pico

迎變而上

reimagine.
reinvigorate.
reinvent.

Annual Report 2023

Pico Far East Holdings Limited Stock Code 752
(Incorporated in the Cayman Islands with Limited Liability)

迎變而上

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reinvigorate.
reinvent.

In 2023, the unpredictable after-effects of the pandemic and the eruption of new geopolitical conflicts brought fresh challenges to business across the globe. Our long-standing business resilience with a vision of 'Reimagine, Reinvigorate, Reinvent' allows us to evolve with the market and stay ahead of changing customer expectations. We have achieved this with ongoing investments in technology and data which allow us to continuously track and analyse market shifts and deliver on evolving client demands.

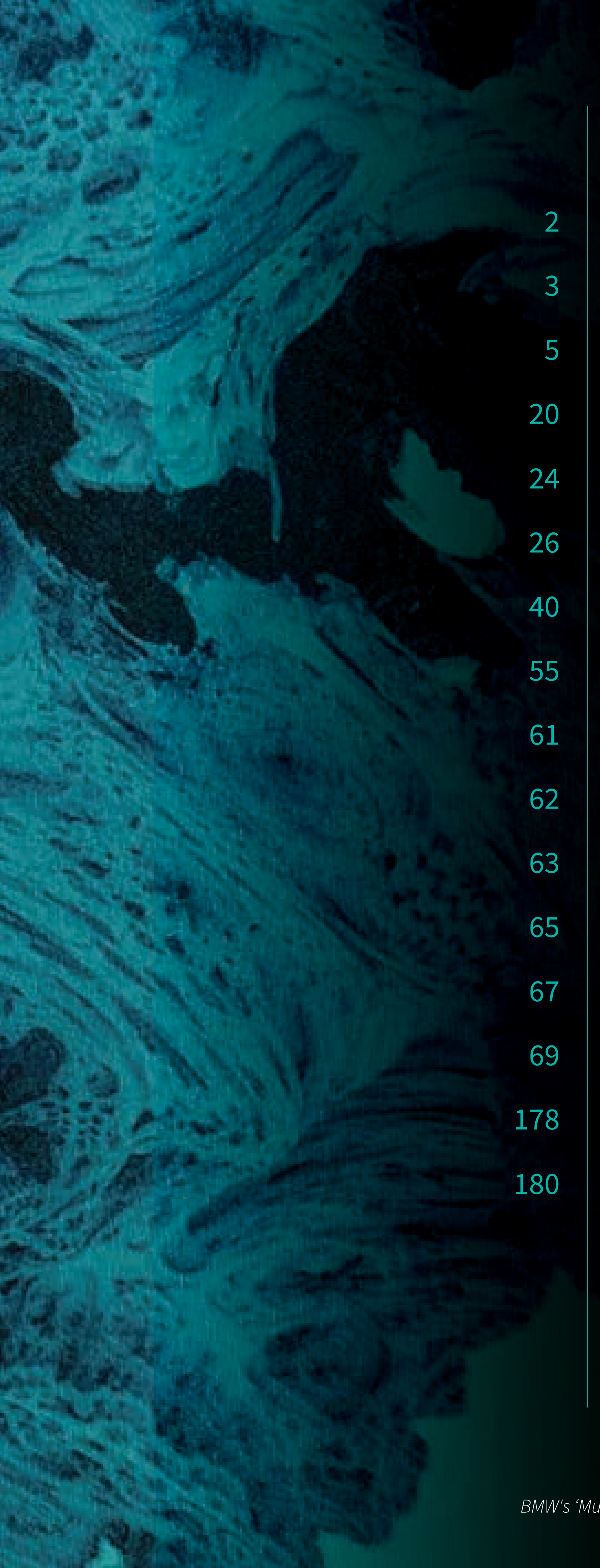
Today, the Group's cutting-edge Integrated Brand Experience capabilities come into focus with equally forward-looking strategies such as Content, Community, Creative and Data. These enable us to deliver cross-platform campaigns that reach a vast swathe of a brand's potential audience. Customers are engaged with memorable interactive personalised content, and drawn into forming loyal communities in which they continue to interact with each other and with the brand. This approach can multiply clients' selling opportunities, and potentially brings the Group a larger share of marketing budgets.

The Group's overarching Total Brand Activation capabilities are supported by a continuous effort to become a fully data-driven enterprise, spearheaded by a unified AI-embedded IT system and investment in talent development and diversity. These have paved the way for us to enhance our brand activation solutions and operational efficiency, respond quickly to market uncertainties and expand our portfolio.

All these initiatives build upon our core competencies, and they enabled us to thrive amid the global challenges of the past year. Shifts in market expectation were adeptly accommodated, with the Group in some cases excelling among emerging areas of demand. Our global reach and solid relationships with quality clients from across the industrial spectrum allowed us to enhance our market presence.

Going forward, our far-sighted strategy, technological know-how and diverse expertise will continue to be decisive elements of the Group's ability to find success and paths to sustain growth in an unstable world.

Cover: 25th Arabian Gulf Cup Opening and Closing Ceremonies in Basra
This page: Australian International Airshow in Victoria



Content

BMW's 'Multi Universes' Imagine the Future Digital Art Exhibition in Shanghai

Results in Brief

Revenue	
HK$5,328m *(2022: HK$4,541m)*	+17.3%
Profit from core operations	
HK$360.0m *(2022: HK$208.9m)*	+72.3%
Profit for the year	
HK$243.7m *(2022: HK$153.6m)*	+58.7%
Profit attributable to owners of the Company	
HK$228.1m *(2022: HK$162.6m)*	+40.3%
EBITDA*	
HK$437.4m *(2022: HK$298.6m)*	+46.5%
Earnings per share – basic	
HK18.41 cents *(2022: HK13.13 cents)*	+40.2%
Earnings per share – diluted	
HK18.39 cents *(2022: HK13.13 cents)*	+40.1%
Dividend per share	
HK9.0 cents *(2022: HK6.0 cents)*	+50.0%
Equity attributable to owners of the Company	
HK$2,261m *(2022: HK$2,105m)*	+7.4%
Return on average equity attributable to owners of the Company	
10.4% *(2022: 7.6%)*	+2.8ppts
Current ratio	
1.48 times *(2022: 1.49 times)*	-0.7%

* *Earnings before interest, taxes, depreciation, amortisation and a change in remeasurement of contingent consideration*

Group Facts

4,000+ events activated worldwide

Official service provider for
3,500,000+ sq. m.
of gross exhibition space

Operations span **36** cities worldwide

11 in EMEA and North America

Boise, Cairo, Chicago, Doha, Dubai, London, Los Angeles, Manama, Milan, New York, Riyadh

25 in Asia Pacific

Bangkok, Beijing, Dongguan, Gold Coast, Guangzhou, Hanoi, Ho Chi Minh City, Hong Kong, Jakarta, Jinjiang, Kuala Lumpur, Macau, Manila, Melbourne, Perth, Seoul, Shanghai, Shenzhen, Singapore, Sydney, Taipei, Tianjin, Tokyo, Xi'an, Yangon

70,000+ sq. m.
of production facilities

Some **2,300** permanent employees worldwide

Gender
Female: **47%**
Male: **53%**

Age
Below 40: **60%**
40 and above: **40%**

About **40** international awards

Photo courtesy of Urban Redevelopment Authority i Light Singapore Tree Man by ENESS (Australia)


"ใช้"
ชีวิตอย่างเป็นมิตรต่อโลก
Make your life more environmentally friendly

Chairman's Statement

I am pleased to present our shareholders with the annual report of the Company and its subsidiaries ('the Group') for the year ended October 31, 2023.

Financial Results

During the year under review, the Group's business strategies and resilience enabled it to expand its portfolio and seize growth opportunities. Revenue surpassed pre-COVID levels to reach a new record high, despite geopolitical conflicts and tightening monetary conditions globally.

During the financial year under review, the Group reported total revenue of HK$5,328 million (2022: HK$4,541 million), representing a 17.3% increase compared to the same period of the previous year.

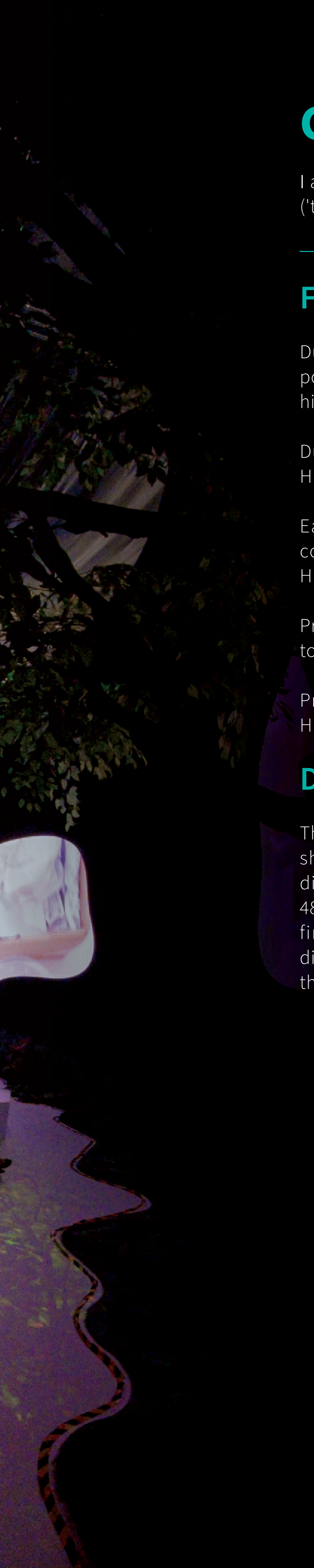
Earnings before interest, taxes, depreciation, amortisation and a change in remeasurement of contingent consideration (EBITDA) increased by 46.5% year-over-year to HK$437.4 million (2022: HK$298.6 million).

Profit from core operations was HK$360.0 million (2022: HK$208.9 million), a 72.3% increase compared to the same period last year.

Profit for the year attributable to owners of the Company increased by 40.3% year-over-year to HK$228.1 million (2022: HK$162.6 million).

Dividend

The Directors recommend payment of a final dividend of HK7.0 cents (2022: HK6.0 cents) per ordinary share. Together with an interim dividend of HK2.0 cents (2022: nil) per ordinary share, the total dividend for the year amounts to HK9.0 cents (2022: HK6.0 cents) per ordinary share, representing 48.9% of the year's basic earnings per share of HK18.41 cents (2022: HK13.13 cents). The proposed final dividend, if approved at the annual general meeting on Monday, March 18, 2024, will be dispatched on Wednesday, April 10, 2024 to shareholders who appear on the register of members of the Company on Wednesday, March 27, 2024.



Sustainability Expo in collaboration with Dhospaak in Bangkok

25th Arabian Gulf Cup Opening and Closing Ceremonies in Basra

Business Review

As of October 31, 2023, the Group employed some 2,300 permanent staff and operated 47 permanent offices in 36 cities.

During 2023, major markets around the world were recovering at a varied pace. The Group's established market presence and ongoing transformation of integrating data, digital and technological services into all events enabled us to build greater resilience, add value to our business offerings, capture emerging demands and enhance profitability.

Though mainland China lifted its strict COVID measures in December 2022, business only began to return to normalcy by April 2023. Despite having only approximately seven months of 'normal' operational conditions, the Group's strong presence in the country and deep customer relationships enabled us to capitalise on the revived activities and promptly restore business to pre-COVID levels.

In Southeast Asia, the Group's effective strategies and inherent resilience gave us the ability to capture a growing share of all recovering key markets.

In the Middle East, the slight drop in revenue is largely attributable to the completion of certain non-repeated mega projects in the previous year, including Expo 2020 Dubai and the Oman Across Ages Museum. During the year, the Group also secured and delivered major projects such as the opening and closing ceremonies of the Arabian Gulf Cup in Iraq and FIFA museum during FIFA World Cup Qatar. Furthermore, the Group was able to seize the opportunities arising from the Kingdom of Saudi Arabia's 'Saudi Vision 2030' programme, which has stimulated major business activity and tremendous investment. We have and continue to deliver multiple projects for the NEOM city project, the Saudia Airlines rebrand, and Noor Riyadh, the world's largest light art festival.

In the USA and Europe, our ability to provide new integrated brand activation campaign solutions with experiential marketing at their core enabled us to sustain revenue and profit growth in this mature market.

In summary, the Group's adaptive strategies and approaches allowed us to not just survive but thrive during the COVID pandemic and the ensuing challenging economic conditions, endowing us with the ability to quickly capture a bigger share of a post-COVID recovering market.

Building a growth-sustaining business

Much of the Group's exceptional resilience stems from our Integrated Brand Experience business model. By incorporating our Content, Community, Creative and Data strategy into cross-platform campaigns, we can create engaging personalised content for brands to interact within communities. This approach separates the Group from its competitors, aids us in tapping into up- or cross-selling opportunities, and creates better value for brands.

Building upon our AI-embedded PowerONE unified IT system, the Group continues to enhance our operational efficiency by moving towards becoming a fully data-driven enterprise. By advancing our data strategy, we are able to capture data to generate quantifiable leads, explore new business offerings and increase profit margin.

Recognising the need for a high-performing organisational foundation for future growth, the Group has maintained its focus on maximising the potential of its talent. By empowering employees with data literacy and technological and operational know-how, the Group is primed to adapt to market shifts.

The Group has implemented robust financial discipline and practices to protect mid- to long-term profits, particularly under the adverse economic conditions of the past few years. By monitoring and prudently managing our working capital, liquidity and cash flow, we have established a foundation for growth, expansion and financial health, and our net cash position has been improved. Our gearing ratio was also further improved as both long- and short-term bank borrowing were lowered substantially.

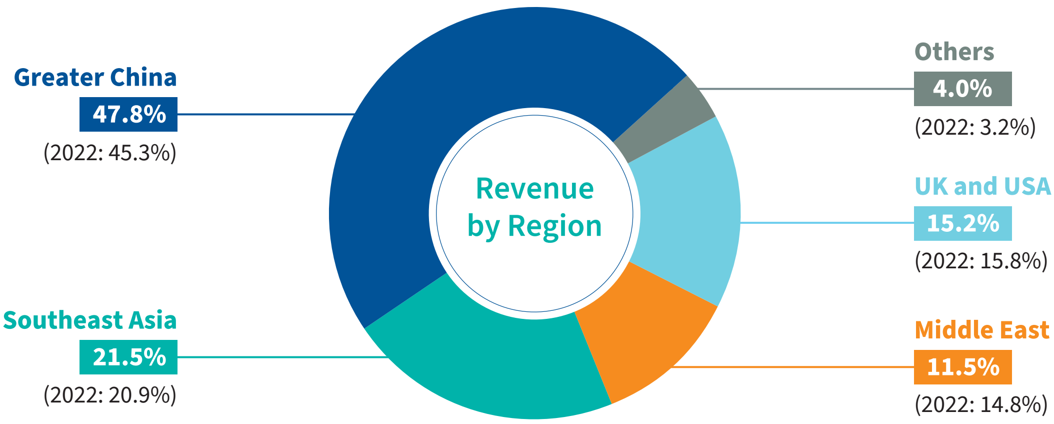
Hyundai FIFA Museum exhibition for FIFA World Cup Qatar in Doha

Operations Review

By Geographical Region

Geographically, Greater China (including mainland China, Hong Kong, Macau and Taiwan) accounted for 47.8% (2022: 45.3%) of the Group's total revenue of HK$5,328 million (2022: HK$4,541 million).

Southeast Asia (including Malaysia, Singapore, the Philippines and Vietnam) accounted for 21.5% (2022: 20.9%); the Middle East (including Bahrain, Oman, Qatar, Saudi Arabia and the United Arab Emirates) accounted for 11.5% (2022: 14.8%); and, the United Kingdom and United States accounted for 15.2% (2022: 15.8%). Other regions accounted for 4.0% (2022: 3.2%).



By Business Segment

Exhibition, Event and Brand Activation

During the year under review, revenue in this segment was HK$4,413 million (2022: HK$3,689 million) or 82.8% (2022: 81.3%) of the Group's total revenue. Profit in this segment was HK$302.5 million (2022: HK$181.9 million).

	Revenue	Profit
2023	HK$4,413 million	HK$302.5 million
2022	HK$3,689 million	HK$181.9 million

Exhibitions

During the year, exhibitions experienced a steady resurgence in most countries. The Group capitalised on these emerging opportunities, as evidenced by a 44% increase in the total number of exhibitions and a 192% increase of total exhibition space to which Pico was appointed as official service provider, compared to the previous year.

OPPO at Mobile World Congress Barcelona

Saudia Airlines at World Travel Market London

The Group was appointed to provide official exhibition services for organisers and/or brand activation services for exhibitors at major shows such as:

Show	Location
APEC Business Advisory Council and APEC CEO Summit, Bangkok International Motor Show, Sustainability Expo	Bangkok
Mobile World Congress Barcelona	Barcelona
China International Machine Tool Show	Beijing
DN Solutions International Machine Tool Fair	Busan and Changwon
China Food and Drinks Fair	Chengdu and Shenzhen
Anuga Food and Beverages Trade Fair	Cologne
Hyundai FIFA Museum exhibition for FIFA World Cup Qatar	Doha
Arabian Travel Market, GITEX Global Tech and Startup Show	Dubai
Automechanika	Dubai, Ho Chi Minh City and Shanghai
Global Digital Trade Expo	Hangzhou
ProPak Vietnam	Ho Chi Minh City
Art Central, Asia Fruit Logistica, Jewellery and Gem WORLD Hong Kong	Hong Kong
Jinjiang Footwear and Sports Industry International Exposition	Jinjiang
CES Consumer Electronics Show	Las Vegas
World Travel Market London	London
Anime Expo	Los Angeles
ITMA International Textile and Garment Technology Exhibition	Milan
Thailand International Motor Expo	Nonthaburi
SEMICON	Penang, Seoul and Taipei
Scripts and Calligraphy Exhibition	Riyadh
China International Sewing Machinery and Accessories Show, ChinaJoy, The Fifth China International Import Expo, Watches and Wonders Shanghai	Shanghai
The 27th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP27)	Sharm El-Sheikh, Egypt
Chic Hong Kong, Hong Kong Shenzhen Bi-City Biennale of Urbanism\Architecture	Shenzhen
ART SG, Gastech Exhibition and Conference, The Duty Free and Travel Retail Asia Pacific Summit, Vinexpo Asia, World Congress of Dermatology	Singapore
Taipei Dangdai Art and Ideas	Taipei
Australian International Airshow	Victoria
Agri Tech Myanmar	Yangon
Tokyo Gendai	Yokohama

Chic Hong Kong in Shenzhen

In China, the Group continued to serve brands at large-scale motor shows, including 14 at Auto Guangzhou, 25 at Chengdu Motor Show, and a number more at Auto Chongqing, the Guangdong-Hong Kong-Macao Greater Bay Area International Auto Show and others. Most notably, we provided exhibition services to 32 brands at the biennial Auto Shanghai.

Events and Brand Activations

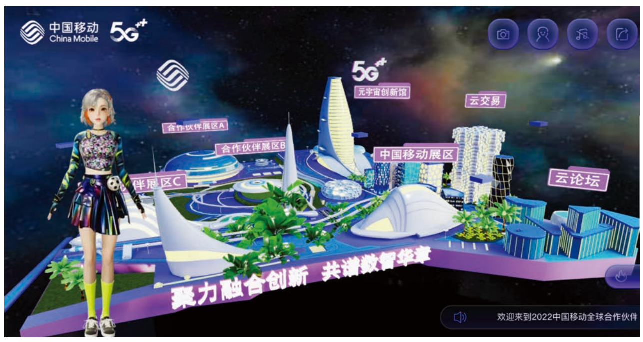
During the year, the Group consistently developed brand solutions based upon cross-platform integration to foster consumer engagement. To achieve this, we incorporated digital and interactive elements such as AI, web3, VR, AR and gamification into activations.

Among such projects, the Group curated and produced the opening and closing ceremonies of the historic 25th Arabian Gulf Cup in Basra Governorate, Iraq. The project leveraged 3D projection and AR for a stunning expression of Iraq's rich culture and was the first major international sporting event held in the country since the end of the Iraq War in 2011.

The Group continued to work for State Farm to create campaigns which leveraged gamification, social media, influencers and digital streaming to engage millennial and Gen Z audiences. A prominent event was 'The Big Game Came to Us', a Super Bowl activation that integrated influencers and viral TikTok postings, using PR and social media via TikTok as marketing channels. This unprecedented campaign achieved over 220 million views, a number far surpassing the Super Bowl's live viewership. Other State Farm projects in the USA included Good Neighbor Crew roadshows, and Gamerhood Challenge which was a unique blend of tournament, live show, and event which garnered a billion impressions.

Super Bowl Activation 'The Big Game Came to Us' in the US

With a focus on capitalising on the potential of web3 ecosystems, the Group continued to integrate web3 strategy into marketing services to clients including China Mobile, CM Financial Technology, Honeywell, Infineon and Shanghai Promotion Centre for City of Design.



China Mobile Global Partners Conference Metaverse Platform

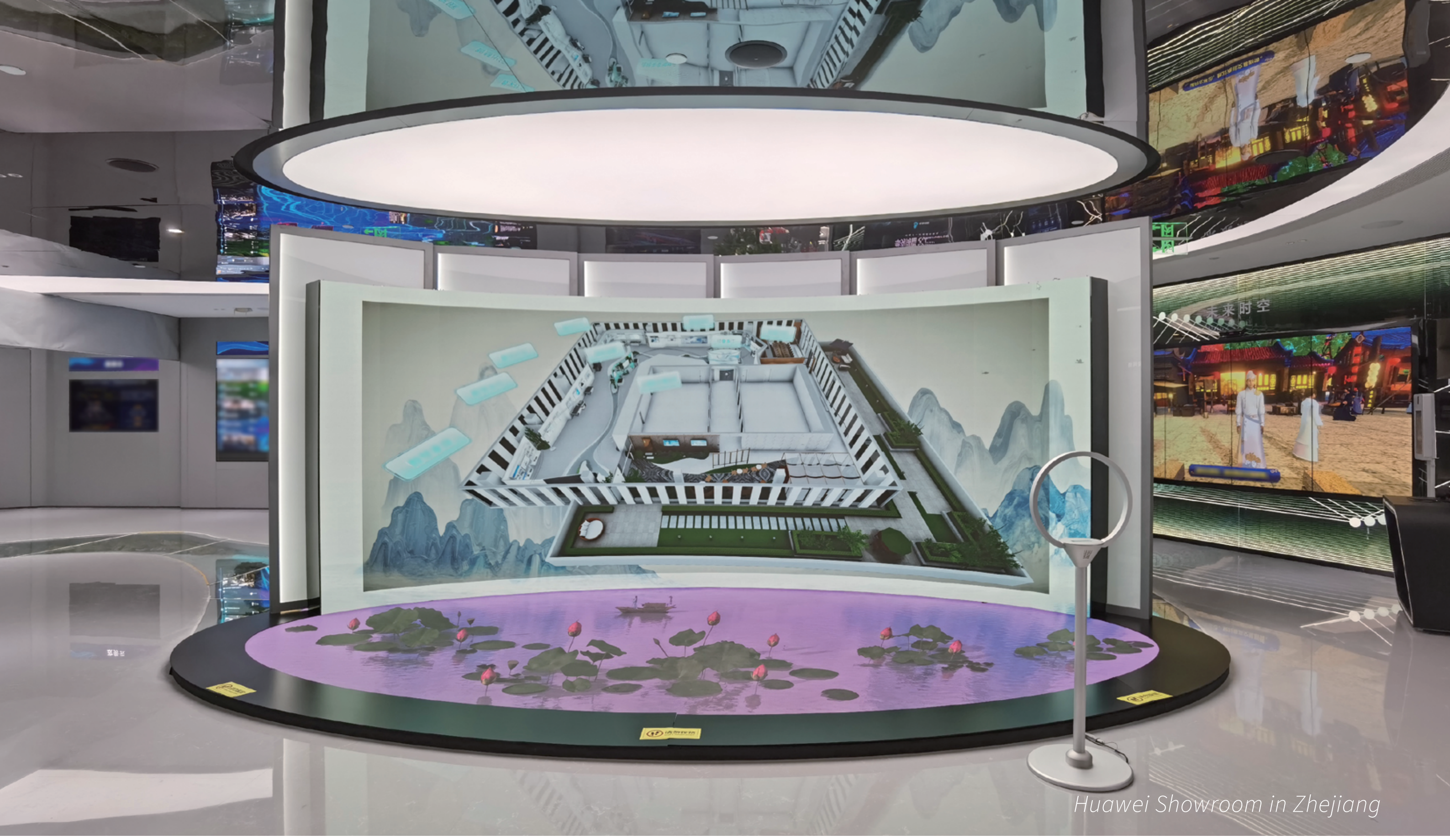
By leveraging the power of data, we help clients to make informed decisions and strategically align our efforts to maximise revenue generation. In one example, the Group created a proprietary 'data mid-end' platform to consolidate and analyse the immense volume of client data from Siemens' myriad touchpoints, including apps, an event platform and virtual showroom. The multichannel data management and analysis system drives the front-end line of business while also providing back-end system support.

Several notable projects are highlighted below:

Digital/hybrid project	Location
Seed Thailand	Bangkok
ZGC Forum	Beijing
Midea Group's Multi-Brand Tour, YONEX projects	China (nationwide)
LME Asia Week	Hong Kong
OPPO Inno Day	London and Shenzhen
NEOM projects	NEOM
BMW Investor Meeting	Sanya
Cadillac projects	Shanghai
Asia and the Pacific Regional Meeting, ATxSummit, DBS Investor Day, Samsung Galaxy Unpacked	Singapore
Audi Q8 e-tron Launch Event	Taipei
PV EXPO	Tokyo
Meta projects	Worldwide

BMW iCON in Shanghai

Physical project	Location
Hikvision Shaping Intelligence Summit	Bali
The Land of Warriors Carnival 'Soul Awakening'	Chengdu
Glenfiddich projects	China (nationwide)
FIFA World Cup Qatar projects	Doha
Platform 09	Fujairah
Harbour Chill Carnival, Hong Kong Sevens	Hong Kong
Saudia Airlines rebrand	Jeddah
OPPO Find N2 Flip Global Launch	London
Fireworks display for New Year's Eve and National Day	Manama, Muharraq and Sakhir
The Beast obstacle course, PUMA media event, and fireworks show for Bahrain Grand Prix	Manama and Sakhir
Makro Shohuay	Nonthaburi
Chief of Army Symposium	Perth
AFC Champions League Final Second Leg	Saitama
Google AI Week	Seoul
BMW iCON	Shanghai
China (Shenyang) Intelligent Connected Vehicles International Conference	Shenyang
Huawei China Partners Conference	Shenzhen
BrainHack, Formula 1 Singapore Airlines Singapore Grand Prix 2023, GastroBeats, i Light Singapore, Singapore National Day Parade	Singapore
FIFA Women's World Cup	Sydney
Audi projects	Taiwan
Huawei projects	Worldwide
International Petroleum and Natural Gas Enterprises Conference	Zhoushan



Huawei Showroom in Zhejiang

Visual Branding Activation

This segment accounted for HK$383 million (2022: HK$364 million) or 7.2% (2022: 8.0%) of total Group revenue. Segment profit was HK$32.0 million (2022: HK$11.9 million).

	Revenue	Profit
2023	**HK$383** million	**HK$32.0** million
2022	HK$364 million	HK$11.9 million

This segment recorded growth since mainland China's reopening and the resurgence of project planning and execution in the second half of the year. The new Electric Vehicle (EV) sector provided a new growth opportunity, with new EV experiential showrooms creating an increasing demand for integrated experiential solutions leveraging interactive digital tools and data analysis. A major achievement in this sector was the Group's appointment as exclusive service provider for the design and digitalisation of Kia's new EV showrooms across China. The Group also secured a contract to provide visual branding services for GAC Aion's premium brand 'Hyper' across a network of 150 retail outlets.

As a leader in the conventional and EV sectors, we continue to consolidate our market share by delivering visual branding projects for prominent brands including Bentley, Changan Mazda, Dongfeng Nissan, GAC Aion, GAC Trumpchi, Lexus, Lincoln, Lotus, Mercedes-Benz, Polestar and SAIC General Motors.

The Group continues to achieve remarkable success in corporate and retail experiential showrooms integrating experiential marketing and digital tools to cater to a diverse customer base. The Group has also expanded into the agricultural and aerospace sectors via a retail store visual identity project with Bombardier's aviation division and a headquarters design and construction project for Guangdong HAID Group.

Hexin Technology Showroom in Beijing

Several projects from around the world are highlighted below:

Digital project	Location
Hexin Technology Showroom	Beijing
GAC Motor Showroom	Dubai
CCB Fintech, Ford Mustang, Shanghai Pudong Development Bank showrooms	Shanghai
Shenzhen Metro Brand Experience Centre and Corporate Showroom	Shenzhen

YONEX Flagship Store in Shanghai

Physical project	Location
China International Intellectech Co., Showroom	Beijing
Glenfiddich retail window displays for some 180 stores	China (nationwide)
CR Land Showroom	Dalian
Midea MDV Experience and Training Centre	Hefei
Khaleeji Commercial Bank Al Hidd Branch interior project	Al Hidd, Bahrain
Dyson Flagship Store	Ho Chi Minh City
Bahrain TV News Studio interior project	Isa Town, Bahrain
Al Salam Bank Showroom	Manama
Twins Group Showroom	Nanchang
Advanced Micro-Fabrication Equipment Inc. China Lingang Showroom, Nitto Denko (Shanghai Songjiang) Showroom, PH.HOUSE Store, YONEX Flagship Store	Shanghai
Yanfeng Plastic Omnium showrooms	Shanghai and Shenyang
Huawei showrooms	Shenzhen and Zhejiang
Hyundai Motor Group Innovation Centre, Meta interior project	Singapore
Midea Group Live Streaming Centre	Wuhan

Aqua Adventure for HomeTeamNS in Singapore

Museum and Themed Entertainment

This segment accounted for HK$397 million (2022: HK$395 million) or 7.5% (2022: 8.7%) of total Group revenue. Segment profit was HK$38.7 million (2022: HK$37.7 million). This segment maintained its business volume despite the completion of a significant non-repeated contract for a museum in Oman in the previous year.

	Revenue	Profit
2023	HK$397 million	HK$38.7 million
2022	HK$395 million	HK$37.7 million

In Hong Kong, the Group has made good progress, in partnership with K11 Group, to deliver a themed attraction at 11 SKIES. Set to be a future iconic 'retailtainment' landmark adjacent to Hong Kong International Airport, it is planned to feature a total gross floor area of over 353,000 sq.m. and some 800 shops, including 120 dining concepts.

Museum project	Location
Hong Kong Museum of Coastal Defence, Hong Kong Palace Museum	Hong Kong
G11 Eco Conservation Gallery at Macao Science Centre	Macau
NCS FutureN Gallery, Singapore Botanic Gardens Heritage Museum, Singapore Maritime Gallery	Singapore
Audi House of Progress	Singapore and Taipei
Gucci Garden Archetypes	Sydney

Themed entertainment project	Location
SplashMania Gamuda Cove	Banting
Novaworld Binh Chau	Binh Chau, Vietnam
Ripley's Mirror Maze	Gold Coast, Australia
Project at the theme park on Lantau Island	Hong Kong
Light/State Light Installation	Mildura, Australia
PwC Reimagine Park	Sanya
PUBG attraction at Lotte World Adventure	Seoul
Aqua Adventure for HomeTeamNS, Mandai redevelopment at Singapore Zoo	Singapore

Meeting Architecture Activation

This segment accounted for HK$135 million (2022: HK$93 million) or 2.5% (2022: 2.0%) of total Group revenue. Segment profit was HK$3.2 million (2022: HK$1.2 million).

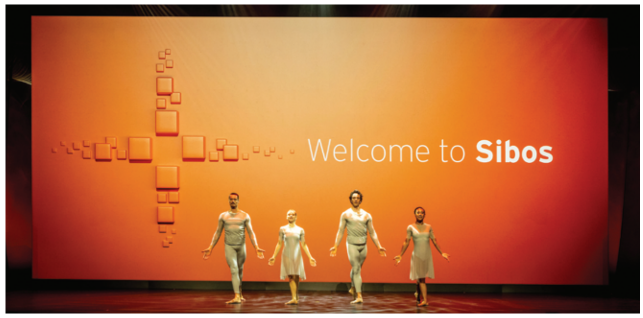
	Revenue	Profit
2023	HK$135 million	HK$3.2 million
2022	HK$93 million	HK$1.2 million

Asia Pacific Intensive Care Symposium in Singapore

The Group's strategies to rapidly align with shifting market dynamics have enabled this segment to position itself at the forefront of innovation and customer engagement. Catering to revived demand for in-person and hybrid events – particularly within reopening Southeast Asian markets – the segment enjoyed a solid improvement in performance.

The Group has consistently driven business growth through the integration of content, community, creative and data strategies into our business solutions. By connecting the dots across a variety of platforms and curating resonant and engaging content, our expertise in AI-powered data analytics has allowed us to create seamless online-to-offline experiences and foster vibrant communities.

