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## PICO FAR EAST HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 752)**

### AUDITED FINAL RESULTS FOR THE YEAR ENDED OCTOBER 31, 2024

The Board of Directors (the “Board”) of Pico Far East Holdings Limited (the “Company”) is pleased to announce the audited final results of the Company and its subsidiaries (the “Group”) for the year ended October 31, 2024, together with comparative figures as follows:

#### CONSOLIDATED INCOME STATEMENT

*FOR THE YEAR ENDED OCTOBER 31, 2024*

	Note	2024 HK\$'000	2023 HK\$'000
Revenue	2	<b>6,327,002</b>	5,327,931
Cost of sales		<b>(4,384,902)</b>	(3,737,337)
Gross profit		<b>1,942,100</b>	1,590,594
Other income	3	<b>187,409</b>	118,514
Distribution costs		<b>(818,283)</b>	(662,559)
Administrative expenses		<b>(745,872)</b>	(632,297)
Impairment losses for trade and other debtors, and contract assets		<b>(49,270)</b>	(35,069)
Other operating expenses		<b>(16,675)</b>	(19,232)
Profit from core operations		<b>499,409</b>	359,951
Change in remeasurement of contingent consideration		<b>376</b>	(6)
Amortisation of other intangible assets arising from business combinations		<b>(25,222)</b>	(30,955)
Profit from operations		<b>474,563</b>	328,990
Finance costs	4	<b>(33,421)</b>	(40,230)
		<b>441,142</b>	288,760
Share of profits of associates		<b>11,609</b>	11,462
Share of profits of joint ventures		<b>1,492</b>	910
Profit before tax		<b>454,243</b>	301,132
Income tax expense	5	<b>(86,220)</b>	(57,401)
Profit for the year	6	<b>368,023</b>	243,731
Attributable to:			
Owners of the Company		<b>357,568</b>	228,083
Non-controlling interests		<b>10,455</b>	15,648
		<b>368,023</b>	243,731
EARNINGS PER SHARE	8		
Basic		<b>28.84 cents</b>	18.41 cents
Diluted		<b>28.74 cents</b>	18.39 cents

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED OCTOBER 31, 2024

	2024 HK\$'000	2023 HK\$'000
Profit for the year	<u>368,023</u>	<u>243,731</u>
Other comprehensive income:		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value changes of financial assets at fair value through other comprehensive income ("FVTOCI")	<u>(15,379)</u>	<u>874</u>
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	49,192	23,564
Share of other comprehensive income of associates	3,096	2,862
Exchange differences reclassified to profit or loss on dissolution of subsidiaries	239	(2,743)
Exchange differences reclassified to profit or loss on disposal of an associate	<u>5,457</u>	<u>–</u>
	<u>57,984</u>	<u>23,683</u>
Other comprehensive income for the year, net of tax	<u>42,605</u>	<u>24,557</u>
Total comprehensive income for the year	<u><u>410,628</u></u>	<u><u>268,288</u></u>
Attributable to:		
Owners of the Company	396,310	253,696
Non-controlling interests	<u>14,318</u>	<u>14,592</u>
	<u><u>410,628</u></u>	<u><u>268,288</u></u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AT OCTOBER 31, 2024

	Note	2024 HK\$'000	2023 HK\$'000
<b>Non-current Assets</b>			
Investment properties		245,020	256,536
Property, plant and equipment		503,941	516,156
Right-of-use assets		185,467	190,037
Intangible assets		432,550	466,017
Interests in associates		109,072	99,053
Interests in joint ventures		41,939	40,447
Financial assets at FVTOCI		–	18,981
Financial assets at fair value through profit or loss (“FVTPL”)		4,029	1,240
Deferred tax assets		5,704	6,275
		<b>1,527,722</b>	<b>1,594,742</b>
<b>Current Assets</b>			
Inventories		5,531	12,978
Contract assets		965,040	1,130,525
Financial assets at FVTPL		22,671	18,601
Derivative financial assets		–	1,652
Debtors, deposits and prepayments	9	1,196,003	978,947
Amounts due from associates		8,353	25,358
Amounts due from joint ventures		845	692
Current tax assets		2,077	3,419
Pledged bank deposits		65,316	3,711
Bank and cash balances		1,913,579	1,289,882
		<b>4,179,415</b>	<b>3,465,765</b>
<b>Current Liabilities</b>			
Contract liabilities		458,630	183,210
Creditors and accrued charges	10	2,182,013	1,890,903
Amounts due to associates		4,250	7,077
Amounts due to joint ventures		6,539	4,908
Current tax liabilities		57,288	45,327
Borrowings		331,637	188,722
Lease liabilities		16,667	15,883
Contingent consideration		–	376
		<b>3,057,024</b>	<b>2,336,406</b>
<b>Net Current Assets</b>		<b>1,122,391</b>	<b>1,129,359</b>
<b>Total Assets Less Current Liabilities</b>		<b>2,650,113</b>	<b>2,724,101</b>

	2024 HK\$'000	2023 HK\$'000
<b>Non-current Liabilities</b>		
Borrowings	135,418	201,137
Lease liabilities	109,339	112,370
Deferred tax liabilities	86,027	80,656
Retirement benefit obligation	1,156	–
	<u>331,940</u>	<u>394,163</u>
<b>NET ASSETS</b>	<u>2,318,173</u>	<u>2,329,938</u>
<b>Capital and Reserves</b>		
Share capital	62,045	61,957
Reserves	2,229,872	2,199,314
	<u>2,291,917</u>	<u>2,261,271</u>
<b>Equity attributable to owners of the Company</b>	<u>2,291,917</u>	<u>2,261,271</u>
<b>Non-controlling interests</b>	<u>26,256</u>	<u>68,667</u>
<b>TOTAL EQUITY</b>	<u>2,318,173</u>	<u>2,329,938</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED OCTOBER 31, 2024

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

### Application of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”)

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after November 1, 2023 for the preparation of the consolidated financial statements:

HKFRS 17	Insurance Contracts
Amendments to Hong Kong Accounting Standard (“HKAS”) 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### *Impact on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies”*

The Group has adopted Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies” for the first time in the current year. HKAS 1 “Presentation of Financial Statements” is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 “Making Materiality Judgements” (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies set out in notes to the consolidated financial statements.

*Impact on application of Amendments to HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”*

The Group has adopted amendments to HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction” for the first time in the current year. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases.

Prior to the adoption of amendments to HKAS 12, the Group applied the initial recognition exemption under paragraphs 15 and 24 of HKAS 12 for leasing transactions that give rise to equal and offsetting temporary differences, and therefore no deferred tax has been recognised for temporary differences relating to right-of-use assets and lease liabilities at initial recognition, and also over the lease terms under paragraph 22(c) of HKAS 12.

