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Celebrating 15 Years of Listing
and Four Decades of Growth

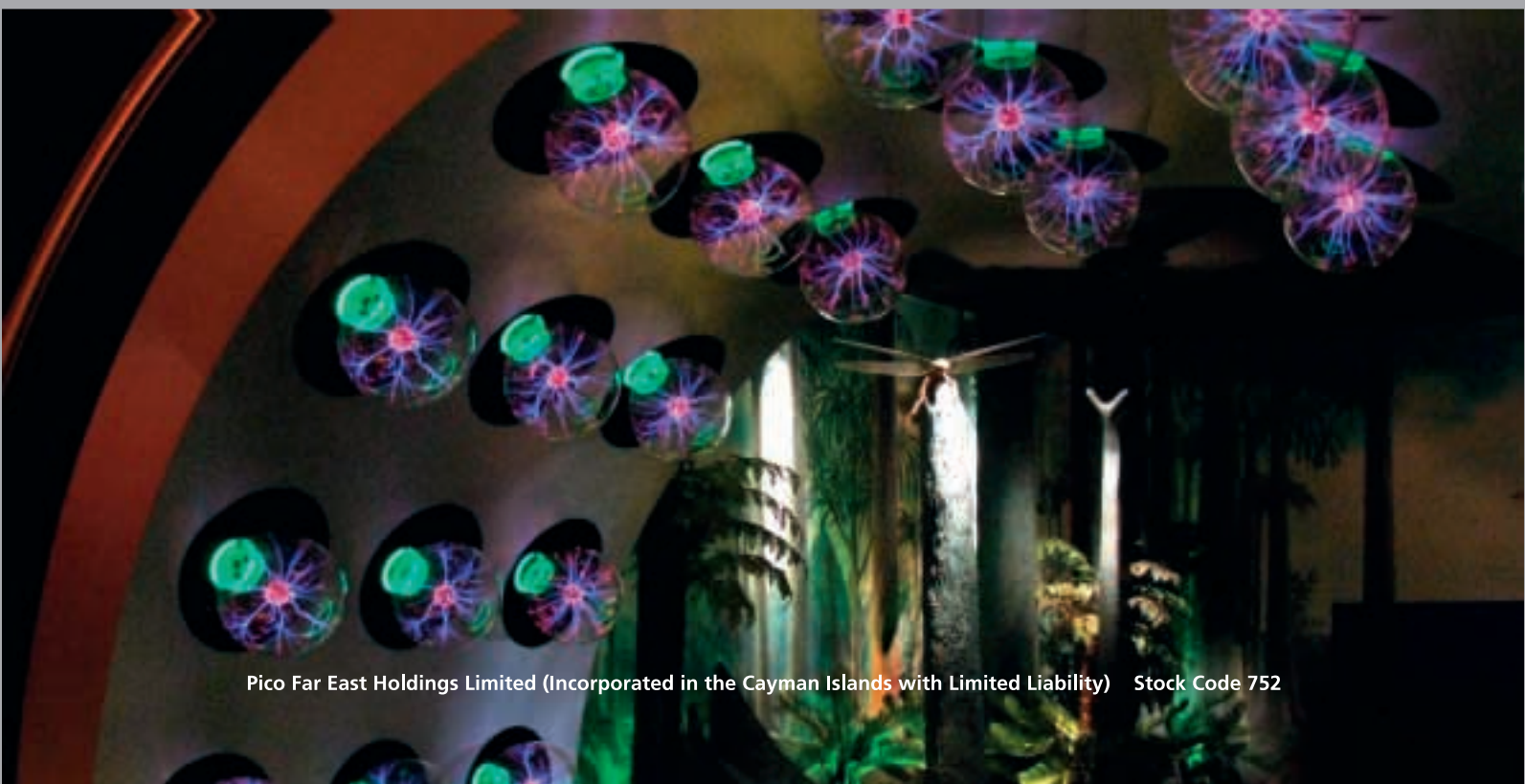


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Celebrating 15 Years of Listing and Four Decades of Growth

While 2008 represents a milestone 40 years of operation for Pico, the financial year of 2007 marks the 15th anniversary of Pico Far East Holdings Limited's listing on the Hong Kong Stock Exchange, a period that has seen our listed company grow from turnover of HK\$250 million to over HK\$2,100 million in 2007.

From employing less than 300 people when we listed in 1992, we now employ more than 2,300 talented individuals working in our offices on five continents.

Our achievements in China have been remarkable. Since entering the market with only two representative offices in the early 1980s, we have established permanent offices and production facilities in Beijing, Chengdu, Chongqing, Dongguan, Guangzhou, Shanghai, Shenzhen and Xian.

In South East Asia, our business continues to expand. In particular, Pico Thailand was listed on the Stock Exchange of Thailand in 2004. In Middle East, we have established offices in Bahrain, Qatar and the United Arab Emirates, and is considered one of the leading event marketing companies in the Gulf region. In Europe and North America, we have established offices in London, Paris, Atlanta, Chicago and Los Angeles.

Each of these Pico offices is staffed by its own committed talents with its own specialist skills and passion to serve our customers in the world of event marketing. Through these offices, we have undertaken many successful projects and events around the world.

We thank our clients, who have consistently encouraged us to raise our sights, and rewarded us with their trust and loyalty.

We commend our shareholders for their faith and judgment.

Consistently good results do not happen by chance but come from our staff who are committed to deliver quality in pursuit of excellence. We thank them all for making this possible and look forward to their continued effort to allow us to excel for many years to come.

Group Profile

Pico is an ideas and design-driven enterprise which, in strategic alliance with its technology partners, strives to be a successful company that provides high quality creative services through the efficient deployment of the best global resources.

Branding needs cannot be addressed by advertising alone. If you recognise the value of the personal interaction of your customers with your products or services, then consider the complementary advantages of an event marketing partnership with Pico.

Pico employs some 2,300 permanent staff with a presence in 18 countries, comprised of sales offices and production facilities across Asia, Australia, the Middle East, Europe, North America and Africa, to serve your exhibition and event marketing needs.

Corporate Information

Honorary Chairman

Chia Siong Lim

Board of Directors

Executive Directors

Lawrence Chia Song Huat (*Chairman*)
(*Chairman of the Remuneration Committee*)

James Chia Song Heng

Yong Choon Kong

Non-Executive Director

Frank Lee Kee Wai
(*Member of the Audit Committee*)

Independent Non-Executive Directors

Charlie Yucheng Shi
(*Chairman of the Audit Committee*)

Gregory Robert Scott Crichton
(*Member of the Audit Committee and the Remuneration Committee*)

James Patrick Cunningham
(*Member of the Audit Committee and the Remuneration Committee*)

Company Secretary

Leung Hoi Yan (*CPA, ACIS, ACS, FCCA*)

Auditor

RSM Nelson Wheeler

Principal Bankers

Arab Bank plc

Bank of East Asia

CITIC Ka Wah Bank

Deutsche Bank

Development Bank of Singapore

Hongkong and Shanghai Banking Corporation

Industrial and Commercial

Bank of China (Asia) Ltd

KBC Bank N.V.

Mizuho Bank Ltd

Standard Chartered Bank

The Bank of Tokyo-Mitsubishi UFJ, Ltd

United Overseas Bank

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British West Indies

Hong Kong Share Registrars and Transfer Office

Union Registrars Limited

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Corporate Calendar

Annual General Meeting February 28, 2008

Payment of Final Dividend March 18, 2008

Announcement of Interim Results June/July, 2008

Announcement of Final Results January/February, 2009

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Chairman's Statement

I am pleased to present to our shareholders, the annual report of Pico Far East Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended October 31, 2007.

Results

The Group continued to deliver record turnover and earnings for the year ended October 31, 2007.

Turnover for the year was up 19.1% to HK\$2,149 million (2006: HK\$1,804 million). Profit for the year attributable to equity holders was up 8.1% to HK\$146 million (2006: HK\$135 million) while earnings per share were up 4.9% to HK12.18 cents (2006: HK11.61 cents).

Earnings before interest, tax, depreciation and amortisation were up 8.4% to HK\$219 million (2006: HK\$202 million). Cashflow of HK\$224 million (2006: HK\$67 million) was generated from operations, and the Group ended the year with a net cash balance of HK\$431 million (2006: HK\$299 million).

Final Dividend

The Directors now recommend the payment of a final dividend of HK3.5 cents per ordinary share (2006: HK3.5 cents per ordinary share). Together with the interim dividend of HK3.5 cents per ordinary share (2006: HK2.0 cents per ordinary share), the total dividend for the year amounted to HK7.0 cents per ordinary share (2006: HK5.5 cents per ordinary share). The final dividend will be payable on Tuesday, March 18, 2008 to shareholders on the register of members of the Company on Thursday, February 28, 2008.

Our Business Focus

The Group is committed to building sustainable growth in turnover and profit through the retention and recruitment of talents, business acquisition and co-operation, cost control, and the improvement of its business structure, services, and delivery channels.

Review of Operations

1. Exhibition and Event Marketing Services

	2007 HK\$'000	2006 HK\$'000
Turnover	1,763,480	1,555,902

It is our largest business segment accounting for 82.1% of the Group's turnover (2006: 86.3%). With a wide range of exhibition customers, no single customer accounts for more than 4% of the Group's total turnover.

In this segment, we design and build exhibition stands for trade shows. The shows cover a wide range of industries such as telecommunications, aerospace, automobile, defence, industrial machinery, information technology, oil and gas, tourism and travel, semiconductor and consumer products.

Due to the numerous trade shows in which we are involved every year, it is not possible to list all the shows and customers in this report. However, some of the more familiar shows include:

1. The 8th Auto China held in November 2006 in Beijing and the 12th Auto Shanghai held in April 2007
2. GITEX 2006 and 2007 (Gulf Information Technology Exhibition) held in November 2006 and September 2007 in Dubai
3. The 28th Bangkok International Motor Show held in March 2007
4. China Sourcing Fair held in April and October 2007 in Hong Kong
5. SEMICON Singapore held in May 2007
6. Oil and Gas Asia 2007 held in June 2007 in Kuala Lumpur
7. Vietnam Computer Electronics World Expo 2007 held in July 2007 in Ho Chi Minh City
8. The 1st Interior Lifestyle China held in September 2007 in Shanghai
9. PT/Expo Comm held in October 2007 in Beijing

Highlights of our achievements in 2007 include our appointment as the Official Technical Services Provider for the first ITU Telecom World exhibition in December 2006 in Hong Kong, the first to be held outside Geneva. The Group was the Official Show Management Service Provider, the Technical Services Provider as well as the Special Design Contractor for several multi-national corporations which took part in this exhibition which is held once every three years. We constructed many exhibition stands including those for Agilent Technologies, Alcatel-Lucent, Anritsu, Ericsson, Fujitsu, Korea Telecom, Kyocera, Microsoft, Mitsubishi Electric, Motorola, NEC, Panasonic, PCCW, Sharp, Siemens, Toshiba and Yulong, and five pavilions for Canada, Hong Kong, Israel, Macau and Singapore.



The 28th Bangkok International Motor Show

We have also designed, produced and managed special events which are organised by individual companies and customers. These have included the launch of Microsoft Windows Vista in Hanoi and Ho Chi Minh City in March 2007, Canon road shows in 42 cities in China, Volkswagen road shows in six cities in China, Cathay Pacific International Chinese New Year Night Parade in Hong Kong in February 2007, the Singapore National Day Parade in August 2007, Ford and Toyota Yaris road shows in Thailand, point-of-sales counters for Nokia in North China, Honda Singapore's Jazz and City Weekend events, and the Sony Ericsson Partners Conference in Dubai in May 2007.

Our services also extend to the supply and construction of temporary facilities for national celebrations, international meetings and sports events. During the year we

completed the supply and construction of 35,000 square metres of tentage at the 15th Asian Games which was held in Doha, Qatar in December 2006.

All in all, the first half of the year was stronger than the second half due to the ITU Telecom World and the Doha Asian Games which were held in December 2006, as well as GITEX 2006 and Auto China which should have been held during year ended October 31, 2006, but were both held in November 2006.

At the start of our new financial year, we have secured contracts to design and build the Malaysian Pavilion and the Qatar Pavilion at World Expo 2008 to be held in Zaragoza, Spain. We have been appointed as the Official Service Provider for the first Singapore Airshow to be held in February 2008. We have also been awarded a contract to set up temporary seating and hospitality suites for some sites around the 2008 Formula One Singapore Grand Prix circuit.

We have also secured several projects related to the Beijing Olympic Games 2008 such as service provider to the Coca-Cola Olympic Torch Relay Programme, the Look Programme for the Olympic Equestrian Events in Hong Kong, the pavilions of China Netcom and Bank of China, event management for the African House, the temporary fittings of NBC studio at the International Broadcast Centre, the Budweiser Event, the Lenovo internet cafe and the management programme for Coca-Cola Pin Trading Centre at the Olympic Village. These confirmed Olympic projects will generate about HK\$100 million in revenue when completed. We expect to secure more projects in the next few months.

The Group's extensive global reach and industry coverage is made possible by our established international network of 30 sales offices in 18 countries. In addition, we occupy 14 production facilities with a combined area of over 60,000 square metres, in Atlanta, Beijing, Chicago, Dongguan, Dubai, Ho Chi Minh City, Hong Kong, India, Kuala Lumpur, Los Angeles, Shanghai, Singapore and Taiwan.

2. Museum, Theme Park and Interior Fit-out

	2007 HK\$'000	2006 HK\$'000
Turnover	217,315	101,768

This segment is a success story of the Group's deployment of core competencies into related fields. For the financial year ended October 31, 2007, our Museum, Theme Park and Interior Fit-out accounted for 10.1% of the Group's turnover (2006: 5.6%). Over the years the Group has been slowly but steadily gaining worldwide recognition as a major provider for services to this segment. Our 2007 worldwide achievements highlight this recognition.

In Thailand, our associate company completed the second Children's Museum, the Rama VII Museum and the National Discovery Museum in Bangkok. We have started work at the History Museum of Kitti Damnuanchanvanich in Chachoengsao which will be completed in April 2008.

In Malaysia, we were appointed to design and fabricate exhibits, including their research, development and content, for the Malaysian Trade Museum in Kuala Lumpur. Our concept is a modern museum aligned to the contemporary style of an interactive centre. This museum covers an area of 600 square metres and features a high level of multimedia experience for visitors.