During the year, we orchestrated Sibos in Toronto, delivering a personalised conference experience through the use of technologies to engage the financial community. By utilising a mix of media production, data analytics and machine learning, we traced and analysed attendee behaviours to tailor content for optimal audience engagement. Our innovation has laid the groundwork for the future of Sibos – for which our Group has been awarded the next edition of Sibos in Beijing in 2024 – as a smart conference deeply connected with the community.



Sibos in Toronto

Noteworthy shows in this segment include:

Show	Location
Asian Vaccine Conference	Cebu
FUTR Europe	London
Hotel and Foodservice Suppliers Show, Philippine International Furniture Show, Transport and Logistics Philippines	Manila
PackPrintPlas Philippines	Pasay City
Anaesthesia Patient Safety Symposium, Asia Pacific Intensive Care Symposium, Food Japan, International Conference on Adaptation and Nutrition in Sports, PetExpo, SILMO International Optics and Eyewear Trade Fair, Singapore International Transport Congress and Exhibition (SITCE), Singapore Week of Innovation and Technology (SWITCH)	Singapore
Asian Society for Neuroanesthesia and Critical Care	Virtual

In the Philippines, our VX Events platform has been instrumental to the MICE industry's transition to virtual and hybrid formats. Since its launch in 2020, the platform has taken more than 35 local and international events into the virtual space.

Show	Location
Philconstruct	Luzon, Manila, Mindanao and Visayas
Interior and Design Manila	Manila
Asian Conference Emergency Medicine	Pampanga
GeoCon	Philippines

Financial Position

As at year end date, the total net tangible assets of the Group increased by 11.1% to about HK$1,795 million (2022: HK$1,615 million).

Bank and cash balances amounted to HK$1,294 million (2022: HK$1,405 million), with HK$4 million pledged bank deposits (2022: HK$2 million). Deducting interest bearing external borrowings from bank and cash balances, the net cash balance was HK$904 million (2022: HK$601 million).

Total borrowings were HK$390 million at October 31, 2023 (2022: HK$804 million). Borrowings are mainly denominated in Great Britain pound, Hong Kong dollars, Korean won, New Taiwan dollars and United States dollars, and the interest is charged on fixed and floating rate basis. The Group's bank loans of HK$0.3 million (2022: HK$0.5 million) carry fixed interest rate.

	2023 ***HK$' million***	2022 *HK$' million*
Bank and cash balances	**1,290**	1,403
Pledged bank deposits	**4**	2
Less: Borrowings	**(390)**	(804)
Net cash balance	**904**	601

For the year ended October 31, 2023, the Group invested HK$20 million (2022: HK$14 million) in property, plant and equipment; HK$34 million (2022: HK$74 million) in intangible assets. All these were financed from internal resources and bank borrowings.

The Group has HK$201 million (2022: HK$368 million) long-term borrowings and HK$112 million (2022: HK$111 million) long-term lease liabilities at October 31, 2023. The current ratio was 1.48 times (2022: 1.49 times); the liquidity ratio was 1.48 times (2022: 1.49 times); and the gearing ratio was 6.20% (2022: 9.56%).

	2023	2022
Current ratio (current assets/current liabilities)	**1.48 times**	1.49 times
Liquidity ratio (current assets excluding inventories/current liabilities)	**1.48 times**	1.49 times
Gearing ratio (long-term borrowings including long-term lease liabilities/total assets)	**6.20%**	9.56%

Although our subsidiaries are located in many different countries of the world, over 76% of the Group's sales and purchases were denominated in Hong Kong dollars, Renminbi, Singapore dollars and United States dollars, and the remaining 24% 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 currently does not adopt a hedging policy to hedge the exposure to minimise the impact of foreign currency risk on cash flow. It is the Group's policy not to enter into derivative transactions for speculative purposes.

Employees and Emoluments Policies

At October 31, 2023, the Group employs some 2,300 permanent staff engaged in project management, design, production, sales and marketing and administration, and is supported by a large pool of subcontractors and suppliers. The staff costs incurred in the year was about HK$1,175 million (2022: HK$987 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, 2023, the following assets were pledged as collaterals for credit facilities granted to the Group by certain banks.

	2023 ***HK$'000***	2022 *HK$'000*
Freehold land and buildings	**50,510**	51,162
Leasehold land and buildings	**94,887**	99,475
Pledged bank deposits	**3,711**	2,364
	149,108	153,001

Contingent Liabilities

At October 31, 2023, the Group has issued the following guarantees:

	2023 HK$'000	2022 HK$'000
Performance guarantees		
– secured	**81,028**	172,205
– unsecured	**25,348**	37,858
	106,376	210,063
Other guarantees		
– secured	**1,423**	942

At October 31, 2023, the Executive Directors do not consider it is probable that a claim will be made against the Group under any of the above guarantees.

Capital Commitments

	2023 HK$'000	2022 HK$'000
Capital expenditures in respect of property, plant and equipment and other investment		
– contracted but not provided for	**3,543**	4,202
– authorised but not contracted for	**9,907**	4,145
	13,450	8,347

Outlook

According to the International Monetary Fund's World Economic Outlook in October 2023, the global economic forecast indicates generally slow growth for 2024.

Despite this and increasing geoeconomic fragmentation, we are cautiously optimistic for many regions where the Group operates.

Among these, Greater China and Southeast Asia have demonstrated resilience, with business activities – especially international – swiftly rebounding. These conditions will enable the Group to continue its growth.

The Saudi market will provide growth impetus for much of the Middle East, catered to by the Group's expansion of office and production facilities in Kingdom of Saudi Arabia.

In the USA, fundamental changes in consumer behaviour in the post-COVID world, clients' increasing demands for integrated campaigns, agile processes and a 360-degree approach to marketing planning will continue to increase.

Our Integrated Brand Experience services will enable the Group to capture these emerging opportunities and expand our client portfolio, with a focus on high-quality clients and deeper collaboration with our existing clientele.

In the Exhibition, Event and Brand Activation segment, the Group has been appointed by organisers and brands to deliver many exhibitions and events across multiple platforms in the next financial year:

Project	**Location**
Mobile World Congress Barcelona	Barcelona
Beijing Chaoyang International Light Festival, Mercedes-Benz Localised Trucks China Market Launch, PT Expo China	Beijing
The Duty Free and Travel Retail Global Summit	Cannes
Glenfiddich projects, YONEX projects	China (nationwide)
Dubai Airshow, The 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28)	Dubai
Drupa	Dusseldorf
Auto Guangzhou	Guangzhou
ProPak Vietnam	Ho Chi Minh City
Affordable Art Fair, Hong Kong Brands and Products Expo, Hong Kong International Jewellery Show	Hong Kong
CES Consumer Electronics Show	Las Vegas
World Travel Market London	London
New Year's Eve 2024 and Bahrain Festival City 2023	Manama
EICMA International Two-wheeler Exhibition	Milan
Huawei Network Summit Munich	Munich

NEOM projects	NEOM
Thailand International Motor Expo	Nonthaburi
Noor Riyadh Light Art Festival	Riyadh
Global Startup Festival COMEUP	Seoul
ITMA Asia + CITME, Marintec China, The Sixth China International Import Expo	Shanghai
ART SG, Singapore Airshow	Singapore
SEMICON Taiwan, Taipei Dangdai Art and Ideas	Taipei
State Farm projects	USA
European Congress of Radiology	Vienna
Tokyo Gendai	Yokohama

In the Visual Branding Activation segment, the Group has fostered strategic initiatives that will propel it into new realms and expand its global footprint. A testament to this is the Group's involvement in GAC Aion's establishment of a production base in Thailand, coupled with an ambitious plan to launch 200 stores across Southeast Asia in 2024, with the Group appointed as one of the designated suppliers.

While strengthening digital transformation and capitalising on the flourishing EV sector, we will continue to serve prominent names like Bentley, Ford Beyond, GAC Trumpchi, Huawei, Hyper, Kia, Lexus, Lincoln, Lotus, Mercedes-Benz, Polestar, SAIC General Motors and SAIC Volkswagen.

Some notable projects include:

Project	Location
China International Intellectech Group Showroom, General Times Center Cultural Front project	Beijing
Changzhou Culture Plaza Technology Centre	Changzhou
SF Express Showroom	Ezhou
Midea Industrial Technologies Showroom	Foshan
Hexin Technology Showroom	Guangzhou
Long March Digital Art Memorial	Guiyang
Huawei Showroom, Warehouse, Innovation and Experience Centre	Jakarta, Munich, Shenzhen and Tokyo
LONGi Jiaxing Experience Centre	Jiaxing
Shuifa Group Showroom	Jinan
Dahehui Performing Art Showroom	Luoyang
SAIC General Motors Showroom	Shanghai
HONOR Intelligent Manufacturing Showroom	Shenzhen
Kingdom Hemp Showroom	Suihua
Wenzhou Medical University's Eye Health Science interior project	Wenzhou
Commercial Showroom at Lantian Tongyong Airport and Yanliang National Aviation Hi-Tech Industrial Base, Master Kong Experience Centre	Xi'an

In the Museum and Themed Entertainment segment, we are proceeding with a number of significant contracts. These include Hong Kong Museum of History and Hong Kong Wetland Park projects scheduled for completion in 2024 and 2025 respectively, and a Hollywood theme park in Japan scheduled for completion in 2026. We will also continue to fulfil the contracts shown below:

Project	Location
Dreamworld, Wizard of Oz at Warner Bros. Movie World	Gold Coast, Australia
Bao Son Paradise Park	Hanoi
Vinpearl Nha Trang Theater	Nha Trang
Qiddiya	Riyadh
Legoland	Shenzhen
Coney Island	Singapore
Chimelong Marine Science Park	Zhuhai

The Meeting Architecture Activation segment remains dedicated to driving sustained growth and enhancing our offerings in an ever-evolving industry landscape. Physical or hybrid shows include:

Show	Location
Sibos	Beijing
HVAC/R Philippines, Philconstruct	Cebu, Davao, Manila and Pampanga
Hotel and Foodservice Suppliers Show	Cebu, Manila
Beauty + Health and Wellness Manila, Interior and Design Manila, PackPrintPlas Philippines, Philippine International Furniture Show, Transport and Logistics Philippines	Manila
Congress of the Asian Pacific Society of Respirology, General Assembly and Council Meetings of the Asian Patent Attorneys Association, Singapore International Transport Congress and Exhibition (SITCE), Singapore International Water Week	Singapore

Our continuing transition to a data-driven enterprise and Integrated Brand Experience business model constitute a unique advantage for capturing more opportunities and sustaining growth.

Integrating new technologies such as AI, data and web3 with our Integrated Brand Experience business model enables us to improve operational efficiency, add depth and breadth to our service offerings, cater to changing market expectations, and sustain revenue and profit margin growth.

Conclusion

Our successful track record of continued growth and profitability during recent trying times has given us even more confidence in the future. The Group's long-established resilience and engagement leadership have empowered us to consistently deliver sustainable value to clients, employees and shareholders now and in the years to come.

We would like to thank all our employees for their resilience and contributions, our clients for their continuing support and trust, and our stakeholders for their confidence in the Group, as we weather through another year of global economic uncertainty and geopolitical tension.

By Order of the Board

Lawrence Chia Song Huat
CHAIRMAN

Hong Kong, January 23, 2024

Profile of Directors and Senior Management

Board of Directors

Executive Directors

Lawrence Chia Song Huat, aged 63, has worked in the exhibition and event industry for four decades and has been Chairman of the Group since 1994. He is a graduate of The University of Tennessee, having majored in Finance, and received The University of Tennessee Outstanding International Alumni Award in 2016. In 2006, he received the International Executive in Sport and Entertainment Award from the University of South Carolina. He is currently Chairman of the Singapore Chamber of Commerce (Hong Kong). Mr Chia is an uncle of Ms Jean Chia Yuan Jiun, a director of the Group, and a younger brother of Mr Chia Siong Lim, a member of the Group's senior management.

Jean Chia Yuan Jiun, aged 50, joined the Group in 1998 and has 25 years of experience in the exhibition and event industry. Currently Group President with overall responsibility for developing global corporate strategies, she also oversees Group businesses and operations in Southeast Asia. She is also Chief Executive Officer and an executive director on the board of Pico (Thailand) Public Company Limited, which is listed on the Stock Exchange of Thailand. She is a graduate of The London School of Economics and Political Science at the University of London, having majored in Economics. She is a niece of Mr Lawrence Chia Song Huat, a director of the Group, and the daughter of Mr Chia Siong Lim, a member of the Group's senior management.

Albert Mok Pui Keung, aged 59, joined the Group in 1991 and has 35 years of experience in the accounting and finance industries. He is currently the Group's Senior Vice President – Finance and responsible for overseeing corporate financing strategy, financial and capital planning. He holds a Bachelor's degree in Accounting from the Ulster University in the United Kingdom and a Master of Business Administration degree from the Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants.

Independent Non-Executive Directors

Charlie Yucheng Shi, aged 61, has been an independent non-executive director of the Company since 2002. Mr Shi has had over two decades of investment experience, and previously served as Managing Director of Omaha Capital China, which focused on growth and venture capital investments in the Greater China region. He holds a Bachelor of Arts degree in Economics from Fudan University in Shanghai, an MBA from California Lutheran University, and is a graduate of the Advanced Management Program at Harvard Business School.

Frank Lee Kee Wai, aged 64, has been a non-executive director of the Company since 1992 and is the senior partner at Messrs. Vincent T.K. Cheung, Yap & Co., Solicitors and Notaries. He holds a Bachelor of Law degree from The London School of Economics and Political Science and obtained a Master of Laws degree from the University of Cambridge. Mr Lee is a qualified solicitor in Hong Kong, England, Singapore and the Australian Capital Territory. He is also a China-appointed Attesting Officer and a member of the Chartered Institute of Arbitrators. Mr Lee is also currently an independent non-executive director of Vision Values Holdings Limited and Mongolia Energy Corporation Ltd.

Gregory Robert Scott Crichton, aged 72, has been an independent non-executive director of the Company since 1998. He has held numerous directorships in various entities and countries including American International Assurance Co., Ltd. (AIA) and continues to work in the insurance industry. He served as President Commissioner of an Indonesian life insurance company and was an advisor to a successful Singapore reinsurance start-up, as well as serving on the Inland Revenue Board of Review and other bodies. He is currently a non-executive director and advisor to a major international insurer and sits on a number of related committees. He is one of the founders of an Insurtech startup and is also the Managing Director of a Hong Kong-based trust and corporate service provider company. He is a graduate in Law from the University of Sydney and holds a Bachelor of Arts degree from the University of New South Wales. He is admitted as a solicitor of the Supreme Court of Hong Kong and is also a solicitor of the Supreme Court of England and Wales.

James Patrick Cunningham, aged 69, has been an independent non-executive director of the Company since 2004. He holds a Bachelor of Science degree in Business Administration from Adelphi University in Garden City, New York. He also attended advanced management courses at INSEAD in France. Mr Cunningham has spent over 40 years in the fashion retail and apparel industry and from 1990 until 2004, he was Senior Vice President and Corporate Officer of the Gap Inc. Since 2004, Mr Cunningham has been a private investor and independent retail and supply chain consultant and advisor for various public and private corporations in Asia, Europe and the United States. Most notably, he was a special advisor to the Shinsegae Group in South Korea from 2005 until 2020. Over the past 27 years he has been a Director of Summerbridge Hong Kong, a privately funded NGO specialising in delivering transformational educational programmes to economically challenged young students in Hong Kong. He has been an active member of the Young Presidents' Organisation for more than 25 years and is now a YPO Gold International Lifetime Member.

Kenneth Kent Ho, aged 56, has been an independent non-executive director of the Company since 2023. He is a Founder and Managing Partner of Carret Private Investments Limited, and a Founder and Vice Chairman of the Family Office Association of Hong Kong. Kenneth has worked in banking for over 30 years, with the last 20 in private wealth management. Prior to founding Carret Private Investments Limited, he helped set up two of Asia's largest wealth management platforms, Bank Julius Baer and Credit Suisse. At Julius Baer, he was a core member of the regional executive board that established the firm's Asian franchise in 2006, and previous to that, was part of the regional executive committee and served as Head of Products for Credit Suisse Hong Kong. His career began at McKinsey & Company, Inc. and Salomon Brothers. Currently, Kenneth is a Board Director of Lumen Capital Investors Pte Ltd, a Monetary Authority of Singapore regulated financial entity in Singapore, a Board Director for the Children's Medical Foundation Limited and a member of Board for the Mary Rose School. He holds a Bachelors degree from James Madison University and an MBA from the University of Chicago Booth School of Business.

Senior Management

The Executive Committee is comprised of Executive Directors and the following persons in senior management of the Group:

Chia Siong Lim
Honorary Chairman of Pico Far East Holdings Limited

aged 77, has worked in the exhibition and event industry for 55 years and is the founder of the Pico Group. Over the years, he has been involved in key investments that laid a strong foundation for the Group to grow into what it is today. He is also Chairman of the Intertrade group, which directs the development of exhibition hall management business. He is an elder brother of Mr Lawrence Chia Song Huat and the father of Ms Jean Chia Yuan Jiun, both directors of the Group.

Fareeda Cassumbhoy
Group Chief Digital Officer

aged 52, joined the Group in 2018 and has more than 25 years of experience in brand communications and digital strategy. She is currently responsible for driving digital transformation across the Group. She holds a Global EMBA from The University of Southern California's Marshall School of Business. Currently she is a Learning Partner of the Doctor of Business Administration programme at City University of Hong Kong, and a recipient of a DBA Awards – Contribution to Knowledge from that institution's College of Business.

Chung Chee Keong
Director, Corporate Development and Human Resources

aged 57, joined the Group in 1993 and has 30 years of experience in the exhibition and event industry. Currently, he oversees corporate development for venue management, human resources, and leads the Group's sustainability initiatives. He holds a Bachelor's degree in Accountancy from the National University of Singapore, and was a qualified Chartered Accountant (Singapore) with a Big Four accounting firm.

Stephen Siu Wing Tsing
Chief Technology Officer

aged 52, joined the Group in 2018 and has more than 25 years of experience in software engineering. He is currently responsible for leveraging technology for the Group's digital transformation. He holds both Bachelor's and Master's degrees in Electrical Engineering from the University of Waterloo in Canada.

Caroline Bee
Senior Vice President (EMEA)

aged 58, joined the Group in 2015 and has nearly 25 years of experience in the exhibition and event industry. She is currently responsible for overseeing Pico EMEA (Europe, Middle East and Africa). She completed both an Associate in Risk Management programme certified by RIMS (USA) and a Chartered Insurance Institute course (Fellow of the Chartered Insurance institute) (UK) conducted by Edinburgh Napier University.

Danny Ku Yiu Chung
Group President (China)

aged 58, joined the Group in 1994 and has 30 years of experience in the exhibition and event industry. He is currently responsible for all business and operations in the China region. He is a member of the Chinese People's Political Consultative Conference Jiading Committee of Shanghai; Vice Chairman of the Federation of Returned Overseas Chinese, Jiading District, Shanghai; Vice Chairman of the Shanghai Hong Kong Association (SHKA); and Chairman of the Hong Kong Enterprises Association, Jiading District, Shanghai.

Victor Leung Shing
Senior Vice President – Operations Management (China)
Executive Director (Pico Beijing, Tianjin and Xi'an)

aged 56, joined the Group in 2008 and has more than 20 years of experience in the exhibition and event industry. He is currently responsible for overseeing the business of Pico Beijing, Tianjin and Xi'an, as well as operations management in the China region. He holds a Bachelor's degree in Mechanical Engineering from the University of Hong Kong and completed a Postgraduate Diploma in Integrated Marketing Communications from the HKU School of Professional and Continuing Education.

Anne Li Lai Chun
Executive Director (Pico Hong Kong)

aged 58, joined the Group in 1989 and has nearly 35 years of experience in the exhibition and event industry. She is currently responsible for the operation of Pico Hong Kong. She holds a Master of Science degree in Marketing from the National University of Ireland and also completed an Executive Education programme in International Business jointly conducted by Stanford University and National University of Singapore.

Lim Chiew Wee
Regional Managing Director (Pico+ Group; Pico Europe, Japan, Korea, Shanghai and Taiwan)

aged 48, joined the Group in 2000 and has more than 20 years of experience in the marketing industry. He is currently responsible for managing global operations for the Pico+ Group as well as managing Pico Europe, Japan, Korea, Shanghai and Taiwan. He holds a Bachelor of Science degree in Economics from The London School of Economics and Political Science at the University of London. He also completed a joint executive programme conducted by Harvard Business School, China Europe International Business School and Tsinghua University.

Lim Kian Meng
Executive Director (Pico Singapore)

aged 54, joined the Group in 1996 and has more than 25 years of experience in the exhibition and event industry. He is currently responsible for overseeing operation management for Pico Singapore as well as mega projects globally. He holds a Bachelor's degree in Mechanical and Production Engineering from the Nanyang Technological University Singapore.

Rita Lui Yuk
Executive Director (South China)

aged 54, joined the Group in 1998 and has more than 30 years of experience in the exhibition and event industry. She is currently responsible for spearheading business development and managing operations in the South China region. She holds a Bachelor of Science degree in Building Technology and Management from Hong Kong Polytechnic University and a Master's degree in Business Administration from Centenary College in New Jersey. She also completed an EMBA course for president-level students in Innovative Leadership at the Yangtze Delta Region Institute of Tsinghua University, Zhejiang.

Darren McLean
Executive Director (Pico Play)

aged 44, joined the Group in 2016 and has more than 20 years of experience in civil engineering and business management. He is currently responsible for spearheading Pico Play's business for the delivery of major world-class and themed entertainment projects around the globe. He holds a Bachelor of Engineering degree in Civil Engineering and a Bachelor of Business Management degree from Griffith University.

Ng Meng Chuen
Senior Vice President (Southeast Asia)

aged 59, joined the Group in 1990 and has more than 30 years of experience in the exhibition and event industry. He is currently responsible for global sports events as well as managing Pico Malaysia. He holds a Bachelor of Science degree in Business Administration from the University of Oregon.

Jason Ng Swee Ping
Executive Director (MP International)

aged 52, joined the Group in 2006 and has nearly 30 years of experience in the exhibition and event industry. He is currently responsible for spearheading MP International's business globally. He holds a Bachelor of Science degree in Mathematics from the National University of Singapore and a Master of Management from the Macquarie Graduate School of Management (Australia).

Peter Sng Kia Tuck
Regional Managing Director (Middle East)

aged 65, joined the Group in 1989 and has nearly 35 years of experience in the exhibition and event industry. He is currently responsible for business and operations in the Middle East. He holds a Bachelor of Science degree in Business Administration and a Bachelor of General Studies degree in Psychology from The University of Kansas.

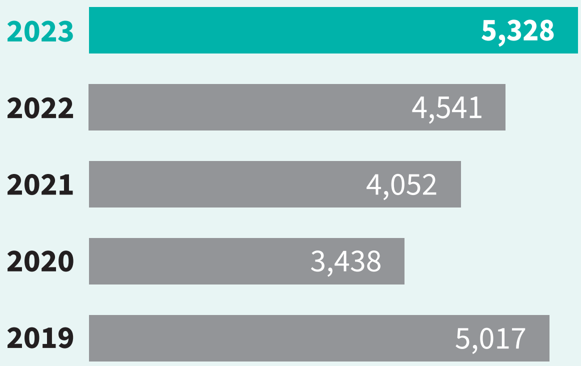
Trevor Soh Cheow Wee
Senior Vice President (Pico Singapore)

aged 53, joined the Group in 2000 and has more than 25 years of experience in the exhibition and event industry. He is currently responsible for managing Pico Singapore and for the Group's business development strategies in Southeast Asia. He holds a Bachelor of Arts degree in Economics and Sociology from the National University of Singapore.

Five Year Financial Summary

Revenue

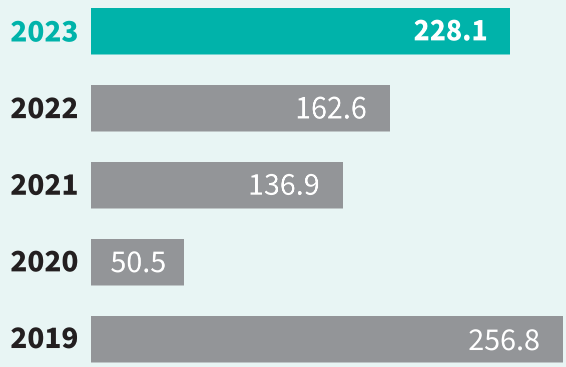
HK$5,328 million



(HK$' million)

Profit attributable to owners of the Company

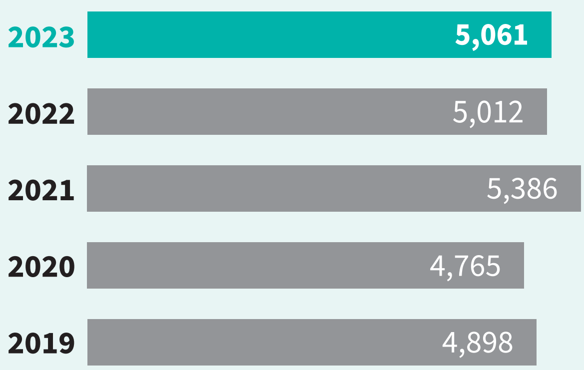
HK$228.1 million



(HK$' million)

Total assets

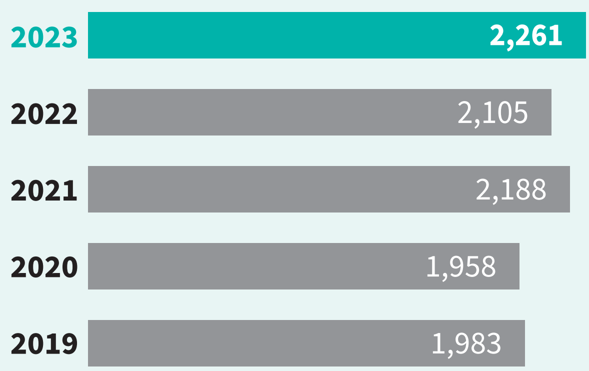
HK$5,061 million



(HK$' million)

Equity attributable to owners of the Company

HK$2,261 million



(HK$' million)

Five Year Financial Summary

The consolidated results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, are as follows:

RESULTS

	Year ended October 31				
	2019 HK$'000	2020 HK$'000	2021 HK$'000	2022 HK$'000	**2023 HK$'000**
Revenue	5,016,710	3,438,111	4,051,864	4,541,018	**5,327,931**
OPERATING PROFIT					
Profit from core operations (after finance costs)	377,190	90,583	147,449	186,797	**319,721**
Change in remeasurement of contingent consideration	(41,820)	19,342	46,125	33,538	**(6)**
Amortisation of other intangible assets arising from business combinations	(30,982)	(39,632)	(39,628)	(39,445)	**(30,955)**
Share of profits (losses) of associates	14,349	(10,989)	2,584	2,893	**11,462**
Share of profits (losses) of joint ventures	15	–	–	(438)	**910**
Profit before tax	318,752	59,304	156,530	183,345	**301,132**
Income tax expense	(54,619)	(3,355)	(25,509)	(29,744)	**(57,401)**
Profit for the year	264,133	55,949	131,021	153,601	**243,731**
Attributable to:					
Owners of the Company	256,831	50,536	136,909	162,642	**228,083**
Non-controlling interests	7,302	5,413	(5,888)	(9,041)	**15,648**
Profit for the year	264,133	55,949	131,021	153,601	**243,731**

ASSETS AND LIABILITIES

	At October 31				
	2019 HK$'000	2020 HK$'000	2021 HK$'000	2022 HK$'000	**2023 HK$'000**
Total assets	4,897,619	4,764,940	5,385,841	5,011,624	**5,060,507**
Total liabilities	2,742,316	2,667,427	3,066,373	2,825,444	**2,730,569**
Net assets	2,155,303	2,097,513	2,319,468	2,186,180	**2,329,938**
Equity attributable to owners of the Company	1,982,875	1,957,974	2,187,658	2,105,432	**2,261,271**
Non-controlling interests	172,428	139,539	131,810	80,748	**68,667**
Total equity	2,155,303	2,097,513	2,319,468	2,186,180	**2,329,938**

Corporate Governance Report

The Board of Directors (the "Board") of Pico Far East Holdings Limited (the "Company") is always committed to maintaining high standards of corporate governance. During the year ended October 31, 2023, the Company has complied with the code provision (the "CG Code") as set out in the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (which has been re-numbered as Appendix C1 under the Listing Rules that came into effect on January 1, 2024) except for the following deviation:

CG Code C.2.1 stipulates that the roles 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 for the year ended October 31, 2023. The Board considers that there is sufficient balance of power and the current arrangement maintains a strong management position of the Company.

The Company has applied the principles of the Corporate Governance Code contained in Appendix 14 of the Listing Rules (which has been re-numbered as Appendix C1 since January 1, 2024) to its corporate governance structure and practices as described in this report. This Annual Report should be read in conjunction with the Environment, Social and Governance ("ESG") Report of the Company, which is available on the websites of the Stock Exchange and the Company.

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 (which has been re-numbered as Appendix C3 since January 1, 2024) as the code of conduct regarding securities transactions by the directors of the Company (the "Directors"). 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, 2023.

Corporate Strategy and Culture

Pico is a global Total Brand Activation company listed on the Stock Exchange since 1992.

Our uniqueness and strength lies in the diversity of some 2,300 inspired professionals working in 36 cities. Our Integrated Brand Experience business model is the key to building resilience and sustaining growth in today's fast-changing world. At Pico, we incorporate Content, Community, Creative and Data strategy into cross-platform campaigns to create extraordinary experiences and powerful activations, engaging target audiences in every way. We call it Total Brand Activation.

The Board considers Pico's success and leadership stem from its innovative approach and proactive willingness to embrace change. It all commences with our purpose, vision, mission, values and culture. Our goal is to advance as a resilient organisation capable of adapting to change and overcoming challenges.

The vision, mission, values and culture of the Company are as follows:

Vision: The global leader in Total Brand Activation
Mission: Deliver tomorrow's impactful experiences today

4 Pillars of Our Mission:

People – One team of energetic specialists embracing change
Process – One collective focus on solving business challenges today and tomorrow
Purpose – One aspiration in creating sustainable value for all stakeholders
Place – One integrated network operating in a borderless marketplace

Our Values and Culture:

Passion – We are passionate about what we do
Innovation – We challenge the status quo and embrace new ideas
Commitment – We deliver with honour, integrity and empathy
One Pico – We unite through diversity, equity, and inclusion

Over the past 50 years since the establishment of Pico Group, our business model has undergone continuous evolution to uphold our leading position in the markets where we operate. In recent years, our transformation has been guided by these overarching strategies:

- Sustain exceptional resilience and growth by advancing our Integrated Brand Experience business model.
- Use of Content, Community, Creative and Data strategy into cross-platform campaigns, we can create engaging personalised content for brands to interact within communities.
- Transition to a fully data-driven enterprise by building on our AI-embedded PowerONE unified IT system and data strategy.
- Maximise the potential of talent with data literacy and technological and operational know-how.
- Implement robust financial discipline and practices to protect mid- to long-term profits.

In view of the above, the Board considers the purpose, values and strategy of Pico as aligned with our culture.

During the year, Pico took a variety of actions to maintain its desired corporate culture. Internally, we periodically broadcast group strategies and thought leadership, celebrate staff achievements and circulate news and highlights including updates on AI and other technological applications. By ensuring information and know-how flows freely at every level of the Group, we ensure that everyone's aims and efforts are in alignment while promoting our culture of forward-looking willingness to embrace change. Feedback and comments from staff collected via internal channels and platforms also aided the Board in decision-making and forming strategy.

Pico continued to strengthen its corporate cultural framework through various strategic initiatives during the year. Relevant achievements and details are discussed in "Chairman's Statement" section of this Annual Report.

Key performance indicators which demonstrate Pico's financial capability as they relate to business objectives, are listed in the "Results in Brief" section of this Annual Report. For more details on incentives which support our culture of sustainable development and measures for assessing and monitoring culture, please refer to our ESG Report, which is available on the websites of the Stock Exchange and the Company.

More information about Pico's purpose, values and strategy, and how they align with our culture, is available on Pico's website.

The Board

The Board plays an important role to cultivate a corporate culture which guides the behaviors of employees to act lawfully, ethically and responsibly, and ensure that the Group's purpose, values and strategy are aligned with its culture.

The Board has a balance of skill and experience and a balanced composition of Executive and Non-Executive Directors and is responsible for oversight of the management of the Company's business and affairs. The Board has delegated the day-to-day responsibility to the Executive Directors and senior management of the Company.

The Board is also responsible for performing the functions set out in the CG Code A.2.1. The Board will meet to develop, review and monitor the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and compliance manual applicable to employees and directors.

