

「 Building Sustainable Growth 」



UNAUDITED INTERIM RESULTS

The Board of Directors (the "Board") of Pico Far East Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended April 30, 2007, together with the unaudited comparative figures for the corresponding period in 2006 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended April 30, 2007

| | | For the six months ended April 30, | |
|--------------------------------|-------------|---|-----------------------|
| | | 2007 | 2006 |
| | <i>Note</i> | Unaudited HK\$'000 | Unaudited HK\$'000 |
| Turnover | 2 | 1,088,007 | 833,801 |
| Cost of sales | | (747,670) | (561,253) |
| Gross profit | | 340,337 | 272,548 |
| Other income | | 20,060 | 26,777 |
| Distribution costs | | (131,119) | (110,163) |
| Administrative expenses | | (130,586) | (119,985) |
| Other operating expenses | | (565) | (220) |
| Profit from operations | | 98,127 | 68,957 |
| Finance costs | 3 | (1,673) | (1,357) |
| Share of profits of associates | | 96,454 | 67,600 |
| | | 8,469 | 7,973 |
| Profit before tax | | 104,923 | 75,573 |
| Income tax expense | 4 | (15,844) | (12,857) |
| Profit for the period | 5 | 89,079 | 62,716 |
| Attributable to: | | | |
| Equity holders of the Company | | 80,270 | 57,368 |
| Minority interests | | 8,809 | 5,348 |
| | | 89,079 | 62,716 |
| Dividends paid | 6 | 41,806 | 97,344 |
| EARNINGS PER SHARE | 7 | | |
| Basic | | 6.72 cents | 5.01 cents |
| Diluted | | 6.70 cents | 4.99 cents |

CONDENSED CONSOLIDATED BALANCE SHEET

At April 30, 2007

| | | April 30, 2007 | October 31, 2006 |
|--|------|-------------------|---------------------|
| | | Unaudited | Audited |
| | Note | HK\$'000 | HK\$'000 |
| Non-current Assets | | | |
| Investment properties | | 20,870 | 20,870 |
| Property, plant and equipment | 8 | 267,613 | 255,340 |
| Prepaid land lease payments | 8 | 87,824 | 88,486 |
| Goodwill | 8 | 3,590 | 3,572 |
| Interests in associates | | 95,519 | 84,820 |
| Club membership | | 5,387 | 5,352 |
| Available-for-sale financial assets | 9(a) | 1,201 | 949 |
| | | 482,004 | 459,389 |
| Current Assets | | | |
| Inventories | | 18,729 | 19,855 |
| Contract work in progress | | 49,025 | 34,393 |
| Debtors, deposits and prepayments | 10 | 528,586 | 589,092 |
| Amounts due from associates | | 13,070 | 17,974 |
| Taxation recoverable | | 1,593 | 405 |
| Financial assets at fair value through profit or loss | 9(b) | 2,574 | 1,493 |
| Pledged bank deposits | | 8,600 | 8,564 |
| Bank and cash balances | | 433,391 | 329,032 |
| | | 1,055,568 | 1,000,808 |
| Current Liabilities | | | |
| Payments received on account | | 195,991 | 161,148 |
| Creditors and accrued charges | 11 | 455,198 | 483,505 |
| Amounts due to associates | | 2,854 | 1,580 |
| Current tax liabilities | | 26,809 | 25,316 |
| Borrowings | | 12,708 | 22,575 |
| Finance lease obligations | | 2,012 | 1,688 |
| | | 695,572 | 695,812 |

CONDENSED CONSOLIDATED BALANCE SHEET (Cont'd)

At April 30, 2007

| | | April 30, 2007 Unaudited HK\$'000 | October 31, 2006 Audited HK\$'000 |
|---|-------------|--|--|
| | <i>Note</i> | | |
| Net Current Assets | | 359,996 | 304,996 |
| Total Assets Less Current Liabilities | | 842,000 | 764,385 |
| Non-current Liabilities | | | |
| Borrowings | | 21,459 | 16,329 |
| Finance lease obligations | | 4,437 | 3,909 |
| Deferred tax liabilities | | 12,629 | 12,113 |
| | | 38,525 | 32,351 |
| Net Assets | | 803,475 | 732,034 |
| Capital and Reserves | | | |
| Share capital | 12 | 59,724 | 59,515 |
| Reserves | | 682,107 | 623,261 |
| Equity attributable to equity holders of the Company | | 741,831 | 682,776 |
| Minority Interests | | 61,644 | 49,258 |
| Total Equity | | 803,475 | 732,034 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended April 30, 2007

| | Attributable to equity holders of the Company | | | | | | | | | | | | |
|--|---|---------------|----------------------------|-----------------|--------------------------------|--|------------------|---------------|---------------------|-------------------|----------|--------------------|--------------|
| | Share capital | Share premium | Capital redemption reserve | Capital reserve | Investment revaluation reserve | Equity-settled share-based payment reserve | Goodwill reserve | Legal reserve | Translation reserve | Retained earnings | Total | Minority interests | Total equity |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| At October 31, 2006 | | | | | | | | | | | | | |
| (Audited) | 59,515 | 694,086 | 753 | (11,998) | (1,416) | 2,540 | (419,083) | 3,658 | (22,892) | 377,613 | 682,776 | 49,258 | 732,034 |
| Exchange differences arising on translation of financial statements of overseas operations | - | - | - | - | - | - | - | 6 | 16,482 | - | 16,488 | 1,515 | 18,003 |
| Surplus on valuation of available-for-sale financial assets | - | - | - | - | 248 | - | - | - | - | - | 248 | - | 248 |
| Net income recognised directly in equity | - | - | - | - | 248 | - | - | 6 | 16,482 | - | 16,736 | 1,515 | 18,251 |
| Profit for the period | - | - | - | - | - | - | - | - | - | 80,270 | 80,270 | 8,809 | 89,079 |
| Total recognised income and expenses for the period | - | - | - | - | 248 | - | - | 6 | 16,482 | 80,270 | 97,006 | 10,324 | 107,330 |
| Shares issued at premium | 209 | 3,397 | - | - | - | - | - | - | - | - | 3,606 | - | 3,606 |
| Recognition of equity-settled share-based payment | - | - | - | - | - | 249 | - | - | - | - | 249 | - | 249 |
| Exercise of equity-settled share-based payment | - | 357 | - | - | - | (357) | - | - | - | - | - | - | - |
| Capital contribution from minority interests | - | - | - | - | - | - | - | - | - | - | - | 2,062 | 2,062 |
| Transfer | - | - | - | - | - | - | - | 49 | (49) | - | - | - | - |
| 2006 final dividend | - | - | - | - | - | - | - | - | - | (41,806) | (41,806) | - | (41,806) |
| At April 30, 2007 | | | | | | | | | | | | | |
| (Unaudited) | 59,724 | 697,840 | 753 | (11,998) | (1,168) | 2,432 | (419,083) | 3,713 | (6,459) | 416,077 | 741,831 | 61,644 | 803,475 |
| Representing: | | | | | | | | | | | | | |
| 2007 interim dividend proposed | | | | | | | | | | 41,839 | | | |
| Others | | | | | | | | | | 374,238 | | | |
| | | | | | | | | | | 416,077 | | | |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)