The Group has applied the transitional provisions under paragraphs 98K and 98L of amendments to HKAS 12 to leasing transactions that occur on or after the beginning of the earliest comparative period presented and also, at the beginning of the earliest comparative period presented by:

- (i) Recognising a deferred tax asset to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, and a deferred tax liability for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities; and
- (ii) Recognising the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

Based on the management’s assessment, there was immaterial impact on the consolidated statement of financial position as at November 1, 2022, October 31, 2023 and October 31, 2024, because the deferred tax assets and liabilities recognised as a result of the adoption of amendments to HKAS 12 qualify for offset under paragraph 74 of HKAS 12. The change primarily impacts disclosures of components of deferred tax assets and liabilities in notes to the consolidated financial statements, but does not impact the overall deferred tax balances presented on the consolidated statement of financial position as the related deferred tax balances qualify for offset under HKAS 12.

*Impact on application of Amendments to HKAS 12 “International Tax Reform – Pillar Two Model Rules”*

The Group has adopted Amendments to HKAS 12 “International Tax Reform – Pillar Two Model Rules” for the first time in the current year. HKAS 12 is amended to add the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (the “Pillar Two legislation”). The amendments require that entities apply the amendments immediately upon issuance and retrospectively. The amendments also require that entities to disclose separately its current tax expense/income related to Pillar Two income taxes in periods which the Pillar Two legislation is in effect, and the qualitative and quantitative information about its exposure to Pillar Two income taxes in periods in which the Pillar Two legislation is enacted or substantially enacted but not yet in effect in annual reporting periods beginning on or after November 1, 2023.

The Group is yet to apply the temporary exception during the current year because the Group’s entities are operating in jurisdictions where the Pillar Two legislation has not yet been enacted or substantially enacted. The Group will disclose known or reasonably estimated information that helps users of financial statements to understand the Group’s exposure to Pillar Two income taxes in the Group’s consolidated financial statements when the Pillar Two legislation is enacted or substantially enacted and will disclose separately current tax expense/income related to Pillar Two income taxes when it is in effect.

*Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“MPF”) – Long Service Payment (“LSP”) offsetting mechanism in Hong Kong*

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee’s accrued retirement benefits derived from employers’ MPF contributions was allowed under the Employment Ordinance (Cap. 57). In June 2022, the Government of the Hong Kong Special Administrative Region gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “Amendment Ordinance”) which abolishes the use of the accrued benefits derived from employers’ mandatory MPF contributions to offset severance payment and LSP (the “Abolition”). The Abolition will officially take effect on May 1, 2025 (the “Transition Date”). In addition, under the Amendment Ordinance, the last month’s salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Group considered the accrued benefits arising from employers' MPF contributions that have been vested with the employee and which could be used to offset the employee's LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of HKAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

Based on the HKICPA's guidance, as a result of the Abolition, these contributions are no longer considered "linked solely to the employee's service in that period" since the mandatory employers' MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the contributions as "independent of the number of years of service" and the practical expedient in paragraph 93(b) of HKAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of HKAS 19.

Since the amount of the cumulative catch-up profit or loss adjustment for the year ended October 31, 2023 was immaterial, the Group did not restate the comparative figures for the consolidated financial statements. Accordingly, the Group has recognised the cumulative catch-up adjustment in the profit or loss for the year ended October 31, 2024, with corresponding adjustment to the LSP obligation.

### **New and revised HKFRSs in issue but not yet effective**

The Group has not early applied the following new and amendments to standards and interpretation that have been issued but are not yet effective:

	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 HKFRS 16 – Lease Liability in a Sale and Leaseback	January 1, 2024
Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	January 1, 2024
Amendments to HKAS 7 and HKFRS 7 – Supplier Finance Arrangements	January 1, 2024
Amendments to HKAS 21 – Lack of Exchangeability	January 1, 2025
Amendments to HKFRS 9 and HKFRS 7 – Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to HKFRS Accounting Standards – Annual Improvements to HKFRS Accounting Standards – Volume 11	January 1, 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	January 1, 2027
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

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 been concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

## 2. REVENUE AND SEGMENT INFORMATION

### (a) Disaggregation of revenue

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

	2024 HK\$'000	2023 HK\$'000
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by major products or service lines		
Exhibition, event and brand activation	5,438,411	4,413,088
Visual branding activation	292,981	383,403
Museum and themed entertainment	422,290	396,939
Meeting architecture activation	173,320	134,501
	<u>6,327,002</u>	<u>5,327,931</u>

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, 2024 and 2023 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
<b>At October 31, 2024</b>				
Within one year	44,145	57,814	319,780	–
More than one year but not more than two years	–	22,842	99,695	–
	<u>44,145</u>	<u>80,656</u>	<u>419,475</u>	<u>–</u>

	Exhibition, event and brand activation <i>HK\$'000</i>	Visual branding activation <i>HK\$'000</i>	Museum and themed entertainment <i>HK\$'000</i>	Meeting architecture activation <i>HK\$'000</i>
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	–
	<u>106,568</u>	<u>10,117</u>	<u>50,162</u>	<u>–</u>

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.

**(b) 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 notes 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.

## 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
<b>For the year ended October 31, 2024</b>						
Revenue from external customers	5,438,411	292,981	422,290	173,320		6,327,002
Timing of revenue recognition						
At a point in time	4,652,599	244,709	84,638	173,320		5,155,266
Over time	785,812	48,272	337,652	–		1,171,736
Inter-segment revenue	270,916	51,208	39,323	3,320		364,767
Segment profits	402,583	9,083	50,380	91,278		553,324
Share of profits of associates	11,609	–	–	–	–	11,609
Share of profits of joint ventures	–	–	1,492	–	–	1,492
Gain on disposal of an associate	–	–	–	72,152	–	72,152
Interest income	18,248	1,829	1,262	6,634	–	27,973
Interest expenses	32,832	15	227	14	–	33,088
Unwinding discount expenses	333	–	–	–	–	333
Depreciation and amortisation	60,088	1,830	5,798	2,120	35,620	105,456
Other material non-cash items:						
Impairment of show right	–	–	–	2,931	–	2,931
Allowance for bad and doubtful debts	63,186	3,241	379	110	–	66,916
Impairment (reversal of impairment) on interests in associates	13,527	–	–	(1,556)	–	11,971
Additions to segment non-current assets	34,287	3,476	2,199	3,817	2,412	46,191
<b>At October 31, 2024</b>						
Segment assets	3,977,468	342,743	309,235	262,612		4,892,058
Segment liabilities	2,756,355	164,521	176,165	148,608		3,245,649
Interests in associates	108,978	–	–	94	–	109,072
Interests in joint ventures	–	–	41,939	–	–	41,939