Four board meetings and one general meeting were held during the financial year ended October 31, 2023. The attendance of the Directors is set out below:

Directors	Attendance at board meetings	Attendance at general meeting
Executive Directors		
Lawrence Chia Song Huat *(Chairman)*	4	1
Jean Chia Yuan Jiun	4	1
Mok Pui Keung	4	1
Independent Non-Executive Directors		
Gregory Robert Scott Crichton	3	1
James Patrick Cunningham	4	1
Frank Lee Kee Wai	4	1
Charlie Yucheng Shi	3	1

Board and committee minutes are recorded in appropriate detail and are kept by the Company Secretary. Draft minutes are circulated to the Directors for comment within reasonable time after each meeting and the final version is open for Directors' inspection.

The Company has received annual confirmations of independence from all existing Independent Non-Executive Directors and considers them independent.

The Directors have fixed term of appointment and subject to re-election at the annual general meeting ("AGM") of the Company.

Please refer to "Profile of Directors and Senior Management" section of this Annual Report for the disclosure of any financial, business, family or other material/relevant relationships between board members.

Directors' Continuous Training and Development

Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution into the Board remains informed and relevant.

The Directors are committed to complying with the CG Code C.1.4 on Directors' training. All Directors have participated in continuous professional development and provided a record of training they received for the financial year ended October 31, 2023 to the Company.

The individual training record of each Director received for financial year ended October 31, 2023 is set out below:

Directors	Briefings and updates on the business, operations and corporate governance matters	Attending or participating in seminars/ workshops or working in technical committee relevant to the business/ directors' duties
Executive Directors		
Lawrence Chia Song Huat *(Chairman)*	✓	✓
Jean Chia Yuan Jiun	✓	✓
Mok Pui Keung	✓	✓
Independent Non-Executive Directors		
Gregory Robert Scott Crichton	✓	✓
James Patrick Cunningham	✓	✓
Frank Lee Kee Wai	✓	✓
Charlie Yucheng Shi	✓	✓

The Chairman and the Chief Executive Officer

Under CG Code C.2.1, the roles of the chairman and the chief executive officer should be separated and should not be performed by the same individual.

The Company does not have a separate chairman and chief executive officer. Mr. Lawrence Chia Song Huat currently holds both positions. The Board considers that the existing structure can promote the efficient formulation and implementation of the Company's strategies and explore business opportunities efficiently and promptly.

Non-Executive Directors

Under CG Code B.2.2, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Non-Executive Directors of the Company are appointed for a specific term for two years and subject to retirement by rotation and re-election at AGM of the Company in accordance with the articles of association of the Company.

During the year, Independent Non-Executive Directors has, amongst other work done, approved the grant of the options to the Executive Directors of the Company, and reviewed and inquired about the business of the Group, and the Company's announcements, financial reports, circulars and notices.

To ensure independent views and input are available to the Board, the following mechanisms were established:

- The Board is steering the Company with a majority of Independent Non-Executive Directors.
- The Company receives annual confirmations of independence from all existing Independent Non-Executive Directors and considers them independent.
- The Directors are able, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses. The Board shall resolve to provide separate appropriate independent professional advice to the Directors to assist the relevant Directors to discharge their duties.
- The Board and Nomination Committee of the Company adhere to the nomination policy to appoint/re-appoint Directors of the Company.

During the year, the Board reviewed implementation of these mechanisms and determined that they remain effective.

Remuneration Committee

The Company has set up a Remuneration Committee consisting of one Executive Director and two Independent Non-Executive Directors.

The Remuneration Committee is responsible for ensuring that the Company has formal and transparent procedures for developing and overseeing its policies on the remuneration of the Directors and senior management. The Remuneration Committee's authorities and duties are set out in written terms of reference.

One Remuneration Committee meeting was held during the financial year ended October 31, 2023. Attendance of the members is set out below:

Members	Attendance of Meeting
Gregory Robert Scott Crichton *(Chairman)*	1
Lawrence Chia Song Huat	1
James Patrick Cunningham	1

The terms of reference of the Remuneration Committee are aligned with code provision set out in the CG Code. Given below are main duties of the Remuneration Committee:

- to consider the Company's policy and structure of remuneration of the Directors and senior management;
- to make recommendations to the Board on the specific remuneration packages of all Executive Directors and senior management;
- to review and approve the management's performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;

- to review and approve compensation payable to Executive Directors and senior management in connection with any loss or termination of their office or appointment;
- to review and approve compensative arrangements relating to dismissal or removal of Directors for misconduct; and
- to review and/or approve matters relating to share schemes.

The works performed by the Remuneration Committee during the year include the following:

- make recommendations to the Board on the performance-based remuneration packages of Executive Directors and senior management of the Group for the year ended October 31, 2023;
- reviewed and/or approved of the grants of share options to Executive Directors and senior management of the Group; and
- reviewed and adopted of the proposal of directors' fees for the year ended October 31, 2023.

The vesting period of first, second and third tranche of options granted during the year are less than 12 months, the Remuneration Committee considers that the grant of options with a shorter vesting period could align the interests of the grantees with that of the Company and the shareholders of the Company, reward and provide incentive to the grantees to work towards success of the Group, and reinforce their commitment to long-term services of the Group, which is in line with the purpose of the share option scheme.

The grantee is not required to achieve any performance targets before any options granted during the year can be exercised. The Remuneration Committee is of the view that, taking into account (i) the ability of grantees to contribute to the overall operations, development and long-term growth of the Group with reference to their tenure with the Company and industry experience; and (ii) the historical practice of the Company in granting options without performance targets, and the grant of options to the grantees aligns the interests of the grantees with that of the Company and the shareholders of the Company and reinforces the grantees' commitment to the Group, and thus aligns with the purpose of the Company's share option scheme.

Directors' remuneration

We have in place a formal and transparent remuneration policy for Directors. The Company is committed to ensuring that Directors' remuneration packages are competitive, fair, and aligned with the Company's goals and objectives. This policy aims to provide a transparent framework for determining remuneration, taking into consideration various factors, including performance, responsibilities, and market rates. The remuneration of the Board shall be reviewed and approved in accordance with the terms of reference laid out by the Remuneration Committee. No Director is involved in deciding his/her own remuneration.

Details of remuneration of the Directors and the top five highest paid individuals of the Group are set out in Note 11 to the consolidated financial statements.

Audit Committee

The Company has set up an Audit Committee consisting of four Independent Non-Executive Directors.

The Audit Committee is responsible for reviewing half-year and annual financial statements; the risk management and internal control systems.

Three Audit Committee meetings were held during the financial year ended October 31, 2023, of which two meetings were held with the external auditor together with senior management. Attendance of the members is set out below:

Members	Attendance of Meeting
Charlie Yucheng Shi *(Chairman)*	2
Gregory Robert Scott Crichton	2
James Patrick Cunningham	3
Frank Lee Kee Wai	3

The terms of reference of Audit Committee are aligned with the code provision set out in the CG Code. Given below are the main duties of the Audit Committee:

– to consider the appointment of external auditor and any questions of resignation or dismissal;

– to discuss with the external auditor the nature and scope of the audit before the audit commences;

– to review half-year and annual financial statements before submission to the Board;

– to discuss problems and reservations arising from the audit, and any matters the external auditor may wish to discuss;

– to consider and review the Company's system of internal controls; and

– to oversee and review the risk management framework and process through the internal audit department to ensure the appropriateness and effectiveness of the Group's risk management system.

The works performed by the Audit Committee during the year include the following:

– reviewed the external auditor's audit plan for the year ended October 31, 2023;

– considered the audit fee quotation from external auditor for the year ended October 31, 2023;

– reviewed the key audit matters included in the Independent Auditor's Report for the year ended October 31, 2022;

– considered the independence of the external auditor;

– reviewed and discussed the 2022 Annual Report and final results announcement with the Independent Auditor's Report for the Board's approval;

– reviewed and discussed the 2023 Interim Report and interim results announcement for the Board's approval;

– reviewed and discussed on the internal audit's progress reports and works performed by internal audit department with the head of internal audit, their findings and rectification action plan;

– reviewed internal audit plan for 2024; and

– reviewed and received the reports of risk management review for the year.

Nomination Committee

The Company has set up a Nomination Committee consisting of one Executive Director and two Independent Non-Executive Directors.

The Company is committed to equality of opportunity in all aspects of its business and the Nomination Committee has reviewed the board diversity policy on an annual basis to ensure its continued effectiveness.

As set out in the board diversity policy, diversity of board members can be achieved through consideration of a number of factors, including but not limited to skills, regional and industry experience, background, race, gender and other qualities. In forming its perspective on diversity, the Company will also take into account factors based on its own business model and specific needs from time to time. The Company targets to maintain a Board with female representation, and gender diversity is achieved in respect of the Board. It is considered that the current Board composition is well-balanced and appropriate for the business of the Company. Therefore, no timeline or plan was proposed for further enhancing the gender diversity target of the Board for the time being. The Company is conscious of gender diversity when considering potential successors to the Board to achieve gender diversity, all appointments are ultimately made on a merit basis taking into account available and suitable candidates.

One Nomination Committee meeting was held during the financial year ended October 31, 2023. Attendance of the members is set out below:

Members	Attendance of Meeting
Lawrence Chia Song Huat *(Chairman)*	1
James Patrick Cunningham	1
Charlie Yucheng Shi	1

The terms of reference of Nomination Committee are aligned with the code provision set out in the CG Code. Given below are the main duties of the Nomination Committee:

– to review the structure, size and composition (including but not limited to the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

– to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships;

– to receive nominations from shareholders or directors when such are tendered and to make recommendations to the Board on the candidacy of the nominees, having regard to the Board's compositional requirements and suitability of the nominees;

– to assess the independence of Independent Non-Executive Directors and review the Independent Non-Executive Directors' confirmations on their independence; and make disclosure of its review results in the Corporate Governance Report. Where the Board proposes a resolution to elect an individual as an Independent Non-Executive Director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe he/she should be elected and the reasons why they consider him/her to be independent;

– to make recommendations to the Board on the appointment or reappointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive of the Company; and

– to consider other topics and review other documents as may be reasonably requested by the Board from time to time.

A nomination policy of the Company has been adopted by the Board. This policy sets out the process and procedures which govern the nomination of Directors applicable to both new appointments and re-appointments. In evaluating a proposed candidate, including a Director eligible for re-appointment, the Nomination Committee will consider the following factors (which are by no means exhaustive):

– the strategy of the Company;

– the structure, size, composition and needs of the Board and its respective board committees at the time, taking into account succession planning, where appropriate;

– the required skills, which should be complementary to those of the existing Directors;

– the board diversity policy of the Company as adopted/amended by the Board from time to time;

– any information obtained through third party references or background checks;

– any other factors that may be used as reference in assessing the suitability of a proposed candidate, including but not limited to the candidate's reputation for integrity, accomplishments and likely commitment in terms of time and interest;

– the candidate's ability to devote sufficient time to the Board, in particular if a proposed candidate will be holding his/her seventh (or more) listed company directorship; and

– the independence of a candidate proposed to be appointed as an independent non-executive director, in particular by reference to the independence requirements under the Listing Rules.

The Nomination Committee is vested with discretion to take into account such other factors as it may consider appropriate.

The appointment of any proposed candidate to the Board or re-appointment of any existing Director shall be made in accordance with the Company's articles of association, the Listing Rules and other applicable rules and regulations.

The works performed by the Nomination Committee during the year include the following:

– reviewed the structure, size and composition of the Board;

– reviewed the independence of the Independent Non-Executive Directors; and

– made recommendations on the re-election of Directors at the 2024 AGM.

Workforce diversity

As at October 31, 2023, our total workforce comprised of 47% female and 53% male. The current gender diversity of workforce was appropriate taking into account the business models and operational needs. We continually take positive action to ensure equal opportunity in the conduct of employment activities, including recruitment, hiring, compensation, training and promotion for all persons to be based on their competence, knowledge, experience and individual performance, regardless of gender.

Auditor's Remuneration

Total auditor's remuneration for the year is HK$6,142,000 (2022: HK$5,969,000) representing:

	2023 **HK$'000**	2022 HK$'000
Charged by RSM Hong Kong	**2,320**	2,225
Charged by other RSM network firms	**339**	204
Subsidiaries not audited by RSM Hong Kong and other RSM network firms	**2,976**	2,973
The People's Republic of China (the "PRC") subsidiaries with different year end date not audited by RSM Hong Kong and other RSM network firms	**507**	567
	6,142	5,969

There was HK$24,000 (2022: HK$34,000) non-audit service provided by RSM Hong Kong or other RSM network firms for the year ended October 31, 2023.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of the financial statements of the Group for the relevant accounting periods under applicable statutory and regulatory requirements which give a true and fair view of the state of affairs, the results of operations and cash flows of the Group. In preparing the financial statements for the six months ended April 30, 2023 and for the year ended October 31, 2023, suitable accounting policies have been adopted and applied consistently. The financial statements for the reporting year have been prepared on a going concern basis.

Risk Management and Internal Controls

To achieve a sound system of risk management, the Group's risk management system is embedded into the culture, process and structures of the Group. The Group's risk management system shall be responsive to the changes in business environment and clearly communicated to all levels.

The Board has overall responsibility for the effectiveness of the risk management and internal control system and oversees the risk management and internal control systems. With the assistance of the Audit Committee, the Group risk management committee (the "GRMC") and the internal audit department, the Board oversees the Company's risk management and internal control system on an on-going basis, sets appropriate policies and reviews the effectiveness of the systems at least annually, covering all material financial, operational and compliance controls. The Board reviews risk assessment results, including changes in the nature and extent of significant risks since the last review and the Group's ability to respond to changes in its business and the external environment.

Risk management structure and process

Risk management structure

The Group's risk governance structure is based on the "3 lines of defense" model. The first line of defense is the internal control system in operation management. The second line of defense is the risk management, which comprises risk management and compliance performed by GRMC and reports to the Board. The third line of defense is the internal audit function performed by internal audit department and reports to the Audit Committee and the Board.

The Audit Committee, delegated by the Board, considers and reviews the Group's system of internal controls; and oversees and reviews the risk management framework and process through the internal audit department to ensure the appropriateness and effectiveness of the Group's risk management system.

The GRMC has been established to design, implement and monitor the risk management policy and procedures of the Group. Members of the GRMC are senior management members of the Group. Major and significant risks relating to operations, finance, compliance and ESG are identified and categorised into the risk register, and the risks are continuously monitored and assessed. High risk items on the risk register are reported to the Board regularly. Effective control activities are developed to mitigate the risks. The Group's risk management system is closely linked to its internal control system. Internal audit department will evaluate function of the GRMC, review and assess the efficiency and effectiveness on internal control and risk management systems, and reports any significant risk items or findings identified to GRMC and Audit Committee.

The Group's internal audit department is responsible for providing independent assurance that the Group's risk management and internal control processes are operating effectively. The head of the internal audit department reports to the Audit Committee on a regular basis. The Audit Committee reviews the annual internal audit plan which covers the Group's significant areas of operations. The audit plan is reviewed on an annual basis. The scope of works of the Group's internal audit department covers all material controls including financial, operational, compliance and ESG-related controls as well as risk management policies and procedures. The internal audit department reviews the material controls of the Group on a continuous basis and aims to cover all major operations of the Group on a cyclical basis. Internal audit findings and recommendations are presented at the Audit Committee meetings. The implementation of the agreed recommendations is to be followed up on a regular basis.

Overall, the risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Nevertheless, the Group has always act prudently to ensure that risks, which can prevent the Group from achieving its objectives, are adequately assessed and effectively managed.

The key risks identified, managed and monitored during the year included risks in change in customer preference and technology and fluctuation in exchange rate. ESG risks including crisis management, personal injury at work or damage of client's property by accident and compliance of laws and regulations are under ongoing monitoring and managed by the Group's risk management framework. International tax compliance is currently considered an emerging risk to the Group and actions have been taken to cope with the potential threat it poses to our business operations.

Annual Review of System Effectiveness

The Board has conducted annual review of the adequacy and effectiveness of the Group's risk management and internal control systems for the year ended October 31, 2023 through the Audit Committee, the GRMC and the internal audit department, covering all material financial, operational and compliance controls. The Group's senior management members through GRMC reports on the effectiveness of the risk management and internal control systems. No significant areas of concern have been identified and the Board considered the systems effective and adequate.

The Board also reviews annually the adequacy of resources, qualifications and experience of staff of the Group's accounting, internal audit, financial reporting functions, as well as those relating to the Group's ESG performance and reporting, and their training programmes and budget.

The Group complies with the requirements of the Securities and Futures Ordinance ("SFO") and the Listing Rules. The Group regulates the insider dealing according to the policy in the code of conduct of the Group. This policy prohibits the buying or selling a stock or other security based upon price-sensitive information that the rest of the financial public does not have. The Group will disclose inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbour provisions and satisfies the conditions under the SFO. Before the information is fully disclosed to the public, the Group will ensure that the information is kept strictly confidential.

A whistleblowing policy was formulated to enable employees and third parties to raise concerns in confidence with the Audit Committee about any misconducts, malpractice or impropriety relating to the Group.

An anti-corruption policy was adopted which outlines the anti-corruption laws and regulations, and the anti-corruption practices and controls on any bribes, kickback, or illicit payment or benefit of money or in any kind.

Shareholders Rights

Pursuant to article 72 of the Company's articles of association, an extraordinary general meeting shall be convened on the written requisition of any two members of the Company deposited at the registered office specifying the objects of the meeting and signed by the shareholders, provided that such shareholders held at the date of deposit of the requisition not less than one tenth of the paid up capital of the Company as at the date of deposit which carries the right of voting at general meetings of the Company. If the Directors do not within twenty one days from the date of deposit of the requisition proceed duly to convene the meeting, the shareholders themselves may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors, and all reasonable expenses incurred by the shareholders as a result of the failure of the Directors shall be reimbursed to them by the Company.

There are no provision allowing shareholders to move new resolutions at general meetings under the Cayman Islands Companies Act (2023 Revision) or the articles of association of the Company. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

As regards, proposing a person for election as a director, please refer to the procedures available on the website of the Company.

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Company's principal place of business in Hong Kong at Pico House, 4 Dai Fu Street, Tai Po Industrial Estate, New Territories, Hong Kong.

Investor Relations and Communication with Shareholders

The Company follows a policy of disclosing relevant information to shareholders in a timely manner. Members of the Board meet and communicate with shareholders at the AGM of the Company. The Chairman proposes separate resolutions for each issue to be considered and put each proposed resolution to the vote by way of a poll. Voting results are posted on the website of the Stock Exchange and the Company's website on the day of AGM.

Our corporate website which contains corporate information, corporate governance practice, interim and annual reports, ESG reports, announcements and circulars issued by the Company enables the Company's shareholders to have timely and updated information of the Company.

The Company has adopted the shareholders communication policy with the objective of ensuring that shareholders of the Company, both individual and institutional, and, in appropriate circumstances, the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable shareholders to exercise their rights in an informed manner, and to allow shareholders and the investment community to engage actively with the Company. The Board will regularly review the policy to ensure its effectiveness.

Information shall be communicated to shareholders and the investment community mainly through the Company's financial reports, AGMs and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications and other corporate publications on the Company website.

The Board reviewed the Group's shareholders and investor engagement and communication activities conducted during the year and was satisfied with the implementation and effectiveness of the shareholders communication policy.

Constitutional Documents

At the AGM of the Company held on March 24, 2023, a special resolution was passed by the shareholders of the Company approving certain amendments to the Company's memorandum and articles of association ("M&A") to (i) comply with the new Listing Rules requirements regarding the adoption of core shareholder protection standards for shareholders' information and protection; (ii) update the reference to the relevant Cayman Islands legislation to align with the legislative amendments under Cayman Islands law; and (iii) make certain minor housekeeping amendments to the M&A for the purpose of clarifying existing practices and making consequential amendments in line with the proposed amendments to the M&A. Details of the amendments were set out in the Company's announcement dated February 14, 2023 and circular dated February 17, 2023. The amended M&A is available on the websites of the Stock Exchange and the Company.

Dividend Policy

The Board has adopted a dividend policy. This policy sets out the guidelines for the Board to determine (i) whether dividends are to be declared and paid, and (ii) the level and form of dividend to be paid to the shareholders of the Company. It is the policy of the Company to allow its shareholders to participate in the Company's profits whilst to retain adequate reserves for future growth. Normally, the Company pays dividends twice a year, which are the interim dividend and final dividend. The Board may declare special dividends in addition to such dividends as it considers appropriate.

In determining/recommending the frequency, amount and form of any dividend in any financial year/period, the Board shall consider the following factors:

- the actual and expected financial performance of the Group;
- Company's reserves available for distribution to shareholders;
- the current and future liquidity position and working capital requirements of the Group;
- expected cash flows for business operations, business strategies and future development needs;
- future expansion plans and cash commitments;
- economic conditions and other internal or external factors that may have an impact on the business, financial performance and/or position of the Group; and
- other factors that the Board deems relevant.

Dividends may be paid in cash or be satisfied wholly or in part by the distribution of specific assets of any kind, including an allotment of shares of the Company. The Board may from time to time determine and pay to the Company's shareholders such interim dividends as it considers appropriate. The Board may recommend the payment of final dividends which are required to be approved by shareholders of the Company in general meetings.

Directors' Report

The Directors present their annual report and the audited consolidated financial statements for the year ended October 31, 2023.

Principal Activities

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in Note 47 to the consolidated financial statements.

An analysis of the Group's performance for the year by operating segment is set out in Note 8 to the consolidated financial statements.

Business Review

A fair review of the Group's business, including the principal risk and uncertainties facing the Group, the important events affecting the Group that have occurred for the financial year ended October 31, 2023, and the likely future development in the Group's business can be found in the section headed "Chairman's Statement". Details about the Group's financial risk management are set out in Note 6 to the consolidated financial statements. These discussions form part of this Directors' Report. The ESG Report of the Company, which is available on the websites of the Stock Exchange and the Company, shall also form part of the business review.

Five Year Financial Summary

A five year financial summary of the results and of the assets and liabilities of the Group is set on pages 24 to 25.

Results and Appropriations

The results of the Group for the year ended October 31, 2023 are set out in the consolidated income statement and consolidated statement of comprehensive income on pages 61 to 62.

The Directors recommend payment of a final dividend of HK7.0 cents (2022: HK6.0 cents) per ordinary share. Together with an interim dividend of HK2.0 cents (2022: nil) per ordinary share, the total dividend for the year amounts to HK9.0 cents (2022: HK6.0 cents) per ordinary share. The proposed final dividend, if approved at the AGM on Monday, March 18, 2024, will be dispatched on Wednesday, April 10, 2024 to shareholders who appear on the register of members of the Company on Wednesday, March 27, 2024.

Reserves

Movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on pages 65 to 66 and Note 36 to the consolidated financial statements respectively.

The Directors consider that the Company's reserves available for distribution to shareholders comprise the share premium, the special reserve and the retained earnings which amounted to HK$758,289,000 (2022: HK$694,176,000). Under the Companies Act (2023 Revision) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its M&A and provided that immediately following the distribution of dividend the Company is able to pay its debts as they fall due in the ordinary course of business.

Major Customers and Suppliers

The aggregate revenue and purchases attributable to the Group's five largest customers and suppliers respectively were less than 30% of the Group's total revenue and purchases for the year.

None of the Directors, or any of their associates or any substantial shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

Equity Linked Agreements

Save as disclosed in the section "Share Options" on pages 43 to 51 contained in this Directors' Report and set out in Note 35 to the consolidated financial statements, no equity linked agreements were entered into during the year or subsisted at the end of the year.

Shares Issued During the Year

Details of shares issued during the year ended October 31, 2023 are set out in Note 34 to the consolidated financial statements.

Principal Investment Properties

Details of principal investment properties held for investment purposes are set out in Note 16 to the consolidated financial statements and in the section "Summary of Principal Investment Properties" on pages 178 to 179.

Donation

Donation made by the Group during the year amounted to HK$159,000.

Directors and Directors' Service Contracts

The Directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. Lawrence Chia Song Huat, *Chairman*
Ms. Jean Chia Yuan Jiun
Mr. Mok Pui Keung

Independent Non-Executive Directors

Mr. Gregory Robert Scott Crichton
Mr. James Patrick Cunningham
Mr. Kenneth Kent Ho (appointed on November 20, 2023)
Mr. Frank Lee Kee Wai
Mr. Charlie Yucheng Shi

In accordance with article 116 of the Company's articles of association, Messrs. Lawrence Chia Song Huat and Frank Lee Kee Wai retire and being eligible, offer themselves for re-election.

In accordance with article 99 of the Company's articles of association, Mr. Kenneth Kent Ho was appointed by the Board as an Independent Non-Executive Director with effect from November 20, 2023 to hold his office until the forthcoming AGM where he will retire and, being eligible, offers himself for re-election.

All of the remaining Directors, including the Independent Non-Executive Directors, are subject to retirement by rotation and re-election at the AGM in accordance with the aforementioned article 116.

None of the Directors proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Biographical Details of Directors and Senior Management

Biographical details of Directors and senior management are set out in the section "Profile of Directors and Senior Management".

Directors' Material Interests in Transactions, Arrangement and Contracts

No transactions, arrangement and contracts of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its parent company was a party and in which a Director of the Company and the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' Interests in Shares

At October 31, 2023, the interests of the Directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules were as follows:

Directors		Number of shares/underlying shares held			Approximate percentage of shareholding of the Company
		Personal interests	Other interests	Total interests	
Mr. Lawrence Chia Song Huat	*(Note a)*	20,132,000	–	20,132,000	1.62%
Ms. Jean Chia Yuan Jiun	*(Note b)*	2,832,000	–	2,832,000	0.23%
Mr. Mok Pui Keung	*(Note c)*	2,004,000	–	2,004,000	0.16%
Mr. Gregory Robert Scott Crichton		–	–	–	–
Mr. James Patrick Cunningham		–	–	–	–
Mr. Frank Lee Kee Wai		–	–	–	–
Mr. Charlie Yucheng Shi		–	–	–	–

Notes:

(a) The personal interest of Mr. Lawrence Chia Song Huat represents the interest in 12,926,000 shares and interest in 7,206,000 underlying shares in respect of the share options granted by the Company, the details of which are stated in the following section "Share Options".

(b) The personal interest of Ms. Jean Chia Yuan Jiun represents the interest in 2,832,000 underlying shares in respect of the share options granted by the Company, the details of which are stated in the following section "Share Options".

(c) The personal interest of Mr. Mok Pui Keung represents the interest in 662,000 shares and interest in 1,342,000 underlying shares in respect of the share options granted by the Company, the details of which are stated in the following section "Share Options".

All the interests disclosed above represent long position in the shares of the Company.

Save as disclosed herein and other than certain shares in subsidiaries held as nominees by certain Directors of the Group, none of the Directors and their associates has any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of the SFO) as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Share Options

The share option scheme approved by the shareholders of the Company on March 22, 2012 (the "2012 Scheme") has expired on March 22, 2022. Thereafter, no further options will be granted under the 2012 Scheme but the subsisting options granted thereunder prior to the expiry date will continue to be valid and exercisable in accordance with the terms of the 2012 Scheme.

At the AGM of the Company held on March 25, 2022, the shareholders of the Company approved the adoption of a new share option scheme (the "2022 Scheme") under which the Directors of the Company may grant options to eligible persons ("Eligible Person(s)") to subscribe for the Company's shares subject to the terms and conditions as stipulated therein. Unless otherwise cancelled or amended, the 2022 Scheme will remain valid for a period of 10 years from the date of its adoption.

The number of options available for grant under share option schemes of the Company at the beginning and the end of the financial year is 123,825,810.

1. The 2012 Scheme

The 2012 Scheme was adopted on March 22, 2012, details are as follows:

(i) Purpose

It enables the Company to grant options to Eligible Person as an incentive scheme for their contribution to the Group.

(ii) Eligible Person

(a) Any executive, i.e. any person who is, or who at any time after March 22, 2012 becomes, a full-time or part-time employee or an executive director of any Group company and has on the day preceding the offer date been such an employee or executive director for at least six months and any other employee or executive director of any Group company nominated by the Directors to be an executive.

(b) Any non-executive as approved by the Board.

(iii) The total number of shares available for issue under the 2012 Scheme and the percentage of the issued share capital that it represents as at the date of the annual report

(a) The total number of shares which may be issued upon exercise of all options to be granted under the 2012 Scheme and any other schemes must not in aggregate exceed 121,342,410 shares, representing approximately 9.79% of the issued share capital as at October 31, 2023.

(b) The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2012 Scheme and any other schemes of the Company must not exceed 30% of the shares in issue from time to time.

(iv) Maximum entitlement of each Eligible Person

The maximum number of shares issued and to be issued upon the exercise of options granted to each Eligible Person (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the issued share capital of the Company. Any further grant of share options in excess of this limit is subject to shareholders' approval in general meeting of the Company.

(v) Timing for exercise of options

(a) An option may be exercised in accordance with the terms of the 2012 Scheme at any time during a period to be notified by the Directors to each option holder but may not be exercised after the expiry of five years from the offer date. The Directors may provide restrictions on the exercise of an option during the period and option may be exercised as a result.

(b) There is no general requirement on the performance targets that must be achieved before an option can be exercised under the terms of the 2012 Scheme. However, at the time of offer of an option, the Directors may, on a case by case basis, make such offer subject to such conditions in relation to performance targets to be achieved as the Directors may determine in their absolute discretion.

(vi) The vesting period of options granted under the scheme

An option may be exercised at any time in whole or in part during the option period.

(vii) Basis for determination of exercise price

The subscription price per share in relation to an option shall be a price to be determined by the Directors and shall be no less than the highest of:

(a) the closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange on the date on which the option is offered to an Eligible Person, which must be a business day;

(b) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the offer date; or

(c) the nominal value of the shares on the offer date.

(viii) Life of the 2012 Scheme

The 2012 Scheme was in force for a period of 10 years commencing on March 22, 2012, which was the date of adoption of the 2012 Scheme and has expired on March 22, 2022.

(ix) Amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid

There was no consideration payable on application or acceptance of the share option and, thus, no specific period within which payments or calls which must or may be made or loans for such purposes must be repaid.

2. The 2022 Scheme

The 2022 Scheme was adopted on March 25, 2022, details are as follows:

(i) Purpose

It enables the Company to grant options to Eligible Person as an incentive scheme for their contribution to the Group.

(ii) Eligible Person

(a) Any employee (whether full time or part time employee, including any executive director) of the Company, any of its subsidiaries and any entity in which the Group holds any equity interest.

(b) Any non-executive director (including any independent non-executive director) of the Company, any of its subsidiaries or any entity in which the Group holds any equity interest.

(iii) The total number of shares available for issue under the 2022 Scheme and the percentage of the issued share capital that it represents as at the date of the annual report

(a) The total number of shares which may be issued upon exercise of all options to be granted under the 2022 Scheme and any other schemes must not in aggregate exceed 123,825,810 shares, representing approximately 9.99% of the issued share capital as at October 31, 2023.

(b) The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2022 Scheme and any other schemes of the Company must not exceed 30% of the shares in issue from time to time.

(iv) Maximum entitlement of each Eligible Person

The maximum number of shares issued and to be issued upon the exercise of options granted to each Eligible Person (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the issued share capital of the Company. Any further grant of share options in excess of this limit is subject to shareholders' approval in general meeting of the Company.

(v) Timing for exercise of options

(a) An option may be exercised in accordance with the terms of the 2022 Scheme at any time during a period such option is exercisable as the Board may in its absolute discretion determine, save that such period shall not be more than five years, subject to such conditions as the Board may think fit.

(b) There is no general requirement on the performance targets that must be achieved before an option can be exercised under the terms of the 2022 Scheme except otherwise imposed by the Board and stated in the offer of the grant of the option(s). The basis of eligibility of any of the class of participants to the grant of any option(s) shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group and any entity in which the Group holds any equity interest.

(vi) The vesting period of options granted under the scheme

An option may be exercised at any time in whole or in part during the option period. The Board may at its discretion determine the minimum period for which the option has to be held before the exercise of the option.

(vii) Basis for determination of exercise price

The subscription price per share in relation to an option shall be a price to be determined by the Directors and shall be no less than the highest of:

(a) the closing price of the shares as stated in the daily quotation sheet issued by the Stock Exchange on the date on which the option is offered to an Eligible Person, which must be a business day;

(b) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the offer date; or

(c) the nominal value of the shares on the offer date.

(viii) Life of the 2022 Scheme

The 2022 Scheme will remain in force for a period of 10 years commencing on March 25, 2022, which was the date of adoption of the 2022 Scheme.

(ix) Amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid

There was no consideration payable on application or acceptance of the share option and, thus, no specific period within which payments or calls which must or may be made or loans for such purposes must be repaid.

6,608,000 options were granted under the 2022 Scheme of the Company during the year ended October 31, 2023. The number of shares that may be issued in respect of options granted under the 2012 Scheme and 2022 Scheme of the Company during the financial year representing 0.53% of the weighted average number of shares in issue for the year.