For the six months ended April 30, 2006

| | Attributable to equity holders of the Company | | | | | | | | | | | | |
|--|---|---------------|----------------------------|-----------------|--------------------------------|--|------------------|---------------|---------------------|-------------------|----------|--------------------|--------------|
| | Share capital | Share premium | Capital redemption reserve | Capital reserve | Investment revaluation reserve | Equity-settled share-based payment reserve | Goodwill reserve | Legal reserve | Translation reserve | Retained earnings | Total | Minority interests | Total equity |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| At October 31, 2005 | | | | | | | | | | | | | |
| (Audited) | 57,046 | 608,755 | 753 | (11,998) | (1,398) | 1,258 | (419,083) | 3,351 | (43,280) | 363,752 | 559,156 | 42,282 | 601,438 |
| Exchange differences arising on translation of financial statements of overseas operations | - | - | - | - | - | - | - | 27 | 16,324 | - | 16,351 | 1,554 | 17,905 |
| Surplus on revaluation of available-for-sale financial assets | - | - | - | - | 28 | - | - | - | - | - | 28 | - | 28 |
| Net income recognised directly in equity | - | - | - | - | 28 | - | - | 27 | 16,324 | - | 16,379 | 1,554 | 17,933 |
| Profit for the period | - | - | - | - | - | - | - | - | - | 57,368 | 57,368 | 5,348 | 62,716 |
| Total recognised income and expenses for the period | - | - | - | - | 28 | - | - | 27 | 16,324 | 57,368 | 73,747 | 6,902 | 80,649 |
| Shares issued at premium | 215 | 1,765 | - | - | - | - | - | - | - | - | 1,980 | - | 1,980 |
| Recognition of equity-settled share-based payment | - | - | - | - | - | 29 | - | - | - | - | 29 | - | 29 |
| Capital contribution from minority interests | - | - | - | - | - | - | - | - | - | - | - | 1,123 | 1,123 |
| 2005 final and special dividends | - | - | - | - | - | - | - | - | - | (97,344) | (97,344) | - | (97,344) |
| Dividend distribution to minority interests | - | - | - | - | - | - | - | - | - | - | - | (1,088) | (1,088) |
| At April 30, 2006 | | | | | | | | | | | | | |
| (Unaudited) | 57,261 | 610,520 | 753 | (11,998) | (1,370) | 1,287 | (419,083) | 3,378 | (26,956) | 323,776 | 537,568 | 49,219 | 586,787 |
| Representing: | | | | | | | | | | | | | |
| 2006 interim dividend proposed | | | | | | | | | | | 23,806 | | |
| Others | | | | | | | | | | | 299,970 | | |
| | | | | | | | | | | | 323,776 | | |

CONDENSED CONSOLIDATED CASHFLOW STATEMENT

For the six months ended April 30, 2007

| | For the six months ended April 30, | |
|--|---------------------------------------|-------------------------------|
| | 2007 Unaudited HK\$'000 | 2006 Unaudited HK\$'000 |
| Net cash generated from operating activities | 153,561 | 25,494 |
| Net cash used in investing activities | (14,277) | (33,379) |
| Net cash used in financing activities | (45,039) | (79,417) |
| Net increase (decrease) in cash and cash equivalents | 94,245 | (87,302) |
| Cash and cash equivalents at beginning of the period | 329,032 | 373,844 |
| Effect of foreign exchange rate changes | 10,114 | 2,717 |
| Cash and cash equivalents at end of the period | 433,391 | 289,259 |

Analysis of the balances of cash and cash equivalents

| | For the six months ended April 30, | |
|--|---------------------------------------|-------------------------------|
| | 2007 Unaudited HK\$'000 | 2006 Unaudited HK\$'000 |
| Bank and cash balances | 433,391 | 289,259 |
| Bank overdrafts | – | – |
| Cash and cash equivalents at end of the period | 433,391 | 289,259 |

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended April 30, 2007

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

These unaudited condensed consolidated interim financial statements have been prepared under the historic cost convention, as modified by investment properties and certain investments which are carried at their fair values.

The accounting policies and basis of preparation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual accounts for the year ended October 31, 2006.

In the current interim period, the Group has applied, for the first time, a number of new and revised Hong Kong Financial Reporting Standards ("HKFRSs") and HKASs and Interpretations (hereinafter collectively referred to as ("new HKFRSs") issued by the HKICPA that are effective for accounting periods beginning on or after November 1, 2006. The adoption of these new HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group.

2. TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in the exhibition stand design and fabrication; museum, theme park and interior fit-out; sign advertising; and their related business.

(a) Primary reporting format – geographical segments

The Group operates, through its subsidiaries or associates on a worldwide basis, and mainly in three major geographical areas – Greater China (including Hong Kong, Mainland China, Macao and Taiwan), Asia other than Greater China (including mainly Singapore, Malaysia, Japan, Middle East, South Korea, Vietnam, etc), and other countries including North America, United Kingdom and France.