	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

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

	2024 HK\$'000	2023 HK\$'000
<b>Revenue</b>		
Total revenue of reportable segments	6,691,769	5,611,706
Elimination of inter-segment revenue	<u>(364,767)</u>	<u>(283,775)</u>
Consolidated revenue	<u><u>6,327,002</u></u>	<u><u>5,327,931</u></u>
<b>Profit or loss</b>		
Total profits of reportable segments	553,324	376,342
Unallocated amounts:		
Change in remeasurement of contingent consideration	376	(6)
Amortisation of other intangible assets arising from business combinations	(25,222)	(30,955)
Corporate expenses	<u>(74,235)</u>	<u>(44,249)</u>
Consolidated profit before tax	<u><u>454,243</u></u>	<u><u>301,132</u></u>
<b>Assets</b>		
Total assets of reportable segments	4,892,058	4,207,133
Unallocated amounts:		
Corporate motor vehicles	3,144	1,715
Properties	400,580	416,439
Goodwill and other intangible assets arising from business combinations	380,903	406,925
Financial assets at FVTPL	22,671	18,601
Current tax assets	2,077	3,419
Deferred tax assets	<u>5,704</u>	<u>6,275</u>
Consolidated total assets	<u><u>5,707,137</u></u>	<u><u>5,060,507</u></u>
<b>Liabilities</b>		
Total liabilities of reportable segments	3,245,649	2,604,210
Unallocated amounts:		
Contingent consideration	–	376
Current tax liabilities	57,288	45,327
Deferred tax liabilities	<u>86,027</u>	<u>80,656</u>
Consolidated total liabilities	<u><u>3,388,964</u></u>	<u><u>2,730,569</u></u>

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	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Greater China	<b>2,556,357</b>	2,545,368	<b>608,497</b>	621,003
Malaysia, Singapore, the Philippines and Vietnam	<b>1,331,793</b>	1,146,762	<b>302,941</b>	312,282
Bahrain, Oman, Qatar, Saudi Arabia and the United Arab Emirates	<b>630,663</b>	615,114	<b>42,245</b>	44,236
The United Kingdom and the United States	<b>926,085</b>	808,127	<b>409,145</b>	445,494
Others	<b>882,104</b>	212,560	<b>4,150</b>	5,731
Consolidated total	<b><u>6,327,002</u></b>	<u>5,327,931</u>	<b><u>1,366,978</u></b>	<u>1,428,746</u>

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.

### 3. OTHER INCOME

	2024	2023
	HK\$'000	HK\$'000
Included in other income are:		
Dividend income from financial assets at FVTOCI	<b>9</b>	4
Gain on disposal of property, plant and equipment	<b>102</b>	131
Interest income	<b>27,973</b>	14,739
Rental income	<b>42,175</b>	46,227
Government grants	<b>4,930</b>	12,926
Bad debts written off recovery	<b>50</b>	421
Gain on lease modification	<b>26</b>	222
Increase in fair value of financial assets at FVTPL	<b>4,214</b>	2,533
Gain on disposal of financial assets at FVTPL	<b><u>-</u></b>	<u>116</u>

The gross rental income from investment properties for the year amounted to HK\$13,126,000 (2023: HK\$15,847,000).

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 grant of wage support, the government supports for wage increases for lower-wage workers. Under the grant for tourism event development, the Group is required to meet performance target in the projects. Under the innovation and development support, the grant supports new projects on areas including technology innovation. There is no unfulfilled conditions and other contingencies attached to government assistance that has been recognised.

#### 4. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on borrowings	26,804	33,869
Interest on lease liabilities	6,284	6,046
Unwinding discount expenses	333	315
	<u>33,421</u>	<u>40,230</u>

#### 5. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The charge comprises:		
Current income tax		
Profits tax for the year		
Hong Kong	656	9,956
Overseas	81,392	59,433
Under (over) provision in prior years		
Hong Kong	61	–
Overseas	(1,989)	1,355
	<u>80,120</u>	<u>70,744</u>
Deferred tax	6,100	(13,343)
	<u>86,220</u>	<u>57,401</u>

Hong Kong profits tax is calculated at 16.5% (2023: 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:

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Profit before tax (excluding share of results of associates and joint ventures)	<b>441,142</b>	288,760
Tax at the domestic income tax rate of 16.5% (2023: 16.5%)	<b>72,788</b>	47,645
Effect of different taxation rates in other countries	<b>15,919</b>	7,133
Tax effect of income that is not taxable	<b>(44,079)</b>	(20,695)
Tax effect of expenses that are not deductible	<b>31,721</b>	18,230
Tax effect of utilisation of previously unrecognised tax losses	<b>(10,577)</b>	(3,063)
Tax effect of tax losses not recognised	<b>4,205</b>	7,520
Deferred taxation on withholding tax arising on undistributed earnings of subsidiaries	<b>6,690</b>	(7,789)
(Over) under provision in prior years	<b>(1,928)</b>	1,355
Others	<b>11,481</b>	7,065
Income tax expense	<b>86,220</b>	57,401

## 6. PROFIT FOR THE YEAR

	2024 HK\$'000	2023 HK\$'000
Profit for the year has been arrived at after charging:		
Auditors' remuneration	6,806	6,142
Depreciation of:		
Property, plant and equipment	42,506	42,829
Right-of-use assets	23,096	24,919
Loss on disposal of property, plant and equipment	91	210
Other intangible assets written off	–	14,118
Direct operating expenses of investment properties that generate rental income	2,303	1,498
Cost of inventories sold	357,069	287,845
Bad debts written off	3,529	1,325
Allowance for bad and doubtful debts	63,387	56,159
Amortisation of:		
Club membership (included in administrative expenses)	8	8
Show rights and software (included in administrative expenses)	14,624	12,406
Other intangible assets arising from business combinations	25,222	30,955
Net exchange loss	7,902	5,403
Impairment of show right (included in administrative expenses)	2,931	–
Impairment on interests in an associate (included in administrative expenses)	13,527	–
Decrease in fair value of investment properties, net	15,012	15,566
Decrease in fair value of derivative financial assets (included in administrative expenses)	–	3,715
Loss on lease modification	–	121
Increase in remeasurement of contingent consideration	–	6
Decrease in fair value of financial assets at FVTPL (included in administrative expenses)	1,298	–
Loss on expiry of derivative financial assets (included in administrative expenses)	1,137	–
Loss on dissolution of subsidiaries, net	641	–
and crediting:		
Allowance written back on bad and doubtful debts	17,646	22,415
Decrease in remeasurement of contingent consideration	376	–
Gain on dissolution of subsidiaries, net	–	2,743
Reversal of allowance for inventories	–	1
Gain on disposal of an associate	72,152	–
Reversal of impairment on interests in an associate	1,556	–

During the year, gain on disposal of an associate comprised of the gain on disposal of InfocommAsia Pte Ltd. of HK\$72,152,000 (2023: nil).