3. Outstanding options

Details of outstanding options over new shares of the Company at the beginning and at the end of the reporting period which have been granted under the 2012 Scheme and 2022 Scheme are as follows:

2012 Scheme

	Outstanding at November 1, 2022	Number of share options granted	Number of share options exercised	Number of share options lapsed	Number of share options cancelled	Outstanding at October 31, 2023	Price of share prior to the exercise date of share option *(Note h)*
Category 1: Directors							
Mr. Lawrence Chia Song Huat *(Note d)*	2,500,000	–	–	–	–	2,500,000	–
Ms. Jean Chia Yuan Jiun *(Note d)*	1,000,000	–	–	–	–	1,000,000	–
Mr. Mok Pui Keung							
(Note a)	30,000	–	–	(30,000)	–	–	–
(Note b)	78,000	–	–	–	–	78,000	–
(Note c)	210,000	–	–	–	–	210,000	–
(Note d)	500,000	–	–	–	–	500,000	–
Total Directors	4,318,000	–	–	(30,000)	–	4,288,000	
Category 2: Employees							
(Note a)	340,000	–	–	(340,000)	–	–	–
(Note b)	540,000	–	–	–	–	540,000	–
(Note c)	1,430,000	–	(514,000)	–	–	916,000	1.301
(Note d)	700,000	–	–	–	–	700,000	–
Total employees	3,010,000	–	(514,000)	(340,000)	–	2,156,000	
Total all categories	7,328,000	–	(514,000)	(370,000)	–	6,444,000	

2022 Scheme

	Outstanding at November 1, 2022	Number of share options granted	Number of share options exercised	Number of share options lapsed	Number of share options cancelled	Outstanding at October 31, 2023	Price of share prior to the exercise date of share option *(Note h)*
Category 1: Directors							
Mr. Lawrence Chia Song Huat							
(Note e)	2,454,000	–	–	–	–	2,454,000	–
(Note g)	–	2,252,000	–	–	–	2,252,000	–
Ms. Jean Chia Yuan Jiun							
(Note e)	706,000	–	–	–	–	706,000	–
(Note g)	–	1,126,000	–	–	–	1,126,000	–
Mr. Mok Pui Keung							
(Note e)	180,000	–	–	–	–	180,000	–
(Note g)	–	374,000	–	–	–	374,000	–
Total Directors	3,340,000	3,752,000	–	–	–	7,092,000	
Category 2: Employees							
(Note e)	990,000	–	(92,000)	–	–	898,000	1.334
(Note f)	1,090,000	–	(260,000)	–	–	830,000	1.444
(Note g)	–	2,856,000	(6,000)	–	–	2,850,000	1.360
Total employees	2,080,000	2,856,000	(358,000)	–	–	4,578,000	
Total all categories	5,420,000	6,608,000	(358,000)	–	–	11,670,000	

Notes:

(a) The exercise price is HK$3.350. The option period during which the options may be exercised is the period from May 23, 2018 to May 21, 2023. The date of grant was May 21, 2018. The vesting period commences on May 21, 2018 and up to May 23, 2018, November 1, 2018, May 2, 2019 and November 1, 2019.

(b) The exercise price is HK$2.606. The option period during which the options may be exercised is the period from May 17, 2019 to May 16, 2024. The date of grant was May 16, 2019. The vesting period commences on May 16, 2019 and up to May 17, 2019, November 1, 2019, May 4, 2020 and November 2, 2020.

(c) The exercise price is HK$0.960. The option period during which the options may be exercised is the period from September 8, 2020 to September 7, 2025. The date of grant was September 7, 2020. The vesting period commences on September 7, 2020 and up to September 8, 2020, November 2, 2020, May 3, 2021 and November 1, 2021.

(d) The exercise price is HK$1.280. The option period during which the options may be exercised is the period from February 26, 2021 to February 25, 2026. The date of grant was February 25, 2021. The vesting period commences on February 25, 2021 and up to February 26, 2021, November 1, 2021, May 3, 2022 and November 1, 2022.

(e) The exercise price is HK$1.120. The option period during which the options may be exercised is the period from May 24, 2022 to May 23, 2027. The date of grant was May 23, 2022. The vesting period commences on May 23, 2022 and up to May 24, 2022, November 1, 2022, May 2, 2023 and November 1, 2023.

(f) The exercise price is HK$1.154. The option period during which the options may be exercised is the period from September 24, 2022 to September 23, 2027. The date of grant was September 23, 2022. The vesting period commences on September 23, 2022 and up to September 24, 2022, November 1, 2022, May 2, 2023 and November 1, 2023.

(g) The exercise price is HK$1.300. The option period during which the options may be exercised is the period from May 29, 2023 to May 25, 2028. The date of grant was May 25, 2023 and the closing price of share immediately before the date of grant was HK$1.300. There is no performance target that has to be achieved before the exercise of the options granted. The vesting period commences on May 25, 2023 and up to May 29, 2023, November 1, 2023, May 2, 2024 and November 1, 2024.

(h) The stated prices refers to the weighted average closing price of the shares immediately before the dates on which the options were exercised.

4. Valuation of share options

(i) During the year, share options were granted on May 25, 2023. Set out below are the fair values of the share options as at the date of grant:

	Number of share options granted during the year under the 2022 Scheme	Fair value of the share options as at the date of grant HK$
Category 1: Directors		
Mr. Lawrence Chia Song Huat	2,252,000	663,000
Ms. Jean Chia Yuan Jiun	1,126,000	331,000
Mr. Mok Pui Keung	374,000	110,000
Total Directors	3,752,000	1,104,000
Category 2: Employees		
Total employees	2,856,000	839,000
Total all categories	6,608,000	1,943,000

(ii) The following significant assumptions were used to derive the fair value using the Binomial options pricing model:

Date of grant	Exercise price HK$	Based on expected life of share options Year(s)	Expected volatility %	Weighted average share price HK$	Risk-free rate %	Annual dividend yield %
2012 Scheme						
May 21, 2018	3.350	5.00	27.00	3.350	2.430	4.96
May 16, 2019	2.606	5.00	26.00	2.606	1.700	4.90
September 7, 2020	0.960	5.00	28.00	0.960	0.320	4.99
February 25, 2021	1.280	5.00	28.00	1.280	0.610	4.90
2022 Scheme						
May 23, 2022	1.120	5.00	28.00	1.116	2.620	4.57
September 23, 2022	1.154	5.00	28.00	1.154	3.640	4.57
May 25, 2023	1.300	5.00	30.00	1.294	3.370	2.90

(iii) Expected volatility was determined by using the historical volatility of the Company's share price over the previous five years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. Share price was based on the closing stock price of the Company's shares quoted on the valuation date. The applicable risk-free rate was referenced to the yields of Hong Kong Monetary Authority ("HKMA") exchange fund notes and government bonds fixings quoted around the valuation date of the share options granted during the year. The expected dividend yield was referenced to the indicated dividend yield of the Company from Bloomberg. The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the model used. The value of an option varies with different variables of certain subjective assumptions. Any change in variables so adopted may materially affect the estimation of the fair value of an option.

(iv) The Company recognised the total expenses of HK$1,723,000 for year ended October 31, 2023 (2022: HK$1,028,000) in relation to share options granted by the Company.

Arrangements to Purchase Shares or Debentures

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

Apart from the share option schemes of the Company as disclosed on pages 43 to 51, at no time during the year was the Company, its subsidiary or its fellow subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Interests in Contracts of Significance

No contract of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Emolument Policy

The emolument policy for the employees of the Group is set up on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme is set out in Note 35 to the consolidated financial statements.

Connected Transactions

During the year October 31, 2023, there were no connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules.

The related party transactions shown in Note 46 to the consolidated financial statements do not constitute connected transactions or continuing connected transactions under the Listing Rules.

Notifiable Transactions

No material business acquisition has been made that guarantees the profits or assets regarding the financial performance of the business during the year.

Substantial Shareholders

At October 31, 2023, the register of substantial shareholders maintained by the Company pursuant to Section 336 of SFO shows that other than the interest disclosed above in respect of certain Directors, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Name of shareholders	Capacity	Number of shares/underlying shares held	Percentage of issued share capital
Pine Asset Management Limited	Beneficial owner	462,167,186 (L)	37.30%
FMR LLC	Interest of controlled corporation	123,789,010 (L)	9.99%
Brandes Investment Partners, L.P.	Investment manager	99,023,157 (L)	7.99%
The Northern Trust Company (ALA) *(Note b)*	Approved lending agent	85,386,000 (P)	6.89%
Northern Trust Corporation *(Note b)*	Person that controls an approved lending agent	85,386,000 (P)	6.89%
FIL Limited *(Note a)*	Interest of controlled corporation	85,963,000 (L)	6.94%
Pandanus Associates Inc. *(Note a)*	Interest of controlled corporation	85,963,000 (L)	6.94%
Pandanus Partners L.P. *(Note a)*	Interest of controlled corporation	85,963,000 (L)	6.94%

(L) Indicates a long position
(S) Indicates a short position
(P) Indicates a lending pool

Notes:

(a) Pandanus Associates Inc. being the general partner and controls 100% of Pandanus Partners L.P., which in turn controls as to 38.71% shareholding interest in FIL Limited. FIL Limited was interested in these 85,963,000 shares of the Company through a series of subsidiaries.

(b) Northern Trust Corporation controls 100% of The Northern Trust Company (ALA) which held 85,386,000 shares of the Company (lending pool).

Save as disclosed herein, the Company has not been notified of any of other person (other than a director of the Company) who has an interest or a short position in the shares and underlying shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at October 31, 2023.

Compliance With Laws and Regulations

As far as the directors and management are aware, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operations of the Group. During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

Environmental Policies

Pico Group is committed to promoting awareness and decisions that contribute to achieving environmentally sustainable development. We will comply fully with all applicable environmental laws and regulations. We will use fuel, water and other natural resources efficiently and conservatively. We recognise this to be a continuous process of improvement and we seek to actively look for environmental friendly options and carry out environmental friendly practices whenever appropriate and possible.

Key Relationships with the Community, Employees, Customers and Suppliers and Others

Employees are remunerated equitably and competitively. Continuing training and development opportunities are provided to equip them to deliver their best performance and achieve corporate goals. During the reporting period, our staff continuously pursue training and career development through our talent acceleration programme on top of mandatory training on anti-corruption, safety and health awareness. They also work within motivating remuneration and reward schemes and are provided with a smoke-free, healthy and safe working environment.

Pico and its employees engage with local communities where we operate such as participation in charitable programmes. This serves as the foundation to character development of Pico's employees.

Customers' feedback and advice could be taken into account via customer communication channel.

Pico uses suppliers that reflect its values and commitment. Pico has policies and procedures to select suppliers and contractors who share our social, environmental and labour practice standards. Appropriate steps to be taken to ensure that our partners and suppliers do not employ child labour or abuse human rights.

Competing Business

None of the Directors had any interest in any competing business with the Company or any of its subsidiaries during the year under review.

Permitted Indemnity Provisions

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the financial year.

The Company has taken out and maintained directors' liability insurance throughout the year, which provides appropriate cover for the Directors of the Group.

During the year ended October 31, 2023, no claims were made against the Directors.

Purchase, Sale or Redemption of Listed Securities

During the year ended October 31, 2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association or the laws in the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of its Directors, the Directors confirm that the Company has maintained at the latest practicable date prior to the issue of the annual report the amount of public float as required under the Listing Rules.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiaries were entered into or existed during the year.

Independent Non-Executive Directors

Confirmation of independence pursuant to the independence guidelines under the Listing Rules has been received from each of the Independent Non-Executive Directors of the Company and the Company considers all existing Independent Non-Executive Directors as independent.

Auditor

The consolidated financial statements have been audited by RSM Hong Kong who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Lawrence Chia Song Huat
CHAIRMAN

Hong Kong, January 23, 2024

Independent Auditor's Report

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Independent Auditor's Report to the Shareholders of Pico Far East Holdings Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Pico Far East Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 61 to 177, which comprise the consolidated statement of financial position as at October 31, 2023, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at October 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we identified are:

1. Impairment of trade debtors and contract assets

2. Revenue from construction contracts and contract assets/contract liabilities

3. Goodwill and other intangible assets impairment assessment

Key Audit Matter	How our audit address the Key Audit Matter
1. Impairment of trade debtors and contract assets	
Refer to notes 5, 6, 24 and 27 to the consolidated financial statements	Our procedures included:
The Group has trade debtors and contract assets with aggregate values of HK$861,070,000 and HK$1,146,727,000 before the loss allowance for trade debtors of HK$88,018,000 and contract assets of HK$16,202,000 respectively as at October 31, 2023. The Group generally allows a credit period ranged from 30 to 90 days to its customers.	– Understanding and evaluating the design and implementation of the relevant controls on impairment of trade debtors and contract assets and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud;
During the year, impairment loss on trade debtors and contract assets based on management's estimate of the lifetime expected credit losses of HK$33,806,000 and HK$8,737,000 respectively was charged to profit or loss.	– Perform retrospective review to evaluate the outcome of prior period assessment of impairment of trade debtors and contract assets to assess the effectiveness of management's estimation process;
The loss allowance is estimated by taking into account the credit loss experience, aging of trade debtors, customers' repayment history and financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgement.	– Assessing whether trade debtors and contract assets had been appropriately grouped by management based on their shared credit risk characteristics;
Management concluded that there is adequate loss allowance in respect of the trade debtors and contract assets. This conclusion required significant management judgement in assessing the recoverability of trade debtors and contract assets and estimating the amount of expected credit losses.	– Testing the accuracy and completeness of the data used by management to develop the historical loss rates and assessing the sufficiency, reliability and relevance of that data;
	– Testing the loss rate calculation and evaluating the reasonableness of the forward-looking adjustments made to reflect current and forecast future economic conditions;
	– Testing the accuracy of the ageing of trade debtors on a sample basis to supporting documents; and
	– Testing the calculation of expected credit loss provisions applying the provision rates to the age categories of the trade debtors and contract assets outstanding at the reporting date.

Key Audit Matter	How our audit address the Key Audit Matter
2. Revenue from construction contracts and contract assets/contract liabilities Refer to notes 5, 8 and 24 to the consolidated financial statements The Group provided construction service for museum and themed entertainment, visual branding activation and exhibition, event and brand activation. The Group recognised revenue from construction contracts of HK$186,285,000 for the year ended October 31, 2023. As at October 31, 2023, the Group recorded contract assets and contract liabilities for construction contracts of HK$741,967,000 and HK$183,210,000 respectively. Revenue from the construction contracts is recognised progressively over time. The Group measures progress towards satisfaction of its performance obligation using an input method based on the proportion of the actual costs incurred relative to the estimated total contract costs. In the early stages of a contract, the Group is generally not able to measure the outcome of its performance obligation but expects to recover the contract costs incurred. Revenue is recognised to the extent of those costs until such time that the Group can reliably measure the outcome of the performance obligation. The determination of contract revenues requires significant management judgement and estimation.	Our procedures included: – Evaluating the estimation of revenue and profit recognised on construction contracts, on a sample basis, by: • agreeing the contract sum to signed contracts; • understanding from management and project managers about how the percentage of completion was determined; • agreeing total budgeted costs to approved budgets; • obtaining an understanding from management and project managers how the approved budgets were determined; • challenging the reasonableness of key management judgements in preparing the budgets; and • challenging management's assessment of the Group's ability to deliver contracts within budgeted timescales and any penalty for late delivery of contract works by comparing the progress of the contracts against the terms stipulated in the contracts. – Assessing the reliability of the approved budgets by comparing the actual outcome against management's estimation of completed contracts on a sample basis; and – Checking the calculation of the contract assets/contract liabilities.

Key Audit Matter	How our audit address the Key Audit Matter
3. Goodwill and other intangible assets impairment assessment	
Refer to notes 5 and 19 to the consolidated financial statements As at October 31, 2023 the Group has goodwill of HK$290,327,000 and other intangible assets of HK$116,598,000 including "Trade name", "Marketing related intangible assets", "Customer relationship" and "Non-competition agreements" mainly arising from the acquisitions of subsidiaries since 2016. For the purpose of impairment testing, the goodwill and other intangible assets are allocated to the exhibition, event and brand activation, meeting architecture activation and museum and themed entertainment cash-generating units ("CGUs") and tested for impairment at least annually. The recoverable amounts of the CGUs were based on the calculation of value in use which requires management to make assumptions about the future including budgeted sales, gross profit ratio and growth rates and to determine an appropriate market discount rate. These estimates require significant management judgement. During the year there was no material impairment on goodwill and other intangible assets.	Our procedures included: – Assessing the integrity of the valuation models; – Assessing the reasonableness of management's key assumptions based on the current operating environment and our knowledge of the business and industry; – Reconciling input data to supporting evidence, including approved budgets and considering the accuracy of previous management budgets; – Assessing the appropriateness of the discount rates used with the assistance of the external independent valuation specialists; and – Considering the potential impact of reasonable possible downside changes in the key assumptions.

Other Information

The directors are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Audit Committee for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Leung Wan Yi Winnie.

RSM Hong Kong
Certified Public Accountants

Hong Kong, January 23, 2024

Consolidated Income Statement

For the year ended October 31, 2023

	Note	2023 HK$'000	2022 HK$'000
Revenue	8	**5,327,931**	4,541,018
Cost of sales		**(3,737,337)**	(3,181,949)
Gross profit		**1,590,594**	1,359,069
Other income	9	**118,514**	131,990
Distribution costs		**(662,559)**	(598,601)
Administrative expenses		**(632,297)**	(590,737)
Impairment losses for trade and other debtors, and contract assets		**(35,069)**	(43,800)
Other operating expenses		**(19,232)**	(49,027)
Profit from core operations		**359,951**	208,894
Change in remeasurement of contingent consideration		**(6)**	33,538
Amortisation of other intangible assets arising from business combinations		**(30,955)**	(39,445)
Profit from operations		**328,990**	202,987
Finance costs	10	**(40,230)**	(22,097)
		288,760	180,890
Share of profits of associates		**11,462**	2,893
Share of profits (losses) of joint ventures		**910**	(438)
Profit before tax		**301,132**	183,345
Income tax expense	12	**(57,401)**	(29,744)
Profit for the year	13	**243,731**	153,601
Attributable to:			
Owners of the Company		**228,083**	162,642
Non-controlling interests		**15,648**	(9,041)
		243,731	153,601
EARNINGS PER SHARE	15		
Basic		**18.41 cents**	13.13 cents
Diluted		**18.39 cents**	13.13 cents

Consolidated Statement of Comprehensive Income

For the year ended October 31, 2023

	2023 HK$'000	2022 HK$'000
Profit for the year	**243,731**	153,601
Other comprehensive income (expense):		
Items that will not be reclassified to profit or loss:		
Fair value changes of financial assets at fair value through other comprehensive income ("FVTOCI")	**874**	(1,435)
Fair value gain on transfer of property, plant and equipment to investment properties	**-**	15,911
	874	14,476
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**23,564**	(198,487)
Share of other comprehensive income (expense) of associates	**2,862**	(7,400)
Exchange differences reclassified to profit or loss on dissolution/disposal of subsidiaries	**(2,743)**	(3,386)
	23,683	(209,273)
Other comprehensive income (expense) for the year, net of tax	**24,557**	(194,797)
Total comprehensive income (expense) for the year	**268,288**	(41,196)
Attributable to:		
Owners of the Company	**253,696**	(29,217)
Non-controlling interests	**14,592**	(11,979)
	268,288	(41,196)

Consolidated Statement of Financial Position

At October 31, 2023

	Note	2023 HK$'000	2022 HK$'000
Non-current Assets			
Investment properties	16	**256,536**	271,896
Property, plant and equipment	17	**516,156**	533,297
Right-of-use assets	18	**190,037**	194,944
Intangible assets	19	**466,017**	489,988
Interests in associates	21	**99,053**	104,280
Interests in joint ventures	20	**40,447**	23,227
Financial assets at FVTOCI	22	**18,981**	17,571
Financial assets at fair value through profit or loss ("FVTPL")	25	**1,240**	–
Deferred tax assets	38	**6,275**	4,090
Loan due from an associate	28	**–**	8,075
		1,594,742	1,647,368
Current Assets			
Inventories	23	**12,978**	13,235
Contract assets	24	**1,130,525**	933,623
Financial assets at FVTPL	25	**18,601**	16,347
Derivative financial assets	26	**1,652**	5,145
Debtors, deposits and prepayments	27	**978,947**	961,210
Amounts due from associates	28	**25,358**	25,526
Amounts due from joint ventures	28	**692**	537
Current tax assets		**3,419**	3,177
Pledged bank deposits	29	**3,711**	2,364
Bank and cash balances	29	**1,289,882**	1,403,092
		3,465,765	3,364,256
Current Liabilities			
Contract liabilities	24	**183,210**	250,637
Creditors and accrued charges	30	**1,890,903**	1,512,244
Amounts due to associates	28	**7,077**	10,221
Amounts due to joint ventures	28	**4,908**	5,009
Current tax liabilities		**45,327**	22,254
Borrowings	31	**188,722**	436,250
Lease liabilities	32	**15,883**	18,231
Contingent consideration	33	**376**	–
		2,336,406	2,254,846
Net Current Assets		**1,129,359**	1,109,410
Total Assets Less Current Liabilities		**2,724,101**	2,756,778

Consolidated Statement of Financial Position

At October 31, 2023

	Note	2023 HK$'000	2022 HK$'000
Non-current Liabilities			
Borrowings	31	**201,137**	367,803
Lease liabilities	32	**112,370**	111,121
Deferred tax liabilities	38	**80,656**	91,674
		394,163	570,598
NET ASSETS		**2,329,938**	2,186,180
Capital and Reserves			
Share capital	34	**61,957**	61,913
Reserves		**2,199,314**	2,043,519
Equity attributable to owners of the Company		**2,261,271**	2,105,432
Non-controlling interests		**68,667**	80,748
TOTAL EQUITY		**2,329,938**	2,186,180

The consolidated financial statements on pages 61 to 177 were approved by the Board of Directors on January 23, 2024 and are signed on its behalf by:

LAWRENCE CHIA SONG HUAT
DIRECTOR

MOK PUI KEUNG
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended October 31, 2022

	Attributable to owners of the Company													
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Capital reserve HK$'000	Equity-settled share-based payment reserve HK$'000	Goodwill reserve HK$'000	Legal reserve HK$'000	Assets revaluation reserve HK$'000	Financial assets at FVTOCI reserve HK$'000	Translation reserve HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At November 1, 2021	61,910	777,126	854	(11,702)	3,287	(419,083)	33,384	60,796	(6,373)	81,884	1,605,575	2,187,658	131,810	2,319,468
Profit for the year	–	–	–	–	–	–	–	–	–	–	162,642	162,642	(9,041)	153,601
Other comprehensive income (expense)	–	–	–	–	–	–	–	15,911	(1,435)	(206,335)	–	(191,859)	(2,938)	(194,797)
Total comprehensive income (expense) for the year	–	–	–	–	–	–	–	15,911	(1,435)	(206,335)	162,642	(29,217)	(11,979)	(41,196)
Transactions with owners in their capacity as owners:														
Shares issued at premium	3	45	–	–	–	–	–	–	–	–	–	48	–	48
Exercise of equity-settled share-based payments	–	7	–	–	(7)	–	–	–	–	–	–	–	–	–
Recognition of equity-settled share-based payments	–	–	–	–	1,028	–	–	–	–	–	–	1,028	–	1,028
Transfer	–	1,848	–	–	(1,848)	–	89	–	–	–	(89)	–	–	–
Dissolution/disposal of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	(1,452)	(1,452)
Purchase of non-controlling interests	–	–	–	–	–	–	–	–	–	–	7,828	7,828	(29,308)	(21,480)
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	26	26
Dividend distribution to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	(8,349)	(8,349)
2021 final dividend	–	–	–	–	–	–	–	–	–	–	(61,913)	(61,913)	–	(61,913)
	3	1,900	–	–	(827)	–	89	–	–	–	(54,174)	(53,009)	(39,083)	(92,092)
At October 31, 2022	61,913	779,026	854	(11,702)	2,460	(419,083)	33,473	76,707	(7,808)	(124,451)	1,714,043	2,105,432	80,748	2,186,180

Consolidated Statement of Changes in Equity

For the year ended October 31, 2023

	Attributable to owners of the Company													
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Capital reserve HK$'000	Equity-settled share-based payment reserve HK$'000	Goodwill reserve HK$'000	Legal reserve HK$'000	Assets revaluation reserve HK$'000	Financial assets at FVTOCI reserve HK$'000	Translation reserve HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At November 1, 2022	61,913	779,026	854	(11,702)	2,460	(419,083)	33,473	76,707	(7,808)	(124,451)	1,714,043	2,105,432	80,748	2,186,180
Profit for the year	-	-	-	-	-	-	-	-	-	-	228,083	228,083	15,648	243,731
Other comprehensive (expense) income	-	-	-	-	-	-	(6)	-	874	24,745	-	25,613	(1,056)	24,557
Total comprehensive (expense) income for the year	-	-	-	-	-	-	(6)	-	874	24,745	228,083	253,696	14,592	268,288
Transactions with owners in their capacity as owners:														
Shares issued at premium *(Note 34)*	44	861	-	-	-	-	-	-	-	-	-	905	-	905
Exercise of equity-settled share-based payments	-	147	-	-	(147)	-	-	-	-	-	-	-	-	-
Recognition of equity-settled share-based payments *(Note 35(ii))*	-	-	-	-	1,723	-	-	-	-	-	-	1,723	-	1,723
Transfer	-	215	-	-	(215)	-	9,663	-	-	-	(9,663)	-	-	-
Purchase of non-controlling interests *(Note 40)*	-	-	-	-	-	-	-	-	-	-	(1,395)	(1,395)	(14,595)	(15,990)
Dividend distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(12,078)	(12,078)
2022 final dividend *(Note 14)*	-	-	-	-	-	-	-	-	-	-	(74,309)	(74,309)	-	(74,309)
2023 interim dividend *(Note 14)*	-	-	-	-	-	-	-	-	-	-	(24,781)	(24,781)	-	(24,781)
	44	1,223	-	-	1,361	-	9,663	-	-	-	(110,148)	(97,857)	(26,673)	(124,530)
At October 31, 2023	61,957	780,249	854	(11,702)	3,821	(419,083)	43,130	76,707	(6,934)	(99,706)	1,831,978	2,261,271	68,667	2,329,938

Consolidated Statement of Cash Flows

For the year ended October 31, 2023

	Note	2023 HK$'000	2022 HK$'000
Cash Flows from Operating Activities			
Cash flows from operations	39	**548,337**	191,585
Interest paid		**(33,869)**	(16,180)
Income taxes paid		**(48,056)**	(21,407)
Interest on lease liabilities		**(6,046)**	(5,778)
Net Cash Generated from Operating Activities		**460,366**	148,220
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		**(19,907)**	(14,230)
Purchase of other intangible assets		**(33,776)**	(74,271)
Purchase of financial assets at FVTOCI		**–**	(7,673)
Purchase of financial assets at FVTPL		**(1,261)**	–
Proceeds on disposal of financial assets at FVTPL		**358**	–
Proceeds on disposal of property, plant and equipment		**131**	199
Settlement of consideration payable for acquisition of subsidiaries		**–**	(3,725)
(Increase) decrease in pledged bank deposits		**(1,347)**	1,312
Increase in non-pledged bank deposits with more than three months to maturity		**(85,673)**	(3,094)
Acquisition of associates		**–**	(7,786)
Injection to joint ventures		**(23,722)**	(23,653)
Net cash outflow upon disposal of subsidiaries		**–**	(763)
Net cash outflow upon dissolution of subsidiaries		**–**	(2,811)
Interest received		**14,739**	7,485
Dividend income from financial assets at FVTOCI		**4**	26
Dividends received from associates		**14,493**	–
Net Cash Used in Investing Activities		**(135,961)**	(128,984)

Consolidated Statement of Cash Flows

For the year ended October 31, 2023

	Note	2023 HK$'000	2022 HK$'000
Cash Flows from Financing Activities			
Proceeds from issue of ordinary shares		**905**	48
Principal elements of lease payments		**(20,995)**	(16,917)
Short-term borrowings (repaid) raised		**(198,777)**	29,212
Long-term borrowings raised		**–**	299,000
Repayment of long-term borrowings		**(215,420)**	(250,234)
Dividends paid to non-controlling interests		**(12,078)**	(8,349)
Dividends paid to owners of the Company		**(99,090)**	(61,913)
Purchase of remaining shareholding from non-controlling interests	*40*	**(15,620)**	(21,480)
Capital contribution from non-controlling interests		**–**	26
Net Cash Used in Financing Activities		**(561,075)**	(30,607)
Net Decrease in Cash and Cash Equivalents		**(236,670)**	(11,371)
Cash and Cash Equivalents at Beginning of Year		**1,372,347**	1,451,920
Effect of foreign exchange rate changes		**37,787**	(68,202)
Cash and Cash Equivalents at End of Year		**1,173,464**	1,372,347
Analysis of the Balances of Cash and Cash Equivalents			
Bank and cash balances	*29*	**1,173,464**	1,372,347

Notes to the Consolidated Financial Statements

For the year ended October 31, 2023

1. General Information

Pico Far East Holdings Limited (the "Company") was incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of its registered office and principal place of business of the Company are disclosed in the "Corporate Information" of the annual report.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries, associates and joint ventures are set out in Notes 47, 48 and 49 to the consolidated financial statements respectively.

2. Basis of Preparation

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and with the disclosure requirements of the Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 to the consolidated financial statements provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. Adoption of New and Revised Hong Kong Financial Reporting Standards

Application of new and revised HKFRSs

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after November 1, 2022 for the preparation of the financial statements:

Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Annual Improvements Project	Annual Improvements to HKFRSs 2018-2020
Amendments to Accounting Guideline 5	Merger Accounting for Common Control Combinations

3. Adoption of New and Revised Hong Kong Financial Reporting Standards (Continued)

Application of new and revised HKFRSs (Continued)

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following revised HKFRSs are relevant to the Group:

Amendments to HKAS 16 – Property, Plant and Equipment: Proceeds before Intended Use

The amendment to HKAS 16 Property, Plant and Equipment prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

Amendments to HKAS 37 – Onerous Contracts – Cost of Fulfilling a Contract

The amendment to HKAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard, amendment to standard or interpretation that is not yet effective for the current accounting period.

3. Adoption of New and Revised Hong Kong Financial Reporting Standards (Continued)

New and revised HKFRSs in issue but not yet effective

The Group has not applied any new standards, amendments to standards and interpretation that have been issued but are not yet effective for the financial year beginning November 1, 2022. These new standards, amendments to standards and interpretation include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to HKAS 1 – Non-current Liabilities with Covenants	January 1, 2024
Amendments to HKAS 1 and HKFRS Practice Statement 2 – Disclosure of Accounting Policies	January 1, 2023
Amendments to HKAS 7 and HKFRS 7 – Supplier Finance Arrangements	January 1, 2024
Amendments to HKAS 8 – Definition of Accounting Estimates	January 1, 2023
Amendments to HKAS 12 – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	January 1, 2023
Amendments to HKAS 12 – International Tax Reform – Pillar Two Model Rules	January 1, 2023
Amendments to HKAS 21 – Lack of Exchangeability	January 1, 2025
Amendments to HKFRS 16 – Lease Liability in a Sale and Leaseback	January 1, 2024
HKFRS 17 – Insurance Contracts	January 1, 2023
Amendments to HKFRS 17 – Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information	January 1, 2023
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA
Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	January 1, 2024

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

4. Summary of Significant Accounting Policies

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. investment properties and certain financial instruments that are measured at fair values).

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5 to the consolidated financial statements.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to October 31. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated income statement and consolidated statement of comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

4. Summary of Significant Accounting Policies (Continued)

Consolidation (Continued)

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

Separate financial statements

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are, with limited exceptions, measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in consolidated profit or loss.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the sum of the consideration transferred in a business combination to calculate the goodwill.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

4. Summary of Significant Accounting Policies (Continued)

Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group's share of an associate's post-acquisition profits or losses and other comprehensive income is recognised in consolidated income statement and consolidated statement of comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's entire carrying amount of that associate (including goodwill) and any related accumulated translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

4. Summary of Significant Accounting Policies (Continued)

Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities are activities that significantly affect the returns of the arrangement. When assessing joint control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group has assessed the type of each of its joint arrangements and determined them to all be joint ventures.

In relation to its interest in a joint operation, the Group recognises in its consolidated financial statements in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses: its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly.

Investment in a joint venture is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the joint venture in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of investment over the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is recorded as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group's share of a joint venture's post-acquisition profits or losses and other comprehensive income is recognised in consolidated income statement and consolidated statement of comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

4. Summary of Significant Accounting Policies (Continued)

Joint arrangements (Continued)

The gain or loss on the disposal of a joint venture that results in a loss of joint control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that joint venture and (ii) the Group's entire carrying amount of that joint venture (including goodwill) and any related accumulated translation reserve. If an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Other intangible assets

Internally-generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development costs that are attributable to the Group's computer software development is recognised only if all of the following conditions are met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Internally-generated intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of five years to ten years. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

4. Summary of Significant Accounting Policies (Continued)

Other intangible assets (Continued)

Intangible assets acquired separately

Intangible assets, other than goodwill, identified on business combinations are capitalised at their fair values at the acquisition date. They represent mainly show rights, marketing related intangible assets, customer relationship, non-competition agreements, trade name and club memberships. They are measured at cost less accumulated amortisation and impairment losses. Intangible assets arising from business combinations with definite useful lives are amortised on a straight-line basis over their estimated useful lives ranging from five years to twenty-seven years. Intangible assets with indefinite useful life are not amortised.