In presenting information on the basis of geographical segments, segment turnover and segment operating results are based on the geographical location of customers, as follows:

Income Statement

For the six months ended April 30, 2007

| | Greater China Unaudited HK\$'000 | Asia other than Greater China Unaudited HK\$'000 | Others Unaudited HK\$'000 | Elimination Unaudited HK\$'000 | Group Unaudited HK\$'000 |
|---------------------|---|---|---------------------------------|--------------------------------------|--------------------------------|
| REVENUE | | | | | |
| External sales | 521,585 | 469,078 | 97,344 | – | 1,088,007 |
| Inter-segment sales | 131,393 | 18,484 | 6,592 | (156,469) | – |
| Total revenue | 652,978 | 487,562 | 103,936 | (156,469) | 1,088,007 |

Inter-segment sales are charged at prevailing market rates.

RESULTS

| | | | | | |
|-----------------------------------|--------|--------|-------|--|---------------|
| Segment results | 44,075 | 53,533 | 5,219 | | 102,827 |
| Interest income | | | | | 3,963 |
| Unallocated costs | | | | | (8,663) |
| Profit from operations | | | | | 98,127 |
| Finance costs | | | | | (1,673) |
| Share of profits of associates | 4,245 | 3,318 | 906 | | 8,469 |
| Profit before tax | | | | | 104,923 |
| Income tax expense | | | | | (15,844) |
| Profit for the period | | | | | 89,079 |

2. TURNOVER AND SEGMENT INFORMATION (Cont'd)

(a) Primary reporting format – geographical segments (Cont'd)

Income Statement

For the six months ended April 30, 2006

| | Greater China Unaudited HK\$'000 | Asia other than Greater China Unaudited HK\$'000 | Others Unaudited HK\$'000 | Elimination Unaudited HK\$'000 | Group Unaudited HK\$'000 |
|----------------------|---|---|---------------------------------|--------------------------------------|--------------------------------|
| REVENUE | | | | | |
| External sales | 357,743 | 355,371 | 120,687 | – | 833,801 |
| Inter-segment sales | 64,375 | 18,764 | 7,598 | (90,737) | – |
| Total revenue | 422,118 | 374,135 | 128,285 | (90,737) | 833,801 |

Inter-segment sales are charged at prevailing market rates.

RESULTS

| | | | | | |
|-----------------------------------|--------|--------|-------|--|----------|
| Segment results | 26,345 | 40,299 | 6,702 | | 73,346 |
| Interest income | | | | | 2,332 |
| Unallocated costs | | | | | (6,721) |
| Profit from operations | | | | | 68,957 |
| Finance costs | | | | | (1,357) |
| Share of profits of associates | 4,968 | 2,702 | 303 | | 7,973 |
| Profit before tax | | | | | 75,573 |
| Income tax expense | | | | | (12,857) |
| Profit for the period | | | | | 62,716 |

2. TURNOVER AND SEGMENT INFORMATION (Cont'd)

(b) Secondary reporting format – business segments

The Group's business is mainly categorised into three main business segments:

- Exhibition and exhibition related business;
- Museum, theme park and interior fit-out; and
- Sign advertising.

Revenue, which is also the Group's turnover, analysed is as follows:

| | For the six months ended April 30, | |
|--|---------------------------------------|----------------|
| | 2007 | 2006 |
| | Unaudited | Unaudited |
| | HK\$'000 | HK\$'000 |
| Exhibition and exhibition related business | 937,563 | 742,452 |
| Museum, theme park and interior fit-out | 70,556 | 35,581 |
| Sign advertising | 79,888 | 55,768 |
| | 1,088,007 | 833,801 |

3. FINANCE COSTS

| | For the six months ended April 30, | |
|---|---------------------------------------|--------------|
| | 2007 | 2006 |
| | Unaudited | Unaudited |
| | HK\$'000 | HK\$'000 |
| Interest on bank borrowings | 1,526 | 1,292 |
| Finance charges in respect of finance lease obligations | 147 | 65 |
| Total borrowing costs | 1,673 | 1,357 |

4. INCOME TAX EXPENSE

| | For the six months ended April 30, | |
|---|---------------------------------------|-----------|
| | 2007 | 2006 |
| | Unaudited | Unaudited |
| | HK\$'000 | HK\$'000 |
| The charge comprises: | | |
| Profits tax for the period | | |
| Hong Kong | 2,069 | 4,570 |
| Overseas | 13,311 | 9,198 |
| Under (Over) provision in prior periods | | |
| Hong Kong | 205 | (1,514) |
| Overseas | 238 | 714 |
| | 15,823 | 12,968 |
| Deferred tax | 21 | (111) |
| | 15,844 | 12,857 |

Hong Kong profits tax is calculated at 17.5% (2006: 17.5%) on the estimated assessable profit for the period. A portion of the Group's profit is derived offshore and is not subject to Hong Kong profits tax.

Taxation on profits assessable elsewhere has 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 Group did not have any significant unprovided deferred tax for the period.

5. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

| | For the six months ended April 30, | |
|---|---------------------------------------|-----------|
| | 2007 | 2006 |
| | Unaudited | Unaudited |
| | HK\$'000 | HK\$'000 |
| Depreciation | 15,367 | 13,573 |
| Cost of inventories sold | 71,335 | 55,091 |
| Allowance for bad and doubtful debts | 1,249 | 14,464 |
| Loss on disposal of property, plant and equipment | 544 | 219 |
| Operating lease rentals in respect of: | | |
| – Land and buildings | 785 | 202 |
| and after crediting: | | |
| Interest income | 3,963 | 2,332 |
| Gain on disposal of property, plant and equipment | 456 | 7 |

6. DIVIDENDS PAID

| | For the six months ended April 30, | |
|--|---------------------------------------|-------------------------------|
| | 2007 Unaudited HK\$'000 | 2006 Unaudited HK\$'000 |
| 2006 final dividend – HK3.5 cents per share (2005: HK3.5 cents per share) | 41,806 | 40,083 |
| 2006 special dividend – Nil (2005: HK5 cents per share) | – | 57,261 |
| | 41,806 | 97,344 |

Notes:

- (a) The 2006 final dividend of the year ended October 31, 2006 of HK\$41,806,000 (2005: HK\$40,083,000) and a special dividend Nil (2005: HK\$57,261,000), were approved after the balance sheet date. Under the Group's accounting policy, they were charged in the periods in which they were proposed and approved.
- (b) The Board of directors has determined that an interim dividend of HK3.5 cents per share (2006: HK2 cents) be payable on Friday, July 27, 2007 to the shareholders on the register of members of the Company on Monday, July 23, 2007.

