. Green Philippines 2015 in Manila
9. International Furniture Fair Singapore
10. INTERPOL World series and the 22nd INTERPOL Asian Regional Conference in Singapore
11. Myanmar EPower and Myanmar Security Expo in Yangon
12. Pet Expo in Singapore
13. PhilConstruct 2014 and 2015 in Manila
14. Santastic Fair in Colombo
15. Thailand Week 2015 in Manila

Our first high-profile event in Myanmar – the ASEAN Tourism Forum – was held in Naypyidaw in January 2015, and was an unqualified success. This new market, together with other high-profile new shows like the INTERPOL World series and the 22nd INTERPOL Asian Regional Conference in Singapore; Digital Technology World in Manila; and the Myanmar EPower and Myanmar Security Expo in Yangon has resulted in significant contributions to the further development of this segment.

In November, shortly after the close of Expo Milano 2015, the ITMA 2015 (Internationale Textilmaschinen Ausstellung) textile machinery show was held in Milan, attracting around 100,000 visitors from over 140 economies. The next ITMA global event will be held in Barcelona in 2019, and the Group is looking forward to being involved again in this future show. We believe our prospects are strong, given our participation in ITMA 2011 in Barcelona and ITMA 2015 in Milan. We have also recently begun to lay the groundwork for the Asian edition of the show, known as ITMA Asia and CITME (China International Textile Machinery Exhibition) 2016, which will be held in October 2016 in Shanghai. The last ITMA Asia show, held in 2014, was the largest and most successful show to date in Asia, and we anticipate a more robust turnout by exhibitors and visitors this year.

Financial Position

As at year end date, total net tangible assets of the Group increased by 4.5% to about HK$1,663 million (2014: HK$1,591 million).

Bank and cash balances amounted to HK$1,033.0 million (2014: HK$846.0 million), with HK$23.3 million pledged bank deposits (2014: HK$4.2 million). Deducting interest bearing external borrowings from cash and bank balances, the net cash balance was HK$1,032.8 million (2014: HK$839.7 million).

Total borrowings were at HK$0.2 million for year ended October 31, 2015 (2014: HK$6.3 million). Borrowings are mainly denominated in Korean Won, and the interest is charged on a fixed rate basis.

	Year ended October 31, 2015 ***HK$' million***	Year ended October 31, 2014 *HK$' million*
Bank and cash balances	**1,009.7**	841.8
Pledged bank deposits	**23.3**	4.2
Less: Borrowings	**(0.2)**	(6.3)
Net cash balance	**1,032.8**	839.7

For the year ended October 31, 2015, the Group invested HK$36 million (2014: HK$79 million) in purchase of property, plant and equipment, other tangible and intangible assets. All these were financed from internal resources.

The Group has no long term borrowings at October 31, 2015 and 2014. The current ratio was 1.46 times (2014: 1.40 times) and the liquidity ratio was 1.38 times (2014: 1.33 times).

	2015	2014
Current ratio (current assets/current liabilities)	**1.46 times**	1.40 times
Liquidity ratio (current assets — excluding inventories and contract work in progress/current liabilities)	**1.38 times**	1.33 times
Gearing ratio (long term borrowing/total assets)	**N/A**	N/A

Although our subsidiaries are located in many different countries of the world, over 86% of the Group's sales and purchases were denominated in Hong Kong dollars, Renminbi, Singapore dollars and US dollars, and the remaining 14% 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, 2015, the Group employs a total of approximately 2,000 full time employees 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$726 million (2014: HK$671 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, 2015, the following assets were pledged as collaterals for credit facilities granted to the Group by certain banks.

	2015	2014
	HK$'000	*HK$'000*
Freehold land and buildings	**11,843**	15,570
Leasehold land and buildings	**13,340**	13,697
Pledged bank deposits	**23,345**	4,213
Guarantee deposits	**986**	—
	49,514	33,480

Contingent liabilities

Financial guarantees issued

At October 31, 2015, the Group has issued the following guarantees:

	THE GROUP		**THE COMPANY**	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Guarantees given to banks in respect of banking facilities granted to subsidiaries	**—**	—	**865,195**	525,029
Performance guarantees				
— secured	**117,380**	37,767	**—**	—
— unsecured	**31,502**	37,631	**—**	—
	148,882	75,398	**—**	—
Other guarantees				
— unsecured	**38**	570	**—**	—

At October 31, 2015, 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.