## 7. DIVIDENDS PAID

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
2023 final dividend paid HK7.0 cents per ordinary share (2023: 2022 final dividend paid HK6.0 cents per ordinary share)	<b>86,781</b>	74,309
2024 interim dividend paid HK5.5 cents per ordinary share (2023: 2023 interim dividend paid HK2.0 cents per ordinary share)	<b>68,225</b>	24,781
Total	<b>155,006</b>	99,090

A final dividend of HK7.5 cents and a special dividend, with a scrip dividend option, of HK3.5 cents per ordinary share, for the year ended October 31, 2024 has been proposed by the Board and is subject to approval by the shareholders in the forthcoming annual general meeting.

## 8. EARNINGS PER SHARE

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

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Earnings for the purposes of calculating basic and diluted earnings per share	<b>357,568</b>	228,083
	<b>2024</b>	2023
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<b>1,239,984,164</b>	1,238,679,852
Effect of dilutive potential ordinary shares in respect of options	<b>4,204,876</b>	1,628,199
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<b>1,244,189,040</b>	1,240,308,051

## 9. DEBTORS, DEPOSITS AND PREPAYMENTS

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Trade debtors	<b>1,020,530</b>	861,070
Less: Allowance for bad and doubtful debts	<b>(119,758)</b>	(88,018)
	<b>900,772</b>	773,052
Other debtors	<b>192,701</b>	123,160
Less: Allowance for bad and doubtful debts	<b>(13,927)</b>	(17,009)
	<b>178,774</b>	106,151
Prepayments and deposits	<b>116,457</b>	99,744
	<b>295,231</b>	205,895
	<b>1,196,003</b>	978,947

The Group allows a credit period ranged from 30 to 90 days to its customers.

The aging analysis of trade debtors, based on the invoice date, and net of allowance, is as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Less than 91 days	<b>708,286</b>	645,124
91 – 180 days	<b>75,193</b>	65,278
181 – 365 days	<b>88,149</b>	43,967
More than 1 year	<b>29,144</b>	18,683
	<b>900,772</b>	773,052

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	Renminbi HK\$'000	Singapore dollars HK\$'000	United States dollars HK\$'000	United Arab Emirates dirhams HK\$'000	Others HK\$'000	Total HK\$'000
<b>At October 31, 2024</b>	<b>53,898</b>	<b>4,805</b>	<b>46,481</b>	<b>284,539</b>	<b>104,084</b>	<b>225,758</b>	<b>25,605</b>	<b>155,602</b>	<b>900,772</b>
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, 2024, an allowance was made for estimated irrecoverable trade debtors of HK\$119,758,000 (2023: HK\$88,018,000) which have either been placed under liquidation or in severe financial difficulties. The Group does not hold any collateral over these balances.

## 10. CREDITORS AND ACCRUED CHARGES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade creditors	354,145	361,869
Accrued charges	1,808,456	1,512,735
Other creditors	12,731	10,135
Provision for reinstatement costs	6,681	6,164
	<u>2,182,013</u>	<u>1,890,903</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Less than 91 days	270,106	269,028
91 – 180 days	37,527	39,398
181 – 365 days	22,813	24,350
More than 1 year	23,699	29,093
	<u>354,145</u>	<u>361,869</u>

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

	Hong Kong dollars <i>HK\$'000</i>	Euro <i>HK\$'000</i>	Malaysian ringgits <i>HK\$'000</i>	Renminbi <i>HK\$'000</i>	Singapore dollars <i>HK\$'000</i>	United States dollars <i>HK\$'000</i>	United Arab Emirates dirhams <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
At October 31, 2024	<u>40,743</u>	<u>2,701</u>	<u>13,952</u>	<u>152,872</u>	<u>26,762</u>	<u>46,769</u>	<u>26,659</u>	<u>43,687</u>	<u>354,145</u>
At October 31, 2023	<u>22,961</u>	<u>5,294</u>	<u>10,401</u>	<u>170,351</u>	<u>57,044</u>	<u>46,106</u>	<u>14,094</u>	<u>35,618</u>	<u>361,869</u>

## **BUSINESS REVIEW AND PROSPECTS**

### **Financial Results**

During the financial year under review, the Group adeptly capitalised on business opportunities using Content, Community, Creative and Data strategies (“3C+D”) to deliver an Integrated Brand Experience (“IBE”) to our clients. This helped to continuously increase the Group’s market share of a revitalised global economy. The following results are a testament to the Group’s strategy and manner in capitalising on business opportunities during this financial year.

During the financial year under review, the Group reported total revenue of HK\$6,327 million (2023: HK\$5,328 million), representing an 18.8% increase on a year-over-year basis.

Earnings before interest, taxes, depreciation, amortisation and a change in remeasurement of contingent consideration (“EBITDA”) was HK\$564.4 million (2023: HK\$437.4 million), representing a 29.0% increase on a year-over-year basis.

Profit from core operations was HK\$499.4 million (2023: HK\$360.0 million), representing a 38.7% increase on a year-over-year basis.

Profit attributable to owners of the Company was HK\$357.6 million (2023: HK\$228.1 million), representing a 56.8% increase on a year-over-year basis.

### **Dividend**

The Board recommends payment of a final dividend of HK7.5 cents (“Final Dividend”) (2023: a final dividend of HK7.0 cents), and a special dividend (“Special Dividend”, together with the Final Dividend, “Dividends”) of HK3.5 cents (2023: a special dividend of nil), per ordinary share. Together with an interim dividend of HK5.5 cents (2023: HK2.0 cents) per ordinary share, the total dividend for the year ended October 31, 2024 amounts to HK16.5 cents (2023: HK9.0 cents) per ordinary share. Shareholders of the Company will be given the option to receive the Special Dividend of HK3.5 cents per ordinary share in cash or wholly or partly in new and fully paid shares (“Scrip Shares”) in lieu of cash (the “Scrip Dividend Scheme”), and the Final Dividend of HK7.5 cents per ordinary share will be paid in the form of cash.

The payment of the Dividends is conditional upon the approval of the Company's shareholders at the forthcoming annual general meeting to be held on Friday, March 21, 2025. Further, payment of the Special Dividend is subject to the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in Scrip Shares. It is expected that cash entitlements will be paid (by way of cheques or bank transfers) and/or share certificates for Scrip Shares will be despatched on Wednesday, May 21, 2025 to the shareholders on the register of members of the Company on Tuesday, April 1, 2025.

A circular containing, inter alia, full details of the Scrip Dividend Scheme is expected to be despatched together with a form of election for scrip dividend to shareholders of the Company on or around Thursday, April 17, 2025.

## **Business Review**

As of October 31, 2024, the Group employed some 2,700 full-time staff and operated across 36 cities in 22 countries globally. Pico is a Total Brand Activation agency utilising Content, Community, Creative and Data strategy to create an Integrated Brand Experience for client's marketing events around the world.