7. EARNINGS PER SHARE

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

| | For the six months ended April 30, | |
|---|---------------------------------------|-------------------------------|
| | 2007 Unaudited HK\$'000 | 2006 Unaudited HK\$'000 |
| Earnings for the purposes of basic and diluted earnings per share | 80,270 | 57,368 |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 1,194,210,347 | 1,145,029,045 |
| Effect of dilutive potential ordinary shares in respect of options | 3,555,014 | 4,868,388 |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | 1,197,765,361 | 1,149,897,433 |

8. CAPITAL EXPENDITURE

| | Property, plant and equipment Unaudited HK\$'000 | Prepaid land lease payments Unaudited HK\$'000 | Goodwill Unaudited HK\$'000 |
|--|--|--|-----------------------------------|
| Carrying amount as at November 1, 2006 | 255,340 | 88,486 | 3,572 |
| Additions | 24,036 | – | – |
| Disposals | (3,028) | – | – |
| Depreciation charge/amortisation | (15,367) | (785) | – |
| Exchange adjustments | 6,632 | 123 | 18 |
| Carrying amount as at April 30, 2007 | 267,613 | 87,824 | 3,590 |

9. INVESTMENTS

| | April 30, 2007 Unaudited HK\$'000 | October 31, 2006 Audited HK\$'000 |
|--|--|--|
| (a) Available-for-sale financial assets | | |
| Other equity securities, unlisted (Note) | 286 | 284 |
| Other equity securities at fair value, listed in Hong Kong | 875 | 627 |
| Other equity securities at fair value, listed outside Hong Kong | 40 | 38 |
| | 1,201 | 949 |
| (b) Financial assets at fair value through profit or loss | | |
| Other equity securities at fair value, listed outside Hong Kong | 2,574 | 1,493 |

The above financial assets are held for trading.

Note: Unlisted equity securities were carried at cost less impairment as they do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

10. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group allows an average credit period of 30 to 90 days to its trade customers.

Included in debtors, deposits and prepayments are trade debtors of approximately HK\$390,696,000 (as at October 31, 2006: HK\$472,069,000), an ageing analysis of which at the reporting date is as follows:

| | April 30, 2007 Unaudited HK\$'000 | October 31, 2006 Audited HK\$'000 |
|------------------|--|--|
| 0 - 90 days | 323,157 | 409,743 |
| 91 - 180 days | 44,950 | 29,998 |
| 181 - 365 days | 14,976 | 15,084 |
| More than 1 year | 7,613 | 17,244 |
| | 390,696 | 472,069 |

11. CREDITORS AND ACCRUED CHARGES

Included in creditors and accrued charges are trade creditors of approximately HK\$191,701,000 (as at October 31, 2006: HK\$258,248,000), an ageing analysis of which at the reporting date is as follows:

| | April 30, 2007 Unaudited HK\$'000 | October 31, 2006 Audited HK\$'000 |
|------------------|--|--|
| 0 - 90 days | 162,678 | 228,695 |
| 91 - 180 days | 18,684 | 17,059 |
| 181 - 365 days | 3,442 | 5,917 |
| More than 1 year | 6,897 | 6,577 |
| | 191,701 | 258,248 |

12. SHARE CAPITAL

| | Number of shares | | Share capital | |
|--|--------------------------------|--------------------------------|--|--|
| | April 30, 2007 Unaudited | October 31, 2006 Audited | April 30, 2007 Unaudited HK\$'000 | October 31, 2006 Audited HK\$'000 |
| Ordinary shares of HK\$0.05 each: (2006: HK\$0.1 each) | | | | |
| Authorised: | | | | |
| At beginning of the period/year | 2,400,000,000 | 600,000,000 | 120,000 | 60,000 |
| Subdivision of one share of HK\$0.1 each into two shares of HK\$0.05 each | – | 600,000,000 | – | – |
| Increase in authorised ordinary shares | – | 1,200,000,000 | – | 60,000 |
| At the end of the period/year | 2,400,000,000 | 2,400,000,000 | 120,000 | 120,000 |
| Issued and fully paid: | | | | |
| At beginning of the period/year | 1,190,294,104 | 570,463,252 | 59,515 | 57,046 |
| Exercise of share options (Note) | 4,178,000 | 5,218,800 | 209 | 369 |
| Placement of new shares | – | 42,000,000 | – | 2,100 |
| Subdivision of one share of HK\$0.1 each into two shares of HK\$0.05 each | – | 572,612,052 | – | – |
| At the end of the period/year | 1,194,472,104 | 1,190,294,104 | 59,724 | 59,515 |

Note: During the period, 720,000, 720,000, 1,680,000 and 1,058,000 shares were issued at HK\$0.302, HK\$0.160, HK\$0.626 and HK\$2.10 per share respectively as a result of the exercise of share options of the Company.