Ligitation

Pico Sanderson (HK) Limited ("PSHK"), a subsidiary of the Company, is in a dispute with Kaden Construction Limited ("Kaden") on a subcontract for the theming works for the Ocean Park Summit Redevelopment — Thrill Mountain and Polar Adventure. PSHK issued notice of arbitration to Kaden on January 2, 2015 claiming HK$45.67 million and Kaden has responded by denying our claims and making counterclaims in the sum of approximately HK$59.69 million.

The pleadings were concluded on December 15, 2015. Pending further direction from the arbitrator the dispute would proceed to the next phase of the arbitration. No provision has been made in the financial statements.

Capital commitments

	2015	2014
	HK$'000	*HK$'000*
Capital expenditures in respect of property, plant and equipment		
— contracted but not provided for	**110,301**	153
— authorised but not contracted for	**3,664**	39,155
	113,965	39,308

The Company did not have any other significant capital commitments at October 31, 2015 and 2014.

Outlook

The recent volatility in the global commodities and financial markets continues to hang over general business sentiment. The business environment we will face in this financial year will not be any easier than the last year. Under this uncertain business climate, we will continue to maintain our service offerings and be innovative to stay ahead of the competition whilst being vigilant to business opportunities in all parts of our international network.

Meanwhile, our hall management portfolio is expanding into second and third tier cities in China and a number of other emerging cities in Asia. Though we are still adopting a generally cautious approach to our operations in the US and Europe, we have been carefully growing our footprint in New York by entering the niche hospitality market sector through our office in the city. In Europe, we have carefully extended our UK operations with a satellite office in Dusseldorf, Germany as prospects for projects like Baselworld and Mobile World Congress continue to be positive.

A few years ago when we started to transform ourselves from being just a traditional exhibition and event company into a Total Brand Activation-based model, we did this with great resolve by recruiting people with this mindset to act as catalyst in the transformation. We have been successful and our outstanding teams have delivered good results and added a number of top companies to our client list. We are proactively addressing and involving ourselves in our clients' marketing efforts, prompting them to succeed in both traditional sectors and in the omni-channel market and the digital world. In 2012, we won a Gold award in the "Event Marketing Agency of the Year" category of the Marketing Magazine. Three years later, in 2015, we were awarded another Gold but this time in the "B2B Agency of the Year" category. These two successive awards recognise our evolution from an event marketing company into a Total Brand Activation company and underscore our ability to deliver on our brand promise to our clients.

While omni-channel and the Internet of Everything (IOE) will remain the dominant trends in our industry for the near term, we will continue to research, learn and create in order to hold of our position at the forefront of the industry. By remaining on the cutting edge, we will be best placed to identify new trends and deliver the best services and the most optimal return on investment (ROI) to our clients.

CLOSURE OF REGISTER

The Register of Members of the Company will be closed from Monday, March 21, 2016 to Thursday, March 24, 2016, 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 A18/F, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, no later than 4:00 p.m. on Friday, March 18, 2016 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 24, 2016.

The Register of Members of the Company will be closed from Friday, April 1, 2016 to Wednesday, April 6, 2016, 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 A18/F, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, no later than 4:00 p.m. on Thursday, March 31, 2016 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 Wednesday, April 6, 2016. The payment date for the final and special dividends will be on Thursday, April 14, 2016.

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

During the year 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Board is always committed to maintaining high standards of corporate governance. During the year ended October 31, 2015, the Company has complied with the code provision (the "CG Code") as set out in the Corporate Governance Code and Corporate Governance Report contained 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 four Independent Non-Executive Directors 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, 2015.

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 "Listed Company Information" and at the Company's website http://www.pico.com.

The 2015 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, 2016

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 Independent Non-Executive Directors are Mr. Gregory Robert Scott Crichton, Mr. James Patrick Cunningham, Mr. Frank Lee Kee Wai and Mr. Charlie Yucheng Shi.