PICO FAR EAST HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 752)

BUSINESS UPDATE AND PROFIT WARNING

This announcement is made by Pico Far East Holdings Limited (the "**Company**"; or together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**", with each member a "**Director**") of the Company wishes to inform the shareholders and potential investors that, based on the financial information currently available to the Board and a preliminary review of the latest unaudited financial statements of the Company and its subsidiaries for the year ended October 31, 2020, the Group expects to record a significant drop in revenue, and a significant reduction in the unaudited profit attributable to the owners of the Company for the year ended October 31, 2020 to decrease by more than 80% compared to the same period in 2019.

To the Board's best knowledge, the aforementioned reductions are attributable to the imposition of emergency public health measures such as lockdowns, quarantines, mandatory social distancing, closure of venues, and various travel and work restrictions by governments globally since the outbreak of COVID-19 in early 2020. This led to a decrease in the number of exhibitions and events conducted by the Company.

The Group has responded proactively by implementing a series of precautionary and cost reduction initiatives to counter the pandemic's impact on operations. During the year, the Group expanded its capacity to deliver virtual exhibitions, online events, webinars and other digital solutions to clients as replacements for face-to-face corporate and marketing events.

As of the date of this announcement, the Group has sufficient cash on hand to meet its current business needs.

As of the date of this announcement, more exhibitions and events are planning to resume, especially in China. Nevertheless, the full extent of COVID-19's impact on the Group's business and financial performance has yet to be determined as the various travel restrictions, border controls and quarantine arrangements implemented in many countries may take some time to lift. Accordingly, the Group is continuing to monitor its exposure to the associated risks and uncertainties.

As the Group's annual results for the year ended October 31, 2020 ("**Annual Results**") are not yet finalised, the materials contained in this announcement are necessarily based on information currently available for preliminary assessment by the Board as of the date hereof. Such information has not been audited by the auditor of Company. Shareholders and potential investors are advised to carefully read the Company's Annual Results announcement for the Group, whose publication is expected at or before the end of January 2021. Publication of the Annual Report is scheduled for mid-February 2021.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Pico Far East Holdings Limited
Leung Hoi Yan
Company Secretary

Hong Kong, January 14, 2021

As at the date of this announcement, the executive directors of the Company are Mr. Lawrence Chia Song Huat, Ms. Jean Chia Yuan Jiun 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.