13. PLEDGE OF ASSETS

As at April 30, 2007, the following assets were pledged as collaterals for credit facilities granted to the Group by certain banks. The pledged bank deposits are applied to secure short-term bank borrowings.

| | April 30, 2007 Unaudited HK\$'000 | October 31, 2006 Audited HK\$'000 |
|-----------------------------|--|--|
| Pledged bank deposits | 8,600 | 8,564 |
| Freehold land and buildings | 15,760 | 14,874 |
| Leasehold land | 4,337 | 50,106 |
| Leasehold buildings | 142,944 | 148,329 |
| Investment properties | 3,870 | 13,870 |
| Trade debtors | 17,179 | 14,069 |
| Inventories | 116 | 966 |
| Equipment | 2,768 | 1,361 |
| | 195,574 | 252,139 |

14. COMMITMENTS

(a) Operating Lease Commitments

As at April 30, 2007, the Group had the total future minimum lease payments under non-cancellable operating leases in respect of rented premises and equipment are payable as follows:

| | April 30, 2007 | | October 31, 2006 | |
|---------------------------------------|---|------------------------------------|---|----------------------------------|
| | Rented premises Unaudited HK\$'000 | Equipment Unaudited HK\$'000 | Rented premises Audited HK\$'000 | Equipment Audited HK\$'000 |
| Within one year | 15,377 | 686 | 12,028 | 438 |
| In the second to fifth year inclusive | 43,676 | 505 | 31,813 | 141 |
| Over five years | 82,323 | - | 75,652 | - |
| | 141,376 | 1,191 | 119,493 | 579 |

(b) Capital Commitments

The Company did not have any significant capital commitments as at April 30, 2007.

15. CONTINGENT LIABILITIES

| | THE GROUP | | THE COMPANY | |
|---|--|--|--|--|
| | April 30, 2007 Unaudited HK\$'000 | October 31, 2006 Audited HK\$'000 | April 30, 2007 Unaudited HK\$'000 | October 31, 2006 Audited HK\$'000 |
| Guarantees given to banks in respect of banking facilities granted to | | | | |
| – subsidiaries | - | - | 513,239 | 443,473 |
| – associates | 4,000 | 4,000 | - | - |
| – investee company | 4,000 | 4,000 | - | - |
| | 8,000 | 8,000 | 513,239 | 443,473 |
| Performance guarantees | | | | |
| – secured | 6,001 | 10,851 | - | - |
| – unsecured | 19,025 | 5,624 | - | - |
| | 25,026 | 16,475 | - | - |
| Other guarantees | | | | |
| – secured | - | - | - | - |
| – unsecured | 6,935 | 6,704 | - | - |
| | 6,935 | 6,704 | - | - |

15. CONTINGENT LIABILITIES (Cont'd)

As at balance sheet date, Pico Art International Pte Limited, a subsidiary of the Company, together with a Group's subsidiary and an associate in Dubai, have been named as first defendants in a civil proceeding in Dubai brought by the other shareholder of the Company's subsidiary, Pico International (Middle East) L.L.C. ("PIME") which had filed for liquidation and not traded since the middle of 2002, for an amount of Dirhams 30 million or HK\$62 million for alleged loss of profits by PIME. The Group has sought legal advice in Dubai against this proceeding and are currently disputing the claim and no provision for any potential liability has been made in the financial statements. The plaintiff's case against the above mentioned defendants were dismissed by the lower and higher courts in July 2006 and February 2007 respectively, and the plaintiff has appealed to the final court of appeal.

Last year, Pico Hong Kong Limited ("Pico Hong Kong"), a subsidiary of the Company, was notified of a default judgement given by a district court in northern Italy against it in the sum of about Euro 1 million or HK\$11 million. Pico Hong Kong appealed and the court has suspended the enforcement of the default judgement pending a further hearing in July 2007. No potential liability has been made in the financial statements as Pico Hong Kong did not enter into any purchase of services contract with the plaintiff which is the subject of the plaintiff's claim. Pico Hong Kong was only a shareholder of an Italian company now in liquidation to which the plaintiff supplied services at the Torino Winter Olympics 2006.

16. RELATED PARTY TRANSACTIONS

| | For the six months ended April 30, 2007 | | | | | | As at April 30, 2007 | |
|-------------------|---|--------------------------|-----------------------|------------------------|----------------------|-----------|----------------------|-----------|
| | Exhibition income | Sub-contracting fee paid | Management fee income | Property rental income | Consultancy fee paid | Others | Receivable | Payable |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Associates (Note) | 4,128 | 2,498 | 3,248 | 311 | 776 | 172 | 13,070 | 2,854 |
| Related companies | - | - | - | - | - | 52 | - | - |

| | For the six months ended April 30, 2006 | | | | | | As at October 31, 2006 | |
|-------------------|---|--------------------------|-----------------------|------------------------|----------------------|-----------|------------------------|----------|
| | Exhibition income | Sub-contracting fee paid | Management fee income | Property rental income | Consultancy fee paid | Others | Receivable | Payable |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited | Audited |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Associates (Note) | 10,136 | 1,182 | 2,231 | - | - | 261 | 17,974 | 1,580 |
| Related companies | - | - | - | - | - | - | 11 | - |

Note: All transactions were carried out at cost plus a percentage of mark-up.

17. COMPARATIVE FIGURES

Certain comparative figures have also been reclassified to conform to the current year's presentation. The new classification of the accounting items was considered to provide a more appropriate presentation of the state of affairs of the Group.

INTERIM DIVIDEND

The Board recommends the payment of an interim dividend of HK3.5 cents per share for the period ended April 30, 2007 (six months ended April 30, 2006: HK2 cents). The interim dividend will be payable on Friday, July 27, 2007 to shareholders on the register of members of the Company on Monday, July 23, 2007.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members will be closed from Monday, July 23, 2007 to Thursday, July 26, 2007, both days inclusive, during which period no transfers of shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Union Registrars Limited, at Room 1803, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, not later than 4:00 pm on Friday, July 20, 2007.

BUSINESS REVIEW AND PROSPECTS

Results

The Group has performed well for the six months ended April 30, 2007. During the period, business turnover increased by about HK\$254 million which is 30% higher than that of the previous corresponding period.

Profit attributable to equity holders of the Company for the period was also improved to HK\$80 million (six months ended April 30, 2006: HK\$57 million), which is 40% higher than the previous corresponding period.