In Hong Kong, we completed the design and construction of the Cathay Pacific Visitor Centre and the Kid's World refurbishment in Ocean Park, the production and installation for the Daodejing (Taoism) Exhibition, and a permanent exhibition at the University of Hong Kong Li Ka Shing Faculty of Medicine. We also started construction on It's A Small World for Hong Kong Disneyland and exhibition work at the Kowloon Walled City Park for the Architectural Services Department.

In Macau, we completed the Venetian Macao canal interior fit-out in August 2007 which involved the design, supply, installation and fabrication of balustrades along 1.2 kilometres of the canal, including 11 bridges

and a boat. We also completed the interior fit-out of the Duty Free Americas shops in the Venetian complex. Together with two joint venture partners, we have also started facade work in one of the Venetian theme areas and, on our own, we won a contract to fit out the foyer and entrance of a theatre. All these projects are scheduled to be completed by the end of 2008. The development of the Cotai Strip, where more casino complexes will be built over the next five years, should generate new theme park projects where we can offer our services.



Normandy American Cemetery Visitor Centre in France

On the interior architecture side, the Group has completed many interior fit-out projects including 15 shops in the new International Airport in Ho Chi Minh City, Samsung Vina showrooms across Vietnam, the temporary art gallery of the new Guggenheim Abu Dhabi Museum, the Tiffany & Co. retail store at Changi Airport in Singapore, the Mercedes-Benz Accessory shop in Busan, Korea, the Vanke Building Experience Centre in Shenzhen, a re-branding of Motorola facilities across continental America including Motorola Headquarters in Illinois, interactive exhibits at the Siemens Power Transmission and Distribution Visitor Centre in Shanghai, a five-storey Leica flagship store in Taipei, the Yunnan Mobile Communications Company Limited's 1,000 square metres showroom in Kunming, the new 1,300 square metres Panasonic showroom in Bahrain, and the Hutchison Whampoa Properties showroom in Shenzhen.

In London, the Group continues to develop and build counters at various airports for the Bacardi Global Merchandise Group which carries well-known brands such as Bacardi Rum, Martini & Rossi Vermouth, Dewar's

Scotch Whisky, Bombay Sapphire Gin and Grey Goose Vodka. The most recent project was the creation of a series of striking Grey Goose premium vodka window displays at the Paris Charles de Gaulle International Airport as well as work done in another 20 airports during the last quarter of the financial year. In France, we completed the scenography for the Normandy American Cemetery Visitor Centre at Omaha Beach which was opened in May 2007.

3. Sign Advertising

	2007 HK\$'000	2006 HK\$'000
Turnover	143,882	107,399

Sign advertising accounted for 6.7% of the Group's turnover (2006: 6.0%). With a favourable trend towards sign advertising, this segment continues to do well. Turnover has grown by 34.0% during the year. This growth is derived mainly from the China market.

During the year, the Chinese automobile sector remained robust for our signage business. Besides continuing business from Shanghai General Motors, Nissan, Mercedes-Benz and Mazda, we have also secured contracts from local automobile brands such as Great Wall, ChangAn, JMC and Wuling.

Related to the automobile sector is the petrol station sector where the Group has made significant progress during the year. As the petrol station business in China is gradually opening up to foreign investors, and also due to the booming automobile market, our revenue from this sector should enjoy growth in the years to come.

The business from the fast food sector in China also continued to grow. In addition to serving McDonald's, Häagen-Dazs, Burger King and Papa John's, we have become one of the major signage suppliers to the Yum! Brands which owns the Kentucky Fried Chicken, Pizza Hut, Long John Silver's, Taco Bell and East Dawning franchises in China.

Recently the Group has also been awarded an image conversion contract from Yonghe King Restaurant for more than one hundred of its restaurants in China.

With the liberalisation of the banking sector in China, and with more banks now operating across the country, our business opportunities in this sector have improved. During the year we secured contracts to produce signage domestically for the Bank of East Asia, Industrial and Commercial Bank of China, China Merchants Bank, Citigroup, Deutsche Bank, Korean Hana Bank and ABN AMRO Bank.



ABN AMRO Bank in China

To cater for increased demand in the foreseeable future, we have formed strategic joint ventures with local sub-contractors to build new facilities in northern China for signage production. At present our facilities are located in Shanghai and Jiangsu province.

We are also seeking business co-operation with overseas signage brokers and producers in the European Union and North America to supply signage from China to these countries.

4. Conference and Show Management

	2007 HK\$'000	2006 HK\$'000
Turnover	24,393	38,443

Conference and Show Management accounted for 1.1% of the Group's turnover (2006: 2.1%). This segment operates under the name of MP International Pte Limited ("MPI").

MPI's turnover is dependent upon the number of shows which are organised in a particular year. Some shows are held annually, some every two years and some every four years. Turnover is also dependent on the percentage of our share in the company organising the show. For example, International Furniture Fair Singapore Private Limited organises a very large annual show called the Singapore International Furniture Fair which occupied about 60,000 square metres in March 2007. However, its results have been accounted as a 40%-owned associate company.

Other shows organised by MPI in 2007 included the Integrated Systems China held in April 2007 in Beijing and the Incentive Travel, Conventions & Meetings China also held in April 2007 in Shanghai.

In the new financial year, MPI has been appointed as co-organiser for the first combined textile machinery show, International Textile Machinery Association ("ITMA") + China International Textile Machinery Exhibition ("CITME"), to be held in Shanghai in July 2008. This show will be Asia's biggest and most significant international textile machinery event for the industry as it combines the ITMA Asia and the CITME.

Another two major events in 2008 will be Process CEM Asia to be held in Singapore in October and China EPower to be held in Shanghai in April. Process CEM is an international exhibition on plant construction, engineering and maintenance for the process industry while China EPower is an international exhibition for the electric power and engineering industries. Both shows will be organised by MPI together with our respective strategic business partners.

During the year, MPI acquired a 40% interest in Global-Link, the largest organiser in the Philippines with a portfolio of more than 10 leading trade shows. We also acquired a 60% interest in Hong Kong's Asian Games Show for HK\$6 million. This is a leading consumer show which includes exhibitions, virtual games and on-site games competitions. It is

also a showcase for high definition technology and was last held in December 2007.



International Furniture Fair 2007 in Singapore

Financial Position

As at year end date, total net tangible assets of the Group increased by 12.4% to about HK\$763 million (2006: HK\$679 million). The Group's funding requirements are cash on hand, internally generated cash and to the extent required, by external bank borrowings. In terms of liquidity, the current ratio (current assets/current liabilities) was 1.52 times (2006: 1.44 times) and the liquidity ratio (current assets – excluding inventories and contract work in progress/current liabilities) improved to 1.44 times (2006: 1.36 times). The gearing ratio (long term borrowings/total assets) was 1.17% (2006: 1.12%) at the end of the year. The Group continues to preserve a healthy financial position by maintaining a low gearing ratio.

The total bank and cash balances and the pledged bank deposits of the Group stood at HK\$481 million (2006: HK\$338 million). Overall total borrowings amounted to HK\$49 million, an increase of HK\$10 million (or 25.6%) as compared to HK\$39 million for year ended October 31, 2006. Our sound financial position will enable the Group to capitalise on any business expansion and investments opportunities in the future.

Although our subsidiaries are located in many different countries of the world, over 66% of the Group's sales and purchases were denominated in Singapore dollars, Hong Kong dollars, Renminbi and US dollars, and the remaining 34% were denominated in other Asian currencies and European currencies. Bank borrowings are mainly denominated in

Singapore dollars, Hong Kong dollars, Renminbi and Canadian dollars, and the interest is charged on a floating rate basis.

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars, US dollars, Singapore dollars and Renminbi. The Group monitors its foreign currency exposure closely and considers hedging significant foreign currency exposure should the need arise.

Employees and emoluments policies

At October 31, 2007, the Group employs a total of approximately 2,300 full time employees (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 year was about HK\$403 million (2006: HK\$336 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, 2007 the following assets were pledged as collaterals for credit facilities granted to the Group by certain banks.

	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Pledged bank deposits	8,702	8,564
Freehold land and buildings	15,949	14,874
Leasehold land	10,597	50,106
Leasehold buildings	16,489	148,329
Investment properties	32,336	13,870
Trade debtors	16,897	14,069
Inventories	–	966
Equipment	2,605	1,361
	103,575	252,139

Contingent liabilities

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 is 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 February 2008. 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.

Financial Guarantees issued

At October 31, 2007, the Group has issued the following guarantees:

	THE GROUP		THE COMPANY	
	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Guarantees given to banks in respect of banking facilities granted to				
– subsidiaries	–	–	509,351	443,473
– associates	17,000	4,000	–	–
– investee company	4,000	4,000	–	–
	21,000	8,000	509,351	443,473
Guarantees amounting at HK\$13,000,000 are provided to secure for banking facilities jointly and severally used by an associate and a subsidiary of the Group.				
Performance guarantees				
– secured	6,158	10,851	–	–
– unsecured	4,596	5,624	–	–
	10,754	16,475	–	–
Other guarantees				
– unsecured	1,167	6,704	–	–

At October 31, 2007, the Directors do not consider it is probable that a claim will be made against the Group under any of the above guarantees.

The fair value of the guarantees at date of inception is not material and is not recognised in the financial statements.

Capital commitments

	THE GROUP	
	2007	2006
	HK\$'000	HK\$'000
Capital expenditure in respect of property, plant and equipment		
– contracted but not provided for	2,642	–
– authorised but not contracted for	5,467	–
	8,109	–

The Company did not have any other significant capital commitments at October 31, 2007.

Outlook

Looking ahead, we expect our current growth to continue. 2007 was a good year and we believe 2008 will be better as we get closer to the 2008 Beijing Olympic Games.

In spite of the poor economic outlook in the United States due to the subprime crisis, we believe that our business in Asia will be resilient to any further fallout from the United States.

The development of casino resorts inclusive of meetings, exhibitions and incentives events within these resorts in Macau and Singapore, the rapid development of the Arabian Gulf states into international tourist and exhibition destinations, and the continued economic growth of China, India and Vietnam, will all provide opportunities to sustain our growth over the next few years.

With the Group's deployment of core competencies into related fields including the following:

- (a) the supply of custom-made permanent exhibits and structural artefacts for theme parks, visitor centres and museums;
- (b) the development of regional visual merchandising display units and point-of-sale counters for branded luxury products and interior designs and architecture for corporate offices and retail branches;
- (c) the extension of event marketing services for high value consumables; and
- (d) the provision of temporary facilities for international sports events,

the Group's current business strategies complement the future trends in Asia well.

The Group aims to improve the overall performance through focusing on turnover growth, control of costs, expansion into new markets such as India and extending our reach into the inner cities in China. We also seek to enhance our global brand identity by improving our delivery channels and providing value-added services to our customers worldwide.

By Order of the Board

Lawrence Chia Song Huat
Chairman

Hong Kong, January 23, 2008

Results in Brief

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Profit before tax	190,883	177,278
Profit attributable to equity holders	145,521	135,300
Interest income – net	5,108	2,400
Depreciation and amortisation	32,878	27,438
EBITDA	218,653	202,316
Equity attributable to equity holders	776,953	682,776
Total assets	1,626,986	1,460,197
Earnings per share (HK cents) – basic	12.18	11.61
– diluted	12.09	11.53
Dividends per share (HK cents)	7.0	5.5
Return on average shareholders' funds (%)	19.94	21.79
Long-term debt/total assets (%)	1.17	1.12
Current assets/current liabilities ratio (times)	1.52	1.44
Average inventory/turnover (%)	1.02	1.16

Profile of Directors and Senior Management

Executive Directors

Lawrence Chia Song Huat, aged 47, has worked in the exhibition industry for more than 24 years and has been Chairman of the Group since 1994. Prior to taking up the chairmanship in Hong Kong, he was based in London for 6 years where he directed and managed the Group's business in Europe and North America. He is a graduate of the University of Tennessee. He is also the Vice Chairman of the Singapore Chamber of Commerce (Hong Kong).

James Chia Song Heng, aged 55, is a founding director of the Pico Group and has worked in the exhibition industry for more than 34 years. He is President of Pico Singapore and has overall responsibilities for the Group's exhibition business in South Asia. He is also Chairman of Pico (Thailand) Public Company Limited, which is listed on the Stock Exchange of Thailand, and Chairman of the MP International Group which is engaged in the management of conferences and exhibitions.

Yong Choon Kong, aged 54, qualified as a Chartered Accountant with Coopers & Lybrand, London. He joined the Group in 1988 and has been in the exhibition industry for more than 20 years. He is also Chairman of the Ho Chi Minh City International Exhibition and Convention Centre. He graduated with first class honours in economics and statistics from the University of Leeds.

Non-Executive Director

Frank Lee Kee Wai, aged 48, has been a Non-Executive Director of the Company since 1992. He is the Senior Partner of Messrs. Vincent T.K. Cheung, Yap & Co., Solicitors and Notaries. He is a graduate of Bachelor of Laws from the London School of Economics & Political Science and has also obtained a Master of Laws degree from the University of Cambridge. Mr. Lee is a qualified solicitor in the respective jurisdictions of Hong Kong, England, Singapore and the Australian Capital Territory. He is also a China-Appointed Attesting Officer and a member of the Chartered Institute of Arbitrators.

Independent Non-Executive Directors

Charlie Yucheng Shi, aged 46, has been an Independent Non-Executive Director of the Company since 2002, and is currently a member of the investment committee and Managing Director of CMT ChinaValue Capital Advisors Limited based in Hong Kong. Mr. Shi obtained a B.A. in Economics degree from Fudan University in Shanghai, and a MBA degree from California Lutheran University. He also graduated from the Advanced Management Program at the Harvard Business School.

Gregory Robert Scott Crichton, aged 57, has been an Independent Non-Executive Director of the Company since 1998 and is currently a director, Executive Vice President and General Counsel of American International Assurance Co. Ltd. and various other companies. He is a graduate in Law from the University of Sydney and holds a Bachelor of Arts from the University of New South Wales. He was admitted as a Solicitor of the Supreme Court of Hong Kong in 1995 and is also a solicitor of the Supreme Court of England and Wales.