(i) Show rights

The show rights are measured at purchase cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of ten years.

(ii) Marketing related intangible assets

Marketing related intangible assets are measured at purchase cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of five years.

(iii) Customer relationship

Customer relationship is measured at purchase cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives ranging from five to ten years.

(iv) Non-competition agreements

Non-competition agreements are measured at purchase cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives ranging from five to six years.

(v) Trade name

Trade name with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that the trade name has suffered an impairment loss.

(vi) Club memberships

Club memberships with indefinite useful life are stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that the club memberships have suffered an impairment loss.

Club memberships with expiry dates are stated at cost less accumulated amortisation and impairment loss. Amortisation is calculated on a straight-line basis over their estimated useful lives ranging from twenty-five to twenty-seven years.

4. Summary of Significant Accounting Policies (Continued)

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Translation on consolidation

The results and financial position of all foreign operations (none of which has the currency of hyperinflationary economy) that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

– assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

– income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

– all resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

4. Summary of Significant Accounting Policies (Continued)

Property, plant and equipment

Property, plant and equipment are held for use in the production or supply of goods or services, or for administrative purposes (other than properties under development as described below). Property, plant and equipment are stated in the statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

When the Group makes payments for ownership interest of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as right-of-use assets in the statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interests in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual value over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Freehold land	Nil
Freehold buildings	1% – 2%
Land and buildings	2% – 5% or over the terms of the relevant leases
Leasehold improvements	20%
Furniture, fixtures and office equipment	20%
Tools, machinery, factory equipment and fittings	20% – 33 ⅓ %
Motor vehicles	20%
Operating supplies	20% – 33 ⅓ %

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Property under development represents buildings under construction and plant and equipment pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

Operating supplies represent system materials, furniture and equipment used in exhibition construction.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

4. Summary of Significant Accounting Policies (Continued)

Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rentals and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time.

Gains or losses arising from changes in the fair value of investment properties are recognised in profit or loss for the period in which they arise.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment as appropriate, and its fair value at the date of reclassification becomes its cost for accounting purposes.

An investment property is derecognised upon disposal or when the investment property is withdrawn from use. Any gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss. Rental income from investment properties accounted for in accordance with the policy set out in the accounting policy for revenue and other income in Note 4 to the consolidated financial statements.

Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group as lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of twelve months or less and leases of low-value assets which, for the Group are primarily laptops and office equipment. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liability. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

4. Summary of Significant Accounting Policies (Continued)

Leases (Continued)

The Group as lessee (Continued)

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases which does not have recent third-party financing; and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for the right-of-use assets that meet the definition of investment property are carried at fair value in accordance with Note 4 to the consolidated financial statements under investment properties.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of HKFRS 16. In such cases, the Group took advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

4. Summary of Significant Accounting Policies (Continued)

Leases (Continued)

The Group as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. The costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Contract assets, contract liabilities and other contract costs

Contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses ("ECL" or "ECLs") in accordance with the policy set out in the accounting policy for impairment of financial assets and contract assets in Note 4 to the consolidated financial statements and are reclassified to trade debtors when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest rate method.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract. Other costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

Amortisation of capitalised contract costs is charged to profit or loss when the revenue to which the asset relates is recognised.

4. Summary of Significant Accounting Policies (Continued)

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Debt investments

Debt investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest rate method.

- FVTOCI (recycling), if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of ECLs, interest income (calculated using the effective interest rate method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

- FVTPL if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

4. Summary of Significant Accounting Policies (Continued)

Financial assets (Continued)

(ii) Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment as FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as FVTPL or FVTOCI, are recognised in profit or loss as other income.

Trade and other debtors

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade debtors are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade debtors with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less allowance for credit losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for ECL.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

4. Summary of Significant Accounting Policies (Continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the ECL model under HKFRS 9; and

- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Trade and other creditors

Trade and other creditors are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. Summary of Significant Accounting Policies (Continued)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Derivatives embedded in hybrid contracts with a financial asset host within the scope of HKFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of HKFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

If the hybrid contract is a quoted financial liability, instead of separating the embedded derivative, the Group generally designates the whole hybrid contract at FVTPL.

Revenue and other income

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from construction contracts

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on properties, museum and themed entertainment under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised progressively over time using the cost-to-cost method, i.e. based on the proportion of the actual costs incurred relative to the estimated total costs. The Directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under HKFRS 15.

The Group becomes entitled to invoice customers for construction of properties, museum and themed entertainment based on achieving a series of performance-related milestones. When a particular milestone is reached the customer is sent a relevant statement of work signed by a third party assessor and an invoice for the related milestone payment. The Group previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade debtors at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method then the Group recognises a contract liability for the difference. It is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue under the cost-to-cost method and the milestone payment is always less than one year.

4. Summary of Significant Accounting Policies (Continued)

Revenue and other income (Continued)

(i) Revenue from construction contracts (Continued)

The likelihood of the Group earning contractual bonuses for early completion or suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised.

(ii) Revenue from visual branding activation

Revenue from visual branding activation is recognised when the customer takes possession of and accepts the goods and/or services. If the delivery of goods and/or service is a partial fulfilment of a contract with a series of delivery, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis. A debtor is recognised by the Group when the goods and/or services are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

(iii) Revenue from exhibition, event and brand activation

Revenue from exhibition, event and brand activation is recognised when exhibition booths or other decoration facilities are delivered to the customer on show open date and are accepted by the customer. A debtor is recognised by the Group when exhibition booths or other decoration facilities are delivered to the customer on show open date as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

(iv) Revenue from meeting architecture activation

Revenue from meeting architecture activation is recognised when the shows, exhibitions or events open. A debtor is recognised by the Group when the shows, exhibitions or events open as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

(v) Interest income is recognised as it accrues using the effective interest rate method. For financial assets measured at amortised cost or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

(vi) Dividend income is recognised when the shareholders' rights to receive payment are established.

4. Summary of Significant Accounting Policies (Continued)

Revenue and other income (Continued)

(vii) Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(viii) Management service income is recognised when the service is rendered.

Employee benefits

Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

Pension obligations

The Group contributed to defined contribution retirement schemes. Contributions to retirement benefit schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

Share-based payments

The Group issues equity-settled share-based payments to certain directors and employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

4. Summary of Significant Accounting Policies (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

4. Summary of Significant Accounting Policies (Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purpose of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends either to settle its current tax assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

4. Summary of Significant Accounting Policies (Continued)

Impairment of non-financial assets

Intangible assets that have an indefinite useful life or that are not yet available for use are reviewed for impairment annually and whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

The carrying amounts of other non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated income statement to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the CGU.

Value in use is the present value of the estimated future cash flows of the asset/CGU. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/CGU whose impairment is being measured.

Impairment losses for CGUs are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Impairment of financial assets and contracts assets

The Group recognises a loss allowance for ECLs on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade and other debtors and contract assets, pledged bank deposits and bank and cash balances, as well as on financial guarantee contracts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade debtors and contract assets. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within twelve months after the reporting date.

4. Summary of Significant Accounting Policies (Continued)

Impairment of financial assets and contracts assets (Continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;
- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

4. Summary of Significant Accounting Policies (Continued)

Impairment of financial assets and contracts assets (Continued)

Significant increase in credit risk (Continued)

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that debtors that meet either of the following criteria are generally not recoverable.

– when there is a breach of financial covenants by the counterparty; or

– information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

– significant financial difficulty of the issuer or the counterparty;

– a breach of contract, such as a default or past due event;

– the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;

– it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for that financial asset because of financial difficulties.

4. Summary of Significant Accounting Policies (Continued)

Impairment of financial assets and contracts assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade debtors, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the financial assets at FVTOCI reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

4. Summary of Significant Accounting Policies (Continued)

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. Critical Judgements and Key Estimates

In applying the Group's accounting policies, which are described in Note 4 to the consolidated financial statements, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

Deferred tax for investment properties

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment properties portfolios and concluded that the Group's investment properties located in the PRC are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. However, in determining the Group's deferred tax for the investment properties other than located in the PRC, the Directors have adopted the presumption that investment properties measured using fair value model are recovered through sale.

5. Critical Judgements and Key Estimates (Continued)

Critical judgements in applying accounting policies (Continued)

Distinction between investment properties and owner-occupied properties

Some properties comprise a portion that is held to earn rentals and another portion that is held for use in the production or supply of goods or services. If these portions can be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services. Judgement is applied in determining whether ancillary services are so significant that a property does not qualify as an investment property. The Group considers each property separately in making its judgement.

Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or FVTOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

Determining the lease term

In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation.

Generally, periods covered by a renewal option in other properties leases have not been included in the lease liability because the Group could replace the assets without significant cost or business disruption. Further information provided in Note 18 to the consolidated financial statements.

The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. During the current financial year, no lease term has been reassessed.

5. Critical Judgements and Key Estimates (Continued)

Critical judgements in applying accounting policies (Continued)

Consolidation of entity with not more than 50% equity interest holders

Although the Group owns not more than 50% of the equity interest in Parico Electrical Engineering Sdn. Bhd. and Pico International (M) Sdn. Bhd., those companies are treated as subsidiaries because the Group is able to control the relevant activities of those companies as a result of the shareholders' agreement between the Group and other shareholders of those companies.

Joint control assessment

The Group holds 20% of the voting rights of its joint arrangement of Karnival TP-AXC Holdings Limited. The Directors have determined that the Group has joint control over the arrangement as under the contractual agreement, it appears that unanimous consent is required from all parties to the agreement for all relevant activities.

Equity pick up of entity of less than 20% equity interest

Although the Group holds less than 20% of the voting power of Shanghai Yaoland Network Information Technology Co., Ltd ("Shanghai Yaoland"), the Directors considered that the Group exercises significant influence over Shanghai Yaoland because the Group is entitled to appoint one director out of the five directors of Shanghai Yaoland, and requiring two-thirds majority vote of the board.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment for debtors and contract assets

The management of the Group estimates the amount of impairment loss for ECL on debtors and contract assets based on the credit risk of debtors and contract assets. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

As at October 31, 2023, the carrying amount of debtors and contract assets is HK$879,203,000 and HK$1,130,525,000, net of allowance for bad and doubtful debts of HK$105,027,000 and HK$16,202,000 (2022: HK$862,097,000 and HK$933,623,000, net of allowance for bad and doubtful debts of HK$112,292,000 and HK$21,036,000) respectively.

Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned. The carrying amount of property, plant and equipment as at October 31, 2023 was HK$516,156,000 (2022: HK$533,297,000).

5. Critical Judgements and Key Estimates (Continued)

Key sources of estimation uncertainty (Continued)

Fair value of investment properties

The Group appointed independent professional valuers to assess the fair value of the investment properties. In determining the fair value, the valuers have utilised a method of valuation which involves certain estimates. The Directors have exercised their judgement and are satisfied that the method of valuation and inputs used are reflective of the current market conditions.

The carrying amount of investment properties as at October 31, 2023 was HK$256,536,000 (2022: HK$271,896,000).

Revenue and profit recognition

As explained in the accounting policy for revenue recognition in Note 4 to the consolidated financial statements, certain projects' revenue from construction contracts under museum and themed entertainment and under exhibition, event and brand activation and visual branding activation are recognised over time. Such revenue and profit recognition on uncompleted projects is dependent on estimating the total outcome of the contract, as well as the work done to date. Based on the Group's recent experience and the nature of the construction activities undertaken by the Group, the Group has made estimates of the point at which it considered the work was sufficiently advanced such that the outcome of the contract can be reasonably measured. Until this point is reached the related contract assets disclosed in Note 24 to the consolidated financial statements do not include profit which the Group might eventually realise from the work done to date. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

During the year, HK$186,285,000 (2022: HK$424,886,000) of revenue from construction contracts under museum and themed entertainment and exhibition, event and brand activation and visual branding activation was recognised.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. During the year, HK$57,401,000 (2022: HK$29,744,000) of income tax was charged to profit or loss.

Fair value of contingent consideration

As disclosed in Note 33 to the consolidated financial statements, the fair value of the contingent consideration in relation the acquisition of 5% shareholding in Pico Gulf Holdings Limited, a subsidiary of the Company, from a non-controlling shareholder at the date of acquisition was determined using the income approach which is based on the present worth of anticipated future benefits/liability generated. While the fair value of the contingent consideration at the end of the reporting period were determined using the income approach which is based on the present worth of anticipated future benefits/liability generated, anticipated future benefits/liability generated requires the Group to estimate the collectivity in cash of certain receivables within twelve months from the transaction date, which was July 10, 2023.

As at October 31, 2023, the carrying amounts of the contingent consideration in relation to the acquisition of 5% shareholding in Pico Gulf Holdings Limited is HK$376,000 (2022: nil).

5. Critical Judgements and Key Estimates (Continued)

Key sources of estimation uncertainty (Continued)

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the CGU to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than the expected, or there is a change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

The carrying amount of goodwill at the end of the reporting period was HK$290,327,000 as at October 31, 2023 (2022: HK$290,175,000) after an impairment loss of nil (2022: HK$29,973,000) was recognised during the year. Details of the impairment testing are provided in Note 19 to the consolidated financial statements.

Fair value of measurement of financial investments

In the absence of quoted market prices in an active market, the Directors estimate the fair value of the Group's investment in unlisted equity securities, details of which are set out in Note 22 to the consolidated financial statements, by considering information from a variety of sources, including the latest financial information, the historical data on market volatility as well as the industry and sector performance of the investment.

The carrying amount of the investments as at October 31, 2023 were HK$18,981,000 (2022: HK$17,571,000).

6. Financial Risk Management

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of Group entities, including Hong Kong dollars, Renminbi ("RMB"), Singapore dollars ("SG dollars") and United States dollars ("US dollars"), but certain business transactions, assets and liabilities are denominated in currencies other than their functional currencies such as Euro, Great Britain pound ("GBP") and United Arab Emirates dirhams ("AED"). The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

At October 31, 2023, if the SG dollars had weakened or strengthened 10 per cent against the US dollars, Euro, GBP and Hong Kong dollars with all other variables held constant, consolidated profit after tax for the year would have been HK$10,283,000 (2022: HK$12,446,000) higher or lower, HK$142,000 (2022: HK$57,000) higher or lower, HK$150,000 (2022: HK$455,000) higher or lower and HK$286,000 (2022: HK$1,059,000) lower or higher, arising mainly as a result of the foreign exchange gain or loss on trade debtors, bank and cash balances, derivative financial assets and trade creditors denominated in US dollars, Euro, GBP and SG dollars respectively.

At October 31, 2023, if the AED had weakened or strengthened 10 per cent against the US dollars and Euro with all other variables held constant, consolidated profit after tax for the year would have been HK$1,358,000 (2022: HK$1,750,000) higher or lower, HK$370,000 (2022: HK$344,000) lower or higher, arising mainly as a result of the foreign exchange gain or loss on trade debtors, bank and cash balances and trade creditors denominated in US dollars and Euro respectively.

At October 31, 2023, if the GBP had weakened or strengthened 10 per cent against Euro and the US dollars with all other variables held constant, consolidated profit after tax for the year would have been HK$132,000 (2022: HK$393,000) higher or lower and HK$25,000 (2022: HK$1,112,000) higher or lower, arising mainly as a result of the foreign exchange gain or loss on trade debtors and bank and cash balances in Euro and US dollars, and trade creditors denominated in Euro respectively.

At October 31, 2023, if the US dollars had weakened or strengthened 10 per cent against Vietnamese dong, Korean won and New Taiwan dollars with all other variables held constant, consolidated profit after tax for the year would have been HK$2,337,000 (2022: HK$2,260,000) higher or lower, HK$205,000 (2022: HK$1,104,000) lower or higher and HK$565,000 (2022: HK$863,000) lower or higher, arising mainly as a result of the foreign exchange gain or loss on trade debtors and bank and cash balances denominated in Vietnamese dong and US dollars.

At October 31, 2023, if the Hong Kong dollars had weakened or strengthened 10 per cent against the RMB, Euro and GBP with all other variables held constant, consolidated profit after tax for the year would have been HK$611,000 (2022: HK$7,655,000), HK$334,000 (2022: HK$301,000) and HK$2,000 (2022: HK$475,000) higher or lower, arising mainly as a result of the foreign exchange gain or loss on trade debtors and bank and cash balances denominated in RMB, Euro and GBP respectively.

6. Financial Risk Management (Continued)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade debtors) and from its financing activities, including deposits with banks, foreign exchange transactions and financial instruments. The Group's exposure to credit risk arising from cash and cash equivalents and derivative financial assets is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

Except for the financial guarantees given by the Group as set out in Note 44 to the consolidated financial statements, the Group does not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed in Note 44 to the consolidated financial statements.

Trade debtors and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade debtors are due within 30 to 90 days from the date of billing. Trade debtors with balances that are more than one month past due are requested to settle all outstanding balances and the management will consider further action to be taken. The Group does not obtain collateral from customers.

The Group measures loss allowances for trade debtors and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. The provision rates are based on days past due for grouping of various customers segments with shared risk characteristics by geographical region. The provision matrix reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. At October 31, 2023, 84% (2022: 84%) and 60% (2022: 55%) of the Group's contract assets and trade debtors respectively are generated from Greater China and Southeast Asia. The loss rates used for Greater China and Southeast Asia are 0.16% to 100.00% (2022: 0.16% to 100.00%).

6. Financial Risk Management (Continued)

Credit risk (Continued)

Trade debtors and contract assets (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade debtors and contract assets as at October 31, 2023 and 2022:

	Expected loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000
At October 31, 2023			
Contract assets			
Current (not past due)	**0.10 – 3.92**	**1,146,727**	**(16,202)**
Trade debtors			
Current (not past due)	**0.10 – 3.92**	**401,264**	**(12,533)**
Less than 91 days past due	**0.18 – 4.18**	**311,904**	**(1,096)**
91 – 180 days past due	**0.37 – 21.92**	**48,900**	**(2,976)**
181 – 365 days past due	**0.74 – 49.11**	**25,975**	**(9,678)**
More than 1 year past due	**10.14 – 100.00**	**73,027**	**(61,735)**
		861,070	**(88,018)**
At October 31, 2022			
Contract assets			
Current (not past due)	0.16 – 4.28	954,659	(21,036)
Trade debtors			
Current (not past due)	0.16 – 4.28	307,486	(3,854)
Less than 91 days past due	0.32 – 4.28	330,856	(20,533)
91 – 180 days past due	0.53 – 8.19	58,539	(1,178)
181 – 365 days past due	0.63 – 39.76	50,201	(10,707)
More than 1 year past due	1.28 – 100.00	70,478	(57,410)
		817,560	(93,682)

Expected loss rates are based on actual loss experience over the past five years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of trade debtors and contract assets.

6. Financial Risk Management (Continued)

Credit risk (Continued)

Trade debtors and contract assets (Continued)

Movement in the loss allowance account in respect of trade debtors and contract assets during the year is as follows:

	2023 HK$'000	2022 HK$'000
At November 1	**114,718**	113,149
Impairment losses recognised for the year	**42,543**	59,234
Amounts written off during the year	**(29,308)**	(26,535)
Allowance written back	**(21,740)**	(23,124)
Exchange adjustments	**(1,993)**	(8,006)
At October 31	**104,220**	114,718

The following significant changes in the gross carrying amounts of trade debtors and contract assets contributed to the decrease in the loss allowance during 2023:

- a write-off of trade debtors with a gross carrying amount of HK$29,308,000 resulted in a decrease in loss allowance of HK$29,308,000;
- origination of new trade debtors net of those settled resulted in an increase in loss allowance of HK$8,679,000; and
- increase in the carrying amount of days past due over 365 days resulted in an increase in loss allowance of HK$4,325,000.

Financial assets at amortised cost

All of the Group's financial assets at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12-month expected losses. Management considers 'low credit risk' instruments to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Financial assets at amortised cost include other debtors, amounts due from associates and amounts due from joint ventures.

6. Financial Risk Management (Continued)

Credit risk (Continued)

Financial assets at amortised cost (Continued)

Movements in the loss allowance for financial assets at amortised cost during the year are as follows:

	Other debtors HK$'000	Amounts due from associates HK$'000	Amounts due from joint ventures HK$'000	Total HK$'000
At November 1, 2021	16,657	–	5,412	22,069
Impairment losses recognised for the year	2,932	–	–	2,932
Exchange adjustments	(979)	–	(50)	(1,029)
At October 31, 2022 and November 1, 2022	18,610	–	5,362	23,972
Impairment losses recognised for the year	**148**	**13,468**	**–**	**13,616**
Amounts written off during the year	**(1,070)**	**–**	**–**	**(1,070)**
Allowance written back	**(675)**	**–**	**–**	**(675)**
Exchange adjustments	**(4)**	**(218)**	**57**	**(165)**
At October 31, 2023	**17,009**	**13,250**	**5,419**	**35,678**

6. Financial Risk Management (Continued)

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

The maturity analysis based on contractual undiscounted cash flows of the Group's financial liabilities is as follows:

	No fixed term of repayment HK$'000	**Less than 1 year** HK$'000	**Between 1 and 2 years** HK$'000	**Between 2 and 5 years** HK$'000	**Over 5 years** HK$'000
At October 31, 2023					
Borrowings	**14,220**	**195,718**	**209,665**	**32**	**–**
Creditors and accrued charges	**–**	**1,890,903**	**–**	**–**	**–**
Amounts due to associates	**7,077**	**–**	**–**	**–**	**–**
Amounts due to joint ventures	**4,908**	**–**	**–**	**–**	**–**
Lease liabilities	**–**	**21,605**	**18,336**	**23,066**	**134,324**
Contingent consideration	**–**	**376**	**–**	**–**	**–**
	26,205	**2,108,602**	**228,001**	**23,098**	**134,324**
At October 31, 2022					
Borrowings	15,120	443,828	181,546	207,639	–
Creditors and accrued charges	–	1,512,244	–	–	–
Amounts due to associates	10,221	–	–	–	–
Amounts due to joint ventures	5,009	–	–	–	–
Lease liabilities	–	23,465	18,168	24,922	132,044
	30,350	1,979,537	199,714	232,561	132,044

6. Financial Risk Management (Continued)

Interest rate risk

The Group's exposure to cash flow and fair value interest rate risk arises from its borrowings, bank deposits and cash at banks. The borrowings, bank deposits and cash at banks bear interests at variable rates varied with the prevailing market condition.

As the Group has no significant interest-bearing assets and liabilities, except for borrowings, bank deposits and cash at banks, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

At October 31, 2023, if interest rates at that date had been 20 basis points or 200 basis points lower or higher, with all other variables held constant, consolidated profit after tax for the year would have been HK$650,000 (2022: HK$1,341,000) and HK$6,497,000 (2022: HK$13,409,000) higher or lower respectively, arising mainly as a result of lower or higher interest expenses on floating rate borrowings.

At October 31, 2023, if interest rates on cash at banks at that date had been 20 basis points or 200 basis points lower or higher, with all other variables held constant, consolidated profit after tax for the year would have been HK$448,000 (2022: HK$90,000) and HK$4,474,000 (2022: HK$902,000) lower or higher respectively, arising mainly as a result of lower or higher interest income on interest-bearing cash at banks.

Categories of financial instruments

	2023 HK$'000	2022 HK$'000
At October 31		
Financial assets:		
Derivative financial assets	**1,652**	5,145
Financial assets at FVTOCI		
Equity instruments	**18,981**	17,571
Financial assets at FVTPL		
Equity instruments	**–**	233
Investments	**1,240**	–
Fund investment	**18,601**	16,114
Financial assets measured at amortised cost	**3,381,104**	3,284,034
Financial liabilities:		
Financial liabilities measured at amortised cost	**2,421,000**	2,460,880
Contingent consideration	**376**	–

Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

7. Fair Values Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosure of fair value measurements use a fair value hierarchy that categorises into three levels based on the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

There was no transfer between Level 1, Level 2 and Level 3 during the year.

Disclosures of level in fair value hierarchy

	Fair value measurements using:			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
At October 31, 2023				
Recurring fair value measurements:				
Financial assets				
Derivatives				
Derivatives financial assets	–	–	1,652	1,652
Financial assets at FVTOCI				
Equity securities, at fair value, unlisted	–	–	18,981	18,981
Financial assets at FVTPL				
Fund investment, at fair value	–	18,601	–	18,601
Investments in Simple agreements for future equity ("SAFE")	–	–	1,240	1,240
	–	18,601	21,873	40,474
Investment properties				
Hong Kong	–	–	16,400	16,400
The PRC	–	–	240,136	240,136
	–	–	256,536	256,536
Total	–	18,601	278,409	297,010
Recurring fair value measurements:				
Financial liabilities				
Contingent consideration	–	–	376	376
Total	–	–	376	376

7. Fair Values Measurements (Continued)

Disclosures of level in fair value hierarchy (Continued)

	Fair value measurements using:			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
At October 31, 2022				
Recurring fair value measurements:				
Financial assets				
Derivatives				
Derivatives financial assets	–	–	5,145	5,145
Financial assets at FVTOCI				
Equity securities, at fair value, unlisted	–	–	17,571	17,571
Financial assets at FVTPL				
Equity securities, at fair value, listed	233	–	–	233
Fund investment, at fair value	–	16,114	–	16,114
	233	16,114	22,716	39,063
Investment properties				
Hong Kong	–	–	16,390	16,390
The PRC	–	–	255,506	255,506
	–	–	271,896	271,896
Total	233	16,114	294,612	310,959

The only financial liability subsequently measured at fair value on Level 3 fair value measurement represents contingent consideration relating to the acquisition of remaining shareholding from non-controlling interests. Included in profit or loss for the year was a loss of HK$6,000 (2022: gain of HK$33,538,000) relating to the change in remeasurement of contingent consideration.

Reconciliation of assets and liabilities measured at fair value based on Level 3

Reconciliation of fair value measurement categorised within Level 3 of the fair value hierarchy are set out in Notes 16, 22, 25, 26 and 33 to the consolidated financial statements.

7. Fair Values Measurements (Continued)

Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurement at October 31, 2023

The Group's investment properties were valued at October 31, 2023 by LCH (Asia-Pacific) Surveyors Limited and contingent consideration was valued at October 31, 2023 by Grant Sherman Appraisal Limited. These companies are independent and registered professional firms of surveyors or valuers not connected with the Group who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations and the contingent consideration respectively.

For Level 3 fair value measurements, the Group's accounting department has senior staff that review the valuations performed by the independent valuers for financial report purposes. Discussions with the independent valuers on the valuation assumptions and valuation results is held at least once a year and reports directly to the Group's chief financial officer.

At October 31, 2023, the derivative financial assets was estimated by management using Black-Scholes option pricing model that are estimated based on the terms of the shares sale and purchase agreement and the entity's knowledge of the business and how the current economic environment is likely to impact it.

At October 31, 2023, financial assets at FVTOCI comprise of investments not traded in an active market, and the fair value was estimated by management using discounted cash flow method and latest transaction price.

At October 31, 2023, financial assets at FVTPL comprise of investments in SAFE. A subsidiary of the Group invested in two companies pursuant to a SAFE entered into between the parties during the year. The fair value was estimated using the latest transaction price.

At October 31, 2023, the investment properties were revalued based on valuations performed by the independent valuer, using the investment method of the income approach, by taking into account the rental income from the existing tenancy agreement and reversionary property interest. For assessing the reversionary potential of the properties, the valuer based on the prevailing market information within the subject buildings and other comparable properties.

At October 31, 2023, the contingent consideration revalued based on valuations performed by the independent valuer, using the income approach, by taking into account the expected additional amount of consideration that is estimated based on the terms of the share purchase agreement and the entity's expectation of the collectivity in cash of certain receivables within twelve months from the transaction date, which is July 10, 2023 likely to impact it.

Level 2 fair value measurements

The fair value of fund investments which were acquired in financial institution in Hong Kong, is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on financial institution specific estimates. It includes quoted market price or dealer quotes for similar instruments. If all significant inputs required for fair value of instrument are observable, the instrument is included in Level 2.

7. Fair Values Measurements (Continued)

Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurement at October 31, 2023 (Continued)

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of input	Fair value 2023 HK$'000 Assets/(Liabilities)	Fair value 2022 HK$'000 Assets/(Liabilities)
Derivative financial assets	Black-Scholes option pricing model	Discount rate	16.31% (2022: 12.10%)	Decrease	**1,652**	5,145
		Growth rate	2.00% (2022: 4.00%)	Increase		
Equity securities, at fair value, unlisted	Discounted cash flow	Discount rate	18.00% (2022: 18.00%)	Decrease	**3,531**	2,657
		Discount of lack of marketability	20.60% (2022: 20.60%)	Decrease		
		Discount rate for lack of control	11.00% (2022: 10.98%)	Decrease		
Equity securities, at fair value, unlisted	Latest transaction price	Latest transaction price	Not applicable	Not applicable	**15,450**	–
	(2022: Discounted cash flow)	(2022: Discount rate)	(2022: 16.77%)	Decrease	**–**	14,914
		(2022: Discount of lack of marketability)	(2022: 15.80%)	Decrease		
		(2022: Discount rate for lack of control)	(2022: 24.30%)	Decrease		
SAFE	Latest transaction price	Latest transaction price	Not applicable	Not applicable	**1,240**	–
Investment properties located in Hong Kong	Investment method of the income approach	Terms and reversionary yield	3.20% (2022: 2.40% to 2.90%)	Decrease	**16,400**	16,390
		Prevailing market price	HK$5,118 to HK$6,256 per square foot (2022: HK$4,867 to HK$5,820 per square foot)	Increase		
Investment properties located in the PRC	Investment method of the income approach	Terms and reversionary yield	1.00% to 11.20% (2022: 1.10% to 10.30%)	Decrease	**240,136**	255,506
		Prevailing market price	RMB3,200 to RMB77,151 per square meter (2022: RMB3,392 to RMB80,438 per square meter)	Increase		
Contingent consideration	Income approach	Discount rate	7.12% (2022: N/A)	Decrease	**(376)**	–
		Recoverability	26.69% (2022: N/A)	Increase		

8. Revenue and Segment Information

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines for the year is as follows:

	2023 HK$'000	2022 HK$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
Exhibition, event and brand activation	**4,413,088**	3,689,890
Visual branding activation	**383,403**	363,868
Museum and themed entertainment	**396,939**	394,536
Meeting architecture activation	**134,501**	92,724
	5,327,931	4,541,018

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed as below.

Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at October 31, 2023 and 2022 and the expected timing of recognising revenue as follows:

	Exhibition, event and brand activation HK$'000	Visual branding activation HK$'000	Museum and themed entertainment HK$'000	Meeting architecture activation HK$'000
At October 31, 2023				
Within one year	**106,568**	**353**	**–**	**–**
More than one year but not more than two years	**–**	**5,103**	**24,766**	**–**
More than two years	**–**	**4,661**	**25,396**	**–**
	106,568	**10,117**	**50,162**	**–**
At October 31, 2022				
Within one year	151,090	3,083	21,118	–
More than one year but not more than two years	–	22,260	3,230	–
More than two years	–	13,317	36,026	–
	151,090	38,660	60,374	–

8. Revenue and Segment Information (Continued)

Transaction price allocated to the remaining performance obligation for contracts with customers (Continued)

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contracts for installation services such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for installation services that had an original expected duration of one year or less.

Segment information

The Group is principally engaged in the exhibition, event and brand activation; visual branding activation; museum and themed entertainment; meeting architecture activation; 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.

The accounting policies of the operating segments are the same as those described in Note 4 to the consolidated financial statements. Segment profits or losses do not include income tax expense, change in remeasurement of contingent consideration, amortisation of other intangible assets arising from business combinations and income and expenses arising from corporate teams. Segment assets do not include certain properties, motor vehicles and financial assets at FVTPL which are used as corporate assets, goodwill and other intangible assets arising from business combinations, current tax assets and deferred tax assets. Segment liabilities do not include contingent consideration, 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.