The global market has shown remarkable resilience over the past year. However, we continue to operate in a very complex world; rising geopolitical tensions in general are testing the Group's resilience and existing growth strategies as a global organisation. Geopolitical conflicts in Europe and the Middle East and escalating US-China trade tension have resulted in a decline in global trade cooperation causing the world to move from global to a geopolitically aligned trade. As US-China trade has declined, the Middle East and countries such as South Korea, Thailand and Vietnam have emerged as major beneficiaries. Consequently, many of our regional offices have experienced an increase in business volume, particularly those in Southeast Asia and the Middle East. Also, the Group has responded to these changes by assisting many brands – particularly Chinese brands – to expand overseas into these new or developing markets.

Overall, the Group continues to solidify its position as a global leader in Total Brand Activation by employing our Content, Community, Creative and Data strategies to deliver our Integrated Brand Experience. Our expertise allows us to deliver event marketing which integrates a broad range of channels, platforms and touchpoints to develop a holistic integrated experiential brand marketing campaign. With a sustained focus on retaining key accounts, maximising market share and supporting growth, Pico has continued to put major effort in nurturing our loyal and recurring client base and audience community.

During the year, the Group executed its strategic decision to dispose of its 45% equity interest in InfocommAsia Pte Ltd. in Singapore, at a valuation consistent with the terms stipulated in the joint-venture agreement. This profitable divestment should enable us to redirect resources and management focus towards core business activities. Proceeds from the transaction will provide liquidity and capital that can be allocated to strategic initiatives.

In the USA, effective delivery of our Integrated Brand Experience has not only allowed the Group to strengthen existing client collaborations but transform its US business from creating bespoke experiential marketing to creating award winning, industry-changing brand campaigns. Our proven ability to create brand campaigns that resonate with audiences across a variety of demographics and regions has helped the Group to foster robust long-term partnerships with clients.

On May 31, 2024, the Group strategically acquired the remaining 40% stake of Infinity Marketing Team, LLC (“IMT”), allowing us to achieve full ownership. Based in California, IMT is a valuable addition to the Group’s portfolio, bringing a highly regarded range of marketing, event management and promotional service expertise. Full ownership expands the Group’s global footprint, increases the potential of developing new business and clients in the USA, and enables us to offer integrated solutions of an even more comprehensive nature across a variety of channels and touchpoints.

The Group’s commitment to sustainability, as outlined in its annual Environmental, Social and Governance (“ESG”) report, remained at the forefront of operations throughout the financial year. Pico’s activities consistently demonstrated strong commitments to environmental stewardship, employee well-being, responsible business practices and community support.

### ***Building a resilient and growth-sustaining business***

Anticipating an uncertain global environment, the Group has maintained its focus on resilience and sustained growth.

Towards its aim of building a data-driven enterprise to drive growth and achieve operational excellence and greater efficiency, the Group has continued to focus on digital transformation via implementation of data tools and the AI-embedded Pico PowerOne system. Our growing expertise in this area has enabled us to turn data into assets and value: using data aggregated from our massive portfolio, we can generate insights that allow us to identify high-quality clients and cross-selling opportunities, aiding us in enhancing sales conversion rates. The same expertise can also be applied to providing clients with proprietary data services.

To enhance operational efficiency for the Group's business across the world, the Group has been building a global partner platform comprising a localised network of efficient, robust production and supply chains to facilitate better vendor and resource management. Our experience in data diagnostics has helped us develop customised evaluations and solutions for business units and individual projects, potentially assisting in cost control and enhancing gross margins.

With an eye on fostering future growth, the Group has continued to cultivate its 'apprenticeship' model of talent development and upskilling. To foster a 'everybody learns and everybody teaches' culture in the workplace, the Group has developed an AI search tool to match employees with complementary skills and project experience to the appropriate knowledge-sharing, training and development opportunities.

The Group has long prioritised building a resilient financial foundation to protect the value of the organisation. Being acutely aware of the financial and operational risks it faces, we have further strengthened our credit control policy. Prudent working capital and cashflow management continues to be in place to ensure smooth and continuous short- and long-term operation.

## **Operations Review**

### ***By Geographical Region***

Geographically, Greater China (including mainland China, Hong Kong, Macau and Taiwan) accounted for 40.4% (2023: 47.8%) of the Group's total revenue of HK\$6,327 million (2023: HK\$5,328 million).

Southeast Asia (including Malaysia, Singapore, the Philippines and Vietnam) accounted for 21.0% (2023: 21.5%); the Middle East (including Bahrain, Oman, Qatar, Saudi Arabia and the United Arab Emirates) accounted for 10.0% (2023: 11.5%); and the United Kingdom and United States accounted for a total of 14.6% (2023: 15.2%). Other regions accounted for a total of 14.0% (2023: 4.0%).

### ***By Business Segment***

#### **Exhibition, Event and Brand Activation**

During the financial year under review, revenue in this segment was HK\$5,439 million (2023: HK\$4,413 million) or 86.0% (2023: 82.8%) of the Group's total revenue. Profit in this segment was HK\$402.5 million (2023: HK\$302.5 million).

## **Exhibitions**

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

<b>Show</b>	<b>Location</b>
Sci Power for Future Thailand Fair	Bangkok
Mobile World Congress	Barcelona and Shanghai
ZGC Forum	Beijing
Lexus projects	China (nationwide)
Dubai Airshow	Dubai
The 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28)	
Geneva International Motor Show	Geneva
Solar and Storage Live Vietnam	Ho Chi Minh City
Asia Fruit Logistica	Hong Kong
HKTDC Hong Kong International Jewellery Show	
SEMICON	Kuala Lumpur and Taipei
CES Consumer Electronics Show	Las Vegas
World Travel Market London	London
Global Gaming Expo Asia	Macau
Intersolar Europe	Munich
Thailand International Motor Expo	Nonthaburi
China International Import Expo	Shanghai
ChinaJoy	
Singapore Airshow	Singapore
Singapore Garden Festival	
Sydney Contemporary Art Fair	Sydney
Taipei Dangdai	Taipei
Tokyo Gendai	Yokohama

In mainland China, the Group continued to serve a variety of clients at major motor shows, including 14 brands at the Chengdu Motor Show, 27 at the biennial Auto China, and several more at Auto Chongqing, the Guangdong-Hong Kong-Macao Greater Bay Area International Auto Show and others. Most notably, we provided exhibition services to 26 brands at Auto Guangzhou, nearly double the number served at the previous edition.

### ***Events and Brand Activations***

During the financial year, the Group continued to apply its methodology of leveraging multiple marketing channels for a strategic, integrated approach to developing brand-audience engagement. The successful outcomes resulting from this approach have enabled us to diversify our portfolio while building robust relationships for long-term business growth.