James Patrick Cunningham, aged 53, was appointed as an Independent Non-Executive Director of the Company in 2004. He obtained his B.S. degree in Business Administration from Adelphi University in Garden City, New York. He spent over 25 years in the apparel industry in the U.S. and Asia and was most recently a Senior Vice President and Corporate Officer of the Gap Inc. for 14 years. He is now a private investor and also acts as a business advisor to both private and listed companies in the retail and apparel sourcing sectors.

Senior Management

The senior management of the Group comprises members of the Executive Committee as follows:

Lawrence Chia Song Huat
Chairman and Chief Executive

James Chia Song Heng
Executive Director and President
Chairman of Pico (Thailand) Public Company Limited, listed on the Stock Exchange of Thailand

Yong Choon Kong
Executive Director and CFO

Chia Siong Lim
Honorary Chairman of Pico Far East Holdings Limited

Aged 61. He has worked in the exhibition industry for more than 38 years and is the founder of the Pico Group. Over the years, he had been involved in the key investments that created a strong foundation for the Group to grow to what it is today. He is also Chairman of the Intertrade Group, which directs the development of exhibition hall management business. He is a brother of Mr. Lawrence Chia and Mr. James Chia.

Jolly Chang Cheo Lik
Managing Director (USA)

Aged 50. He has worked in the exhibition industry for more than 26 years. He was based in the Group's Hong Kong and Tokyo offices for more than 14 years, before taking up his present appointment in North America in 1998, which includes corporate responsibilities for Japan. He is a graduate of the National University of Singapore.

Jean Chia Yuan Jiun
Executive Director (Singapore)

Aged 34. She has worked in the exhibition industry for 9 years and also worked in the corporate finance industry in London, Hong Kong and Singapore before joining the Group. She is a niece of Mr. Lawrence Chia and Mr. James Chia. She is a graduate of the London School of Economics.

Steven Fang Xiang Jiang
President (China)

Aged 54. He has worked in the exhibition industry for more than 15 years. He is a graduate of the Beijing Foreign Languages Institute and also completed a management course at Boston University under the Hubert H. Humphrey Fellowship Program. Prior to joining the Group, he held senior management positions in several PRC companies for more than 13 years.

Danny Ku Yiu Chung
Managing Director (World Image Group)

Aged 42. He joined the Group in 1994 and has more than 11 years of experience in signage business. He is responsible for business development as well as the management of the production facilities in China of the Group's advertising signage business.

Low Wun Gong
CEO (Pico IES Group)

Aged 49. He joined the Group in 1988 and has worked in the exhibition industry for more than 19 years. The IES Group is engaged in the construction of standard exhibition booths and the provision of technical services for trade shows. He is a Council member of the China Shanghai Convention and Exhibition Industries Association, and an Executive Committee member of the Singapore Association of Convention and Exhibition Organisers and Suppliers.

Florence Tan Siew Choo

Executive Director (China)

Aged 47. She has worked in the exhibition industry for more than 26 years. She has been Executive Director of Pico Taiwan since 1996 and was appointed Executive Director of Pico Shanghai in 2006.

Tsunemichi Yui

Executive Director (Japan)

Aged 59. He has worked in the exhibition industry for more than 9 years. Prior to joining the Group, he was an international banker in The Mitsui Trust & Banking Co., Ltd., Tokyo, for more than 27 years, including postings to Singapore and Europe. He is a graduate of the Keio University, Japan.

Financial Summary

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

RESULTS

	Year ended October 31,				
	2003 HK\$'000	2004 HK\$'000	2005 HK\$'000	2006 HK\$'000	2007 HK\$'000
			(As restated, note below)		
Turnover	971,084	1,349,920	1,714,784	1,803,512	2,149,070
OPERATING PROFIT					
Profit from operations (after finance costs)	21,497	57,961	148,278	161,693	172,168
Share of profits of associates	7,767	16,346	6,564	15,585	16,188
Share of profits of jointly controlled entities	–	–	–	–	2,527
Profit before tax	29,264	74,307	154,842	177,278	190,883
Income tax expense	(8,887)	(18,987)	(24,733)	(29,048)	(28,547)
Profit for the year	20,377	55,320	130,109	148,230	162,336
Attributable to:					
Equity holders of the Company	12,920	45,093	120,646	135,300	145,521
Minority interests	7,457	10,227	9,463	12,930	16,815
	20,377	55,320	130,109	148,230	162,336

ASSETS AND LIABILITIES

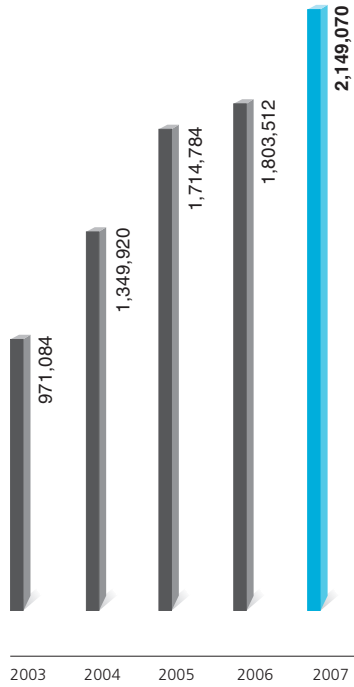
	At October 31,				
	2003 HK\$'000	2004 HK\$'000	2005 HK\$'000	2006 HK\$'000	2007 HK\$'000
	(As restated, note below)		(As restated, note below)		
Total assets	956,201	1,063,191	1,286,304	1,460,197	1,626,986
Total liabilities	488,072	552,498	684,866	728,163	784,464
Net assets	468,129	510,693	601,438	732,034	842,522
Equity attributable to equity holders					
of the Company	428,710	471,132	559,156	682,776	776,953
Minority interests	39,419	39,561	42,282	49,258	65,569
Total equity	468,129	510,693	601,438	732,034	842,522

Note: Certain prior years' figures have been restated to reflect the change in accounting policies as a result of the adoption of Statements of Standard Accounting Practice 12 (revised) "Income taxes", HKAS 1 "Presentation of Financial Statements", HKAS 17 "Leases" and HKFRS 2 "Share-based Payments".

Financial Summary

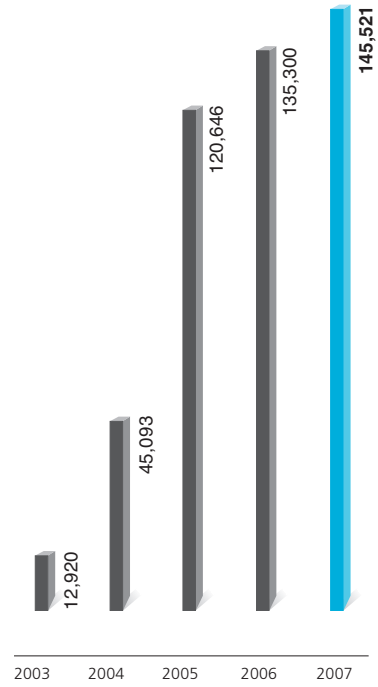
Turnover

HK\$'000



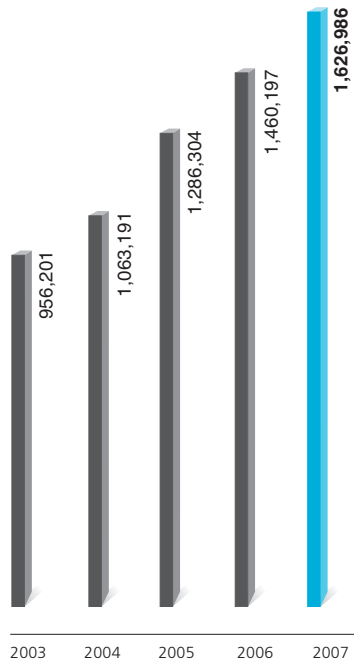
Profit attributable to equity holders

HK\$'000



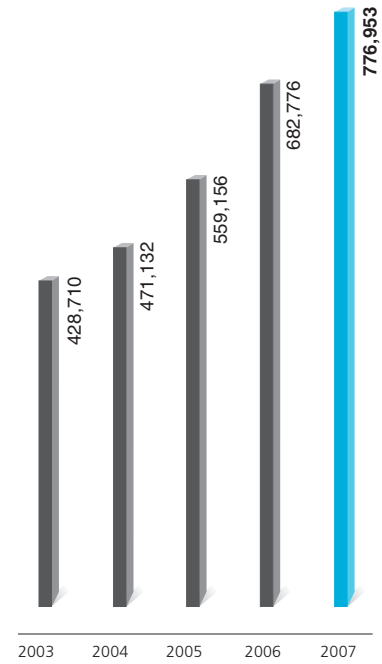
Total assets

HK\$'000



Equity attributable to equity holders

HK\$'000



Corporate Governance Report

The Board of Directors (the “Board”) of the Company is always committed to maintaining high standards of corporate governance. During the year ended October 31, 2007, the Company has complied with the principles set out in the Code on Corporate Governance Practices (the “CG Code Provision”) in Appendix 14 of the Rules Governing the listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) except for the following deviations:

CG Code Provision A2.1 stipulates that the role of the Chairman and the Chief Executive Officer should be separated and should not be performed by the same individual. Given the current corporate structure, there is no separation between the roles of the Chairman and the Chief Executive Officer. Although the responsibilities of the Chairman and the Chief Executive Officer are vested in one person, all major decisions are made in consultation with the Board members and the senior management of the Company. There are 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 for Securities Transactions by Directors (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by 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, 2007.

THE BOARD

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

THE BOARD – continued

Four board meetings were held during the financial year ended October 31, 2007. The attendances of the Directors are set out below:

Directors	Attendance at Meetings
Executive Directors	
Lawrence Chia Song Huat (<i>Chairman</i>)	4
James Chia Song Heng	4
Yong Choon Kong	4
Non-Executive Director	
Frank Lee Kee Wai	4
Independent Non-Executive Directors	
Gregory Robert Scott Crichton	3
Charlie Yucheng Shi	3
James Patrick Cunningham	4

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

The Directors enable, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses. The Board shall resolve to provide separate appropriate independent professional advice to the Directors to assist the relevant Directors to discharge their duties.

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

The Directors have no fixed terms of appointment but are subject to re-election at the Annual General Meeting of the Company.

THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

Under CG Code Provision A2.1, the roles of the Chairman and the Chief Executive Officer should be separated and should not be performed by the same individual.

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

NON-EXECUTIVE DIRECTORS

Under CG Code Provision A4.1, the Non-Executive Directors should be appointed for a specific term, subject to re-election.

The Non-Executive Directors of the Company are not appointed for a specific term. However, they are subject to retirement by rotation and re-election at Annual General Meeting of the Company in accordance with the Articles of Association of the Company.

REMUNERATION COMMITTEE

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

One Remuneration Committee meeting was held during the financial year ended October 31, 2007. Members of the Remuneration Committee and the attendance of each member are set out below:

Members	Attendance of Meeting
Lawrence Chia Song Huat (<i>Chairman</i>)	1
Gregory Robert Scott Crichton	1
James Patrick Cunningham	1

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

- (a) to consider the Company's policy and structure of remuneration of Directors and senior management;
- (b) to determine specific remuneration packages of all Executive Directors and senior management;
- (c) to review performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- (d) to review compensation payable to Executive Directors and senior management in connection with any loss or termination of their office or appointment; and
- (e) to review compensative arrangements relating to dismissal or removal of Directors for misconduct.

AUDIT COMMITTEE

The Company has set up an Audit Committee consisting of a Non-Executive Director and three Independent Non-Executive Directors.

Four Audit Committee meetings were held during the financial year ended October 31, 2007. Attendance of the Members is set out below:

Members	Attendance of Meetings
Charlie Yucheng Shi (<i>Chairman</i>)	3
Frank Lee Kee Wai	4
Gregory Robert Scott Crichton	4
James Patrick Cunningham	4

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

- (a) to consider the appointment of external auditors and any questions of resignation or dismissal;
- (b) to discuss with the external auditors before the audit commences, the nature and scope of the audit;
- (c) to review half-year and annual financial statements before submission to the Board;
- (d) to discuss problems and reservations arising from the audits, and any matters the external auditors may wish to discuss; and
- (e) to consider and review the Company's system of internal controls.

NOMINATION OF DIRECTORS

The Company does not have a Nomination Committee as the role and function of such a committee are performed by the Board collectively. The Chairman from time to time reviews the composition of the Board with particular regard to ensuring that there is an appropriate number of Directors on the Board independent of management.

AUDITOR'S REMUNERATION

The fees in relation to the audit service provided by RSM Nelson Wheeler, the external auditor of the Company, for the year ended October 31, 2007 amounted to HK\$1,080,000 (2006: HK\$930,000).

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements of the Group for the relevant accounting periods under applicable statutory and regulatory requirements which give a true and fair view of the state of affairs, the results of operations and cashflows of the Group. In preparing the financial statements for the six months ended April 30, 2007 and for the year ended October 31, 2007, suitable accounting policies have been adopted and applied consistently. The financial statements for the reporting year have been prepared on a going concern basis.

INTERNAL CONTROLS

The Board has overall responsibility for the effectiveness of the internal control system and monitors the internal control systems through the Internal Audit Department of the Group. The Internal Audit Department reviews the material controls of the Group on a continuous basis and aims to cover all major operations of the Group on a cyclical basis. Overall, internal audits are designed to provide the Board with reasonable assurance that the internal control systems of the Group are sound and effective.

Directors' Report

The Directors have pleasure in presenting their annual report and the audited financial statements for the year ended October 31, 2007.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries, associates and jointly controlled entities are set out in Notes 48, 49 and 50 respectively to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

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

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

RESULTS AND APPROPRIATIONS

The results of the Group and appropriations of the Company for the year ended October 31, 2007 are set out in the consolidated income statement on page 39.

The Directors now recommend the payment of a final dividend of HK3.5 cents (2006: HK3.5 cents) per ordinary share. Together with the interim dividend of HK3.5 cents (2006: HK2 cents) per ordinary share, the total dividend for the year amounted to HK7.0 cents (2006: HK5.5 cents) per ordinary share. The final dividend will be payable on Tuesday, March 18, 2008 to shareholders on the register of members of the Company on Thursday, February 28, 2008.