During the period under review, the Group designed and fabricated exhibition stands at several international exhibitions such as:

1. Auto China 2006 held in November 2006 in Beijing and Auto Shanghai 2007 held in April 2007 in Shanghai
2. GITEX (Gulf Information Technology Exhibition) held in November 2006 in Dubai
3. The "ITU Telecom World" held in December 2006 in Hong Kong
4. SEMICON China 2007 held in March 2007 in Shanghai
5. Australian International Airshow held in March 2007 in the State of Victoria
6. The 28th Bangkok International Motor Show held in March 2007
7. The 5th International Exhibition on Fluid, Air and Gas Handling Systems held in March 2007 in Ho Chi Minh City
8. China Sourcing Fair held in April 2007 in Hong Kong

BUSINESS REVIEW AND PROSPECTS (Cont'd)

Results (Cont'd)

The Group was also involved in the launching of road shows and events such as:

1. Canon road shows in 42 cities in China
2. Volkswagen road shows in 6 cities in China
3. The supply and construction of tentage at the 15th Asian Games held in December 2006 in Doha
4. Cathay Pacific International Chinese New Year Night Parade in February 2007 in Hong Kong
5. Microsoft's launching of Vista in March 2007 in Hanoi and Ho Chi Minh City

In the museum, theme park and interior fit-out segment, some of the projects completed in the first half of the financial year included:

1. Malaysia Export Exhibition Centre in Kuala Lumpur
2. Samsung mobile shops in Vietnam
3. Guggenheim Museum Temporary Art Gallery in Abu Dhabi
4. Ocean Park Kids' World in Hong Kong
5. Children's Museum in Bangkok

In the advertising signage segment, some of the projects that were started in the first half year included:

1. Infiniti car global re-imaging program
2. Volvo truck global signage supply
3. Cramo signage for delivery to Sweden
4. Shell international facilities way-finding signage system

BUSINESS REVIEW AND PROSPECTS (Cont'd)

Liquidity and Financial Information

The total net tangible assets of the Group was HK\$738 million (as at October 31, 2006: HK\$679 million). As at April 30, 2007, the bank and cash balances including pledged bank deposits was approximately HK\$442 million, representing an increase of HK\$104 million or 31% when compared with HK\$338 million on October 31, 2006. The Group's total borrowings decreased by HK\$5 million compared with that on October 31, 2006. Amount due within one year was HK\$13 million (as at October 31, 2006: HK\$23 million), and the remaining portion due more than one year amounted to HK\$21 million (as at October 31, 2006: HK\$16 million).

The liquidity ratios of the Group as at April 30, 2007 are as follows:

| | | April 30, 2007 | October 31, 2006 |
|-------|---|---------------------------|---------------------|
| (i) | Current ratio <i>(Current assets/Current liabilities)</i> | 1.52 times | 1.44 times |
| (ii) | Liquidity ratio <i>(Current assets – excluding inventories and contract work in progress/Current liabilities)</i> | 1.42 times | 1.36 times |
| (iii) | Gearing ratio <i>(Long term borrowings/Total assets)</i> | 1.40% | 1.12% |

In terms of liquidity, the Group continues to preserve our sound financial position. The current ratio and liquidity ratio were stable. The gearing ratio was increased from 1.12% to 1.40% at the end of the period. All in all, the long term and short term liquidity continue to be healthy, and the existing financial position can facilitate us to capitalize on any future business opportunities.

Although our subsidiaries are located in many different countries of the world, over 69% of the Group sales and purchases were denominated in Singapore dollars, Hong Kong dollars, Renminbi and US dollars, and the remaining approximately 31% were denominated in other Asian currencies and European currencies. Bank borrowings are mainly denominated in Singapore dollars, Hong Kong dollars and Renminbi, and the interest is charged on a floating rate basis.

Since we are already diversified in many different currencies and the major Asian currencies have been quite stable throughout the period, the Group's exposure to foreign exchange risk is minimal.

BUSINESS REVIEW AND PROSPECTS (Cont'd)

Employees and Emoluments Policies

As at April 30, 2007, the Group employs a total of approximately 2,100 full time employees (as at October 31, 2006: 2,000) engaged in project management, design, production, sales and marketing and administration, which was supported by a large pool of subcontractors and suppliers. The staff costs incurred in the period was HK\$174 million (six months ended April 30, 2006: HK\$144 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.

Prospects

Tradeshows and event marketing activities will continue to grow in Asia due to the fast growing markets in China, India and the Middle East's Gulf countries.

Tradeshows are usually annual events. They allow numerous buyers and sellers to meet in a specific venue such as a purpose-built exhibition hall within a short period of time.

Supplementing tradeshows are road shows, which are launched by the individual companies to push their products directly to the consumers.

Both tradeshows and road shows are event marketing activities, which constitute the 3-dimensional spectrum of a company's advertising and promotion budget.

The prospects of the Group's event marketing business remain bright in the foreseeable future along with global trade growth.

Some of the well known tradeshows and road shows where the Group will be involved in the second six months include projects at the Paris Airshow in June 2007, CommunicAsia in June 2007 (Singapore), Oracle OpenWorld Asia Pacific in July 2007 (Shanghai), Vietnam Computer Electronics World Expo in July 2007, National Science Week in August 2007 (Bangkok), China International Sewing Machinery & Accessories Show in September 2007 (Shanghai), Jewellery and Watch Fair in September 2007 (Hong Kong), China Sourcing Fair in October 2007 (Hong Kong) and many others.

Events where the Group will be involved this year include the Equestrian Test Events to be held in August 2007 in Hong Kong and the Singapore National Day Parade in August 2007, besides others.

BUSINESS REVIEW AND PROSPECTS (Cont'd)

Prospects (Cont'd)

In the museum, theme park and interior fit-out segment, the Group is now involved in the Normandy American Cemetery Visitor Centre in France (delivery in June 2007); the Hong Kong Disneyland's "It's a Small World" project and the Singapore Land Transport Authority Visitor Centre; both for delivery by December 2007, ongoing projects at the Venetian in Macao, further work at the Guggenheim Museum in Abu Dhabi and several other interior fit-out for branded luxury products in various international cities.

Furthermore, more corporate event marketing activities are expected to be launched in China in the run-up to the Beijing 2008 Olympic Games.