A significant achievement during 2024 was our appointment as main official contractor for the 215,000 sq. m. Blue Zone at COP29, held from 11-22 November 2024 in Baku, Azerbaijan. The design and build project consisted of the construction of all temporary architectural features, conference infrastructure and facilities, including a permanent information centre and some country pavilions. It is the biggest design-and-build temporary infrastructure build around a permanent facility and the first ISO20121 (event sustainability management systems) certified event in the history of UNCCC COP. The project's sustainability solutions showcased the Group's prominent position as a market leader in green solutions, as UNFCCC parties convened to discuss impactful climate finance and sustainable development.

The effectiveness of our strategies to focus on delivering our Integrated Brand Experience is demonstrated by a growing list of outstanding campaigns. Activated for State Farm, one of the largest US-based insurers and our long-term client, one advertising campaign successfully appealed to younger audiences' preference for quick and humorous content by taking on the guise of a film starring Arnold Schwarzenegger. The campaign was top-ranked by the coveted USA Today Ad Meter for Super Bowl programmes and achieved a record-breaking 26 billion impressions.

Another project – for Archer Aviation's eVTOL 'flying car' – capitalised on the immense popularity of the Super Bowl by making well-known singer Usher – headline performer at the 2024 halftime show – the star of a concurrently running social media campaign. Much more cost-effective than traditional Super Bowl advertising, yet delivering most of its benefits, this innovative campaign gained a total combined reach of 112+ million and over 22 million earned media impressions.

Delivered in collaboration with the China Digital Library and Harvard FAS CAMLab team, the ‘THE ART OF LIFE: Multimedia Exhibition of Mawangdui Han Culture’ was a project that relied heavily on the combined experiential/digital prowess of Pico and YAOLAND, an immersive experience technology company under the Group. Using dynamic graphic rendering and other cutting-edge technologies, the exhibition digitally showcased site relics and immersed visitors in a world of sight and sound, virtual and real to create a truly Integrated Brand Experience.

Enabled by our mature data expertise, the Group has been integrating data analytics and services in a wide variety of projects. In one notable example, the Tencent Global Digital Ecosystem Summit in Shenzhen used more than 50 camera-based data monitoring points to collect real-time visitor flow data. Using a real-time heatmap, visitor behaviour mapping and performance analysis and evaluation, we established an event data asset library for Tencent with which to continuously compare performance across similar events and maximise event value and ROI.

Other selected activations include:

<b>Project</b>	<b>Location</b>
State Farm Gamerhood Season 3	Atlanta
Avatr Launch	Bangkok
Xiaomi 14 Series Launch Event	Barcelona
Beijing Chaoyang International Light Festival	Beijing
Tokyo Game Show	Chiba
Hyundai Santa Fe MX5 Media Conference and Test Drive	Dubai
UEFA Champions League projects	Germany (nationwide) and London
Bank of China Hong Kong Tennis Open	Hong Kong
ComplexCon	
BMW’s SKY5PACE Event	Kuala Lumpur
McDonald’s China Restaurant General Manager Convention	Macau
New Year’s Eve 2024 and Bahrain Festival City 2023	Manama
Australian Open	Melbourne
Jaguar Land Rover Defender V8 Media Test Drive	Nyingchi
TwitchCon	San Diego
Amazon Web Services Summit	Shanghai
YONEX projects	

<b>Project</b>	<b>Location</b>
Chow Tai Fook Jewellery Group 95th Anniversary Summit	Shenzhen
Celebrating Healthcare Heroes: Ties That Bind	Singapore
Singapore National Day Parade	
Meta projects	South Korea (nationwide) and Taipei
Audi House of Progress	Taipei
NEOM projects	Worldwide

## **Visual Branding Activation**

This segment accounted for HK\$293 million (2023: HK\$383 million) or 4.6% (2023: 7.2%) of total Group revenue. Segment profit was HK\$9.1 million (2023: HK\$32.0 million).

The drop in revenue in this segment is mainly attributable to fewer stores being opened by makers of traditional petrol-powered motorcars, who experienced declining sales in mainland China. Despite a challenging market environment, this segment remained profitable by capitalising on China's favourable policy environment regarding electric vehicles ("EV") and digital. The use of digital tools and data analytics significantly contributed to the Group's ability to maintain long-term partnerships with clients in the automotive industry, particularly regarding the EV model ranges of brands such as Dongfeng Nammi, GAC Trumpchi, Hyptec, Lotus, Mercedes-Benz, Polestar, Volkswagen and Xiaomi. In addition to EV-focused projects, we continue to deliver visual branding activations for Bentley, Ford Beyond, Lexus and others, further consolidating our market share.

The Group's assured expertise in activating creative integrated experiences facilitated a diversification of its client base. One example was The Durant Guild, for whom the Group delivered four retail store projects across China and expects to deliver a similar quantity in 2025.

The Group continued to integrate data strategies and brand experience into corporate and retail showroom projects. Most notably, in Beijing, we created a full sensory showroom experience for FANUC. The design's immersive 3D displays and projections compel customer engagement while expressing futurism in their detail and function. This activation showed the Group's capabilities extending beyond physical signage to comprehensive showroom activation, thus paving the way for acquiring new clients from intelligent manufacturing and other sectors.

Selected projects from around the world:

<b>Digital project</b>	<b>Location</b>
Long March Digital Art Memorial	Guiyang
Aliyun Cloud Valley Park Digital Showroom	Hangzhou
Xio Lift Showroom	
Honeywell Showroom	Shanghai
SAIC General Motors Showroom	
HP projects	UK (nationwide)

<b>Physical project</b>	<b>Location</b>
Glenfiddich retail window displays for some 40 stores	China (nationwide)
SF Express Showroom	Ezhou
China Foundation for Rural Development Disaster Prevention Classroom Project	Gansu
Guangdong HAID Showroom	Guangzhou
Master Kong Showroom	Hangzhou
DKNY store interior project	Ho Chi Minh City
Genesis Showrooms	Jeddah and Muscat
LONGi Jiaxing Experience Centre	Jiaxing
Inspur Showrooms	Jinan, Seoul and Singapore
Charthouse Bahrain interior project	Manama
Hanwha Robotics Showroom	Seoul
ECARX Showroom	Shanghai

## **Museum and Themed Entertainment**

This segment accounted for HK\$422 million (2023: HK\$397 million) or 6.7% (2023: 7.5%) of total Group revenue. Segment profit was HK\$50.4 million (2023: HK\$38.7 million). The segment maintained its business volume during the period under review.

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, 11 SKIES is planned to feature a total gross floor area of over 353,000 sq. m. and some 800 shops, including 120 dining concepts.