RESERVES

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

The Directors consider that the Company's reserves available for distribution to shareholders comprise the share premium, the special reserve and the retained earnings which amounted to HK\$663,492,000 (2006: HK\$682,025,000). Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution of dividend the Company is able to pay its debts as they fall due in the ordinary course of business.

INVESTMENT PROPERTIES

During the year, the Group acquired investment properties situated outside Hong Kong at a cost of HK\$21,978,000. The Group's investment properties were revalued at the year end date. The fair value increase on investment properties arising on revaluation amounting to HK\$7,105,000 has been credited to the consolidated income statement. Details of this and other movements in investment properties are set out in Note 16 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired buildings situated outside Hong Kong at a cost of HK\$6,047,000, leasehold improvements at a cost of HK\$2,279,000, furniture, fixtures and office equipment at a cost of HK\$11,298,000, tools, machinery, factory equipment and fittings at a cost of HK\$7,451,000, motor vehicles at a cost of HK\$4,398,000 and operating supplies at a cost of HK\$7,660,000.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in Note 17 to the financial statements.

SHARE CAPITAL

Details of the issued share capital of the Company during the year are set out in Note 34 to the financial statements.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive Directors:

Mr. Lawrence Chia Song Huat, *Chairman*

Mr. James Chia Song Heng

Mr. Yong Choon Kong

Non-Executive Director:

Mr. Frank Lee Kee Wai

Independent Non-Executive Directors:

Mr. Gregory Robert Scott Crichton

Mr. Charlie Yucheng Shi

Mr. James Patrick Cunningham

In accordance with Article 116 of the Company's Articles of Association, Messrs. Lawrence Chia Song Huat, Yong Choon Kong and Frank Lee Kee Wai retire and, being eligible, offer themselves for re-election.

All of the remaining Directors, including the Independent Non-Executive Directors, are subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the aforementioned Article.

The Company has received from each of Independent Non-Executive Directors an annual confirmation of his independence pursuant to rule 3.13 of the Listing Rules. The Company considers they are independent.

None of the Directors proposed for re-election at the forthcoming Annual General Meeting has a service contract which is not determinable by the Group within six months without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN SHARES

At October 31, 2007, the interests of the Directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (SFO), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules were as follows:

Directors		Number of shares/ underlying shares held			Approximate
		Personal interests	Other interests	Total interests	% of shareholding of the Company
Mr. Lawrence Chia Song Huat	(Note 1)	7,640,000	–	7,640,000	0.64%
Mr. James Chia Song Heng	(Note 2)	7,090,000	–	7,090,000	0.59%
Mr. Yong Choon Kong	(Note 3)	7,583,600	–	7,583,600	0.63%
Mr. Frank Lee Kee Wai		–	–	–	–
Mr. Gregory Robert Scott Crichton		–	–	–	–
Mr. Charlie Yucheng Shi		–	–	–	–
Mr. James Patrick Cunningham		–	–	–	–

Notes:

1. The personal interest of Mr. Lawrence Chia Song Huat represents the interest in 7,640,000 underlying shares in respect of the share options granted by the Company, the details of which are stated in the following section "Share options".
2. The personal interest of Mr. James Chia Song Heng represents the interest in 7,090,000 underlying shares in respect of the share options granted by the Company, the details of which are stated in the following section "Share options".
3. The personal interest of Mr. Yong Choon Kong represents the interest in 3,223,600 shares and interest in 4,360,000 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 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

1. The Scheme

The Company share option scheme (the "Scheme") was adopted on January 7, 2002, details of the Scheme are as follows:

(i) Purpose

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

(ii) Eligible Person

(a) Any Executive, i.e. any person who is, or who at any time after January 7, 2002 becomes, a full-time or part-time employee or an Executive Director of any Group company and has on the day preceding the offer date been such an employee or Executive Director for at least six months and any other employee or Executive Director of any Group company nominated by the Directors to be an Executive;

(b) any Non-Executive as approved by the Board of Directors.

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

(a) The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes must not in aggregate exceed 109,091,450 shares, representing approximately 9.13% of the issued share capital as at October 31, 2007.

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

(iv) Maximum entitlement of each Eligible Person

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

SHARE OPTIONS – continued

1. The Scheme – continued

(v) Timing for exercise of options

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

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

(vi) The minimum period for which an option must be held before it can be exercised

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

(vii) Basis for determination of exercise price

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

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

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

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

(viii) Life of the Scheme

The Scheme will remain in force for a period of 10 years commencing on January 7, 2002, which was the date of adoption of the Scheme.

SHARE OPTIONS – continued**2. Outstanding options**

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

Name of Directors		Outstanding at November 1, 2006	Number of share options granted	Number of share options exercised	Number of share options lapsed	Outstanding at October 31, 2007
<i>Category 1: Directors</i>						
Mr. Lawrence Chia Song Huat	(Note 4)	3,240,000	–	–	–	3,240,000
	(Note 5)	1,600,000	–	–	–	1,600,000
	(Note 7)	1,200,000	–	–	–	1,200,000
	(Note 8)	–	1,600,000	–	–	1,600,000
Mr. James Chia Song Heng	(Note 4)	3,040,000	–	–	–	3,040,000
	(Note 5)	1,600,000	–	–	–	1,600,000
	(Note 7)	1,150,000	–	–	–	1,150,000
	(Note 8)	–	1,300,000	–	–	1,300,000
Mr. Yong Choon Kong	(Note 4)	1,860,000	–	–	–	1,860,000
	(Note 5)	1,000,000	–	–	–	1,000,000
	(Note 7)	700,000	–	–	–	700,000
	(Note 8)	–	800,000	–	–	800,000
Total Directors		15,390,000	3,700,000	–	–	19,090,000
<i>Category 2: Employees</i>						
	(Notes 1, 10)	720,000	–	(720,000)	–	–
	(Notes 2, 10)	720,000	–	(720,000)	–	–
	(Notes 3, 10)	1,680,000	–	(1,680,000)	–	–
	(Note 4)	1,860,000	–	–	–	1,860,000
	(Notes 6, 10)	2,950,000	–	(1,992,000)	(202,000)	756,000
	(Note 7)	450,000	–	–	–	450,000
	(Notes 8, 10)	–	986,000	(16,000)	(132,000)	838,000
	(Note 9)	–	72,000	–	–	72,000
Total employees		8,380,000	1,058,000	(5,128,000)	(334,000)	3,976,000
Total all categories		23,770,000	4,758,000	(5,128,000)	(334,000)	23,066,000

SHARE OPTIONS – continued

2. Outstanding options – continued

Notes:

- (1) The exercise price is HK\$0.302. 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\$0.160. 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. 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. 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. 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\$2.100 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\$1.630 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 exercise price is HK\$2.184 per share and the option period during which the options may be exercised is the period from May 22, 2007 to May 21, 2012. The date of grant was May 21, 2007 and the closing price of share immediately before the date of grant was HK\$2.170.
- (9) The exercise price is HK\$2.350 per share and the option period during which the options may be exercised is the period from August 29, 2007 to August 28, 2012. The date of grant was August 28, 2007 and the closing price of share immediately before the date of grant was HK\$2.390.
- (10) The weighted average closing price of shares immediately before the dates on which the options were exercised by employees is HK\$1.667.

SHARE OPTIONS – continued

3. Valuation of share options

(i) The fair values of the share options granted in the current year measured as at various dates of grant ranged from HK\$0.590 to HK\$0.639 per option.

(ii) 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%	HK\$1.240	2.377%	12.04%
3rd Tranche	HK\$0.626	1.0 year	44.35%	HK\$1.240	2.611%	12.04%
4th Tranche	HK\$0.626	1.5 years	44.35%	HK\$1.240	2.783%	12.04%
July 25, 2005						
July 25, 2005	HK\$0.855	0.5 year	44.65%	HK\$1.710	2.970%	8.73%
December 14, 2005						
December 14, 2005	HK\$0.986	0.5 year	44.65%	HK\$1.880	3.680%	12.71%
May 16, 2006						
1st Tranche	HK\$2.100	0.0 year	47.13%	HK\$2.025	3.491%	7.37%
2nd Tranche	HK\$2.100	0.5 year	47.13%	HK\$2.025	3.890%	7.37%
3rd Tranche	HK\$2.100	1.0 year	47.13%	HK\$2.025	4.078%	7.37%
4th Tranche	HK\$2.100	1.5 years	47.13%	HK\$2.025	4.187%	7.37%
August 29, 2006						
August 29, 2006	HK\$1.630	0.5 year	48.65%	HK\$1.630	3.640%	10.08%
May 21, 2007						
May 21, 2007	HK\$2.184	2.5 years	47.01%	HK\$2.170	4.008%	3.23%
August 28, 2007						
August 28, 2007	HK\$2.350	2.5 years	45.93%	HK\$2.350	4.004%	2.98%

(iii) 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 estimate, for the effects of non transferability, exercise restrictions and behavioral considerations.

(iv) The Group recognized the total expenses of HK\$2,191,000 for year ended October 31, 2007 (2006: HK\$1,617,000) in relation to share options granted by the Company.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

CONNECTED TRANSACTIONS

Chongqing Nanping Convention And Exhibition Center Management Co. Ltd. ("Chongqing Nanping") is a sino-foreign joint venture owned by Chongqing City Construction Investment Corporation ("CCCIC") and Pico AsiaPacific Link Co. Ltd., a wholly-owned subsidiary of the Company. CCCIC is a substantial shareholder of Chongqing Nanping, a non-wholly owned subsidiary of the Group, and thus a connected person of the Group under the Listing Rules.

Chongqing Nanping entered into a management agreement with CCCIC in connection with the management of the Chongqing International Convention & Exhibition Centre (the "Centre") for a term up to December 31, 2015. Chongqing Nanping has to pay to CCCIC, being the owner of the Centre, annual fees based on the annual total operating income derived in connection with carrying out business of renting conference and exhibition space of the Center, these (the "Transactions") will constitute ongoing connected transactions of the Group under the Listing Rules.

These Transactions were approved by Shareholders on May 20, 2005 and a waiver on the annual cap amounts of not exceeding all the contracted fees payable by Chongqing Nanping to CCCIC was obtained. The cap amounts for each financial year from October 31, 2005 to 2016 are RMB550,000, RMB5,000,000, RMB6,000,000, RMB7,000,000, RMB8,000,000, RMB9,500,000, RMB10,500,000, RMB11,500,000, RMB12,500,000, RMB14,000,000, RMB15,000,000 and RMB2,500,000 respectively .

The Transactions amounted to RMB2,957,767 for the year ended October 31, 2007.

The Independent Non-Executive Directors of the Company had reviewed and confirmed the Transactions made during the year and are of the opinion that the Transactions have been entered into by the Group:

- (a) in the ordinary and usual course of the business of the Group;
- (b) on normal commercial terms which expression will be applied by reference to transactions of a similar nature and to be made by similar entities or where there is no available comparison on terms that are fair and reasonable so far as the interests of the shareholders of the Company taken as a whole are concerned;
- (c) in accordance with the management agreement between Chongqing Nanping and CCCIC effected on May 20, 2005; and
- (d) with the aggregate value of the Transactions being within the cap for the financial year ended October 31, 2007 as set out in the circular to shareholders dated May 3, 2005.

The auditors of the Company had also confirmed to the Board of Directors that the Transactions have been entered into by the Group in accordance with the management agreement and have not exceeded the cap in the year.

Due to restructuring of CCCIC's operations, CCCIC has decided to manage the facility via its subsidiary. The subsidiary will develop their own operation team to assume management responsibilities for the Centre. Chongqing Nanping has hence been put on voluntary liquidation. There will not be any more Transaction in the coming financial year.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

SUBSTANTIAL SHAREHOLDERS

At October 31, 2007, the register of substantial shareholders maintained by the Company pursuant to Section 336 of SFO shows that other than the interest disclosed above in respect of certain Directors, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long positions in shares and underlying shares of the Company

Name of Shareholder	Number of shares/ underlying shares held	Percentage of issued share capital
Pine Asset Management Limited	452,687,186	37.87%
Matthews International Capital Management, LLC	72,286,000	6.05%
DJE Investment S.A. (Note)	71,666,000	6.00%
Dr. Jens Ehrhardt Kapital AG	71,666,000	6.00%
Dr. Jens Alfred Karl Ehrhardt	71,666,000	6.00%

Note: 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.

Save as disclosed above, the Company has not been notified of any other relevant interests or short position in the issued share capital of the Company as at October 31, 2007.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its Directors, the Directors confirm that the Company has maintained during the year the amount of public float as required under the Listing Rules.