DIRECTORS' INTERESTS IN SHARES

As at April 30, 2007, the interest 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 Securities and Futures Ordinance (SFO), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code contained in the Listing Rules ("Model Code") were as follows:

| Directors | | Number of shares/underlying shares held | | | Approximate |
|-----------------------------------|--------------|---|-----------------|-----------------|----------------------------------|
| | | Personal interests | Other interests | Total interests | % of shareholding of the Company |
| Mr. Lawrence Chia Song Huat | (Notes 1, 2) | 11,972,400 | 344,114,786 | 356,087,186 | 29.81% |
| Mr. James Chia Song Heng | (Notes 1, 3) | 9,210,000 | 344,114,786 | 353,324,786 | 29.58% |
| Mr. Yong Choon Kong | (Note 4) | 7,033,600 | - | 7,033,600 | 0.59% |
| Mr. Frank Lee Kee Wai | | - | - | - | - |
| Mr. Gregory Robert Scott Crichton | | - | - | - | - |
| Mr. Charlie Yucheng Shi | | - | - | - | - |
| Mr. James Patrick Cunningham | | - | - | - | - |

Notes:

- (1) A total of 344,114,786 shares are held through Pine Asset Management Limited, Eunoss Limited and Chestnut Asset Management Limited which are wholly owned subsidiaries of Nastar Holdings S.A.. Nastar Holdings S.A. is the trustee of a discretionary trust and Mr. Lawrence Chia Song Huat and Mr. James Chia Song Heng are two of the beneficiaries.
- (2) The personal interest of Mr. Lawrence Chia Song Huat represents the interest in 5,932,400 shares and interest in 6,040,000 underlying shares in respect of the share options granted by the Company, the details of which are stated in the following section "Share Options".

DIRECTORS' INTERESTS IN SHARES (Cont'd)

Notes: (Cont'd)

- (3) The personal interest of Mr. James Chia Song Heng represents the interest in 3,420,000 shares and interest in 5,790,000 underlying shares in respect of the share options granted by the Company, the details of which are stated in the following section "Share Options".
- (4) The personal interest of Mr. Yong Choon Kong represents the interest in 3,473,600 shares and interest in 3,560,000 underlying shares in respect of the share options granted by the Company, the details of which are stated in the following section "Share Options".

Mr. Lawrence Chia Song Huat and Mr. James Chia Song Heng also have personal interests in 2,000 and 4,000 non-voting deferred shares, respectively in Pico International (HK) Limited, a subsidiary of the Company.

All the interests disclosed above represent long position in the shares and underlying 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

On January 7, 2002, ordinary resolutions were passed by shareholders at an Extraordinary General Meeting to approve the adoption of New Share Option Scheme ("2002 Scheme") in order to fully comply with Chapter 17 of the Listing Rules. Under the 2002 Scheme, the Company may grant options to Eligible Persons to subscribe for shares in the Company, subject to the maximum number of shares available for issue under options in aggregate not exceeding 9.13% of the issued share capital of the Company as at April 30, 2007. Options granted are exercisable 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. 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 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 Eligible Persons, which must be a business day; 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 the nominal value of the shares on the offer date.

SHARE OPTIONS (Cont'd)

(i) Outstanding options

Details of outstanding options over new shares of the Company at the beginning and at the end of the period which have been granted under the 2002 Scheme are as follows:

| Name of directors | | Outstanding at November 1, 2006 | Number of share options granted during the period | Number of share options exercised during the period | Number of share options lapsed during the period | Outstanding at April 30, 2007 |
|------------------------------|--------------|---------------------------------------|--|---|---|-------------------------------------|
| <i>Category 1: Directors</i> | | | | | | |
| Mr. Lawrence | (Note 4) | 3,240,000 | - | - | - | 3,240,000 |
| Chia Song Huat | (Note 5) | 1,600,000 | - | - | - | 1,600,000 |
| | (Note 7) | 1,200,000 | - | - | - | 1,200,000 |
| Mr. James | (Note 4) | 3,040,000 | - | - | - | 3,040,000 |
| Chia Song Heng | (Note 5) | 1,600,000 | - | - | - | 1,600,000 |
| | (Note 7) | 1,150,000 | - | - | - | 1,150,000 |
| Mr. Yong | (Note 4) | 1,860,000 | - | - | - | 1,860,000 |
| Choon Kong | (Note 5) | 1,000,000 | - | - | - | 1,000,000 |
| | (Note 7) | 700,000 | - | - | - | 700,000 |
| Total Directors | | 15,390,000 | - | - | - | 15,390,000 |
| <i>Category 2: Employees</i> | | | | | | |
| | (Notes 1, 8) | 720,000 | - | (720,000) | - | - |
| | (Notes 2, 8) | 720,000 | - | (720,000) | - | - |
| | (Notes 3, 8) | 1,680,000 | - | (1,680,000) | - | - |
| | (Note 4) | 1,860,000 | - | - | - | 1,860,000 |
| | (Notes 6, 8) | 2,950,000 | - | (1,058,000) | (38,000) | 1,854,000 |
| | (Note 7) | 450,000 | - | - | - | 450,000 |
| Total employees | | 8,380,000 | - | (4,178,000) | (38,000) | 4,164,000 |
| Total all categories | | 23,770,000 | - | (4,178,000) | (38,000) | 19,554,000 |

SHARE OPTIONS (Cont'd)

(i) Outstanding options (Cont'd)

Notes:

- (1) The exercise price is HK\$0.302 per share. The option period during which the options may be exercised was the period from February 14, 2002 to January 14, 2007. The date of grant was January 14, 2002.
- (2) The exercise price is HK\$0.16 per share. The option period during which the options may be exercised is the period from March 4, 2003 to March 3, 2008. The date of grant was March 3, 2003.
- (3) The exercise price is HK\$0.626 per share. The option period during which the options may be exercised is the period from May 18, 2005 to May 17, 2010. The date of grant was May 17, 2005.
- (4) The exercise price is HK\$0.855 per share. The option period during which the options may be exercised is the period from July 26, 2005 to July 25, 2010. The date of grant was July 25, 2005.
- (5) The exercise price is HK\$0.986 per share. The option period during which the options may be exercised is the period from December 15, 2005 to December 14, 2010. The date of grant was December 14, 2005.
- (6) The exercise price is HK\$2.1 per share and the option period during which the options may be exercised is the period from May 17, 2006 to May 16, 2011. The date of grant was May 16, 2006.
- (7) The exercise price is HK\$1.63 per share and the option period during which the options may be exercised is the period from August 30, 2006 to August 29, 2011. The date of grant was August 29, 2006.
- (8) The weighted average closing price of shares immediately before the dates on which the options were exercised by employees is HK\$1.533.