Selected projects delivered under museums/themed attractions:

<b>Museum project</b>	<b>Location</b>
Australian War Memorial	Canberra
Hong Kong Museum of the War of Resistance and Coastal Defence	Hong Kong
Tai Kwun	
Macao Grand Prix Museum	Macau
Macao Museum of Art	
ArtScience Museum	Singapore
Singapore Maritime Gallery	

<b>Themed entertainment project</b>	<b>Location</b>
Bluey's World	Brisbane
Monopoly Dreams Melbourne	Melbourne
VinWonders	Phu Quoc
Madame Tussauds Shanghai	Shanghai
Ranger Buddies Quest at Mandai Wildlife Reserve	Singapore

## **Meeting Architecture Activation**

This segment accounted for HK\$173 million (2023: HK\$135 million) or 2.7% (2023: 2.5%) of total Group revenue. Segment profit was HK\$91.3 million (2023: HK\$3.2 million).

Economic recovery and favourable government incentives in 2024 drove up demand for large-scale events, and our Group achieved a correspondingly outstanding performance. Our Content, Community, Creative and Data strategy has been particularly instrumental in positioning this segment at the forefront of innovation and customer engagement.

Utilising smart technologies and AI-powered data analytics, we have capitalised on opportunities to drive our community-centric approach and enhance our brand presence. This has led to exceptional client retention within a rapidly evolving market landscape.

In the Philippines especially, the Group has expanded its activities across business landscapes to execute high-profile integrated events for construction, banking and technology sector clients. Such activations have further built up the Group's reputation among both international clients and global audience communities.

During the financial year, we delivered Sibos in Beijing, leveraging cutting-edge digital technology, sustainable and interactive conference experience to optimise delegates' experience at the conference.

Noteworthy shows in this segment include:

<b>Show</b>	<b>Location</b>
AIMX Network	Beijing and Singapore
Asian Vaccine Conference	Cebu
Philconstruct	Davao, Luzon, Manila and Visayas
HVAC/R Philippines	Luzon
Hotel and Foodservice Suppliers Show	Manila
Interior and Design Manila	
PackPrintPlas Philippines	
Transport and Logistics Philippines	
Asia Pacific Neurocritical Care	Sarawak
ASEAN Digital Ministers Meeting	Singapore
General Assembly and Council Meetings of the Asian Patent Attorneys Association	
PetExpo	
SILMO International Optics and Eyewear Trade Fair	
Singapore International Water Week	
Singapore Week of Innovation and Technology (SWITCH)	
ASEAN Tourism Forum	Vientiane

## Financial Position

As at year end date, the total net tangible assets of the Group increased by 3.6% to about HK\$1,859 million (2023: HK\$1,795 million).

Bank and cash balances amounted to HK\$1,979 million (2023: HK\$1,294 million), with HK\$65 million pledged bank deposits (2023: HK\$4 million). Deducting interest bearing external borrowings from bank and cash balances, the net cash balance was HK\$1,512 million (2023: HK\$904 million).

Total borrowings were HK\$467 million at October 31, 2024 (2023: HK\$390 million). Borrowings are mainly denominated in Great Britain pound, Hong Kong dollars, New Taiwan dollars, Renminbi and United States dollars, and the interest is charged on fixed and floating rate basis. The Group's bank loans of HK\$0.07 million (2023: HK\$0.3 million) carry fixed interest rate.

	<b>2024</b> <b>HK\$' million</b>	2023 <i>HK\$' million</i>
Bank and cash balances	<b>1,914</b>	1,290
Pledged bank deposits	<b>65</b>	4
Less: Borrowings	<b>(467)</b>	(390)
Net cash balance	<b><u>1,512</u></b>	<u>904</u>

For the year ended October 31, 2024, the Group invested HK\$22 million (2023: HK\$20 million) in property, plant and equipment; HK\$10 million (2023: HK\$34 million) in intangible assets. All these were financed from internal resources and bank borrowings.

The Group has HK\$135 million (2023: HK\$201 million) long-term borrowings and HK\$109 million (2023: HK\$112 million) long-term lease liabilities at October 31, 2024. The current ratio was 1.37 times (2023: 1.48 times); the liquidity ratio was 1.37 times (2023: 1.48 times); and the gearing ratio was 4.29% (2023: 6.20%).

	<b>2024</b>	2023
Current ratio (current assets/current liabilities)	<b>1.37 times</b>	1.48 times
Liquidity ratio (current assets excluding inventories/ current liabilities)	<b>1.37 times</b>	1.48 times
Gearing ratio (long-term borrowings including long-term lease liabilities/total assets)	<b>4.29%</b>	6.20%

Although our subsidiaries are located in many different countries of the world, over 67% of the Group's sales and purchases were denominated in Hong Kong dollars, Renminbi, Singapore dollars and United States dollars, and the remaining 33% were denominated in other Asian currencies and European currencies. We are already diversified in many different currencies, and the major Asian currencies have been quite stable throughout the year, the Group's exposure to foreign exchange risk is minimal. It is the Group's policy not to enter into derivative transactions for speculative purposes.

## Employees and Emoluments Policies

At October 31, 2024, the Group employs some 2,700 full-time 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\$1,400 million (2023: HK\$1,175 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, 2024, the following assets were pledged as collaterals for credit facilities granted to the Group by certain banks.

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Freehold land and buildings	<b>51,071</b>	50,510
Leasehold land and buildings	<b>91,851</b>	94,887
Pledged bank deposits	<b>65,316</b>	3,711
	<b>208,238</b>	149,108

## Contingent Liabilities

At October 31, 2024, the Group has issued the following guarantees:

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Performance guarantees		
– secured	<b>151,542</b>	81,028
– unsecured	<b>24,146</b>	25,348
	<b>175,688</b>	106,376
Other guarantees		
– secured	<b>6,036</b>	1,423

At October 31, 2024, 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

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Capital expenditures in respect of property, plant and equipment and other investment		
– contracted but not provided for	<b>5,675</b>	3,543
– authorised but not contracted for	<b>5,298</b>	9,907
	<b>10,973</b>	13,450

## Outlook

The year 2025 will challenge global business, with the new US administration potentially creating new trade uncertainty that could pose new threats to the global economy and fuel a shift to geopolitically aligned trade. However, with China continuing its 'one belt and one road' initiative, further growth is possible globally, especially in the Southeast Asia and Middle East markets where the Group has a well-established presence.

The Group will continue its investment in our existing Content, Community, Creative and Data strategies to deliver our effective Integrated Brand Experience. This will enable us to continue our business transformation from the role of vendor to trusted advisor by offering comprehensive and creative brand experience solutions to customers.

We have already been appointed by organisers and brands to deliver a series of exhibitions and events scheduled for the upcoming financial year. Our focus on providing high-quality services has enabled us to maintain a trajectory of sustainable growth and resilience in the Exhibition, Event and Brand Activation segment.