AUDIT COMMITTEE

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

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

AUDITOR

A resolution to re-appoint Messrs. RSM Nelson Wheeler as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Lawrence Chia Song Huat

Chairman

Hong Kong, January 23, 2008

RSM! Nelson Wheeler

羅申美會計師行

Certified Public Accountants

**TO THE SHAREHOLDERS OF
PICO FAR EAST HOLDINGS LIMITED**

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Pico Far East Holdings Limited (the "Company") set out on pages 39 to 102, which comprise the consolidated and Company balance sheets as at October 31, 2007, and the consolidated income statement, consolidated statement of changes in equity and consolidated cashflow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The Directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at October 31, 2007 and of the Group's results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

RSM Nelson Wheeler
Certified Public Accountants

Hong Kong, January 23, 2008

Consolidated Income Statement

For the year ended October 31, 2007

	Note	2007 HK\$'000	2006 HK\$'000
Turnover	6	2,149,070	1,803,512
Cost of sales		(1,426,736)	(1,187,633)
Gross profit		722,334	615,879
Other income	7	48,601	39,745
Distribution costs		(292,657)	(243,119)
Administrative expenses		(300,108)	(247,405)
Other operating expenses		(2,846)	(365)
Profit from operations		175,324	164,735
Finance costs	8	(3,156)	(3,042)
		172,168	161,693
Share of profits of associates	22	16,188	15,585
Share of profits of jointly controlled entities		2,527	–
Profit before tax		190,883	177,278
Income tax expense	11	(28,547)	(29,048)
Profit for the year	12	162,336	148,230
Attributable to:			
Equity holders of the Company	13	145,521	135,300
Minority interests		16,815	12,930
		162,336	148,230
Dividends paid	14	83,646	121,150
Earnings per share	15		
Basic		12.18 cents	11.61 cents
Diluted		12.09 cents	11.53 cents

Consolidated Balance Sheet

At October 31, 2007

	Note	2007 HK\$'000	2006 HK\$'000
Non-current Assets			
Investment properties	16	38,713	20,870
Property, plant and equipment	17	261,990	255,340
Prepaid land lease payments	18	58,986	88,486
Intangible assets	20	14,090	3,572
Interests in jointly controlled entities	21	7,332	–
Interests in associates	22	97,163	84,820
Club membership		5,430	5,352
Available-for-sale financial assets	23	293	949
		483,997	459,389
Current Assets			
Inventories	24	24,040	19,855
Contract work in progress	25	35,220	34,393
Debtors, deposits and prepayments	26	577,791	589,092
Amounts due from associates	27	20,298	17,974
Amounts due from jointly controlled entities	28	4,807	–
Current tax assets		305	405
Financial assets at fair value through profit or loss	29	–	1,493
Pledged bank deposits	30	8,702	8,564
Bank and cash balances	30	471,826	329,032
		1,142,989	1,000,808
Current Liabilities			
Payments received on account		183,768	161,148
Creditors and accrued charges	31	498,629	483,505
Amounts due to associates	27	7,501	1,580
Current tax liabilities		28,292	25,316
Borrowings	32	29,991	22,575
Finance lease obligations	33	1,861	1,688
		750,042	695,812
Net Current Assets		392,947	304,996
Total Assets Less Current Liabilities		876,944	764,385

Consolidated Balance Sheet
At October 31, 2007

	Note	2007 HK\$'000	2006 HK\$'000
Non-current Liabilities			
Borrowings	32	19,106	16,329
Finance lease obligations	33	3,466	3,909
Deferred tax liabilities	37	11,850	12,113
		34,422	32,351
NET ASSETS			
		842,522	732,034
Capital and Reserves			
Share capital	34	59,771	59,515
Reserves		717,182	623,261
Equity attributable to equity holders of the Company			
		776,953	682,776
Minority Interests			
		65,569	49,258
TOTAL EQUITY			
		842,522	732,034

The financial statements on pages 39 to 102 were approved by the Board of Directors on January 23, 2008 and are signed on its behalf by:

Lawrence Chia Song Huat
Director

Yong Choon Kong
Director

Balance Sheet

At October 31, 2007

	Note	2007 HK\$'000	2006 HK\$'000
Non-current Asset			
Interests in subsidiaries	19	66,394	66,394
Current Assets			
Amounts due from subsidiaries	27	663,415	679,420
Bank and cash balances		189	63
		663,604	679,483
Current Liabilities			
Creditors and accrued charges		1,892	1,044
Net Current Assets		661,712	678,439
NET ASSETS		728,106	744,833
Capital and Reserves			
Share capital	34	59,771	59,515
Reserves	36	668,335	685,318
TOTAL EQUITY		728,106	744,833

Lawrence Chia Song Huat
Director

Yong Choon Kong
Director

Consolidated Statement of Changes in Equity

For the year ended October 31, 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 November 1, 2005	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	-	-	-	-	-	-	-	-	20,406	-	20,406	1,699	22,105
Deficit on revaluation of available-for-sale financial assets	-	-	-	-	(18)	-	-	-	-	-	(18)	-	(18)
Net income recognised directly in equity	-	-	-	-	(18)	-	-	-	20,406	-	20,388	1,699	22,087
Profit for the year	-	-	-	-	-	-	-	-	-	135,300	135,300	12,930	148,230
Total recognised income and expense for the year	-	-	-	-	(18)	-	-	-	20,406	135,300	155,688	14,629	170,317
Shares issued at premium	369	5,117	-	-	-	-	-	-	-	-	5,486	-	5,486
Placement of shares	2,100	82,950	-	-	-	-	-	-	-	-	85,050	-	85,050
Share issue expenses paid	-	(3,071)	-	-	-	-	-	-	-	-	(3,071)	-	(3,071)
Recognition of equity-settled share-based payment	-	-	-	-	-	1,617	-	-	-	-	1,617	-	1,617
Exercise of equity-settled share-based payment	-	335	-	-	-	(335)	-	-	-	-	-	-	-
Capital contribution from minority interests	-	-	-	-	-	-	-	-	-	-	-	1,259	1,259
Transfer	-	-	-	-	-	-	-	307	(18)	(289)	-	-	-
2005 final and special dividends	-	-	-	-	-	-	-	-	-	(97,344)	(97,344)	-	(97,344)
2006 interim dividend	-	-	-	-	-	-	-	-	-	(23,806)	(23,806)	-	(23,806)
Dividend distribution to minorities	-	-	-	-	-	-	-	-	-	-	-	(8,912)	(8,912)
At October 31, 2006	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
Representing:													
2006 final dividend proposed										41,807			
Others										335,806			
										<u>377,613</u>			

Consolidated Statement of Changes in Equity
For the year ended October 31, 2007

	Attributable to equity holders of the Company												Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Capital reserve HK\$'000	Investment revaluation reserve HK\$'000	Equity- settled share-based payment reserve HK\$'000	Goodwill reserve HK\$'000	Legal reserve HK\$'000	Translation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Minority interests HK\$'000	
At November 1, 2006	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	-	-	-	-	-	-	-	-	22,954	-	22,954	2,834	25,788
Net income recognised directly in equity	-	-	-	-	-	-	-	-	22,954	-	22,954	2,834	25,788
Profit for the year	-	-	-	-	-	-	-	-	-	145,521	145,521	16,815	162,336
Total recognised income and expense for the year	-	-	-	-	-	-	-	-	22,954	145,521	168,475	19,649	188,124
Shares issued at premium	256	5,346	-	-	-	-	-	-	-	-	5,602	-	5,602
Recognition of equity-settled share-based payment	-	-	-	-	-	2,191	-	-	-	-	2,191	-	2,191
Exercise of equity-settled share-based payment	-	641	-	-	-	(641)	-	-	-	-	-	-	-
Reversal of disposal of available-for-sale financial assets	-	-	-	-	1,416	-	-	-	-	-	1,416	-	1,416
Loan from minority interests	-	-	-	-	-	-	-	-	-	-	-	320	320
Capital contribution from minority interests	-	-	-	(82)	-	-	-	-	-	-	(82)	6,223	6,141
Disposal of subsidiaries	-	-	-	-	-	-	-	-	221	-	221	-	221
Transfer	-	-	-	-	-	-	-	1,644	-	(1,644)	-	-	-
2006 final dividend	-	-	-	-	-	-	-	-	-	(41,807)	(41,807)	-	(41,807)
2007 interim dividend	-	-	-	-	-	-	-	-	-	(41,839)	(41,839)	-	(41,839)
Dividend distribution to minorities	-	-	-	-	-	-	-	-	-	-	-	(9,881)	(9,881)
At October 31, 2007	59,771	700,073	753	(12,080)	-	4,090	(419,083)	5,302	283	437,844	776,953	65,569	842,522
Representing:													
2007 final dividend proposed										41,867			
Others										395,977			
										437,844			

Consolidated Cashflow Statement

For the year ended October 31, 2007

	Note	2007 HK\$'000	2006 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows from operations	38	224,067	67,281
Interest paid		(2,850)	(2,849)
Finance charges in respect of finance lease obligations		(306)	(193)
Income taxes paid		(28,014)	(27,812)
Overseas taxation refunded		-	160
NET CASH GENERATED FROM OPERATING ACTIVITIES		192,897	36,587
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of property, plant and equipment, investment properties and prepaid land lease payments		63,463	3,126
Proceeds on disposal of available-for-sale financial assets and financial assets at fair value through profit or loss		3,451	-
Loan from minority interests		320	-
(Increase) decrease in pledged short-term bank deposits		(138)	3,048
Purchase of property, plant and equipment		(36,845)	(42,538)
Advances to an investee company		-	(80)
Purchase of available-for-sale financial assets		-	(52)
Purchase of prepaid land lease payments		(6,457)	-
Purchase of investment properties		(21,978)	-
Purchase of intangible assets		(10,478)	-
Purchase of financial assets at fair value through profit or loss		(1,027)	(1,493)
Disposal of subsidiaries	39	7,433	-
Investment in associates		(9,469)	(19,586)
Investment in jointly controlled entities		(10)	-
Capital contribution from minorities		6,223	1,259
Interest received		8,264	5,442
Dividends received from associates		19,378	8,529
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES		22,130	(42,345)

Consolidated Cashflow Statement
For the year ended October 31, 2007

Note	2007 HK\$'000	2006 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	5,602	5,486
Proceeds from placement of shares	–	81,979
Repayment of bank loans	(25,867)	(63,867)
Repayment of finance lease obligations	(2,815)	(1,343)
Repayment of loan to associates	–	9,770
Bank loans raised	32,710	48,869
Dividends paid to minorities	(9,881)	(8,912)
Dividends paid to equity holders of the Company	(83,646)	(121,150)
NET CASH USED IN FINANCING ACTIVITIES	(83,897)	(49,168)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	131,130	(54,926)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	329,032	373,844
Effect of foreign exchange rate changes	10,114	10,114
CASH AND CASH EQUIVALENTS AT END OF YEAR	470,276	329,032
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	30	471,826
Bank overdrafts	32	(1,550)
	470,276	329,032

Notes to the Financial Statements

For the year ended October 31, 2007

1. GENERAL

The Company is a limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of its registered office and principal place of business of the Company are disclosed in the Corporate Information on page 4 of the annual report.

The Company acts as an investment holding company. The activities of its principal subsidiaries, associates and jointly controlled entities are set out in Notes 48, 49 and 50 to the financial statements respectively.

2. THE ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for accounting periods beginning on or after November 1, 2006. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and investments which are carried at their fair values.

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the Directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements are disclosed in Note 4 to the financial statements.

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

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to October 31. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Consolidation – continued

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill relating to the subsidiary which was not previously charged or recognised in the consolidated income statement and also any related accumulated foreign currency translation reserve.

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

Minority interests represent the interests of minority shareholders in the operating results and net assets of subsidiaries. Minority interests are presented in the consolidated balance sheet and consolidated statement of changes in equity within equity. Minority interests are presented in the consolidated income statement as an allocation of profit or loss for the year between minority and shareholders of the Company. Losses applicable to the minority in excess of the minority's interests in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the interests of the Group until the minority's share of losses previously absorbed by the Group has been recovered.

In the Company's balance sheet the investments in subsidiaries are stated at cost less allowance for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Business combination and goodwill

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets, liabilities and contingent liabilities of the subsidiary in an acquisition are measured at their fair values at the acquisition date.

The excess of the cost of acquisition over the Group's share of the net fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised in the consolidated income statement.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses of goodwill are recognised in the consolidated income statement and are not subsequently reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

The interests of minority shareholders in the subsidiary is initially measured at the minority's proportion of the net fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities at the acquisition date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policies of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

Investment in an associate is accounted for in the consolidated financial statements by the equity method of accounting and is initially recognised at cost. Identifiable assets, liabilities and contingent liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is recorded as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised in the consolidated income statement.

The Group's share of an associate's post-acquisition profits or losses is recognised in the consolidated income statement, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill relating to the associate which was not previously charged or recognised in the consolidated income statement and also any related accumulated foreign currency translation reserve.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Joint venture

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over the economic activity when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the “venturers”).

A jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investment in a jointly controlled entity is accounted for in the consolidated financial statements by the equity method of accounting and is initially recognised at cost. Identifiable assets, liabilities and contingent liabilities of the jointly controlled entity in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group’s share of the net fair value of the jointly controlled entity’s identifiable assets, liabilities and contingent liabilities is recorded as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group’s share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised in the consolidated income statement.

The Group’s share of a jointly controlled entity’s post-acquisition profits or losses is recognised in the consolidated income statement, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group’s share of losses in a jointly controlled entity equals or exceeds its interest in the jointly controlled entity, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the jointly controlled entity.

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

Patents and trademarks

The game show right is assessed as having indefinite useful life and stated at cost less accumulated impairment.

Patents for production board design are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives of ten years.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Foreign currencies translation

(i) *Functional and presentation currency*

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

(ii) *Transactions and balances in each entity's financial statements*

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the rates ruling on the balance sheet date. Profits and losses resulting from this translation policy are included in the income statement.

Translation differences on non-monetary items, such as equity instruments classified as financial assets at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equity instruments classified as available-for-sale financial assets, are included in the investment revaluation reserve in equity.

(iii) *Translation on consolidation*

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- all resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated income statement as part of the profit or loss on disposal.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Property, plant and equipment

Buildings comprise mainly factories and offices. All property, plant and equipment are stated at cost less depreciation and impairment loss.

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

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

Freehold land	Nil
Freehold buildings	1% – 2%
Buildings	2% – 5% or over the terms of the relevant leases
Leasehold improvements	20%
Furniture, fixtures and office equipment	20%
Tools, machinery, factory equipment and fittings	20% – 33 ¹ / ₃ %
Motor vehicles	20%
Operating supplies	20% – 33 ¹ / ₃ %

The useful lives and depreciation method are reviewed and adjusted, if appropriate, at each balance sheet date.

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

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

Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at its fair value. Gains or losses arising from changes in fair value of the investment property are included in the income statement for the period in which they arise.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in the income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Leases

(i) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the lease term.

(ii) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the balance sheet as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term or hire purchase contract so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets over their lease terms.

Club membership

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

Inventories

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

Recognition and derecognition of financial instruments

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

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in the income statement.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

(i) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as trade and other receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised directly in equity, until the investments are disposed of or are determined to be impaired, at which time the cumulative gains or losses previously recognised in equity are recognised in the income statement.

Impairment losses recognised in the income statement for equity investments classified as available-for-sale financial assets are not subsequently reversed through the income statement. Impairment losses recognised in the income statement for debt instruments classified as available-for-sale financial assets are subsequently reversed and recognised in the income statement if an increase in the fair value of the instruments can be objectively related to an event occurring after the recognition of the impairment loss.

(ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either investments held for trading or designated as at fair value through profit or loss upon initial recognition. These investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in the income statement.

Trade and other debtors

Trade and other debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the debtors' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in the income statement.