8. Revenue and Segment Information (Continued)

Segment information (Continued)

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

	Exhibition, event and brand activation HK$'000	Visual branding activation HK$'000	Museum and themed entertainment HK$'000	Meeting architecture activation HK$'000	Unallocated HK$'000	Total HK$'000
For the year ended October 31, 2023						
Revenue from external customers	4,413,088	383,403	396,939	134,501		5,327,931
Timing of revenue recognition						
At a point in time	4,386,613	358,807	261,725	134,501		5,141,646
Over time	26,475	24,596	135,214	–		186,285
Inter-segment revenue	182,412	63,968	36,689	706		283,775
Segment profits	302,511	31,974	38,666	3,191		376,342
Share of profits of associates	10,902	–	–	560	–	11,462
Share of profits of joint ventures	–	–	910	–	–	910
Interest income	10,247	1,874	1,175	1,443	–	14,739
Interest expenses	39,234	426	242	13	–	39,915
Unwinding discount expenses	315	–	–	–	–	315
Depreciation and amortisation	59,421	2,130	5,746	1,687	42,133	111,117
Other material non-cash items:						
Allowance for bad and doubtful debts	51,442	5,264	474	304	–	57,484
Additions to segment non-current assets	60,927	309	2,281	1,173	1,326	66,016
At October 31, 2023						
Segment assets	3,337,426	329,360	323,505	216,842		4,207,133
Segment liabilities	2,069,506	194,694	200,094	139,916		2,604,210
Interests in associates	97,870	–	–	1,183	–	99,053
Interests in joint ventures	–	–	40,447	–	–	40,447

8. Revenue and Segment Information (Continued)

Segment information (Continued)

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

	Exhibition, event and brand activation HK$'000	Visual branding activation HK$'000	Museum and themed entertainment HK$'000	Meeting architecture activation HK$'000	Unallocated HK$'000	Total HK$'000
For the year ended October 31, 2022						
Revenue from external customers	3,689,890	363,868	394,536	92,724		4,541,018
Timing of revenue recognition						
At a point in time	3,590,228	301,608	131,572	92,724		4,116,132
Over time	99,662	62,260	262,964	–		424,886
Inter-segment revenue	187,182	39,650	11,068	1,961		239,861
Segment profits	181,836	11,922	37,698	1,207		232,663
Share of profits (losses) of associates	3,589	–	–	(696)	–	2,893
Share of losses of joint ventures	(438)	–	–	–	–	(438)
Interest income	6,140	747	512	86	–	7,485
Interest expenses	20,622	1,002	326	8	–	21,958
Unwinding discount expenses	139	–	–	–	–	139
Depreciation and amortisation	71,888	3,446	5,953	1,739	51,332	134,358
Other material non-cash items:						
Impairment of goodwill	29,973	–	–	–	–	29,973
Allowance for bad and doubtful debts	46,738	13,858	6,324	4	–	66,924
Additions to segment non-current assets	94,353	2,459	2,148	205	62	99,227
At October 31, 2022						
Segment assets	3,316,340	372,875	339,963	198,474		4,227,652
Segment liabilities	2,146,419	247,799	228,744	88,554		2,711,516
Interests in associates	93,475	–	–	10,805	–	104,280
Interests in joint ventures	7,412	–	15,815	–	–	23,227

8. Revenue and Segment Information (Continued)

Segment information (Continued)

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

	2023 HK$'000	2022 HK$'000
Revenue		
Total revenue of reportable segments	**5,611,706**	4,780,879
Elimination of inter-segment revenue	**(283,775)**	(239,861)
Consolidated revenue	**5,327,931**	4,541,018
Profit or loss		
Total profits of reportable segments	**376,342**	232,663
Unallocated amounts:		
Change in remeasurement of contingent consideration	**(6)**	33,538
Amortisation of other intangible assets arising from business combinations	**(30,955)**	(39,445)
Corporate expenses	**(44,249)**	(43,411)
Consolidated profit before tax	**301,132**	183,345

8. Revenue and Segment Information (Continued)

Segment information (Continued)

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

	2023 HK$'000	2022 HK$'000
Assets		
Total assets of reportable segments	**4,207,133**	4,227,652
Unallocated amounts:		
Corporate motor vehicles	**1,715**	1,278
Properties	**416,439**	321,014
Goodwill and other intangible assets arising from business combinations	**406,925**	438,299
Financial assets at FVTPL	**18,601**	16,114
Current tax assets	**3,419**	3,177
Deferred tax assets	**6,275**	4,090
Consolidated total assets	**5,060,507**	5,011,624
Liabilities		
Total liabilities of reportable segments	**2,604,210**	2,711,516
Unallocated amounts:		
Contingent consideration	**376**	–
Current tax liabilities	**45,327**	22,254
Deferred tax liabilities	**80,656**	91,674
Consolidated total liabilities	**2,730,569**	2,825,444

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

Geographical information

	Revenue		**Non-current assets**	
	2023 HK$'000	2022 HK$'000	**2023 HK$'000**	2022 HK$'000
Greater China	**2,545,368**	2,058,910	**621,003**	634,674
Malaysia, Singapore, the Philippines and Vietnam	**1,146,762**	953,167	**312,282**	315,631
Bahrain, Oman, Qatar, Saudi Arabia and the United Arab Emirates	**615,114**	670,113	**44,236**	46,673
The United Kingdom and the United States	**808,127**	715,409	**445,494**	488,835
Others	**212,560**	143,419	**5,731**	4,312
Consolidated total	**5,327,931**	4,541,018	**1,428,746**	1,490,125

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

9. Other Income

	2023 HK$'000	2022 HK$'000
Included in other income are:		
Dividend income from financial assets at FVTOCI	**4**	26
Gain on disposal of property, plant and equipment	**131**	123
Interest income	**14,739**	7,485
Rental income	**46,227**	35,538
Government grants	**12,926**	27,881
COVID-19 Related rent concessions	**–**	4,255
Bad debts written off recovery	**421**	13
Gain on lease modification	**222**	18
Increase in fair value of financial assets at FVTPL	**2,533**	–
Gain on disposal of financial assets at FVTPL	**116**	–

The gross rental income from investment properties for the year amounted to HK$15,847,000 (2022: HK$8,906,000).

Government grants mainly related to wage support, grant for tourism event development and innovation and development support from the government in different countries. Under the conditions of the grant of wage support, the Group is required to retain its local employees even if business is affected by the COVID-19 outbreak. Under the grant for tourism event development, the Group is required to meet performance target. Under the conditions of the grant of innovation support, the Group is required to spend the funding on innovative development. No other unfulfilled conditions and other contingencies attached to government assistance that has been recognised.

10. Finance Costs

	2023 HK$'000	2022 HK$'000
Interest on borrowings	**33,869**	16,180
Interest on lease liabilities	**6,046**	5,778
Unwinding discount expenses	**315**	139
	40,230	22,097

11. Benefit and Interests of Directors' Emoluments and Employees' Benefit Expenses

Benefit and interests of directors

Directors' emoluments

Pursuant to the Listing Rules and the Companies Ordinance, the emoluments of each Director for the year ended October 31, 2023 and 2022 are as follows:

	Emoluments paid to or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking						
Name	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Bonuses HK$'000	Share-based payments HK$'000	The Group's contributions to retirement scheme HK$'000	Estimated rental value for rent-free accommodation provided to Directors HK$'000	Total emoluments HK$'000
October 31, 2023							
Executive Directors							
Lawrence Chia Song Huat	**486**	**8,017**	**4,878**	**616**	**18**	**980**	**14,995**
Jean Chia Yuan Jiun	**228**	**3,195**	**2,398**	**274**	**100**	**-**	**6,195**
Mok Pui Keung	**228**	**2,036**	**922**	**88**	**133**	**-**	**3,407**
Independent Non-Executive Directors							
Gregory Robert Scott Crichton	**235**	**-**	**-**	**-**	**-**	**-**	**235**
James Patrick Cunningham	**235**	**-**	**-**	**-**	**-**	**-**	**235**
Frank Lee Kee Wai	**235**	**-**	**-**	**-**	**-**	**-**	**235**
Charlie Yucheng Shi	**268**	**-**	**-**	**-**	**-**	**-**	**268**
Total 2023	**1,915**	**13,248**	**8,198**	**978**	**251**	**980**	**25,570**
October 31, 2022							
Executive Directors							
Lawrence Chia Song Huat	441	7,337	5,502	499	18	980	14,777
Jean Chia Yuan Jiun	207	2,220	2,385	159	98	–	5,069
Mok Pui Keung	207	1,483	934	54	98	–	2,776
Independent Non-Executive Directors							
Gregory Robert Scott Crichton	213	–	–	–	–	–	213
James Patrick Cunningham	213	–	–	–	–	–	213
Frank Lee Kee Wai	213	–	–	–	–	–	213
Charlie Yucheng Shi	243	–	–	–	–	–	243
Total 2022	1,737	11,040	8,821	712	214	980	23,504

During the year, no emoluments were paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office (2022: nil). None of the Directors have waived any emoluments during the year (2022: nil).

11. Benefit and Interests of Directors' Emoluments and Employees' Benefit Expenses (Continued)

Benefit and interests of directors (Continued)

Directors' emoluments (Continued)

The above emoluments include the value of share options granted to certain Directors under the Company's share option scheme as estimated at the date of grant. Further details are disclosed under the section "Share Options" in the Directors' Report and in Note 35 to the consolidated financial statements.

Notes:

(a) During the year ended October 31, 2023, no emoluments have been paid by the Group to any of the above Directors in respect of accepting office as a director (2022: nil).

(b) There were nil (2022: nil) emoluments paid to or receivable by Directors or past Directors for the loss of office in connection with the management of the affairs of the Company or its subsidiary undertaking.

Neither the chief executive nor any of the Directors waived any emoluments during the year (2022: nil).

Directors' retirement benefits

None of the Directors received or will receive any retirement benefits for the year ended October 31, 2023 (2022: nil).

Directors' termination benefits

None of the Directors received or will receive any termination benefits for the year ended October 31, 2023 (2022: nil).

Consideration provided to the third parties for making available Directors' services

During the year ended October 31, 2023, the Company did not pay consideration to any third parties for making available Directors' services (2022: nil).

Information about loans, quasi-loans and other dealings in favour of Directors, controlled bodies corporate and connected entities

At October 31, 2023, there is no loans, quasi-loans and other dealings in favour of Directors, controlled bodies corporate and connected entities with such Directors (2022: nil).

Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a Director and the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended October 31, 2023 (2022: nil).

11. Benefit and Interests of Directors' Emoluments and Employees' Benefit Expenses (Continued)

Employees' benefit expenses

	2023 HK$'000	2022 HK$'000
Salaries, allowances and benefits in kind	**1,061,591**	886,189
Share-based payments	**745**	316
The Group's contributions to retirement scheme, net of forfeited contribution of HK$108,000 (2022: HK$108,000)	**87,827**	77,553
	1,150,163	964,058

Of the five individuals with the highest emoluments in the Group, two (2022: two) were Directors whose emoluments are included in the preceding disclosures on Directors' emoluments. The emoluments of the remaining three (2022: three) individuals are as follows:

	2023 HK$'000	2022 HK$'000
Salaries, allowances and benefits in kind	**15,193**	14,581
Bonuses	**2,316**	2,884
Share-based payments	**288**	68
The Group's contributions to retirement scheme	**139**	122
	17,936	17,655

11. Benefit and Interests of Directors' Emoluments and Employees' Benefit Expenses (Continued)

Employees' benefit expenses (Continued)

The emoluments fell within the following bands:

	Number of employees	
	2023	2022
HK$4,000,001 – HK$4,500,000	**1**	–
HK$4,500,001 – HK$5,000,000	**–**	–
HK$5,000,001 – HK$5,500,000	**–**	2
HK$5,500,001 – HK$6,000,000	**–**	–
HK$6,000,001 – HK$6,500,000	**1**	–
HK$6,500,001 – HK$7,000,000	**–**	–
HK$7,000,001 – HK$7,500,000	**1**	1
	3	3

During the year ended October 31, 2023, no emoluments were paid by the Group to any highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2022: nil).

12. Income Tax Expense

	2023 HK$'000	2022 HK$'000
The charge comprises:		
Current tax		
Profits tax for the year		
Hong Kong	**9,956**	–
Overseas	**59,433**	30,066
Under (over) provision in prior years		
Hong Kong	**–**	(28)
Overseas	**1,355**	(4,100)
	70,744	25,938
Deferred tax *(Note 38)*	**(13,343)**	3,806
	57,401	29,744

Hong Kong profits tax is calculated at 16.5% (2022: 16.5%) on the estimated assessable profits for the year. A portion of the Group's profit is derived offshore and is not subject to Hong Kong profits tax.

Under the two-tiered profits tax regime, the first HK$2 million of profits of the qualifying group entities established in Hong Kong has been taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered profits tax rate regime will continue to be taxed at a rate of 16.5%.

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:

	2023 HK$'000	2022 HK$'000
Profit before tax (excluding share of results of associates and joint ventures)	**288,760**	180,890
Tax at the domestic income tax rate of 16.5% (2022: 16.5%)	**47,645**	29,847
Effect of different taxation rates in other countries	**7,133**	(903)
Tax effect of income that is not taxable	**(20,695)**	(34,673)
Tax effect of expenses that are not deductible	**18,230**	27,643
Tax effect of utilisation of previously unrecognised tax losses	**(3,063)**	(11,528)
Tax effect of tax losses not recognised	**7,520**	12,766
Deferred taxation on withholding tax arising on undistributed earnings of subsidiaries	**(7,789)**	9,643
Under (over) provision in prior years	**1,355**	(4,128)
Others	**7,065**	1,077
Income tax expense	**57,401**	29,744

13. Profit for the Year

	2023 HK$'000	2022 HK$'000
Profit for the year has been arrived at after charging:		
Auditors' remuneration	**6,142**	5,969
Depreciation of:		
Property, plant and equipment	**42,829**	42,202
Right-of-use assets	**24,919**	24,799
Loss on disposal of property, plant and equipment	**210**	6
Other intangible assets written off	**14,118**	26,349
Direct operating expenses of investment properties that generate rental income	**1,498**	1,716
Cost of inventories sold	**287,845**	256,400
Bad debts written off	**1,325**	4,758
Allowance for bad and doubtful debts	**56,159**	62,166
Amortisation of:		
Club membership (included in administrative expenses)	**8**	8
Show rights and software (included in administrative expenses)	**12,406**	27,904
Other intangible assets arising from business combinations	**30,955**	39,445
Net exchange loss	**5,403**	1,068
Impairment of goodwill (included in other operating expenses)	**–**	29,973
Decrease in fair value of investment properties, net (included in other operating expenses)	**15,566**	17,650
Decrease in fair value of financial assets at FVTPL (included in administrative expenses)	**–**	9,124
Decrease in fair value of derivative financial assets (included in administrative expenses)	**3,715**	3,768
Loss on lease modification	**121**	–
Increase in remeasurement of contingent consideration	**6**	–
and crediting:		
Allowance written back on bad and doubtful debts	**22,415**	23,124
Decrease in remeasurement of contingent consideration	**–**	33,538
Gain on dissolution of subsidiaries, net	**2,743**	1,414
Gain on disposal of subsidiaries, net	**–**	500
Reversal of allowance for inventories	**1**	6

14. Dividends Paid

	2023 HK$'000	2022 HK$'000
2022 final dividend paid HK6.0 cents per share (2022: 2021 final dividend paid HK5.0 cents per share)	**74,309**	61,913
2023 interim dividend paid HK2.0 cents per share (2022: 2022 interim dividend paid nil per share)	**24,781**	–
Total	**99,090**	61,913

A final dividend of HK7.0 cents per ordinary share for the year ended October 31, 2023 has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming AGM.

15. Earnings per Share

The calculation of the basic and diluted earnings per share is based on the following data:

	2023 HK$'000	2022 HK$'000
Earnings for the purposes of calculating basic and diluted earnings per share	**228,083**	162,642

	2023	2022
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,238,679,852**	1,238,244,405
Effect of dilutive potential ordinary shares in respect of options	**1,628,199**	405,086
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,240,308,051**	1,238,649,491

16. Investment Properties

	2023 HK$'000	2022 HK$'000
VALUATION		
At November 1	**271,896**	289,105
Transfer from property, plant and equipment	**–**	3,687
Exchange adjustments	**206**	(25,138)
Fair value gain on transfer of property, plant and equipment to investment properties	**–**	21,892
Decrease in fair value, net	**(15,566)**	(17,650)
At October 31	**256,536**	271,896

The investment properties, situated in Hong Kong and the PRC, were valued by LCH (Asia-Pacific) Surveyors Limited, an independent and registered professional firm of surveyors, at October 31, 2023, using the investment method of the income approach, by taking into account the rental income from the existing tenancy agreements and reversionary property interest. For assessing the reversionary potential of the properties, the valuer based on the prevailing market information within the subject buildings and other comparable properties. For details, please refer to Note 7 to the consolidated financial statements.

Particulars of the Group's principal investment properties at October 31, 2023 are set out in the section "Summary of Principal Investment Properties" on pages 178 to 179.

17. Property, Plant and Equipment

	Land and buildings situated in Hong Kong HK$'000	Land and buildings situated outside Hong Kong HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and office equipment HK$'000	Tools, machinery, factory equipment and fittings HK$'000	Motor vehicles HK$'000	Operating supplies HK$'000	Total HK$'000
COST								
At November 1, 2021	80,783	692,149	81,135	164,123	80,470	20,539	33,711	1,152,910
Exchange adjustments	–	(52,665)	(5,346)	(8,956)	(6,579)	(1,177)	81	(74,642)
Transfer to investment properties	–	(7,658)	–	–	–	–	–	(7,658)
Additions	–	3,820	3,375	6,091	294	62	588	14,230
Disposal	–	–	(138)	(2,077)	(692)	(768)	–	(3,675)
Dissolution of subsidiaries	–	–	–	(25)	–	–	–	(25)
At October 31, 2022 and November 1, 2022	80,783	635,646	79,026	159,156	73,493	18,656	34,380	1,081,140
Exchange adjustments	**-**	**9,428**	**999**	**766**	**302**	**282**	**(26)**	**11,751**
Additions	**-**	**348**	**668**	**8,865**	**8,157**	**1,326**	**543**	**19,907**
Disposal	**-**	**-**	**(4,022)**	**(10,955)**	**(3,837)**	**(841)**	**-**	**(19,655)**
At October 31, 2023	**80,783**	**645,422**	**76,671**	**157,832**	**78,115**	**19,423**	**34,897**	**1,093,143**
ACCUMULATED DEPRECIATION AND IMPAIRMENT								
At November 1, 2021	(28,427)	(188,175)	(68,665)	(143,665)	(67,044)	(18,230)	(31,107)	(545,313)
Exchange adjustments	–	12,758	4,895	7,727	5,617	1,170	(75)	32,092
Transfer to investment properties	–	3,971	–	–	–	–	–	3,971
Provided for the year	(1,214)	(20,529)	(6,532)	(8,382)	(3,318)	(1,025)	(1,202)	(42,202)
Elimination on disposal	–	–	138	2,063	685	707	–	3,593
Dissolution of subsidiaries	–	–	–	16	–	–	–	16
At October 31, 2022 and November 1, 2022	(29,641)	(191,975)	(70,164)	(142,241)	(64,060)	(17,378)	(32,384)	(547,843)
Exchange adjustments	**-**	**(3,623)**	**(868)**	**(663)**	**(332)**	**(300)**	**26**	**(5,760)**
Provided for the year	**(1,214)**	**(23,323)**	**(3,775)**	**(7,215)**	**(5,315)**	**(871)**	**(1,116)**	**(42,829)**
Elimination on disposal	**-**	**-**	**3,835**	**10,932**	**3,837**	**841**	**-**	**19,445**
At October 31, 2023	**(30,855)**	**(218,921)**	**(70,972)**	**(139,187)**	**(65,870)**	**(17,708)**	**(33,474)**	**(576,987)**
CARRYING AMOUNT								
At October 31, 2023	**49,928**	**426,501**	**5,699**	**18,645**	**12,245**	**1,715**	**1,423**	**516,156**
At October 31, 2022	51,142	443,671	8,862	16,915	9,433	1,278	1,996	533,297

17. Property, Plant and Equipment (Continued)

At October 31, 2023, certain land and buildings situated outside Hong Kong with carrying amount of HK$145,397,000 (2022: HK$150,637,000) were pledged for credit facilities granted to the Group *(Note 41)*.

For land situated in Hong Kong with carrying amount of HK$9,339,000 (2022: HK$9,704,000) as at October 31, 2023 was leased from Hong Kong Science and Technology Parks Corporation for a term up to June 27, 2047.

18. Right-of-Use Assets

	Leasehold lands HK$'000	**Leased lands** HK$'000	**Leased properties** HK$'000	**Leased equipment** HK$'000	**Total** HK$'000
At November 1, 2021	78,680	104,379	38,420	2,360	223,839
Additions	–	6,005	4,484	237	10,726
Depreciation	(2,393)	(7,443)	(14,077)	(886)	(24,799)
Variable lease payment adjustments	–	732	–	–	732
Lease modification	–	–	(388)	(8)	(396)
Exchange adjustments	(9,221)	(3,516)	(2,331)	(90)	(15,158)
At October 31, 2022 and November 1, 2022	67,066	100,157	26,108	1,613	194,944
Additions	**–**	**2,560**	**8,903**	**870**	**12,333**
Depreciation	**(2,246)**	**(8,160)**	**(13,726)**	**(787)**	**(24,919)**
Variable lease payment adjustments	**–**	**4,597**	**–**	**–**	**4,597**
Lease modification	**–**	**–**	**(153)**	**(145)**	**(298)**
Exchange adjustments	**(11)**	**2,859**	**518**	**14**	**3,380**
At October 31, 2023	**64,809**	**102,013**	**21,650**	**1,565**	**190,037**

Lease liabilities of HK$128,253,000 (2022: HK$129,352,000) are recognised with related right-of-use assets of HK$125,228,000 (2022: HK$127,878,000) as at October 31, 2023. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

	2023 **HK$'000**	2022 HK$'000
Depreciation on right-of-use assets (included in administrative expenses)	**24,919**	24,799
Interest expense on lease liabilities (included in finance costs)	**6,046**	5,778
Expenses relating to short-term leases (included in administrative expenses)	**9,524**	8,442
Expenses relating to leases of low value assets (included in administrative expenses)	**1,476**	1,730
COVID-19 Related rent concessions received (included in other income)	**–**	4,255

18. Right-of-Use Assets (Continued)

Details of total cash outflow for leases is set out in Note 40 to the consolidated financial statements.

For both years, the Group leases various offices, factory, exhibition hall, warehouse, lands and office equipment for its operations. Lease contracts are entered into for fixed term of two years to sixty years (2022: two years to sixty years), but may have extension and termination options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

Some leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. If the Group is not reasonably certain to exercise the extension options, the future lease payments during the extension periods are not included in the measurement of lease liabilities. The potential exposure to these future lease payments is summarised below:

	Lease liabilities recognised (discounted)		**Potential future lease payments under extension options not included in lease liabilities (undiscounted)**	
	2023	2022	**2023**	2022
	HK$'000	HK$'000	**HK$'000**	HK$'000
Office	**4,216**	1,450	**–**	–
Office equipment	**–**	–	**546**	555
Exhibition hall	**–**	3,985	**–**	–

18. Right-of-Use Assets (Continued)

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the year ended October 31, 2023, there has been no such triggering event.

During 2022, the Group received rent concessions in the form of a waiver on fixed payments during COVID-19 pandemic. In addition, the Group leased office for its operations. During 2022, the Group has received rent concessions in the form of a discount on fixed payments as a result of COVID-19. The amount of fixed and variable lease payments recognised for 2022 is summarised below:

	Fixed payments HK$'000	Variable payments HK$'000	COVID-19 Related rent concessions HK$'000	Total payments HK$'000
For the year ended October 31, 2022				
Exhibition hall – Overseas	4,697	–	(4,227)	470
Office – Overseas	277	–	(28)	249

19. Intangible Assets

		Other intangible assets							
	Goodwill HK$'000	Software HK$'000	Club memberships HK$'000	Trade name HK$'000	Show rights HK$'000	Marketing related intangible assets HK$'000	Customer relationship HK$'000	Non-competition agreements HK$'000	Total HK$'000
COST									
At November 1, 2021	367,920	49,822	5,002	22,542	25,583	57,062	230,667	3,178	761,776
Exchange adjustments	(693)	(1,994)	(117)	222	(666)	562	2,272	31	(383)
Additions	–	71,411	2,860	–	–	–	–	–	74,271
Written off	–	(26,349)	–	–	–	–	–	–	(26,349)
At October 31, 2022 and November 1, 2022	367,227	92,890	7,745	22,764	24,917	57,624	232,939	3,209	809,315
Exchange adjustments	**152**	**(615)**	**74**	**(77)**	**536**	**(194)**	**(785)**	**(11)**	**(920)**
Additions	**-**	**33,776**	**-**	**-**	**-**	**-**	**-**	**-**	**33,776**
Written off	**-**	**(19,178)**	**-**	**-**	**-**	**-**	**-**	**-**	**(19,178)**
At October 31, 2023	**367,379**	**106,873**	**7,819**	**22,687**	**25,453**	**57,430**	**232,154**	**3,198**	**822,993**
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSS									
At November 1, 2021	(47,024)	(26,355)	(1,195)	–	(19,992)	(40,854)	(84,557)	(2,194)	(222,171)
Exchange adjustments	(55)	1,746	60	–	(215)	(432)	(907)	(23)	174
Amortisation	–	(27,186)	(8)	–	(718)	(11,012)	(27,823)	(610)	(67,357)
Impairment loss	(29,973)	–	–	–	–	–	–	–	(29,973)
At October 31, 2022 and November 1, 2022	(77,052)	(51,795)	(1,143)	–	(20,925)	(52,298)	(113,287)	(2,827)	(319,327)
Exchange adjustments	**-**	**441**	**(39)**	**-**	**(238)**	**127**	**359**	**10**	**660**
Amortisation	**-**	**(11,701)**	**(8)**	**-**	**(705)**	**(4,322)**	**(26,326)**	**(307)**	**(43,369)**
Written off	**-**	**5,060**	**-**	**-**	**-**	**-**	**-**	**-**	**5,060**
At October 31, 2023	**(77,052)**	**(57,995)**	**(1,190)**	**-**	**(21,868)**	**(56,493)**	**(139,254)**	**(3,124)**	**(356,976)**
CARRYING AMOUNT									
At October 31, 2023	**290,327**	**48,878**	**6,629**	**22,687**	**3,585**	**937**	**92,900**	**74**	**466,017**
At October 31, 2022	290,175	41,095	6,602	22,764	3,992	5,326	119,652	382	489,988

19. Intangible Assets (Continued)

The remaining amortisation period of the software is three years to six years.

The remaining amortisation period of the show rights is five years.

The remaining amortisation period of the marketing related intangible assets, customer relationship and non-competition agreements are one month to five years.

Trade name and club memberships have indefinite useful life, except a club membership with expiry date with remaining amortisation period of eleven years.

The trade name value of HK$22,687,000 (2022: HK$22,764,000) arising from the acquisition of a subsidiary is regarded as having an indefinite useful life and there is no foreseeable limit to the period over which it is expected to generate cash flows for the Group, given that the acquired company has used the trade name since its inception and has consistently incurred advertising and marketing expenses in promoting the name through various forms of media; the trade name has substantial name recognition among its customers; and the intellectual property rights therein are secured and can be maintained with relatively little cost and effort.

Goodwill and other intangible assets acquired in a business combination are allocated, at acquisition, to the CGUs that are expected to benefit from that business combination.

The trade name is used in the Group's exhibition, event and brand activation segment.

The carrying amount of goodwill has been allocated as follows:

	2023 **HK$'000**	2022 HK$'000
Exhibition, event and brand activation	**188,604**	188,604
Meeting architecture activation	**4,838**	4,686
Museum and themed entertainment	**96,885**	96,885
	290,327	290,175

19. Intangible Assets (Continued)

Impairment test for cash-generating units

Goodwill and other intangible assets are allocated to the Group's CGUs identified according to the operating segments as follows:

	Discount rate		**Terminal value growth rate**	
	2023	2022	**2023**	2022
	%	%	**%**	%
Exhibition, event and brand activation	**17.00 – 22.00**	16.00 – 19.00	**2.00 – 3.00**	2.00 – 3.00
Meeting architecture activation	**20.00**	20.00	**0.00**	0.00
Museum and themed entertainment	**17.00**	16.00	**3.00**	3.00

The key assumptions used by management in setting the financial budgets for the initial five-year period were as follows:

Forecast sales growth rates – based on past experience adjusted for market trends and the strategic decisions made in respect of the CGUs.

Operating profits – based on historical experience of operating margins, adjusted for the impact of changes to product costs.

Note:

The Group carried out reviews of the recoverable amounts of its other intangible assets and goodwill allocated to the Group's various CGUs, having regard to the market conditions and expectations on market development. In addition to goodwill and other intangible assets, property, plant and equipment and right-of-use assets that generate cash flows together with the related goodwill and other intangible assets are also included in the respective CGUs for the purpose of impairment assessment. The recoverable amounts of the relevant assets have been determined on the basis of their values in use using discounted cash flow method from financial budgets approved by management covering a 5-year period.

If revenue growth rate in the forecast period was 3% lower than forecast, the recoverable amount of Local Projects, LLC under museum and themed entertainment segment would be lower than its carrying amount by HK$18,197,000. As at the reporting date, the carrying amount of this goodwill allocated to this segment is HK$96,885,000.

Except for the above, management believes that any reasonably possible change in the key assumptions on which the recoverable amounts are based would not cause their carrying amounts to exceed their recoverable amounts.

At October 31, 2022, before impairment testing, goodwill and software of HK$29,973,000 and HK$26,349,000 were allocated to Seed Communications LLC, a CGU within the exhibition, event and brand activation segment. The performance of Seed Communications LLC did not meet the Group's expectations due to a slow recovery from the economic effects of the COVID-19 pandemic. The Group has revised the cash flow forecasts for this CGU down to its recoverable amount of nil and an impairment loss on goodwill of HK$29,973,000 and written off of software of HK$26,349,000 recognised.

20. Interests in Joint Ventures

	2023 HK$'000	2022 HK$'000
Unlisted investments		
Share of net assets	**40,447**	23,227
Less: Impairment loss recognised	**–**	–
	40,447	23,227

Particulars of the Group's principal joint ventures at October 31, 2023 are set out in Note 49 to the consolidated financial statements.

The following table shows information on the joint venture that is material to the Group. This joint venture is accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the HKFRS financial statements of the joint ventures.

Name	**Karnival TP-AXC Holdings Limited**	
Principal place of business	**Hong Kong**	
	2023	2022
Percentage of ownership interests/ voting rights held by the Group	**20%/ 20%**	20%/ 20%
	HK$'000	HK$'000
At October 31		
Non-current assets	**36,646**	–
Current assets	**202,250**	80,679
Non-current liabilities	**–**	–
Current liabilities	**(36,662)**	(1,605)
Net assets	**202,234**	79,074
Group's share of carrying amount of interests	**40,447**	15,815
Year ended October 31		
Revenue	**–**	–
Profit for the year	**910**	–
Other comprehensive income	**–**	–
Total comprehensive income	**910**	–
Dividend received from joint venture	**–**	–

20. Interests in Joint Ventures (Continued)

Karnival TP-AXC Holdings Limited is a strategic investment of the Group, being investment holding company for development, operation and management of museum and themed entertainment segment project.

The following table shows, in aggregate, the Group's share of the amounts of all individually immaterial joint ventures that are accounted for using the equity method.

	2023 HK$'000	2022 HK$'000
At October 31		
Carrying amount of interests	**–**	7,412
Year ended October 31		
Loss for the year	**–**	(438)
Other comprehensive expense	**–**	–
Total comprehensive expense	**–**	(438)

The Group has not recognised losses of HK$25,000 (2022: profits of HK$428,000) for the year ended October 31, 2023. At October 31, 2023, the accumulated losses not recognised were HK$2,012,000 (2022: HK$1,942,000).

As at October 31, 2023, all the joint ventures did not have any significant commitment or contingent liabilities (2022: nil). The Group's capital commitment to provide funding for the joint ventures is nil (2022: nil).

21. Interests in Associates

	2023 HK$'000	2022 HK$'000
Unlisted/Listed investments		
Share of net assets	**128,789**	133,128
Less: Impairment loss recognised	**(29,736)**	(28,848)
	99,053	104,280
Fair value of listed investment in an associate outside Hong Kong based on quoted market price (Level 1 fair value measurement)	**98,253**	93,331

Particulars of the Group's principal associates at October 31, 2023 are set out in Note 48 to the consolidated financial statements.

21. Interests in Associates (Continued)

The following table shows information of associates that are material to the Group. These associates are accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the HKFRS financial statements of the associates.

Name **Principal place of business**	**Xi'an Greenland Pico Int'l Convention and Exhibition Co. Ltd. ("Xi'an Greenland")** **The PRC**		**Pico (Thailand) Public Company Limited** **Thailand**	
	2023	2022	**2023**	2022
Percentage of ownership interests/ voting rights held by the Group	**30%/ 30%**	30%/ 30%	**42.7%/ 42.7%**	42.4%/ 42.4%
	HK$'000	HK$'000	**HK$'000**	HK$'000
At October 31				
Non-current assets	**112,551**	119,627	**35,867**	38,520
Current assets	**3,878**	3,087	**122,288**	119,796
Non-current liabilities	**–**	–	**(14,403)**	(14,578)
Current liabilities	**(61,759)**	(62,964)	**(58,763)**	(67,604)
Net assets	**54,670**	59,750	**84,989**	76,134
Group's share of carrying amount of interests	**29,675**	31,676	**36,282**	32,103
Year ended October 31				
Revenue	**–**	27	**233,083**	249,817
(Loss) profit for the year	**(1,974)**	(2,102)	**2,069**	3,145
Other comprehensive income (expense)	**32**	(2,522)	**1,737**	(3,764)
Total comprehensive (expense) income	**(1,942)**	(4,624)	**3,806**	(619)
Dividend received from associates	**–**	–	**–**	–

Xi'an Greenland is a strategic investment of the Group, providing access to hall management for its exhibition business.