Notable activations include:

<b>Project</b>	<b>Location</b>
China International Machine Tool Show	Beijing
Exhibition tours/roadshows: Avatr, BYD, Denza, FANGCHENGBAO, Jaguar Land Rover, Honor, Lexus, Li Auto, Volvo, XPeng, ZEEKR	China (nationwide)
Auto Guangzhou	Guangzhou
Routes World	Hong Kong
Indo Defence Expo and Forum	Jakarta
Thailand International Motor Expo	Nonthaburi
Meta projects	Seoul, Singapore and Taipei
Automechanika Shanghai	Shanghai
China International Import Expo	
i Light Singapore	Singapore
Vinexpo Asia	
Taipei Dangdai	Taipei
HPE President's Club	Tenerife
DEPA Esports Accelerator Programme	Thailand (nationwide)
NEOM projects	Worldwide

In the Visual Branding Activation segment, the Group has devised pivotal strategic initiatives to nurture and maintain enduring partnerships with top-tier brands. Our commitment to crafting our Integrated Brand Experience underpins our dedication to delivering innovative, cutting-edge digital showroom solutions to clients such as Bacchus, Bentley, Ford Beyond, Lexus and Xtep.

Furthermore, our focus on high potential sectors such as sports and intelligent manufacturing and our ability to capitalise on global business opportunities is exemplified by successful international activations in collaboration with Infiniti, Jaguar Land Rover, Polestar and other premier marques. Among these, one noteworthy success is a global rebranding project for Jaguar Land Rover focusing on Asia Pacific and Europe.

Strengthened by our successful delivery of projects for LEGOLAND Shanghai, we are expanding our visual branding business for LEGOLAND Shenzhen and other theme parks to be opened in China.

Other projects of note include:

<b>Project</b>	<b>Location</b>
Jiangsu Hengli Hydraulic Showroom	Changzhou
BYD Showrooms	China (nationwide)
EXEED interior projects	
GAC Aion interior projects	
GAC Trumpchi interior projects	
Mercedes-Benz interior projects	
The Durant Guild Showrooms	
Pluit Junction Mall interior project	Jakarta
Ahli United Bank interior project	Manama
GFH Financial Group interior project	
Advanced Micro-Fabrication Equipment Inc. China Lingang Showroom	Shanghai
Siemens Showroom	
Biosparc Showroom	Suzhou
Weifu High-Technology Group Showroom	Wuxi

In the Museum and Themed Entertainment segment, the Group is currently engaged in several pivotal contracts. Notably, we are delivering projects for the Hong Kong Museum of History and the Hong Kong Wetland Park – both slated for completion in 2025 – and a Hollywood-themed amusement park in Japan, with completion anticipated in 2027.

Selected assorted projects for museums/themed attractions:

<b>Project</b>	<b>Location</b>
Al Ain Zoo	Abu Dhabi
Dreamworld	Gold Coast, Australia
Wizard of Oz at Warner Bros. Movie World	
Harbourfront Shared Space project	Hong Kong
Mount Fortress	Macau
Al Hamra Entertainment Destination	Riyadh
Peninsula Bay Water and Theme Park	Sihanoukville
Ministry of Education Heritage Centre	Singapore
People's Association Heritage Gallery	
Chimelong Marine Science Park	Zhuhai

The Meeting Architecture Activation segment has used data-driven tactics to obtain a significant and solid competitive edge. The Group has enhanced its ability to capitalise on emerging opportunities and sustain growth for the years to come.

Other projects of interest include:

<b>Show</b>	<b>Location</b>
World Gas Conference	Beijing
Sibos	Frankfurt
Malaysian Ophthalmology Scientific Congress	Kuala Lumpur
HVAC/R Philippines	Manila
Interior and Design Manila	
Philconstruct	
Philippine International Furniture Show	
Asia Pacific Intensive Care Symposium	Singapore
Asia-Pacific Textile and Apparel Supply Chain Expo & Summit	
Food Japan	
Singapore International Transport Congress and Exhibition (SITCE)	
Singapore International Water Week Spotlight	
Singapore Week of Innovation and Technology (SWITCH)	

The Group's consistent dedication to expanding its market share and increasing project value while improving efficiency, continuing evolution and building resilience has enabled it to thrive during the past few years of geopolitical and economic uncertainty, and should continue to do so amidst the challenges of the years to come.

Crucially, the Group's strategic outlook is based on our capacity to adapt to current and anticipated market realities. Hence our willingness to embrace technological advances, such as AI and data tools, both to enhance operational efficiency and add value to our client services. This has and will continue to set us apart from industry peers. Culturally, the Group fosters continued excellence by supporting an internal environment of learning, innovation, professional achievement and career advancement. Meanwhile, our careful credit control and cashflow management are intended to function together to ensure a sufficient working capital basis for robust short- and long-term operations. We will continue to focus on delivering profitable growth to the benefit of all of our stakeholders.

## **CLOSURE OF REGISTER**

The register of members of the Company will be closed from Tuesday, March 18, 2025 to Friday, March 21, 2025, both days inclusive, during which period no transfer of shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, no later than 4:00 p.m. on Monday, March 17, 2025 in order to establish the identity of the shareholders who are entitled to attend and vote at the annual general meeting of the Company (the "Entitlement to AGM"). The record date for the Entitlement to AGM will be on Friday, March 21, 2025.

The register of members of the Company will be closed from Thursday, March 27, 2025 to Tuesday, April 1, 2025, both days inclusive, during which period no transfer of shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, no later than 4:00 p.m. on Wednesday, March 26, 2025 in order to establish the identity of the shareholders who are entitled to qualify for the Dividends (the "Entitlement to Dividends"). The record date for the Entitlement to Dividends will be on Tuesday, April 1, 2025. The payment date for the Dividends will be on Wednesday, May 21, 2025.

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

During the year 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including treasury shares).

## **CORPORATE GOVERNANCE**

The Board is always committed to maintaining high standards of corporate governance. During the year ended October 31, 2024, the Company has complied with the code provision (the "CG Code") as set out in the Corporate Governance Code contained in Appendix C1 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited 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 five Independent Non-Executive Directors in the Board for the year ended October 31, 2024. The Board considers that there is sufficient balance of power and the current arrangement maintains a strong management position of 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 C3 of the Listing Rules as the code of conduct regarding securities transactions by 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, 2024.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the audited consolidated financial statements.

## **DISCLOSURE OF INFORMATION ON WEBSITES**

This results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> under “Listed Company Information” and at the Company’s website <http://www.pico.com>.

The 2024 annual report of the Company containing financial statements and notes to the financial statements will be published on the above websites in due course.

By Order of the Board  
**Lawrence Chia Song Huat**  
*Chairman*

Hong Kong, January 24, 2025

*As of the date of this announcement, the Executive Directors of the Company are Mr. Lawrence Chia Song Huat, Ms. Jean Chia Yuan Jiun and Mr. Mok Pui Keung; the Independent Non-Executive Directors are Mr. Gregory Robert Scott Crichton, Mr. James Patrick Cunningham, Mr. Kenneth Kent Ho, Mr. Frank Lee Kee Wai and Mr. Charlie Yucheng Shi.*