Impairment losses are reversed in subsequent periods and recognised in the income statement when an increase in the debtors' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the debtors at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Cash and cash equivalents

For the purpose of the cashflow statement, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

Contract work in progress

Short-term contract work in progress is stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, costs of conversion and other costs that have been incurred in bringing the short-term contract work in progress to its present location and condition, is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price or anticipated gross billings in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Long-term contract work in progress is stated at cost incurred to date, plus estimated attributable profits, less any foreseeable losses and progress payments received and receivable.

Cost comprises direct materials, direct labour costs, costs of sub-contractors and those production overheads that have been incurred in bringing the long-term work in progress to its present location and condition. Estimated attributable profits are recognised based upon the stage of completion when a profitable outcome can prudently be foreseen. Anticipated losses are fully provided for on contracts when they are identified.

Financial liabilities and equity instruments

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

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

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

Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of:

- the amount of the obligations under the contracts, as determined in accordance with HKAS37 "Provision, Contingent Liabilities and Contingent Assets"; and
- the amount initially recognised less cumulative amortisation recognised in the income statement on a straight-line basis over the terms of the guarantee contracts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Trade and other creditors

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

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Revenue from short-term contracts is recognised on completion of the contracts and revenue from long-term contracts is recognised on a percentage of completion basis.

Interest income is recognised on a time-proportion basis using the effective interest method.

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

Rental income is recognised on a straight line basis over the terms of the relevant leases.

Management service income is recognised when the service is rendered.

Employee benefits

(i) Employee leave entitlements

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

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

(ii) Pension obligations

Contributions to retirement benefit schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to the income statement represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

Share-based payments

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

Borrowing costs

All borrowing costs are recognised in the income statement in the period in which they are incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Related parties

A party is related to the Group if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of the Company;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products and services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment revenue, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to the segment. Unallocated costs mainly represent corporate expenses. Segment assets consist primarily of property, plant and equipment, goodwill, inventories and trade debtors. Segment liabilities comprise operating liabilities and exclude items such as tax liabilities and corporate borrowings.

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group enterprises within a single segment.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Impairment of assets

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

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets, except goodwill, receivables, investments, inventories, contract work in progress and deferred tax assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

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

Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Group's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the balance sheet date that are not adjusting events are disclosed in the notes when material.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying accounting policies

In the process of applying the Group's accounting policies which are described in Note 3, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Share-based payment expenses

The Group has applied HKFRS 2 "Share-based Payment" to account for its share options. In accordance with HKFRS 2, the fair values of the share options granted to the Directors and employees determined at the date of grant of the respective share options are expensed over the vesting period, with a corresponding adjustment to the equity-settled share-based payment reserve. During the year, an amount of share option expense of approximately HK\$2,191,000 (2006: HK\$1,617,000) has been recognised in the consolidated income statement.

In assessing the fair values of the share options at their respective dates of grants, the Black-Scholes option pricing model (the "Black-Scholes Model") was used. The Black-Scholes Model is one of the generally accepted methodologies used to calculate the value of the share options and is one of the recommended option pricing models set out in Chapter 17 of the Listing Rules. The Black-Scholes Model requires the input of highly subjective assumptions, including the expected dividend yield and expected life of options. Because changes in subjective input assumptions can materially affect the fair value estimate, in the opinion of the Directors, the existing model does not necessarily provide a reliable measure of the fair value of the share options. Any changes in input assumptions can materially affect the fair value estimate.

Impairment for bad and doubtful debts

The policy for allowance of bad and doubtful debts of the Group is based on the evaluation of the ability to collect and aging analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these debtors, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Key sources of estimation uncertainty

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

Property, plant and equipment and depreciation

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – continued

Key sources of estimation uncertainty – continued

Revenue and profit recognition

The Group estimated the percentage of completion of the constructions contracts by reference to the proportion that contract costs incurred for work performed to date to the estimated total costs for the contracts. When the final cost incurred by the Group is different from the amounts that were initially budgeted, such differences will impact the revenue and the profit or loss recognised in the period in which such determination is made. Budget cost of each project will be reviewed periodically and revised accordingly where significant variances are noted during the revision.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars, United States dollars, Singapore dollars and Renminbi ("RMB"). The Group currently does not have a foreign currency hedging policy in respect of foreign currency assets and liabilities. The Group monitors its foreign currency exposure closely and considers hedging significant foreign currency exposure should the need arise.

Credit risk

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales are made to customers with an appropriate credit history.

The carrying amount of the trade debtors included in the consolidated balance sheet represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

Liquidity risk

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

Interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's exposure to interest-rate risk arises from its long-term borrowings. These borrowings bear interests at variable rates varied with the then prevailing market condition.

Fair values

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

6. 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; conference and show management; and their related business.

(i) Primary reporting format – geographical segments

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

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

Income Statement Year ended October 31, 2007

	Greater China HK\$'000	Asia other than Greater China HK\$'000	Others HK\$'000	Elimination HK\$'000	Group HK\$'000
REVENUE					
External sales	1,009,701	949,416	189,953	–	2,149,070
Inter-segment sales	231,925	40,343	12,063	(284,331)	–
Total revenue	1,241,626	989,759	202,016	(284,331)	2,149,070
Inter-segment sales are charged at prevailing market rates.					
RESULTS					
Segment results	102,313	79,088	2,415		183,816
Interest income					8,264
Unallocated costs					(16,756)
Profit from operations					175,324
Finance costs					(3,156)
Share of profits (loss) of associates	5,711	10,495	(18)		16,188
Share of profits of jointly controlled entities	933	–	1,594		2,527
Profit before tax					190,883
Income tax expense					(28,547)
Profit for the year					162,336
Balance Sheet					
ASSETS					
Segment assets	768,394	596,790	80,778		1,445,962
Interests in associates	27,256	68,492	1,415		97,163
Interests in jointly controlled entities	942	–	6,390		7,332
Unallocated assets					76,529
Consolidated total assets					1,626,986
LIABILITIES					
Segment liabilities	416,766	286,011	47,330		750,107
Unallocated liabilities					34,357
Consolidated total liabilities					784,464
Other Information					
Capital expenditure	55,751	13,305	2,533		71,589
Depreciation and amortisation	16,241	15,291	1,346		32,878
Other non-cash expenses	9,515	8,273	2,909		20,697

6. TURNOVER AND SEGMENT INFORMATION – continued

(i) Primary reporting format – geographical segments – continued

Income Statement

Year ended October 31, 2006

	Greater China HK\$'000	Asia other than Greater China HK\$'000	Others HK\$'000	Elimination HK\$'000	Group HK\$'000
REVENUE					
External sales	792,316	804,126	207,070	–	1,803,512
Inter-segment sales	180,655	36,592	10,588	(227,835)	–
Total revenue	972,971	840,718	217,658	(227,835)	1,803,512

Inter-segment sales are charged at prevailing market rates.

RESULTS

Segment results	71,485	96,561	7,442		175,488
Interest income					5,442
Unallocated costs					(16,195)
Profit from operations					164,735
Finance costs					(3,042)
Share of profits of associates	7,207	8,045	333		15,585
Profit before tax					177,278
Income tax expense					(29,048)
Profit for the year					148,230

Balance Sheet

ASSETS

Segment assets	628,549	585,136	74,300		1,287,985
Interests in associates	32,748	50,637	1,435		84,820
Unallocated assets					87,392
Consolidated total assets					1,460,197

LIABILITIES

Segment liabilities	357,587	291,273	41,769		690,629
Unallocated liabilities					37,534
Consolidated total liabilities					728,163

Other Information

Capital expenditure	34,808	9,779	1,427		46,014
Depreciation and amortisation	12,500	13,841	1,097		27,438
Other non-cash expenses	12,697	5,703	148		18,548

6. TURNOVER AND SEGMENT INFORMATION – continued

(ii) Secondary reporting format – business segments

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

- Exhibition and event marketing services;
- Museum, theme park and interior fit-out;
- Sign advertising; and
- Conference and show management.

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

Year ended October 31, 2007

	Revenue <i>HK\$'000</i>	Segment assets <i>HK\$'000</i>	Capital expenditure <i>HK\$'000</i>
Exhibition and event marketing services	1,763,480	1,191,898	57,899
Museum, theme park and interior fit-out	217,315	117,353	1,704
Sign advertising	143,882	102,150	1,396
Conference and show management	24,393	34,561	10,590
	2,149,070	1,445,962	71,589

Year ended October 31, 2006

	Revenue <i>HK\$'000</i>	Segment assets <i>HK\$'000</i>	Capital expenditure <i>HK\$'000</i>
Exhibition and event marketing services	1,555,902	1,101,574	38,707
Museum, theme park and interior fit-out	101,768	77,275	1,425
Sign advertising	107,399	84,207	5,439
Conference and show management	38,443	24,929	443
	1,803,512	1,287,985	46,014

7. OTHER INCOME

	2007 HK\$'000	2006 HK\$'000
Included in other income are:		
Interest income	8,264	5,442
Rental income, net of outgoings	10,459	7,631
Gain on disposal of subsidiaries	7,206	19
Dividend income from available-for-sale financial assets	13	18

The gross rental income from investment properties for the year amounted to approximately HK\$1,710,000 (2006: HK\$947,000).

8. FINANCE COSTS

	2007 HK\$'000	2006 HK\$'000
Interest on bank borrowings	2,850	2,849
Finance charges in respect of finance lease obligations	306	193
Total borrowing costs	3,156	3,042

9. DIRECTORS' EMOLUMENTS

Pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, the emoluments of each Director for the year ended October 31, 2007 are as follows:

Name	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Bonus HK\$'000	Share-based payment HK\$'000	Group's contributions to retirement scheme HK\$'000	Estimated rental value for rent-free accommodation provided to directors HK\$'000	Total emoluments HK\$'000
Executive Directors							
Lawrence Chia Song Huat	400	3,884	2,544	653	37	815	8,333
James Chia Song Heng	338	3,597	1,716	531	36	-	6,218
Yong Choon Kong	337	1,978	1,786	327	37	84	4,549
Non-Executive Director							
Frank Lee Kee Wai	175	-	-	-	-	-	175
Independent Non-Executive Directors							
Gregory Robert Scott Crichton	175	-	-	-	-	-	175
Charlie Yucheng Shi	200	-	-	-	-	-	200
James Patrick Cunningham	175	-	-	-	-	-	175
Total 2007	1,800	9,459	6,046	1,511	110	899	19,825

9. DIRECTORS' EMOLUMENTS – continued

The emoluments of each Director for the year ended October 31, 2006 are as follows:

Name	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Bonus HK\$'000	Share-based payment HK\$'000	Group's contributions to retirement scheme HK\$'000	Estimated rental value for rent-free accommodation provided to directors HK\$'000	Total emoluments HK\$'000
Executive Directors							
Lawrence Chia Song Huat	250	3,767	2,276	362	47	737	7,439
James Chia Song Heng	187	3,497	883	352	34	–	4,953
Yong Choon Kong	187	1,964	1,598	216	47	–	4,012
Non-Executive Director							
Frank Lee Kee Wai	100	–	–	–	–	–	100
Independent Non-Executive Directors							
Gregory Robert Scott Crichton	100	–	–	–	–	–	100
Charlie Yucheng Shi	120	–	–	–	–	–	120
James Patrick Cunningham	100	–	–	–	–	–	100
Total 2006	1,044	9,228	4,757	930	128	737	16,824

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

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

10. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2006: three) were Directors of the Company whose emoluments are included in the disclosures in Note 9 above. The emoluments of the remaining two (2006: two) individuals are as follows:

	2007 HK\$'000	2006 HK\$'000
Salaries, allowances and benefits in kind	6,691	5,919
Bonus	1,304	969
Share-based payment	518	86
Group's contributions to retirement scheme	43	50
	8,556	7,024

10. EMPLOYEES' EMOLUMENTS – continued

	Number of employees	
	2007	2006
HK\$2,500,001 – HK\$3,000,000	–	1
HK\$3,000,001 – HK\$3,500,000	–	–
HK\$3,500,001 – HK\$4,000,000	1	–
HK\$4,000,001 – HK\$4,500,000	–	1
HK\$4,500,001 – HK\$5,000,000	1	–
	2	2

11. INCOME TAX EXPENSE

	2007	2006
	HK\$'000	HK\$'000
The charge comprises:		
Profits tax for the year		
Hong Kong	1,148	2,537
Overseas	28,896	25,799
(Over) under provision in prior years		
Hong Kong	(565)	148
Overseas	(661)	713
	28,818	29,197
Deferred tax (Note 37)	(271)	(149)
	28,547	29,048

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

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

11. INCOME TAX EXPENSE – continued

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:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Profit before tax (excluding share of profits of associates and jointly controlled entities)	172,168	161,693
Tax at the domestic income tax rate of 17.5% (2006: 17.5%)	30,129	28,296
Effect of different taxation rates in other countries	7,990	9,016
Tax effect of income that is not taxable	(18,269)	(9,783)
Tax effect of expenses that are not deductible	6,500	2,150
Utilisation of previously unrecognised tax losses	(1,530)	(3,019)
Tax effect of tax losses not recognised	5,491	1,057
(Over) under provision in prior years	(1,226)	861
Others	(538)	470
Income tax expense	28,547	29,048

The new PRC Enterprise Income Tax Law (the "EIT Law") passed by the Tenth National People's Congress on March 16, 2007 introduces various changes which include the unification of the Enterprise Income Tax rate for domestic and foreign-invested enterprises at 25%. The new EIT Law will be effective from January 1, 2008. The impact of the new EIT Law on the Group's consolidated financial statements is not significant.