Pico (Thailand) Public Company Limited is a strategic investment of the Group, providing services to organiser, turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution.

21. Interests in Associates (Continued)

The following table shows, in aggregate, the Group's share of the amounts of all individually immaterial associates that are accounted for using the equity method.

	2023 HK$'000	2022 HK$'000
At October 31		
Carrying amount of interests	**33,096**	40,501
Year ended October 31		
Profit for the year	**11,367**	1,850
Other comprehensive income (expense)	**1,093**	(1,114)
Total comprehensive income	**12,460**	736

The Group has not recognised profits of HK$450,000 (2022: losses of HK$770,000) for the year ended October 31, 2023. At October 31, 2023, the accumulated losses not recognised were HK$1,691,000 (2022: HK$2,137,000).

At October 31, 2023, the bank and cash balances of the Group's associates in the PRC denominated in RMB amounted to HK$2,092,000 (2022: HK$4,055,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

As at October 31, 2023, all the associates did not have any significant commitment or contingent liabilities (2022: nil). The Group's capital commitment to provide funding for the associates is nil (2022: nil).

22. Financial Assets at FVTOCI

	2023 **HK$'000**	2022 HK$'000
Equity securities, at fair value, unlisted	**18,981**	17,571
Analysed as:		
Non-current assets	**18,981**	17,571

The following table provides a reconciliation of financial assets at FVTOCI:

	2023 **HK$'000**	2022 HK$'000
At November 1	**17,571**	11,881
Exchange adjustments	**536**	(548)
Total gain (loss) recognised in other comprehensive income	**874**	(1,435)
Additions	**–**	7,673
At October 31	**18,981**	17,571

Financial assets at FVTOCI are denominated in the following currencies:

	2023 **HK$'000**	2022 HK$'000
RMB	**3,531**	2,657
SG dollars	**15,450**	14,914
	18,981	17,571

23. Inventories

	2023 HK$'000	2022 HK$'000
Raw materials	**1,627**	1,557
Work in progress	**6,733**	3,491
Finished goods	**4,618**	8,187
	12,978	13,235

24. Contract Related Assets and Contract Liabilities

	2023 HK$'000	2022 HK$'000
Contract assets		
Arising from performance under construction contracts	**741,967**	734,371
Arising from fulfilling short-term contracts	**404,760**	220,288
Less: Allowance for impairment loss	**(16,202)**	(21,036)
	1,130,525	933,623
Debtors from contracts with customers within the scope of HKFRS 15, which are included in "Debtors, deposits and prepayments"	**25,088**	41,842

Amounts relating to contract assets are balances due from customers under construction contracts that arise when the Group receives payments from customers in line with a series of performance related milestones.

Contract assets increased by HK$196,902,000 from prior year. The increase in 2023 was mainly due to the Group has increased number of projects pending acceptance of assurance upon job completion.

The amount of contract assets that is expected to be recovered after more than one year is HK$33,739,000 (2022: HK$56,338,000).

Amounts relating to the capitalised contract costs are the costs incurred that relate directly to existing contracts. No amortisation (2022: HK$106,000) was recognised in the profit or loss during the reporting period.

24. Contract Related Assets and Contract Liabilities (Continued)

	2023 HK$'000	2022 HK$'000
Contract liabilities		
Billings in advance of performance obligation		
Arising from performance under construction contracts	**183,210**	250,637
	183,210	250,637

Contract liabilities relating to installation services/construction contracts are balances due to customers under installation services/construction contracts. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-cost method.

Contract liabilities decreased by HK$67,427,000 from prior year. The decrease in 2023 was mainly due to decrease in billings in advance of performance obligation arising from performance under construction contracts for new projects.

Movement in contract liabilities

	2023 HK$'000	2022 HK$'000
At November 1	**250,637**	205,118
Decrease in contract liabilities as a result of recognising revenue during the year was included in the contract liabilities at the beginning of the year	**(171,504)**	(121,884)
Increase in contract liabilities as a result of billings in advance of construction activities	**104,756**	204,878
Other movements	**(3,891)**	(18,108)
Exchange adjustments	**3,212**	(19,367)
At October 31	**183,210**	250,637

The amount of billings in advance of performance received that is expected to be recognised as income after more than one year is nil (2022: HK$3,378,000).

25. Financial Assets at FVTPL

	2023 HK$'000	2022 HK$'000
Equity securities, at fair value, listed	–	233
Fund investments, at fair value	18,601	16,114
Investments in SAFE	1,240	–
	19,841	16,347
Analysed as:		
Current assets	18,601	16,347
Non-current assets	1,240	–
	19,841	16,347

The following table provides a reconciliation of financial assets at FVTPL:

	2023 HK$'000	2022 HK$'000
At November 1	16,347	24,778
Exchange adjustments	(58)	201
Total gain (loss) recognised in profit or loss	2,533	(9,124)
Additions	1,261	492
Disposal	(242)	–
At October 31	19,841	16,347

Financial assets at FVTPL are denominated in the following currencies:

	2023 HK$'000	2022 HK$'000
RMB	–	233
US dollars	19,841	16,114
	19,841	16,347

The carrying amounts of the above financial assets are mandatorily measured at fair value through profit or loss in accordance with HKFRS 9.

The fund investments included above represent investments in funds that hold bond investments that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of fund investments were based on the quoted price provided by the financial institution.

The fair value of listed equity securities in 2022 included above was determined based on the quoted market closing price available on the relevant exchange in an active market.

During the year, the Group entered into SAFEs with private companies to grant the Group the right to acquire ownership interests at consideration of cash and services in kind upon satisfying specified milestone conditions in the future. The right is classified as financial asset at FVTPL. During the year, the Group has paid a cash consideration of USD160,000 (equivalent to HK$1,261,000) and the fair value is estimated at approximate to this amount and being recognised as investments in SAFE.

26. Derivative Financial Assets

	2023 HK$'000	2022 HK$'000
Financial assets		
Option for acquisition of equity interests *(Note)*	**1,652**	5,145
Analysed as:		
Current assets	**1,652**	5,145

The following table provides a reconciliation of derivative financial assets:

	2023 HK$'000	2022 HK$'000
At November 1	**5,145**	10,295
Exchange adjustments	**222**	(1,382)
Change in fair value of derivative financial assets	**(3,715)**	(3,768)
At October 31	**1,652**	5,145

Note: Option for acquisition of equity interests is the fair value of the right to purchase the remaining equity in FUTR World Limited in which the Group has acquired 51% equity interests on January 7, 2019.

27. Debtors, Deposits and Prepayments

	2023 HK$'000	2022 HK$'000
Trade debtors	**861,070**	817,560
Less: Allowance for bad and doubtful debts	**(88,018)**	(93,682)
	773,052	723,878
Other debtors	**123,160**	156,829
Less: Allowance for bad and doubtful debts	**(17,009)**	(18,610)
	106,151	138,219
Prepayments and deposits	**99,744**	99,113
	205,895	237,332
	978,947	961,210

The Group allows a credit period ranged from 30 to 90 days to its customers.

27. Debtors, Deposits and Prepayments (Continued)

The aging analysis of trade debtors, based on the invoice date, and net of allowance, is as follows:

	2023 HK$'000	2022 HK$'000
Less than 91 days	**645,124**	587,607
91 – 180 days	**65,278**	78,112
181 – 365 days	**43,967**	44,501
More than 1 year	**18,683**	13,658
	773,052	723,878

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

	Hong Kong dollars HK$'000	Euro HK$'000	Malaysian ringgits HK$'000	RMB HK$'000	SG dollars HK$'000	US dollars HK$'000	AED HK$'000	Others HK$'000	Total HK$'000
At October 31, 2023	**50,141**	**5,243**	**40,320**	**219,662**	**126,269**	**124,795**	**32,317**	**174,305**	**773,052**
At October 31, 2022	65,197	5,108	31,206	234,979	96,337	149,375	41,631	100,045	723,878

At October 31, 2023, an allowance was made for estimated irrecoverable trade debtors of HK$88,018,000 (2022: HK$93,682,000) which have either been placed under liquidation or in severe financial difficulties. The Group does not hold any collateral over these balances.

28. Loan due from an Associate/Amounts due from (to) Associates and Joint Ventures

At October 31, 2022, the loan receivable from an associate is unsecured, bears effective interest rate at 8.70% to 12.36% per annum. The loan has been fully repaid during the current financial year.

The amounts due from (to) associates and joint ventures are unsecured, non-interest bearing, and have no fixed terms of repayment.

At October 31, 2023, the amounts due from associates and joint ventures have been arrived at after deducting impairment loss of HK$13,250,000 (2022: nil) and HK$5,419,000 (2022: HK$5,362,000) respectively. Written off of allowance for doubtful amounts due from associates and joint ventures of nil (2022: nil) were made for the year. Allowance for doubtful amounts due from associates of HK$13,468,000 (2022: nil) and joint ventures of nil (2022: nil) were made for the year.

29. Pledged Bank Deposits and Bank and Cash Balances

The carrying amounts of the pledged bank deposits and bank and cash balances are denominated in the following currencies:

	Hong Kong dollars HK$'000	Euro HK$'000	Malaysian ringgits HK$'000	RMB *(Note)* HK$'000	SG dollars HK$'000	US dollars HK$'000	AED HK$'000	Others HK$'000	Total HK$'000
At October 31, 2023									
Cash at bank and on hand	**63,061**	**7,368**	**18,524**	**254,685**	**245,703**	**148,324**	**54,302**	**185,028**	**976,995**
Bank deposits	**–**	**–**	**4,086**	**60,779**	**82,972**	**112,806**	**890**	**55,065**	**316,598**
	63,061	**7,368**	**22,610**	**315,464**	**328,675**	**261,130**	**55,192**	**240,093**	**1,293,593**
Pledged bank deposits *(Note 41)*	**–**	**–**	**–**	**(117)**	**–**	**–**	**(890)**	**(2,704)**	**(3,711)**
Bank and cash balances	**63,061**	**7,368**	**22,610**	**315,347**	**328,675**	**261,130**	**54,302**	**237,389**	**1,289,882**
Non-pledged bank deposits with more than three months to maturity	**–**	**–**	**(10,915)**	**–**	**(68,667)**	**(6,259)**	**–**	**(30,577)**	**(116,418)**
Cash and cash equivalents	**63,061**	**7,368**	**11,695**	**315,347**	**260,008**	**254,871**	**54,302**	**206,812**	**1,173,464**
At October 31, 2022									
Cash at bank and on hand	39,543	4,964	15,021	439,074	218,421	280,550	61,505	145,470	1,204,548
Bank deposits	–	2,019	4,037	70,967	608	45,565	1,710	76,002	200,908
	39,543	6,983	19,058	510,041	219,029	326,115	63,215	221,472	1,405,456
Pledged bank deposits	–	–	–	(321)	–	–	(1,710)	(333)	(2,364)
Bank and cash balances	39,543	6,983	19,058	509,720	219,029	326,115	61,505	221,139	1,403,092
Non-pledged bank deposits with more than three months to maturity	–	–	–	–	(608)	(6,280)	–	(23,857)	(30,745)
Cash and cash equivalents	39,543	6,983	19,058	509,720	218,421	319,835	61,505	197,282	1,372,347

The effective interest rates on bank deposits range from 0.00% to 5.47% per annum (2022: 0.00% to 7.20% per annum), these deposits have maturity range from 1 day to 3 years (2022: 1 day to 3 years) and are subject to fair value interest rate risk.

The Group's pledged bank deposits represented deposits pledged to banks to secure banking facilities granted to the Group as set out in Note 41 to the consolidated financial statements. These deposits are subject to regulatory restrictions and are therefore not available for general use by the Group.

Note: Included in the bank and cash balances of the Group, HK$315,464,000 (2022: HK$510,041,000) were denominated in RMB, which was not freely convertible to other currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

30. Creditors and Accrued Charges

	2023 HK$'000	2022 HK$'000
Trade creditors	**361,869**	360,494
Accrued charges	**1,512,735**	1,136,029
Other creditors	**10,135**	10,070
Provision for reinstatement costs	**6,164**	5,651
	1,890,903	1,512,244

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

	2023 HK$'000	2022 HK$'000
Less than 91 days	**269,028**	258,242
91 – 180 days	**39,398**	29,966
181 – 365 days	**24,350**	30,892
More than 1 year	**29,093**	41,394
	361,869	360,494

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

	Hong Kong dollars HK$'000	Euro HK$'000	Malaysian ringgits HK$'000	RMB HK$'000	SG dollars HK$'000	US dollars HK$'000	AED HK$'000	Others HK$'000	Total HK$'000
At October 31, 2023	**22,961**	**5,294**	**10,401**	**170,351**	**57,044**	**46,106**	**14,094**	**35,618**	**361,869**
At October 31, 2022	21,997	5,576	14,012	167,730	49,709	43,075	31,647	26,748	360,494

31. Borrowings

	2023 HK$'000	2022 HK$'000
Borrowings comprise the following:		
Short-term borrowings	**7,983**	206,750
Long-term borrowings	**381,876**	597,303
	389,859	804,053
The borrowings are repayable as follows:		
On demand or within one year	**188,722**	436,250
In the second year	**201,106**	166,579
In the third to fifth years, inclusive	**31**	201,224
	389,859	804,053

Note: As at October 31, 2023, the Group has borrowings of HK$14,220,000 (2022: HK$15,120,000) due for repayment after one year but contain a repayment on demand clause.

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

	Hong Kong dollars HK$'000	**GBP** HK$'000	**US dollars** HK$'000	**New Taiwan dollars** HK$'000	**Others** HK$'000	**Total** HK$'000
At October 31, 2023						
Borrowings	**367,556**	**100**	**7,824**	**14,220**	**159**	**389,859**
At October 31, 2022						
Borrowings	788,441	342	–	15,120	150	804,053

As at October 31, 2023, the Group's borrowings of HK$259,000 (2022: HK$491,000) carry fixed interest rate at 1.61% to 2.50% per annum and expose the Group to fair value interest rate risk. The Group's borrowings of HK$389,600,000 (2022: HK$803,562,000) carry floating interest rates at 2.30% to 8.35% per annum, thus exposing the Group to cash flow interest rate risk.

Borrowings of HK$14,220,000 (2022: HK$15,120,000) is secured by a charge over the Group's certain leasehold land and buildings situated outside Hong Kong *(Note 17)*.

32. Lease Liabilities

	Minimum lease payment		Present value of minimum lease payment	
	2023	2022	**2023**	2022
	HK$'000	HK$'000	**HK$'000**	HK$'000
Within one year	**21,605**	23,465	**15,883**	18,231
In the second year	**18,336**	18,168	**13,474**	13,570
In the third to fifth years, inclusive	**23,066**	24,922	**10,275**	12,556
After five years	**134,324**	132,044	**88,621**	84,995
	197,331	198,599	**128,253**	129,352
Less: Future finance charges	**(69,078)**	(69,247)	**N/A**	N/A
Present value of lease obligations	**128,253**	129,352	**128,253**	129,352
Less: Amount due for settlement within one year (shown under current liabilities)			**(15,883)**	(18,231)
Amount due for settlement after one year (shown under non-current liabilities)			**112,370**	111,121

The weighted average incremental borrowing rates applied to lease liabilities range from 1.39% to 28.78% (2022: 1.39% to 16.30%).

The carrying amounts of the Group's lease liabilities are denominated in the following currencies:

	Hong Kong dollars	Malaysian ringgits	RMB	SG dollars	US dollars	AED	Others	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At October 31, 2023	**1,031**	**183**	**615**	**86,151**	**13,947**	**16,160**	**10,166**	**128,253**
At October 31, 2022	1,067	349	1,414	80,379	17,970	16,381	11,792	129,352

33. Contingent Consideration

	2023 HK$'000	2022 HK$'000
At November 1	**–**	33,300
Exchange adjustments	**–**	238
Increase (decrease) in fair value	**6**	(33,538)
Purchase of non-controlling interests *(Note 40)*	**370**	–
At October 31	**376**	–
Analysed as:		
Current liabilities	**376**	–

The maturity of contingent consideration is as follows:

	2023 HK$'000	2022 HK$'000
Within one year	**376**	–

The carrying amounts of the contingent consideration are denominated in the following currencies:

	AED HK$'000
At October 31, 2023	**376**
At October 31, 2022	–

The contingent consideration for the acquisition of 5% shareholding in Pico Gulf Holdings Limited, a subsidiary of the Group, from a non-controlling shareholder requires the Group to pay the seller an additional amount up to AED704,000 (equivalent to HK$1,477,000) in cash, depending on the collection in cash of certain receivables within twelve months from the transaction date, which is July 10, 2023. HK$370,000 represents the estimated fair value of this obligation on July 10, 2023.

The potential undiscounted amount of all future payments that the Group could be required to make under this arrangement is between AED0 and AED704,000 (equivalent to HK$1,477,000) in cash.

The contingent consideration was valued by Grant Sherman Appraisal Limited, an independent and registered professional firm of valuers, at July 10, 2023 and at October 31, 2023, using the income approach. Included in consolidated profit or loss for the year was a HK$6,000 (2022: N/A) increase in fair value of contingent consideration from the transaction date to October 31, 2023.

34. Share Capital

	Number of shares 2023	2022	Share capital 2023 HK$'000	2022 HK$'000
Ordinary shares of HK$0.05 each				
Authorised:				
At beginning of year and end of year	**2,400,000,000**	2,400,000,000	**120,000**	120,000
Issued and fully paid:				
At beginning of year	**1,238,258,104**	1,238,208,104	**61,913**	61,910
Exercise of share options *(Note)*	**872,000**	50,000	**44**	3
At end of year	**1,239,130,104**	1,238,258,104	**61,957**	61,913

Note: During the year, 514,000, 92,000, 260,000, 6,000 shares were issued at HK$0.960, HK$1.120, HK$1.154 and HK$1.300 per share respectively as a result of the exercise of share options of the Company (2022: 50,000 shares were issued at HK$0.960 per share).

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group regularly reviews the capital structure by considering the costs of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through payment of dividends, new share issues and issue of new debts, redemption of existing debts or selling assets to reduce debts.

The Group monitors its capital on the basis of the gearing ratio, which is long-term borrowings including long-term lease liabilities divided by total assets. Total assets are calculated as non-current assets plus current assets. The gearing ratios as at October 31, 2023 and 2022 were as follows:

	2023 HK$'000	2022 HK$'000
Long-term borrowings including long-term lease liabilities	**313,507**	478,924
Non-current assets	**1,594,742**	1,647,368
Current assets	**3,465,765**	3,364,256
Total assets	**5,060,507**	5,011,624

	2023	2022
Gearing ratio	**6.20%**	9.56%

The Group's overall strategy of gearing remains unchanged during the year.

35. Share-Based Payments

The share option scheme approved by the shareholders of the Company on March 22, 2012 (the "2012 Scheme") has expired on March 22, 2022. Thereafter, no further options will be granted under the 2012 Scheme but the subsisting options granted thereunder prior to the expiry date will continue to be valid and exercisable in accordance with the terms of the 2012 Scheme.

At the AGM of the Company held on March 25, 2022, the shareholders of the Company approved the adoption of a new share option scheme (the "2022 Scheme") under which the Directors may grant options to eligible persons to subscribe for the Company's shares subject to the terms and conditions as stipulated therein. Unless otherwise cancelled or amended, the 2022 Scheme will remain valid for a period of 10 years from the date of its adoption.

The Company was authorised to grant share options under the 2022 Scheme for subscription of up to a total of 123,825,810 shares, representing 10% of the issued share capital of the Company as at the date of adoption. An option may be exercised in accordance with the terms of the 2022 Scheme at any time during a period such option is exercisable as the Board may in its absolute discretion determine, save that such period shall not be more than five years, subject to such conditions as the Board may think fit. The subscription price per share in relation to an option shall be a price to be determined by the Directors and shall be not less than the highest of (i) the closing price of the shares as stated in the daily quotation sheet issued by the Stock Exchange on the date on which the option is offered to eligible persons, which must be a business day; (ii) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the offer date; and (iii) the nominal value of the shares on the offer date.

As at October 31, 2023, the total number of outstanding share options issued under the 2012 Scheme and 2022 Scheme is 18,114,000 which represents approximately 1.46% of the total number of shares in issue on that date.

35. Share-Based Payments (Continued)

(i) Details of the specific categories of options relevant for the year ended October 31, 2023 are as follows:

	Date of grant	Vesting date	Exercise period	Exercise price HK$
2012 Scheme				
2017	21-May-18			
1st tranche		23-May-18	23.5.2018 – 21.5.2023	3.350
2nd tranche		1-Nov-18	1.11.2018 – 21.5.2023	3.350
3rd tranche		2-May-19	2.5.2019 – 21.5.2023	3.350
4th tranche		1-Nov-19	1.11.2019 – 21.5.2023	3.350
2018	16-May-19			
1st tranche		17-May-19	17.5.2019 – 16.5.2024	2.606
2nd tranche		1-Nov-19	1.11.2019 – 16.5.2024	2.606
3rd tranche		4-May-20	4.5.2020 – 16.5.2024	2.606
4th tranche		2-Nov-20	2.11.2020 – 16.5.2024	2.606
2019A	7-Sep-20			
1st tranche		8-Sep-20	8.9.2020 – 7.9.2025	0.960
2nd tranche		2-Nov-20	2.11.2020 – 7.9.2025	0.960
3rd tranche		3-May-21	3.5.2021 – 7.9.2025	0.960
4th tranche		1-Nov-21	1.11.2021 – 7.9.2025	0.960
2019B	25-Feb-21			
1st tranche		26-Feb-21	26.2.2021 – 25.2.2026	1.280
2nd tranche		1-Nov-21	1.11.2021 – 25.2.2026	1.280
3rd tranche		3-May-22	3.5.2022 – 25.2.2026	1.280
4th tranche		1-Nov-22	1.11.2022 – 25.2.2026	1.280
2022 Scheme				
2021A	23-May-22			
1st tranche		24-May-22	24.5.2022 – 23.5.2027	1.120
2nd tranche		1-Nov-22	1.11.2022 – 23.5.2027	1.120
3rd tranche		2-May-23	2.5.2023 – 23.5.2027	1.120
4th tranche		1-Nov-23	1.11.2023 – 23.5.2027	1.120
2021B	23-Sep-22			
1st tranche		24-Sep-22	24.9.2022 – 23.9.2027	1.154
2nd tranche		1-Nov-22	1.11.2022 – 23.9.2027	1.154
3rd tranche		2-May-23	2.5.2023 – 23.9.2027	1.154
4th tranche		1-Nov-23	1.11.2023 – 23.9.2027	1.154
2022	25-May-23			
1st tranche		29-May-23	29.5.2023 – 25.5.2028	1.300
2nd tranche		1-Nov-23	1.11.2023 – 25.5.2028	1.300
3rd tranche		2-May-24	2.5.2024 – 25.5.2028	1.300
4th tranche		1-Nov-24	1.11.2024 – 25.5.2028	1.300

If the options remain unexercised after a period of five years from the date of grant, the options will expire. Options are forfeited if the employee leaves the Group before the options exercise.

35. Share-Based Payments (Continued)

(ii) Details of the share options outstanding during the year are as follows:

	2023		2022	
	Number of share options	Weighted average exercise price HK$	Number of share options	Weighted average exercise price HK$
Outstanding at November 1	**12,748,000**	**1.30**	10,826,000	2.02
Granted during the year	**6,608,000**	**1.30**	5,420,000	1.13
Lapsed during the year	**(370,000)**	**3.35**	(3,448,000)	3.31
Exercised during the year	**(872,000)**	**1.04**	(50,000)	0.96
Outstanding at October 31	**18,114,000**	**1.27**	12,748,000	1.30
Exercisable at October 31	**11,850,000**	**1.27**	7,534,000	1.39

The weighted average share price at the date of exercise for share options exercised during the year is HK$1.347. The options outstanding at end of year have a weighted average remaining contractual life of three years (2022: weighted average life of three years) and the exercise prices range from HK$0.960 to HK$3.350 (2022: HK$0.960 to HK$3.350). In 2023, options were granted on May 25, 2023. The estimated fair value per option ranges from HK$0.290 to HK$0.301 with total fair value of HK$1,943,000. In 2022, options were granted on May 23, 2022 and September 23, 2022. The estimated fair value per option ranges from HK$0.212 to HK$0.215 with total fair value of HK$1,162,000.

These fair values were calculated using the Binomial options model. The inputs into the model were as follows:

Date of grant	Exercise price HK$	Based on expected life of share options Year(s)	Expected volatility %	Weighted average share price HK$	Risk-free rate %	Annual dividend yield %
2012 Scheme						
May 21, 2018	3.350	5.00	27.00	3.350	2.430	4.96
May 16, 2019	2.606	5.00	26.00	2.606	1.700	4.90
September 7, 2020	0.960	5.00	28.00	0.960	0.320	4.99
February 25, 2021	1.280	5.00	28.00	1.280	0.610	4.90
2022 Scheme						
May 23, 2022	1.120	5.00	28.00	1.116	2.620	4.57
September 23, 2022	1.154	5.00	28.00	1.154	3.640	4.57
May 25, 2023	1.300	5.00	30.00	1.294	3.370	2.90

Expected volatility was determined by using the historical volatility of the Company's share price over the previous five years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised total expenses of HK$1,723,000 for year ended October 31, 2023 (2022: HK$1,028,000) in relation to share options granted by the Company.

36. Statement of Financial Position and Reserve Movements of the Company

Statement of financial position of the Company

	Note	As at October 31 2023 HK$'000	2022 HK$'000
Non-current Asset			
Interests in subsidiaries		**83,237**	80,321
Current Assets			
Amounts due from subsidiaries		**801,046**	757,185
Debtors, deposits and prepayments		**219**	–
Bank and cash balances		**1,300**	664
		802,565	757,849
Current Liabilities			
Amount due to a subsidiary		**42,126**	63,103
Creditors and accrued charges		**1,912**	1,737
Financial guarantee		**16,843**	13,927
		60,881	78,767
Net Current Assets		**741,684**	679,082
NET ASSETS		**824,921**	759,403
Capital and Reserves			
Share capital	*34*	**61,957**	61,913
Reserves	*37*	**762,964**	697,490
TOTAL EQUITY		**824,921**	759,403

Approved by the Board of Directors on January 23, 2024 and are signed on its behalf by:

LAWRENCE CHIA SONG HUAT
DIRECTOR

MOK PUI KEUNG
DIRECTOR

36. Statement of Financial Position and Reserve Movements of the Company (Continued)

Reserve movements of the Company

	Share premium HK$'000	Capital redemption reserve HK$'000	Equity-settled share-based payment reserve HK$'000	Special reserve HK$'000	Retained earnings HK$'000	Total HK$'000
At November 1, 2021	777,126	854	3,287	50,594	(76,193)	755,668
Total comprehensive income for the year	–	–	–	–	2,662	2,662
Shares issued at premium	45	–	–	–	–	45
Recognition of equity-settled share-based payments	–	–	1,028	–	–	1,028
Exercise of equity-settled share-based payments	7	–	(7)	–	–	–
Transfer	1,848	–	(1,848)	–	–	–
2021 final dividend	–	–	–	–	(61,913)	(61,913)
At October 31, 2022 and November 1, 2022	779,026	854	2,460	50,594	(135,444)	697,490
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**161,980**	**161,980**
Shares issued at premium	**861**	**–**	**–**	**–**	**–**	**861**
Recognition of equity-settled share-based payments	**–**	**–**	**1,723**	**–**	**–**	**1,723**
Exercise of equity-settled share-based payments	**147**	**–**	**(147)**	**–**	**–**	**–**
Transfer	**215**	**–**	**(215)**	**–**	**–**	**–**
2022 final dividend	**–**	**–**	**–**	**–**	**(74,309)**	**(74,309)**
2023 interim dividend	**–**	**–**	**–**	**–**	**(24,781)**	**(24,781)**
At October 31, 2023	**780,249**	**854**	**3,821**	**50,594**	**(72,554)**	**762,964**

37. Reserves

Nature and purpose of reserves

Share premium

Under the Companies Act (2023 Revision) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

Capital redemption reserve

The capital redemption reserve represents the nominal amount of share capital repurchased through the Stock Exchange and cancelled by the Company. The issued share capital was reduced by the nominal value thereof and transfer to the capital redemption reserve upon cancellation of the repurchased shares.

Capital reserve

The capital reserve of the Group represents the difference between the nominal amounts of the share capital issued by the Company in exchange for the nominal amount of the share capital of its subsidiaries at the date of reorganisation.

Equity-settled share-based payment reserve

The fair value of the actual or estimated number of unexercised share options granted to Directors and employees of the Group recognised in accordance with the accounting policy adopted for share-based payments in Note 4 to the consolidated financial statements.

Legal reserve

The legal reserve of the Group represents the transfer from the retained earnings of the Company's subsidiaries as required by respective local laws and regulations.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 4 to the consolidated financial statements.

37. Reserves (Continued)

Nature and purpose of reserves (Continued)

Special reserve

The special reserve of the Company represents the difference between the nominal amount of the share capital issued by the Company and the book value of the underlying consolidated net assets of subsidiaries acquired by the Company at the date of reorganisation.

Assets revaluation reserve

The assets revaluation reserve is adopted for property revaluation increase when an owner-occupied property is transferred to investment property upon the change in use. On the subsequent sale or retirement of the property, the attributable revaluation reserve is transferred directly to retained earnings.

Financial assets at FVTOCI reserve

The financial assets at FVTOCI reserve comprises the cumulative net change in the fair value of financial assets at FVTOCI held at the end of the reporting period and is dealt with in accordance with the accounting policy in Note 4 to the consolidated financial statements.

38. Deferred Tax

The following are the deferred tax liabilities (assets) recognised by the Group and movements thereon during the current and prior reporting periods:

	Accelerated tax depreciation HK$'000	Revaluation of properties HK$'000	Withholding tax arising on undistributed earnings of subsidiaries HK$'000	Intangible assets HK$'000	Tax loss HK$'000	Others HK$'000	Total HK$'000
At November 1, 2021	6,865	47,056	1,696	25,861	(2,525)	(1,653)	77,300
Exchange adjustments	327	(577)	1	454	347	(55)	497
(Credit) charge to profit or loss for the year	(1,276)	(4,249)	9,643	(108)	(707)	503	3,806
Charge to other comprehensive income for the year	–	5,981	–	–	–	–	5,981
At October 31, 2022 and November 1, 2022	5,916	48,211	11,340	26,207	(2,885)	(1,205)	87,584
Exchange adjustments	**790**	**(187)**	**(261)**	**382**	**(32)**	**(552)**	**140**
(Credit) charge to profit or loss for the year *(Note 12)*	**(553)**	**(5,517)**	**(6,752)**	**1,080**	**(282)**	**(1,319)**	**(13,343)**
At October 31, 2023	**6,153**	**42,507**	**4,327**	**27,669**	**(3,199)**	**(3,076)**	**74,381**

Deferred tax of HK$4,327,000 (2022: HK$11,340,000) has been provided in the consolidated financial statements in respect of the undistributed profits earned by the Group's subsidiaries in Japan, Taiwan, South Korea, Oman, Saudi Arabia and the PRC. Starting from January 1, 2008, the undistributed profits, earned by the Group's PRC subsidiaries attributable to the Group, are subject to the PRC Enterprise Income Tax Law upon the distribution of such profits to the shareholders outside the PRC. The applicable withholding tax rate for the Group for the year ended October 31, 2023 is 5% to 10% (2022: 5% to 10%).

At the end of the reporting period, deferred tax of HK$18,252,000 (2022: HK$25,451,000) has not been recognised in respect of certain undistributed earnings of subsidiaries.

The following is the analysis of the deferred tax balances:

	2023 HK$'000	2022 HK$'000
Deferred tax liabilities	**80,656**	91,674
Deferred tax assets	**(6,275)**	(4,090)
	74,381	87,584

At October 31, 2023, the Group has unused tax losses of HK$321,014,000 (2022: HK$296,915,000), available to offset against future profits. A deferred tax asset has been recognised in respect of HK$12,797,000 (2022: HK$12,944,000) of such losses. Included in unrecognised tax losses are HK$249,090,000 (2022: HK$215,773,000) may be carried forward indefinitely, and the tax losses of HK$59,127,000 (2022: HK$68,198,000) which will expire within five years up to year 2028.