SHARE OPTIONS (Cont'd)

(ii) Valuation of share options

- (1) The fair values of the share options granted in the current year measured as at various dates of grant ranged from HK\$0.002 to HK\$0.351 per option.
- (2) The following significant assumptions were used to derive the fair value using the Black-Scholes option pricing model:

| Date of grant | Exercise price | Based on expected life of share options | Expected volatility | Weighted average share price | Risk-free rate | Annual dividend yield |
|-------------------|----------------|---|---------------------|------------------------------|----------------|-----------------------|
| May 17, 2005 | | | | | | |
| 2nd Tranche | HK\$0.626 | 0.5 year | 44.35% | 1.240 | 2.377% | 12.04% |
| 3rd Tranche | HK\$0.626 | 1.0 year | 44.35% | 1.240 | 2.611% | 12.04% |
| 4th Tranche | HK\$0.626 | 1.5 year | 44.35% | 1.240 | 2.783% | 12.04% |
| July 25, 2005 | HK\$0.855 | 0.5 year | 44.65% | 1.710 | 2.970% | 8.73% |
| December 14, 2005 | HK\$0.986 | 0.5 year | 44.65% | 1.880 | 3.680% | 12.71% |
| May 16, 2006 | | | | | | |
| 1st Tranche | HK\$2.100 | 0.0 year | 47.13% | 2.025 | 3.491% | 7.37% |
| 2nd Tranche | HK\$2.100 | 0.5 year | 47.13% | 2.025 | 3.890% | 7.37% |
| 3rd Tranche | HK\$2.100 | 1.0 year | 47.13% | 2.025 | 4.078% | 7.37% |
| 4th Tranche | HK\$2.100 | 1.5 year | 47.13% | 2.025 | 4.187% | 7.37% |
| August 29, 2006 | HK\$1.630 | 0.5 year | 48.65% | 1.630 | 3.640% | 10.08% |

- (3) Expected volatility was determined by using the historical volatility of the Company's share price over the previous three years. The expected life used in the model has been adjusted, based on management's best estimated, for the effects of non transferability, exercise restrictions and behavioral considerations.
- (4) The Group recognized the total expenses of HK\$249,000 for six months ended April 30, 2007 (six months ended April 30, 2006: HK\$29,000) in relation to share options granted by the Company.

Save as disclosed above, at no time during the period 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 period.

SUBSTANTIAL SHAREHOLDERS

As at April 30, 2007, the following persons (other than a director of the Company) who have interests or short positions 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:

| Name of Shareholder | | Number of shares/ Underlying shares held | Percentage of issued share capital |
|---|-----------------|---|---|
| Nastar Holdings S.A. | <i>(Note 1)</i> | 344,114,786 | 28.81% |
| Pine Asset Management Limited | | 276,848,060 | 23.18% |
| Mr. Chia Song Piyau | <i>(Note 2)</i> | 99,220,000 | 8.31% |
| Pine Financial Services Ltd | | 99,000,000 | 8.29% |
| Matthews International Capital Management, LLC | | 72,286,000 | 6.05% |
| DJE Investment S.A. | <i>(Note 3)</i> | 69,826,000 | 5.85% |
| Dr. Jens Ehrhardt Kapital AG | | 69,826,000 | 5.85% |
| Dr. Jens Alfred Karl Ehrhardt | | 69,826,000 | 5.85% |

Notes:

- (1) These shares are mainly held through Pine Asset Management Limited, Eunoss Limited and Chestnut Asset Management Limited which are wholly owned subsidiaries of Nastar Holdings S.A.. Nastar Holdings S.A. is the trustee of a discretionary trust of which Mr. Lawrence Chia Song Huat and Mr. James Chia Song Heng are two of the beneficiaries.
- (2) Of this total number, 99,000,000 shares are held by Pine Financial Services Ltd which is a company controlled by Mr. Chia Song Piyau, a brother of Mr. James Chia Song Heng and Mr. Lawrence Chia Song Huat.
- (3) These shares are held by DJE Investment S.A. which is controlled by Dr. Jens Ehrhardt Kapital AG, which in turn is controlled by Dr. Jens Alfred Karl Ehrhardt.

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

Save as disclosed herein, the Company has not been notified of any 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 April 30, 2007.

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

During the period ended April 30, 2007, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

During the six months ended April 30, 2007, the Company has complied with the provisions of the Code on Corporate Governance Practices (the "CG Code Provision") as set out in Appendix 14 of the Listing Rules, except for the following deviations:

CG Code Provision A2.1 stipulates that the role of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Given the current corporate structure, there is no separation between the roles of Chairman and the Chief Executive Officer. Although the responsibilities of the Chairman and the Chief Executive Officer are vested in one person, all major decisions are made in consultation with the Board members and the senior management of the Company. There are three independent non-executive directors and one non-executive director in the Board, the Board considers that there is sufficient balance of power and the current arrangement maintains a strong management position of the Company.

CG Code Provision A4.1 requires that non-executive directors should be appointed for a specific term, subject to re-election. All existing non-executive directors of the Company are not appointed for specific term, but are subject to retirement and re-election at the Company's annual general meeting. The Articles of Association of the Company requires one-third of the directors retire by rotation. In the opinion of the Directors, it meets the same objective as the CG Code Provision A4.1.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company (the "Model Code"). Having made specific enquiry of all directors of the Company, the Company confirms that all directors of the Company have complied with the required standard set out in the Model Code for the period ended April 30, 2007.

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 unaudited interim financials.

By Order of the Board
Leung Hoi Yan
Company Secretary

Hong Kong, June 26, 2007