39. Reconciliation of Profit before Tax to Cash Flows from Operations

	2023 HK$'000	2022 HK$'000
Profit before tax	**301,132**	183,345
Adjustments for:		
Finance costs	**40,230**	22,097
Interest income	**(14,739)**	(7,485)
Dividend income from financial assets at FVTOCI	**(4)**	(26)
Depreciation of property, plant and equipment	**42,829**	42,202
Depreciation of right-of-use assets	**24,919**	24,799
Amortisation of other intangible assets	**43,369**	67,357
Loss (gain) on disposal of property, plant and equipment, net	**79**	(117)
Gain on lease modification, net	**(101)**	(18)
Decrease in fair value of investment properties, net	**15,566**	17,650
Increase (decrease) in remeasurement of contingent consideration	**6**	(33,538)
Increase in fair value of financial assets at FVTPL	**(2,533)**	–
Gain on dissolution of subsidiaries, net	**(2,743)**	(1,414)
Gain on disposal of subsidiaries, net	**–**	(500)
Gain on disposal of financial assets at FVTPL	**(116)**	–
Decrease in fair value of derivative financial assets	**3,715**	3,768
Bad debts written off	**1,325**	4,758
Allowance for bad and doubtful debts	**56,159**	62,166
Allowance written back on bad and doubtful debts	**(22,415)**	(23,124)
Reversal of allowance for inventories	**(1)**	(6)
Impairment of goodwill	**–**	29,973
Other intangible assets written off	**14,118**	26,349
Share of profits of associates	**(11,462)**	(2,893)
Share of (profits) losses of joint ventures	**(910)**	438
Equity-settled share-based payments expenses	**1,723**	1,028
COVID-19 Related rent concessions received	**–**	(4,255)
Operating profit before changes in working capital	**490,146**	412,554
(Increase) decrease in inventories	**(207)**	8,192
Increase in contract assets	**(220,359)**	(128,849)
Decrease in financial assets at FVTPL	**–**	8,632
Decrease (increase) in amounts due from associates	**13,628**	(10,679)
Increase in amounts due from joint ventures	**(142)**	(170)
Increase in debtors, deposits and prepayments	**(64,419)**	(25,668)
Increase (decrease) in creditors and accrued charges	**403,714**	(150,327)
(Decrease) increase in contract liabilities	**(70,639)**	64,886
(Decrease) increase in amounts due to associates	**(3,195)**	8,658
(Decrease) increase in amounts due to joint ventures	**(190)**	4,356
Cash flows from operations	**548,337**	191,585

40. Notes to the Consolidated Statement of Cash Flows

Dissolution of subsidiaries

Two wholly-owned subsidiaries of the Group were dissolved during the year, and a past translation gain of HK$2,737,000 was reclassified to this year's consolidated profit or loss. Gain arising on the dissolution of these subsidiaries, including the translation gain, amounting to HK$2,743,000 is included in other income.

The carrying amounts of the assets and liabilities at its date of dissolution, were as follows:

	2023 HK$'000
Net assets dissolved of:	
Bank and cash balances	**12,648**
	12,648
Release of translation reserve	**(2,737)**
Release of legal reserve	**(6)**
Gain on dissolution of subsidiaries, net	**2,743**
Total consideration – satisfied by cash	**12,648**
Net cash outflow arising on dissolution of subsidiaries:	
Cash received	**12,648**
Bank and cash balances dissolved of	**(12,648)**
	–

Purchase of non-controlling interests

During the year ended October 31, 2023, the Group acquired 5% in a subsidiary from the non-controlling shareholder at a cash consideration of HK$8,407,000 which was settled during the year, and a contingent consideration of HK$370,000.

The Group purchased a total of 919,000 units of US$1 per unit from certain non-controlling unit holders of MTM Choice Holdings LLC, a subsidiary of the Group at a cash consideration of HK$7,213,000, which was settled during the year.

The effect of the acquisition on the equity attributable to the owners of the Company is as follows:

	2023 HK$'000
Share of net assets in subsidiaries acquired	**14,595**
Satisfied by:	
Cash consideration paid	**(15,620)**
Contingent consideration *(Note 33)*	**(370)**
Loss on acquisition recognised directly in equity	**(1,395)**

40. Notes to the Consolidated Statement of Cash Flows (Continued)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	At November 1, 2022 HK$'000	Changes from financing cash flows HK$'000	Interest expenses HK$'000	Effect of changes in foreign exchange rates HK$'000	Acquisition of lease HK$'000	Purchase of non-controlling interests HK$'000	Other changes HK$'000	At October 31, 2023 HK$'000
Borrowings *(Note 31)*	**804,053**	**(448,066)**	**33,869**	**3**	**-**	**-**	**-**	**389,859**
Lease liabilities *(Note 32)*	**129,352**	**(27,041)**	**6,046**	**3,345**	**12,333**	**-**	**4,218**	**128,253**
Contingent consideration *(Note 33)*	**-**	**-**	**-**	**-**	**-**	**370**	**6**	**376**
	933,405	**(475,107)**	**39,915**	**3,348**	**12,333**	**370**	**4,224**	**518,488**

	At November 1, 2021 HK$'000	Changes from financing cash flows HK$'000	Interest expenses HK$'000	Effect of changes in foreign exchange rates HK$'000	Acquisition of lease HK$'000	Disposal of subsidiary HK$'000	Other changes HK$'000	At October 31, 2022 HK$'000
Borrowings	729,062	61,798	16,180	(2,091)	–	(896)	–	804,053
Lease liabilities	147,448	(22,695)	5,778	(5,937)	8,695	–	(3,937)	129,352
Contingent consideration	33,300	–	–	238	–	–	(33,538)	–
	909,810	39,103	21,958	(7,790)	8,695	(896)	(37,475)	933,405

40. Notes to the Consolidated Statement of Cash Flows (Continued)

Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	2023 HK$'000	2022 HK$'000
Within operating cash flows	**17,046**	15,950
Within investing cash flows	**–**	–
Within financing cash flows	**20,995**	16,917
	38,041	32,867

These amounts relate to the following:

	2023 HK$'000	2022 HK$'000
Lease rental paid	**38,041**	32,867

41. Pledge of Assets

At October 31, 2023, the following assets were pledged as collaterals for credit facilities granted to the Group by certain banks.

	2023 HK$'000	2022 HK$'000
Freehold land and buildings	**50,510**	51,162
Leasehold land and buildings	**94,887**	99,475
Pledged bank deposits	**3,711**	2,364
	149,108	153,001

42. Capital Commitments

	2023 HK$'000	2022 HK$'000
Capital expenditures in respect of property, plant and equipment and other investment		
– contracted but not provided for	**3,543**	4,202
– authorised but not contracted for	**9,907**	4,145
	13,450	8,347

43. Operating Lease Commitments

The Group as lessee

The Group regularly entered into short-term leases for offices, warehouse and staff quarters, and leases of low value assets for laptops and office equipment. As at October 31, 2023, the portfolio of short-term leases and leases of low value assets are similar to the portfolio of short-term leases and leases of low value assets to which the short-term leases and leases of low value assets expenses disclosed in Note 18 to the consolidated financial statements.

As at October 31, 2023, the outstanding short-term leases and leases of low value assets commitments relating to these offices and staff quarters, laptops and office equipment are HK$1,613,000 and HK$34,000 respectively (2022: HK$684,000 and HK$33,000 respectively).

The Group as lessor

Operating leases relate to investment property owned by the Group and are leases for residential, office premises and factory for an average term of one to ten years (2022: one to eleven years) and the rentals are fixed over the terms of the leases. All operating lease contracts contain market review clauses in the event that the lessee exercises its options to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Minimum lease payments receivable on leases are as follows:

	2023 HK$'000	2022 HK$'000
Within one year	**36,528**	37,936
In the second year	**21,095**	29,532
In the third year	**17,181**	16,884
In the fourth year	**16,455**	14,686
In the fifth year	**16,484**	14,755
After five years	**49,805**	58,421
Total	**157,548**	172,214

The following table presents the amounts reported in profit or loss:

	2023 HK$'000	2022 HK$'000
Lease income on operating leases	**46,227**	35,538

44. Contingent Liabilities

At October 31, 2023, the Group has issued the following guarantees:

	2023 **HK$'000**	2022 HK$'000
Performance guarantees		
– secured	**81,028**	172,205
– unsecured	**25,348**	37,858
	106,376	210,063
Other guarantees		
– secured	**1,423**	942

At October 31, 2023, the Executive Directors do not consider it is probable that a claim will be made against the Group under any of the above guarantees.

45. Retirement Benefit Scheme

The Group operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the retirement benefit scheme are held separately from those of the Group in funds under the control of the trustees.

The retirement benefit scheme's cost charged to profit or loss represents contributions payable to the funds by the Group at rates specified in the rules of scheme. Where there are employees who leave the retirement benefit scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

At the end of the year, contribution forfeited of HK$108,000 (2022: HK$108,000), which arose upon employees leaving the retirement benefit scheme and which are available to reduce the contributions payable by the Group.

This retirement benefit scheme has now been closed to new employees in Hong Kong as consequence of the new Mandatory Provident Fund Pension Legislation introduced by the Hong Kong Government. New staff in Hong Kong joining the Group after December 1, 2000 are required to join the Mandatory Provident Fund.

All Hong Kong staff employed by the Group before December 1, 2000 have been offered to join the Mandatory Provident Fund or remain under the Group's retirement benefit scheme. The Group and the employees contribute the same amount of 5% of the monthly remunerations up to HK$1,500 per month to the Mandatory Provident Fund.

46. Related Party Transactions

In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its associates, joint ventures and related companies during the year:

	2023			2022		
	Associates HK$'000	**Joint ventures HK$'000**	**Related companies HK$'000**	Associates HK$'000	Joint ventures HK$'000	Related companies HK$'000
For the year ended October 31						
Exhibition income	**4,493**	**–**	**–**	7,564	–	–
Sub-contracting fee paid	**36,234**	**–**	**–**	28,933	–	–
Management fee income	**3,249**	**–**	**–**	4,522	–	–
Property rental income	**495**	**–**	**–**	446	–	–
Property rental expenses	**–**	**–**	**405**	–	–	–
Other income	**427**	**–**	**–**	2,143	–	–
Other expense	**–**	**–**	**–**	–	–	8
As at October 31						
Receivables	**25,358**	**692**	**522**	33,601	537	31
Payables	**7,077**	**4,908**	**34**	10,221	5,009	148

Note: All transactions were carried out at cost plus a percentage of mark-up.

Compensation of key management personnel (including Executive Directors) of the Group during the year:

	2023 HK$'000	2022 HK$'000
Salaries, bonuses, allowances and benefits in kinds	**40,877**	39,161
Group's contributions to retirements scheme	**390**	336
Share-based payments	**1,266**	780
	42,533	40,277

47. Particulars of Principal Subsidiaries

Details of the Company's principal subsidiaries as at October 31, 2023 are as follows:

Name	Principal place of operation/ place of incorporation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
A.E. Smith Brand Management (Shanghai) Co., Ltd. [@]	The PRC	US$2,500,000	100	Visual branding solutions, brand management, design and consultancy services and investment holding
Beijing Action One Communications Co., Ltd. [@]	The PRC	RMB3,931,000	100	Technology solutions for exhibition, event, museum, interior and themed environment
Beijing Pico DesignWorks Co., Ltd. [π]	The PRC	RMB10,000,000	100	Construction, interior design, turnkey services for exhibition, museum, interior, themed environment, image consultancy and project management
Beijing Pico Exhibition Management Co., Ltd. [π]	The PRC	RMB50,000,000	100	Property holding, turnkey services for exhibition, event, museum, interior and themed environment
Beijing Pico Exhibition Services Co., Ltd. [@]	The PRC	US$1,897,000	100	Investment holding, turnkey services for exhibition, event, museum, interior and themed environment
Camron Public Relations Limited	The United Kingdom	GBP35,000	78.3	Design, lifestyle and business innovation communications agency
Dongguan Pico Exhibition Engineering Co., Limited [@]	The PRC	RMB50,000,000	100	Property holding, production of exhibition, event products, museum, themed environment and interior fit-out products
E3 Information Technology Company Limited [^]	The PRC	RMB7,000,000	100	Innovative services and disruptive technology

47. Particulars of Principal Subsidiaries (Continued)

Name	Principal place of operation/ place of incorporation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
Epicentro Digital Limited	Hong Kong	HK$1	100	Visual content, digital content and digital marketing solutions
Fairtrans International Ltd.	Japan	Japanese Yen 10,000,000	100	Freight forwarding, exhibition logistics and transportation services for exhibitors
FUTR World Limited	The United Kingdom	GBP300	51	Organisation and managing exhibition, conferences and events
Global-Link MP Events International Inc.	The Philippines	Philippine Pesos 1,000,000	60	Organisation and managing exhibition, conferences and events; virtual and online solution
GMC Hong Kong Ltd.	Hong Kong	HK$10	100	Production of exhibition, event, museum, themed environment and interior fit-out products
GMC Interior Decoration LLC	Dubai	AED300,000	100	Property holding
GMC Production Limited	Hong Kong	HK$10,000	100	Organisation and managing exhibition, conferences and events
Guangzhou Pico Exhibition Services Co., Ltd. @	The PRC	HK$12,500,000	100	Turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution
Guangzhou Pico Plus Services Co., Ltd. #	The PRC	RMB5,000,000	100	Full services of above-the-line engagement, brand marketing, digital and public relations agency; virtual and online solution

47. Particulars of Principal Subsidiaries (Continued)

Name	Principal place of operation/ place of incorporation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
Intertrade Lanka Management (Private) Limited	Sri Lanka	Lankan Rupees 8,472,500	100	Design, development, management and operation of exhibition and convention centre
Intertrade (Sri Lanka) Pte Ltd.	Singapore	S$2	100	Investment holding
Intertrade Services Pte Ltd.	Republic of Seychelles	US$1	100	Provision of management services for exhibitions and trade fairs and investment holding
Infinity Marketing Team, LLC	The United States	–	60	Marketing, event and promotion management
Infinity Pico Asia Limited	Hong Kong	HK$2	100	Organisation and managing exhibition, conferences and events
Local Projects, LLC	The United States	–	78.3	Cultural and corporate centre concept, design and production management
MP Congress and Exhibitions Pte Ltd.	Singapore	S$100,000	100	Event management services and investment holding
MP International Investments Pte Ltd.	Singapore	S$10,000	100	Investment holding
MP International Pte Ltd.	Singapore	S$1,500,000	100	Investment holding, management of convention, conference, and management development programme and course
MP Singapore Pte Ltd.	Singapore	S$1,500,000	100	Management of convention, conference, seminar and exhibition

47. Particulars of Principal Subsidiaries (Continued)

Name	Principal place of operation/ place of incorporation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
MTM Choice Holdings LLC	The United States	US$34,777,498 – Class A US$10,000 – Class B *(Note c)*	78.3	Investment holding
Not Ordinary Media, LLC	The United States	–	78.3	Media planning, procurement and optimisation in social video for clients
P3 Hub Limited	Hong Kong	HK$10,000	100	Innovative services and disruptive technology
Parico Electrical Engineering Sdn. Bhd.	Malaysia	Malaysian Ringgits 100,000	50 *(Note a)*	Electrical specialist
Pico Art International Pte Ltd.	Singapore	S$1,500,000	100	Services to organisers, turnkey services for exhibition, event, museum, interior, themed environment; virtual and online solution and investment holding
Pico Contracts Limited	Hong Kong	HK$7,600,000	100	Museum and theme park design, construction and decoration; consultancy and project management
Pico Convention and Exhibition Services (Xi'an) Company Limited @	The PRC	RMB5,135,130	100	Services to organisers and fabrication of exhibition booths
Pico Global Services Limited	Hong Kong	HK$100	100	Provision of corporate services and consultancy services
Pico Hanoi Co., Ltd.	Vietnam	US$50,000	100	Services to organisers, turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution

47. Particulars of Principal Subsidiaries (Continued)

Name	Principal place of operation/ place of incorporation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
Pico Ho Chi Minh City Ltd.	Vietnam	US$300,000	100	Services to organisers, turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution
Pico IES Group (China) Co., Ltd. @	The PRC	US$140,000	100	Services to organisers and fabrication of exhibition booths; virtual and online solution
Pico IES Group Limited	Hong Kong	HK$10,000	100	Services to organisers and fabrication of exhibition booths; virtual and online solution
Pico IN-Creative (UK) Ltd.	The United Kingdom	GBP1	100	Turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution
Pico International (Henan) Exhibition Services Company Limited #	The PRC	RMB5,000,000	60	Turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution
Pico International (HK) Limited	Hong Kong	HK$2,600,000 – ordinary shares HK$2,500,000 – non-voting deferred shares *(Note b)*	100	Services to organisers, turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution and investment holding
Pico International Interior Fit Out LLC	Dubai	AED300,000	100	Production of exhibition, event products and interior fit-out products
Pico International (M) Sdn. Bhd.	Malaysia	Malaysian Ringgits 1,075,200	50 *(Note a)*	Services to organisers, turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution

47. Particulars of Principal Subsidiaries (Continued)

Name	Principal place of operation/ place of incorporation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
Pico International (Macao) Limited	Macau	Macau Pataca 25,000	100	Services to organisers, turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution
Pico International (LA) Inc.	The United States	US$1,000	100	Turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution
Pico International (Oman) LLC	Oman	–	100	Organisation and management of events
Pico International (Qatar) WLL	Qatar	Qatari Riyals 200,000	100	Services to organisers, turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution
Pico International Exhibitions & Events Organization LLC	Abu Dhabi	AED200,000	100	Exhibition organisation and management, exhibition installations execution works, event organisation and management
Pico International Exhibition Services Limited	Hong Kong	HK$100	100	Services to organisers, turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution
Pico International LLC (DMCC Branch)	Dubai	–	100	Services to organisers, turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution

47. Particulars of Principal Subsidiaries (Continued)

Name	Principal place of operation/ place of incorporation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
Pico International Ltd.	Japan	Japanese Yen 10,000,000	100	Turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution
Pico International Taiwan Ltd.	Taiwan	New Taiwan Dollars 20,000,000	100	Services to organisers, turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution
Pico Investments BVI Ltd. *(Note d)*	British Virgin Islands	US$316	100	Investment holding
Pico Myanmar Company Limited	Myanmar	US$50,000	100	Services to organisers, turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution
Pico North Asia Ltd.	Korea	Korean Won 200,000,000	99.3	Services to organisers, turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution
Pico Play Sdn Bhd	Malaysia	Malaysian Ringgits 500,000	55	Organisation, promotion and management of events and other consultancy activities
Pico Play Pte Ltd.	Singapore	S$100,000	55	Design consultancy, project management and thematic construction services
Pico Play Pty Ltd.	Australia	AUD1,000	55	Design consultancy, project management and thematic construction services
Pico Production Ltd.	Dubai	–	100	Production of exhibition, event products and interior fit-out products
Pico Pro International Limited	Hong Kong	HK$10,000	100	Exhibition organising and event management; virtual and online solution and investment holding

47. Particulars of Principal Subsidiaries (Continued)

Name	Principal place of operation/ place of incorporation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
Pico Pro Pte Ltd.	Singapore	S$10,000	100	Event organiser, show organisation and event creation
Pico Projects (International) Limited	Hong Kong	HK$100	100	Interior design and renovation, exhibition and event fabrication; venue overlay and project management
Pico-Sanderson JV Pte Ltd.	Singapore	S$1,000,000	100	Themed design, construction and project management services
Pico Services Mumbai Private Limited	India	India Rupee 29,894,130	100	Turnkey services for exhibition, event, museum, interior and themed environment
Pico TBA Consulting Group (Beijing) Limited @	The PRC	RMB5,000,000	100	Full services of brand marketing, digital and creative agency
Pico TBA Consulting Group (Shanghai) Limited @	The PRC	RMB5,000,000	100	Full services of brand marketing, digital and creative agency
Pico Venture Pte Ltd.	Singapore	S$400,000	100	Investment holding
Pico Venue Services Limited	Hong Kong	HK$2	100	Investment holding
Pico World (Singapore) Pte Ltd.	Singapore	S$500,000	100	Exhibition design and fabrication, event and promotion
PT Pico TBA	Indonesia	Indonesian Rupiahs 3,000,000	100	Full services of brand marketing, digital and creative agency
Pudong Pico Exhibition Producer Co., Ltd. @	The PRC	US$140,000	100	Production of exhibition, event, museum, themed environment and interior fit-out products
Seed Communications LLC d/b/a Sub Rosa	The United States	–	78.3	Cultural intelligence and social listening

47. Particulars of Principal Subsidiaries (Continued)

Name	Principal place of operation/ place of incorporation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
Shanghai Pico Exhibition Management Co., Ltd. π	The PRC	RMB7,000,000	100	Brand strategy and design, services to organisers, turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution
Shanghai Pico Exhibition Services Co., Ltd. @	The PRC	US$848,000	100	Services to organisers, turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution
Shanghai Pico Management Company Limited @	The PRC	US$10,000,000	100	Property and investment holding
Shanghai Pico Plus Marketing Consulting Ltd. @	The PRC	US$647,000	92.5	Above-the-line engagement marketing, brand strategy and public relations
Shanghai Pixels Information Technology Co., Ltd. π	The PRC	RMB5,000,000	100	Design and technology solutions for interactive experience
Shenzhen Pico Exhibition Services Co., Ltd. @	The PRC	HK$4,000,000	100	Services to organiser, turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution
Shenzhen Pico Plus Services Company Limited π	The PRC	RMB6,000,000	100	Full services of above-the-line engagement, brand marketing, digital and public relations agency

47. Particulars of Principal Subsidiaries (Continued)

Name	Principal place of operation/ place of incorporation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
TBA (Indonesia) Pte Ltd.	Singapore	S$2	100	Full services of brand marketing, digital and creative agency and investment holding
Tianjin Pico Exhibition Management Co., Ltd π	The PRC	RMB1,800,000	100	Operation and management of exhibition and convention centre, and exhibition services
Tinsel Limited *(Note d)*	British Virgin Islands	US$10	100	Investment holding
Total Brand Activation Hong Kong Limited	Hong Kong	HK$1	100	Full services of brand marketing, digital and creative agency
Total Brand Activation Pte Ltd.	Singapore	S$250,000	100	Full services of brand marketing, digital and creative agency
Total Brand Activation QFZ LLC	Qatar	Qatari Riyals 200,000	100	Full services of brand marketing
UCP Entertainment Pte Ltd.	Singapore	S$10,000	70	Event intellectual property license manager, promotor, creator and turnkey event organiser
World Image International Ltd.	Hong Kong	HK$10,000	100	Visual branding solutions, brand management, design and consultancy services and investment holding
World Image Plus Pte Ltd.	Singapore	S$1	100	Visual branding solutions, brand management, design and consultancy services
World Image (China) Company Ltd. @	The PRC	US$140,000	100	Visual branding solutions, brand management, design and consultancy services and investment holding
Yangon Convention Centre Ltd.	Myanmar	US$50,000	100	Property holding, operation of exhibition and convention centre
Zhuhai Pico Construction Design Company Limited π	The PRC	–	100	Interior decoration, exhibition and events construction

47. Particulars of Principal Subsidiaries (Continued)

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

@ These subsidiaries are registered as wholly-owned foreign enterprise under the PRC law.

These subsidiaries are Sino-foreign equity joint ventures.

^ These subsidiaries are registered in the PRC as co-operative liability companies.

π These subsidiaries are registered in the PRC with limited liability.

Notes:

a. These companies are deemed to be subsidiaries of the Company as the Company controls the composition of the board of directors.

b. The deferred shares, which are not held by the Group, practically carry no rights to dividends or to receive notice of or to attend or vote at any general meeting of the subsidiary or to participate in any distribution on winding up. The subsidiary had been granted an option by the holders of the deferred shares to acquire these shares at a nominal amount.

c. The Group holds part of the Class A units of the subsidiary, which have the rights to control and manage the subsidiary. Under the conditions and terms pursuant to the agreement, distributions will be made to Class A unit members until equal to their capital contribution and a specified cumulative return. Distributions will then be made to Class B unit members, which are held by non-controlling interests and do not have the right to control the subsidiary. The remaining distributions will be made to Class A and B unit members in proportions of 80% and 20% respectively.

d. Except for Tinsel Limited and Pico Investments BVI Ltd., all other subsidiaries are indirectly held by the Company.

47. Particulars of Principal Subsidiaries (Continued)

The following table shows information on the subsidiaries that have non-controlling interests material to the Group. The summarised financial information represents amounts before inter-company eliminations.

Name	MTM Choice Holdings LLC and its subsidiaries	
Principal place of business	The United States	
	2023	2022
Percentage of ownership interests/ voting rights held by non-controlling interests	**21.7%/ 21.7%**	20.9%/ 20.9%
	HK$'000	HK$'000
At October 31,		
Non-current assets	**274,151**	312,105
Current assets	**82,240**	115,049
Non-current liabilities	**(196,985)**	(187,340)
Current liabilities	**(60,141)**	(61,139)
Net assets	**99,265**	178,675
Accumulated non-controlling interests	**21,543**	37,343
Year ended October 31,		
Revenue	**297,722**	365,664
Loss for the year	**(73,060)**	(58,670)
Total comprehensive expenses	**(73,060)**	(58,670)
Loss allocated to non-controlling interests	**(15,780)**	(14,143)
Dividend distribution to non-controlling interests	**–**	–
Net cash generated from operating activities	**8,724**	32,794
Net cash used in investing activities	**(11,110)**	(9,668)
Net cash used in financing activities	**(15,169)**	(32,393)
Net decrease in cash and cash equivalents	**(17,555)**	(9,267)

48. Particulars of Principal Associates

Details of the Group's principal associates as at October 31, 2023 are as follows:

Name	Principal place of operation/ place of incorporation	Issued and fully paid share capital/ registered capital	Attributable equitable interest of the Group %	Principal activities
alpha Re: design *(Note c)*	The PRC	RMB1,000,000	40	Industrial, animation, professional, booth, construction design and brand marketing
Arina International Holding Pte Ltd.	Singapore	S$300,000	30	Exhibition and interior contractor
Global Spectrum Pico Holdings Pte Ltd.	Singapore	S$100	35	Investment holding
Global Spectrum Pico Pte Ltd.	Singapore	S$100,000	35	Business management and consultancy services
InfocommAsia Pte Ltd.	Singapore	S$20,000	45	Management of convention and conference
International Furniture Fair Singapore Pte Ltd.	Singapore	S$100,000	40	Exhibition organiser
J&P Sports Culture Communication Shanghai Company Limited *(Note a)*	The PRC	RMB10,000,000	49	Turnkey services for exhibition, event, museum, interior and themed environment
O4X Pte. Ltd.	Singapore	S$100,000	30	Interior renovation, design and consultancy services
Pico Australia Pty Ltd.	Australia	AUD100	49	Turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution
Pico (Thailand) Public Company Limited	Thailand	Baht 215,294,559 – ordinary shares Baht 330,000 – preferred shares	42.7	Services to organiser, turnkey services for exhibition, event, museum, interior and themed environment; virtual and online solution

48. Particulars of Principal Associates (Continued)

Name	Principal place of operation/ place of incorporation	Issued and fully paid share capital/ registered capital	Attributable equitable interest of the Group %	Principal activities
Shanghai Yaoland Network Information Technology Co., Ltd *(Note c)*	The PRC	RMB1,428,572	15	Internet information and gaming service
The O4 Company Pte. Ltd.	Singapore	S$99,999	30	Providing management consultancy services and creation of intellectual property in the areas of experiential events and content
Xi'an Greenland Pico Int'l Convention and Exhibition Co. Ltd. *(Note b)*	The PRC	RMB125,000,000	30	Management and leasing of exhibition halls including organising of exhibitions and events

The above table lists the associates of the Group which, in the opinion of the Directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the Directors, result in particulars of excessive length.

Notes:

a. This associate is registered in the PRC as a co-operative liability company.

b. This associate is a Sino-foreign equity joint venture.

c. These associates are registered in the PRC with limited liability. Although the Group holds less than 20% of the voting power of Shanghai Yaoland, the Group exercises significant influence over Shanghai Yaoland because the Group is entitled to appoint one director out of the five directors of Shanghai Yaoland, and requiring two-thirds majority vote of the board.

49. Particulars of Principal Joint Ventures

Details of the Group's principal joint ventures as at October 31, 2023 are as follows:

Name	Principal place of operation/ place of incorporation	Issued and fully paid share capital/ registered capital	Attributable equitable interest of the Group %	Principal activities
Kenes MP Asia Pte Ltd.	Singapore	S$100,000	45	Managing exhibitions and conferences in medical and scientific industries
Karnival TP-AXC Holdings Limited	British Virgin Islands	US$5	20	Investment holding

The above table lists the joint ventures of the Group which, in the opinion of the Directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other joint ventures would, in the opinion of the Directors, result in particulars of excessive length.

Summary of Principal Investment Properties

The following is a list of the Group's principal investment properties as at October 31, 2023:

Location	Lease term	Purpose	Gross area (square meter)
Investment properties in Hong Kong			
Workshops 11 and 12 on 10th Floor of Block B New Trade Plaza No. 6 On Ping Street Shatin, New Territories Hong Kong	Medium	Commercial	287.72
Investment properties in the PRC			
Unit No. 27F on Level 27 and Car Parking Space No. 59 on Level 2 of Block 2 Jinming Mansion No. 8 Zunyi South Road Hongqiao District Shanghai, the PRC	Medium	Residential	157.10
Unit No. 11E on Level 11 and Car Parking Space No. 15 on Ground Floor of Block 2 Jinming Mansion No. 8 Zunyi South Road Hongqiao District Shanghai, the PRC	Medium	Residential	200.50
Unit No. 11F on Level 11 and Car Parking Space No. 67 on Level 2 of Block 2 Jinming Mansion No. 8 Zunyi South Road Hongqiao District Shanghai, the PRC	Medium	Residential	157.10
Unit D2-1701 on Level 17 Piaoliang Sunshine Square No. 68 Anli Road Chaoyang District Beijing, the PRC	Medium	Residential	136.41
Units D2-1702 on Level 17 Piaoliang Sunshine Square No. 68 Anli Road Chaoyang District Beijing, the PRC	Medium	Residential	133.97

Summary of Principal Investment Properties

Location	Lease term	Purpose	Gross area (square meter)
Investment properties in the PRC (Continued)			
Unit 1214 on Level 12 of Block J Huiyuan Apartment No. 8 Beichen East Road Chaoyang District Beijing, the PRC	Medium	Residential	107.92
Units 1002A, 1003 and 1004 on Level 10 Excellence Times Square No. 4068 Yitian Road Futian District Shenzhen Guangdong Province, the PRC	Medium	Commercial	416.00
Units 1005 to 1009 on Level 10 Excellence Times Square No. 4068 Yitian Road Futian District Shenzhen Guangdong Province, the PRC	Medium	Commercial	640.45
Units 1013 to 1024 on Level 10 Poly Plaza Clover No. 406-2 Huasui Road Tianhe District Guangzhou City Guangdong Province, the PRC	Medium	Commercial	1,188.04
Factory Nos. 1 and 2 (registered as Block Nos. 4 and 5) and Levels 1 and 2 of the R&D Building at No. 99 in 4499 Nong of Cao'an Road Jiading District Shanghai, the PRC	Medium	Industrial	22,975.39

Corporate Information

Honorary Chairman

Chia Siong Lim

Board of Directors

Executive directors

Lawrence Chia Song Huat *(Chairman)*
(Chairman of the Nomination Committee and Member of the Remuneration Committee)
Jean Chia Yuan Jiun
Mok Pui Keung

Independent non-executive directors

Gregory Robert Scott Crichton
(Chairman of the Remuneration Committee and Member of the Audit Committee)
James Patrick Cunningham
(Member of the Audit Committee, Remuneration Committee and Nomination Committee)
Kenneth Kent Ho
(Member of the Audit Committee and Nomination Committee)
Frank Lee Kee Wai
(Member of the Audit Committee)
Charlie Yucheng Shi
(Chairman of the Audit Committee and Member of the Nomination Committee)

Company Secretary

Leung Hoi Yan (CPA, ACG, HKACG, FCA, FCCA)

Auditor

RSM Hong Kong
Certified Public Accountants and
Registered Public Interest Entity Auditor

Principal Bankers

Bank of Communications Co., Ltd. Hong Kong Branch
Citibank, N.A.
Development Bank of Singapore
OCBC Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation
Standard Chartered Bank
United Overseas Bank
China Merchants Bank

Corporate Office

Pico House
4 Dai Fu Street
Tai Po Industrial Estate
New Territories
Hong Kong

Registered Office

P. O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Principal Share Registrars and Transfer Office

The R&H Trust Co Ltd
Windward 1
Regatta Office Park
P. O. Box 897
Grand Cayman KY1-1103
Cayman Islands

Hong Kong Share Registrars and Transfer Office

Union Registrars Limited
Suites 3301–04
33/F, Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

Corporate Website

www.pico.com

Corporate Calendar

Annual General Meeting	March 18, 2024
Payment of Final Dividend	April 10, 2024
Announcement of Interim Results	June 2024
Announcement of Final Results	January 2025

迎變而上

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Both English and Chinese versions of this annual report are available for download at www.pico.com

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