12. PROFIT FOR THE YEAR

	2007 HK\$'000	2006 HK\$'000
Profit for the year has been arrived at after charging:		
Auditor's remuneration	2,936	2,127
Depreciation	31,142	25,779
Loss on disposal of property, plant and equipment, investment properties and prepaid land lease payments	1,634	223
Loss on disposal of available-for-sale financial assets	1,212	–
Operating lease rentals in respect of:		
Amortisation of prepaid land lease payments	1,736	1,659
Office premises	23,198	19,410
Equipment	6,219	3,221
Direct operating expenses of investment properties that generate rental income	445	86
Cost of inventories sold	142,087	135,548
Allowance for bad and doubtful debts	13,277	17,523
Allowance for amount due from investee company	4,574	509
Impairment on club membership (included in administrative expenses)	38	326
Staff costs:		
Directors' emoluments:		
Fees	1,800	1,044
Other emoluments including benefits in kind (exclude estimated rental value for rent-fee accommodation)	17,126	15,043
	18,926	16,087
Other staff costs:		
Salaries, allowances and benefits in kind	361,332	301,152
Share-based payment	680	687
Group's contributions to retirement scheme, net of forfeited contribution of approximately HK\$105,000 (2006: HK\$118,000)	21,870	17,598
Total staff costs	402,808	335,524
and crediting:		
Gain on disposal of property, plant and equipment, investment properties and prepaid land lease payments	9,306	948
Gain on disposal of financial assets at fair value through profit or loss	37	–
Increase in fair value of investment properties	7,105	10
Net exchange gain	2,002	1,807

13. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Of the Group's profit attributable to equity holders of the Company for the year of approximately HK\$145,521,000 (2006: HK\$135,300,000), a profit of approximately HK\$59,126,000 (2006: HK\$25,738,000) has been dealt with in the financial statements of the Company.

14. DIVIDENDS PAID

	2007 HK\$'000	2006 HK\$'000
2006 final dividend paid HK3.5 cents per share (2005: HK3.5 cents per share)	41,807	40,083
2006 special dividend paid nil per share (2005: HK5 cents per share)	–	57,261
2007 interim dividend paid HK3.5 cents per share (2006: HK2 cents per share)	41,839	23,806
Total	83,646	121,150

A final dividend of HK3.5 cents per share for the year ended October 31, 2007 has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming Annual General Meeting.

15. EARNINGS PER SHARE

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

	2007 HK\$'000	2006 HK\$'000
Earnings for the purposes of calculating basic and diluted earnings per share	145,521	135,300
	2007	2006
Issued ordinary share at beginning of year	1,190,294,104	570,463,252
Effect of consideration shares issued	4,450,164	21,924,436
Effect of share subdivision	–	572,563,688
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	1,194,744,268	1,164,951,376
Effect of dilutive potential ordinary shares in respect of options	9,010,780	8,669,624
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	1,203,755,048	1,173,621,000

16. INVESTMENT PROPERTIES

	THE GROUP	
	2007	2006
	HK\$'000	HK\$'000
VALUATION		
At beginning of year	20,870	24,200
Reclassification (Notes 17, 18)	–	(3,340)
Additions	21,978	–
Fair value increase on investment properties	7,105	10
Disposal	(11,240)	–
At end of year	38,713	20,870

During the year, the management performed a review of the carrying amounts of investment properties with reference to the valuation performed by an independent firm of surveyors. Based on their review of the carrying value of investment properties, fair value increase on investment properties of HK\$7,105,000 (2006: HK\$10,000) has been credited to the consolidated income statement. The investment properties are analysed as follows:

	THE GROUP	
	2007	2006
	HK\$'000	HK\$'000
Situated in Hong Kong held under medium-term leases	5,562	13,870
Situated outside Hong Kong held under medium-term leases	26,774	–
Situated outside Hong Kong held under long leases	6,377	7,000
	38,713	20,870

At October 31, 2007, investment properties of the Group with a carrying value of HK\$5,562,000 (2006: HK\$13,870,000) situated in Hong Kong and certain investment properties with a carrying value of HK\$26,774,000 (2006: nil) situated outside Hong Kong were pledged for credit facilities granted to the Group (Note 40).

17. PROPERTY, PLANT AND EQUIPMENT

	Buildings situated in Hong Kong HK\$'000	Land and buildings situated outside Hong Kong HK\$'000	Leasehold im- provements HK\$'000	Furniture, fixtures and office equipment HK\$'000	Tools, machinery, factory equipment and fittings HK\$'000	Motor vehicles HK\$'000	Operating supplies HK\$'000	Total HK\$'000
THE GROUP								
COST								
At November 1, 2005	22,527	208,524	24,610	94,690	77,473	17,643	22,214	467,681
Exchange adjustments	-	13,365	348	2,560	4,092	813	258	21,436
Additions	12,218	283	2,995	8,728	10,466	5,304	6,020	46,014
Disposal	-	(2,841)	(1,627)	(13,944)	(36,549)	(3,901)	(240)	(59,102)
Reclassifications (Note 16)	-	1,002	(5)	5	-	-	-	1,002
At October 31, 2006	34,745	220,333	26,321	92,039	55,482	19,859	28,252	477,031
Exchange adjustments	-	13,237	426	3,463	2,238	975	693	21,032
Additions	-	6,047	2,279	11,298	7,451	4,398	7,660	39,133
Disposal of subsidiaries (Note 39)	-	-	-	(157)	(4,713)	(345)	-	(5,215)
Disposal	(5,003)	-	(914)	(4,107)	(10,331)	(4,343)	(1,188)	(25,886)
Reclassifications	-	-	-	57	(340)	-	283	-
At October 31, 2007	29,742	239,617	28,112	102,593	49,787	20,544	35,700	506,095
DEPRECIATION AND IMPAIRMENT								
At November 1, 2005	(3,746)	(53,344)	(21,821)	(77,900)	(63,399)	(10,558)	(14,141)	(244,909)
Exchange adjustments	-	(2,360)	(295)	(1,841)	(2,567)	(464)	(177)	(7,704)
Provided for the year	(443)	(5,468)	(1,456)	(6,718)	(5,786)	(2,741)	(3,167)	(25,779)
Eliminated on disposal	-	2,756	1,477	13,143	35,453	3,717	155	56,701
At October 31, 2006	(4,189)	(58,416)	(22,095)	(73,316)	(36,299)	(10,046)	(17,330)	(221,691)
Exchange adjustments	-	(4,279)	(304)	(3,003)	(1,397)	(403)	(417)	(9,803)
Provided for the year	(842)	(5,645)	(1,923)	(8,078)	(6,691)	(3,232)	(4,731)	(31,142)
Elimination on disposal of subsidiaries (Note 39)	-	-	-	45	1,558	119	-	1,722
Eliminated on disposal	1,256	-	632	3,333	7,204	3,490	894	16,809
Reclassifications	-	-	-	(31)	336	-	(305)	-
At October 31, 2007	(3,775)	(68,340)	(23,690)	(81,050)	(35,289)	(10,072)	(21,889)	(244,105)
CARRYING AMOUNT								
At October 31, 2007	25,967	171,277	4,422	21,543	14,498	10,472	13,811	261,990
At October 31, 2006	30,556	161,917	4,226	18,723	19,183	9,813	10,922	255,340

The carrying amount of property, plant and equipment includes an amount of approximately HK\$6,699,000 (2006: HK\$9,045,000) in respect of assets held under finance lease obligations.

At October 31, 2007, certain equipments with carrying amount of HK\$2,605,000 (2006: HK\$1,361,000) were pledged for credit facilities granted to the Group (Note 40).

Included under land and buildings situated outside Hong Kong with carrying amount of HK\$134,349,000 (2006: HK\$128,103,000) as at October 31, 2007 was stated based on a lease period of 60 years. The Group has yet to meet the condition to build up to a minimum plot ratio but has been granted an extension to November 30, 2009 by the landlord to do so. The lease term may be prorated to 35 years if the Group is unable to meet the minimum plot ratio requirements by the due date.

The Group has obtained provisional permission from the relevant authority in August 2007 on the proposed erection of a 10-storey light industrial building extension and additions and alterations to the existing building. This proposal will enable the Group to meet the minimum plot ratio requirements as stipulated by the landlord. Based on the project schedule, the Directors are confident that the construction will be completed before November 30, 2009 to avoid having its lease term prorated to 35 years.

17. PROPERTY, PLANT AND EQUIPMENT – continued

The carrying amount of land and buildings comprises:

	THE GROUP	
	2007	2006
	HK\$'000	HK\$'000
Situated in Hong Kong held under:		
Long leases	3,978	4,177
Medium-term leases	21,989	26,379
	25,967	30,556
Situated outside Hong Kong held under:		
Freehold	17,211	16,066
Long leases	1,380	1,352
Medium-term leases	150,567	140,699
Short leases	2,119	3,800
	171,277	161,917

At October 31, 2007, certain buildings situated in Hong Kong under medium-term lease with carrying amount of HK\$11,915,000 (2006: HK\$20,226,000) and certain land and buildings situated outside Hong Kong under freehold and medium-term lease with carrying amount of HK\$15,949,000 (2006: HK\$14,874,000) and HK\$4,574,000 (2006: HK\$128,103,000) respectively were pledged for credit facilities granted to the Group (Note 40).

18. PREPAID LAND LEASE PAYMENTS

	THE GROUP	
	2007	2006
	HK\$'000	HK\$'000
At beginning of year	88,486	87,474
Exchange adjustments	1,253	333
Additions	6,457	–
Amortisation of prepaid land lease payments	(1,736)	(1,659)
Reclassification (Note 16)	–	2,338
Disposal	(35,474)	–
At end of year	58,986	88,486

At October 31, 2007, certain leasehold land situated in Hong Kong with a carrying amount of HK\$4,281,000 (2006: HK\$50,106,000) and certain leasehold land situated outside Hong Kong with a carrying amount of HK\$6,316,000 (2006: nil) were pledged for credit facilities granted to the Group (Note 40).

18. PREPAID LAND LEASE PAYMENTS – continued

The Group's interests in leasehold land represent prepaid operating lease payments and their carrying amounts are analysed as follows:

	THE GROUP	
	2007	2006
	HK\$'000	HK\$'000
Situated in Hong Kong held under:		
Long leases	19,660	19,731
Medium-term leases (Note (i))	23,725	60,522
	43,385	80,253
Situated outside Hong Kong held under:		
Long leases	3,542	3,444
Medium-term leases (Note (ii))	12,059	4,789
	15,601	8,233

Notes:

- (i) Included under medium-term leases for land situated in Hong Kong with carrying amount of HK\$14,444,000 (2006: HK\$14,810,000) as at October 31, 2007 was leased from Hong Kong Science and Technology Parks Corporation for a term up to June 27, 2047.
- (ii) Included under medium-term leases for land situated outside Hong Kong, comprise land use rights from October 5, 1998 to October 4, 2023 with carrying amount of HK\$4,001,000 (2006: HK\$3,955,000) as at October 31, 2007 registered in the name of a third party over a plot of land of approximately 1,800 square metres at Pinangsia Business Park in West Java, Indonesia. The title to the land has yet to be issued by the relevant Government authorities which can be expected only when plans for development are submitted to and approved by the relevant Government authorities. The plan to construct a commercial building on the property has been deferred.

19. INTERESTS IN SUBSIDIARIES

	THE COMPANY	
	2007	2006
	HK\$'000	HK\$'000
Unlisted shares, at cost	66,394	66,394

Particulars of the Company's principal subsidiaries at October 31, 2007 are set out in Note 48.

20. INTANGIBLE ASSETS

	Goodwill HK\$'000	THE GROUP Other intangible assets HK\$'000	Total HK\$'000
Cost:			
At November 1, 2005	4,732	–	4,732
Elimination of accumulated amortisation upon the adoption of HKFRS3	(1,202)	–	(1,202)
Exchange differences	42	–	42
At October 31, 2006 and at November 1, 2006	3,572	–	3,572
Additions	–	10,478	10,478
Exchange differences	40	–	40
At October 31, 2007	3,612	10,478	14,090
Accumulated impairment losses/amortisation:			
At November 1, 2005	(1,202)	–	(1,202)
Elimination of accumulated amortisation upon the adoption of HKFRS3	1,202	–	1,202
At October 31, 2006, at November 1, 2006 and at October 31, 2007	–	–	–
Carrying amount:			
At October 31, 2007	3,612	10,478	14,090
At October 31, 2006	3,572	–	3,572

The Group prepares forecast derived from the most recent financial budget approved by management. The Board of Directors expects that no impairment on the carrying amount of goodwill is necessary at this stage.

The Group carried out reviews of the recoverable amounts of its other intangible assets in 2007, having regard to the market conditions. The discount rate used in measuring value in use was 15%. The patent and game show right are used in the Group's exhibition and event marketing services and conference and show management segments respectively. The Board of Directors expects that no impairment on the carrying amounts of those assets are necessary at this stage. The recoverable amount of the relevant assets has been determined on the basis of their value in use.

21. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	THE GROUP	
	2007 HK\$'000	2006 HK\$'000
Unlisted investments:		
Share of net assets	2,537	–
Loan receivable from a jointly controlled entity (Note)	4,795	–
	7,332	–

Particulars of the Group's principal jointly controlled entities at October 31, 2007 are set out in Note 50.

The following amounts are the Group's share of the jointly controlled entities that are accounted for by the equity method of accounting.

	2007 HK\$'000	2006 HK\$'000
At October 31,		
Current assets	17,311	–
Non-current assets	4,949	–
Current liabilities	(11,445)	–
Non-current liabilities	(8,278)	–
Net assets	2,537	–
Year ended October 31,		
Turnover	15,452	–
Expenses	12,905	–

Note: The loan receivable from a jointly controlled entity is unsecured, interest floating at 2.25% per annum above the base rate of Barclays Bank plc from January 19, 2008 and repayable on July 17, 2012.

22. INTERESTS IN ASSOCIATES

	THE GROUP	
	2007	2006
	HK\$'000	HK\$'000
Unlisted/Listed investments:		
Share of net assets	97,163	84,820
Fair value of listed investment in associates outside Hong Kong	33,612	33,382

Particulars of the Group's principal associates at October 31, 2007 are set out in Note 49.

Summarised financial information in respect of the Group's associates is set out below:

	THE GROUP	
	2007	2006
	HK\$'000	HK\$'000
At October 31,		
Group's share of associates' net assets	97,163	84,820
Total assets	356,762	309,130
Total liabilities	(181,724)	(142,495)
Net assets	175,038	166,635
Year ended October 31,		
Group's share of associates' profit for the year	16,188	15,585
Total revenue	431,238	414,355
Total profit for the year	30,691	35,251

The Group has not recognised losses relating to certain associates where its share of losses exceed the Group's carrying amount of its investment in those associates. The Group's cumulative share of unrecognised losses as at balance sheet date was HK\$3,770,000 (2006: HK\$2,481,000) of which HK\$1,251,000 (2006: HK\$1,524,000) was the share of the losses for the year. The Group had no obligation in respect of these losses.

23. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	THE GROUP	
	2007	2006
	HK\$'000	HK\$'000
Other equity securities, unlisted (Note)	252	284
Other equity securities at fair value, listed in Hong Kong	–	627
Other equity securities at fair value, listed outside Hong Kong	41	38
	293	949

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.

24. INVENTORIES

	THE GROUP	
	2007	2006
	HK\$'000	HK\$'000
Raw materials	9,092	8,556
Finished goods	14,948	11,299
	24,040	19,855

At October 31, 2007, none of inventory (2006: HK\$966,000) was pledged for credit facilities granted to the Group (Note 40).

25. CONTRACT WORK IN PROGRESS

	THE GROUP	
	2007	2006
	HK\$'000	HK\$'000
Contract costs incurred plus recognised profits less recognised losses to date	36,508	68,053
Less: Progress billings	(1,288)	(33,660)
	35,220	34,393
Gross amounts due from customers for contract work	40,340	43,972
Gross amounts due to customers for contract work	(5,120)	(9,579)
	35,220	34,393

In respect of contract work in progress at the balance sheet date, retentions receivable included in trade and other debtors is HK\$1,818,000 (2006: HK\$7,796,000).

26. DEBTORS, DEPOSITS AND PREPAYMENTS

	THE GROUP	
	2007	2006
	HK\$'000	HK\$'000
Trade debtors	456,458	472,069
Other debtors	49,425	29,639
Prepayments and deposits	71,908	87,384
	577,791	589,092

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

26. DEBTORS, DEPOSITS AND PREPAYMENTS – continued

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

	THE GROUP	
	2007 HK\$'000	2006 HK\$'000
0 – 90 days	384,017	409,743
91 – 180 days	39,995	29,998
181 – 365 days	29,066	15,084
More than 1 year	3,380	17,244
	456,458	472,069

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

	Hong Kong		Singapore		Others HK\$'000	Total HK\$'000
	dollars HK\$'000	US dollars HK\$'000	RMB HK\$'000	dollars HK\$'000		
At October 31, 2007	160,478	33,094	110,537	63,628	88,721	456,458
At October 31, 2006	98,517	66,923	95,556	106,918	104,155	472,069

At October 31, 2007, approximately HK\$16,897,000 (2006: HK\$14,069,000) of trade debtors were pledged to a bank to secure trust receipt loans (Note 40).

At October 31, 2007, an allowance was made for estimated irrecoverable trade debtors of approximately HK\$31,943,000 (2006: HK\$32,562,000).

Included in "Other debtors" is an amount of approximately HK\$11,988,000 (2006: HK\$16,654,000) due from an investee company which is unsecured, non-interest bearing and has no fixed terms of repayment.

27. AMOUNTS DUE FROM (TO) SUBSIDIARIES AND ASSOCIATES

The amounts due from (to) subsidiaries and associates are unsecured, non-interest bearing and have no fixed terms of repayment.

At October 31, 2007, an allowance was made for doubtful debt for amounts due from associates of approximately HK\$4,324,000 (2006: HK\$5,801,000).

28. AMOUNTS DUE FROM JOINTLY CONTROLLED ENTITIES

The amounts due from jointly controlled entities are unsecured and non-interest bearing. Certain amount due from a jointly controlled entity is repayable within 12 months and the remaining balances have no fixed terms of repayment.

29. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	THE GROUP	
	2007	2006
	HK\$'000	HK\$'000
Other equity securities at fair value, listed outside Hong Kong	–	1,493

The above financial assets are held for trading.

30. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCES

The carrying amounts of the Group's bank and cash balances are denominated in the following currencies:

At October 31, 2007

	Hong Kong		RMB	Singapore	Others	Total
	dollars	US dollars	(Note)	dollars		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Bank and cash balances	74,373	46,082	122,007	27,990	74,210	344,662
Short-term deposits	–	54,731	18,680	3,677	58,778	135,866
Pledged bank deposits	74,373	100,813	140,687	31,667	132,988	480,528
	–	(8,026)	–	–	(676)	(8,702)
Bank and cash balances	74,373	92,787	140,687	31,667	132,312	471,826

At October 31, 2006

	Hong Kong		RMB	Singapore	Others	Total
	dollars	US dollars	(Note)	dollars		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Bank and cash balances	21,684	35,448	93,159	18,917	41,817	211,025
Short-term deposits	3,132	63,707	28	16,671	43,033	126,571
Pledged bank deposits	24,816	99,155	93,187	35,588	84,850	337,596
	–	(7,903)	–	–	(661)	(8,564)
Bank and cash balances	24,816	91,252	93,187	35,588	84,189	329,032

The effective interest rate on short-term bank deposits range from 0.83% to 5.70% per annum (2006: 0.10% to 8.95% per annum), these deposits have maturity range from 1 day to 365 days (2006: 7 days to 32 days) and are subject to foreign currency risk and fair value interest rate risk. The Group's pledged bank deposits represented deposits pledged to banks to secure banking facilities granted to the Group as set out in Note 40 to the financial statements.

Note: Included in the bank and cash balances of the Group, HK\$140,687,000 (2006: HK\$93,187,000) were denominated in RMB, which was not freely convertible to other currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

31. CREDITORS AND ACCRUED CHARGES

	THE GROUP	
	2007	2006
	HK\$'000	HK\$'000
Trade creditors	204,419	258,248
Accrued charges	291,652	221,575
Other creditors	2,558	3,682
	498,629	483,505

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

	2007	2006
	HK\$'000	HK\$'000
0 – 90 days	156,998	228,695
91 – 180 days	33,726	17,059
181 – 365 days	6,269	5,917
More than 1 year	7,426	6,577
	204,419	258,248

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

	Hong Kong		Singapore		Others	Total
	dollars	US dollars	RMB	dollars		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At October 31, 2007	75,821	3,078	77,076	15,002	33,442	204,419
At October 31, 2006	42,981	16,838	73,390	82,529	42,510	258,248

32. BORROWINGS

	THE GROUP	
	2007 HK\$'000	2006 HK\$'000
Borrowings comprise the following:		
Bank loans	47,547	38,904
Bank overdrafts	1,550	–
	49,097	38,904
The borrowings are repayable as follows:		
On demand or within one year	29,991	22,575
In the second year	8,768	3,868
In the third to fifth years, inclusive	8,276	7,874
More than five years	2,062	4,587
	49,097	38,904
Less: Amounts due within one year shown under current liabilities	(29,991)	(22,575)
Amounts due for settlement after one year	19,106	16,329

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

At October 31, 2007

	Hong Kong	Singapore	Canadian			Total HK\$'000
	dollars HK\$'000	dollars HK\$'000	RMB HK\$'000	dollars HK\$'000	Others HK\$'000	
Bank loans	4,384	8,963	15,854	18,066	280	47,547
Bank overdrafts	–	–	–	–	1,550	1,550
	4,384	8,963	15,854	18,066	1,830	49,097

At October 31, 2006

	Hong Kong	Singapore	Canadian			Total HK\$'000
	dollars HK\$'000	dollars HK\$'000	RMB HK\$'000	dollars HK\$'000	Others HK\$'000	
Bank loans	1,368	14,616	22,647	–	273	38,904

The Group's bank loans of HK\$280,000 (2006: HK\$273,000) carry fixed interest rates at 1.74% per annum over a period of up to 1 year on rollover basis (2006: 2% per annum) and expose the Group to fair value interest rate risk. And the Group's bank loans of HK\$47,267,000 (2006: HK\$38,631,000) carry floating interest rates range from 3.50% to 7.18% (2006: 3.62% to 6.03%), thus exposing the Group to cash flow interest rate risk. Bank loans of HK\$27,309,000 (2006: HK\$31,223,000) and bank overdrafts are secured by a charge over the Group's assets (Note 40).

33. FINANCE LEASE OBLIGATIONS

	THE GROUP			
	Minimum lease payments		Present value of minimum lease payments	
	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Amounts payable under finance leases:				
Within one year	2,100	1,913	1,861	1,688
In the second to fifth years inclusive	3,862	4,378	3,466	3,909
	5,962	6,291	5,327	5,597
Less: Future finance charges	(635)	(694)	N/A	N/A
Present value of finance lease obligations	5,327	5,597	5,327	5,597
Less: Amounts due within one year shown under current liabilities			(1,861)	(1,688)
Amounts due for settlement after one year			3,466	3,909

It is the Group's practice to lease certain of its fixtures and equipment under finance leases. The average lease term is three years. For the year ended October 31, 2007, the average effective borrowing rate was 5.60% (2006: 4.30%) per annum. Interest rates are fixed at the contract date and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's finance lease obligations are secured by the lessor's title to the leased assets.

34. SHARE CAPITAL

	Number of shares		Share capital	
	2007	2006	2007	2006
			HK\$'000	HK\$'000
Ordinary shares of HK\$0.05 each (2006: HK\$0.05 each):				
Authorised:				
At beginning of 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 end of year	2,400,000,000	2,400,000,000	120,000	120,000

34. SHARE CAPITAL – continued

	Number of shares		Share capital	
	2007	2006	2007 HK\$'000	2006 HK\$'000
Issued and fully paid:				
At beginning of year	1,190,294,104	570,463,252	59,515	57,046
Exercise of share options (Note)	5,128,000	5,218,800	256	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 end of year	1,195,422,104	1,190,294,104	59,771	59,515

Note: During the year, 720,000, 720,000, 1,680,000, 1,992,000 and 16,000 shares were issued at HK\$0.302, HK\$0.160, HK\$0.626, HK\$2.10 and HK\$2.184 per share respectively as a result of the exercise of share options of the Company.

35. SHARE-BASED PAYMENTS

On January 7, 2002, ordinary resolutions were passed by shareholders at an Extraordinary General Meeting to approve the adoption of New Share Option Scheme (the "Scheme"). Under the 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 10% of the issued share capital of the Company as at the date of adoption of the Scheme. 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.

(a) Details of the specific categories of options are as follows:

	Date of grant	Vesting date	Exercise period	Exercise price HK\$
2001	14-Jan-02	14-Jan-02	14.2.2002 – 14.1.2007	0.302
2002	3-Mar-03			
1st tranche		4-Mar-03	4.3.2003 – 3.3.2008	0.160
2nd tranche		3-Sep-03	3.9.2003 – 3.3.2008	0.160
3rd tranche		3-Mar-04	3.3.2004 – 3.3.2008	0.160
4th tranche		3-Sep-04	3.9.2004 – 3.3.2008	0.160
2004A	17-May-05			
1st tranche		18-May-05	18.5.2005 – 17.5.2010	0.626
2nd tranche		1-Nov-05	1.11.2005 – 17.5.2010	0.626
3rd tranche		2-May-06	2.5.2006 – 17.5.2010	0.626
4th tranche		1-Nov-06	1.11.2006 – 17.5.2010	0.626

35. SHARE-BASED PAYMENTS – continued

(a) Details of the specific categories of options are as follows: – continued

	Date of grant	Vesting date	Exercise period	Exercise price HK\$
2004B	25-Jul-05	26-Jul-05	26.7.2005 – 25.7.2010	0.855
2005A	14-Dec-05	15-Dec-05	15.12.2005 – 14.12.2010	0.986
2005B	16-May-06			
1st tranche		17-May-06	17.5.2006 – 16.5.2011	2.100
2nd tranche		1-Nov-06	1.11.2006 – 16.5.2011	2.100
3rd tranche		2-May-07	2.5.2007 – 16.5.2011	2.100
4th tranche		1-Nov-07	1.11.2007 – 16.5.2011	2.100
2005C	29-Aug-06	30-Aug-06	30.8.2006 – 29.8.2011	1.630
2006A	21-May-07			
1st tranche		22-May-07	22.5.2007 – 21.5.2012	2.184
2nd tranche		1-Nov-07	1.11.2007 – 21.5.2012	2.184
3rd tranche		2-May-08	2.5.2008 – 21.5.2012	2.184
4th tranche		3-Nov-08	3.11.2008 – 21.5.2012	2.184
2006B	28-Aug-07			
1st tranche		29-Aug-07	29.8.2007 – 28.8.2012	2.350
2nd tranche		1-Nov-07	1.11.2007 – 28.8.2012	2.350
3rd tranche		2-May-08	2.5.2008 – 28.8.2012	2.350
4th tranche		3-Nov-08	3.11.2008 – 28.8.2012	2.350

If the options remain unexercised after a period of five years from the date of grant, the options will expire. Options are forfeited if the employee leaves the Group before the options vest.

(b) Details of the share options outstanding during the year are as follows:

	2007		2006	
	Number of share options	Weighted average exercise price HK\$	Number of share options	Weighted average exercise price HK\$
Outstanding at beginning of year	23,770,000	1.09	10,178,800	1.35
Granted during the year	4,758,000	2.19	9,624,000	1.90
Addition due to adjustment for the Share Subdivision	–	–	9,984,000	0.79
Forfeited during the year	(334,000)	2.13	(798,000)	0.74
Exercised during the year	(5,128,000)	1.09	(5,218,800)	1.05
Outstanding at end of year	23,066,000	1.30	23,770,000	1.09
Exercisable at end of year	18,856,000	1.11	19,140,000	0.98

35. SHARE-BASED PAYMENTS – continued

(b) Details of the share options outstanding during the year are as follows: – continued

The weighted average share price at the date of exercise for share options exercised during the year was HK\$1.700. The options outstanding at end of year have a weighted average remaining contractual life of up to 5 years (2006: up to 5 years) and the exercise prices range from HK\$0.855 to HK\$2.350 (2006: HK\$0.160 to HK\$2.100). In 2007, options were granted on May 21, 2007 and August 28, 2007. The estimated fair values per option range from HK\$0.590 to HK\$0.639. In 2006, options were granted on December 14, 2005, May 16, 2006 and August 29, 2006. The estimated fair values per option range from HK\$0.002 to HK\$0.351.

These fair values were calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

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%	HK\$1.240	2.377%	12.04%
3rd Tranche	HK\$0.626	1.0 year	44.35%	HK\$1.240	2.611%	12.04%
4th Tranche	HK\$0.626	1.5 years	44.35%	HK\$1.240	2.783%	12.04%
July 25, 2005	HK\$0.855	0.5 year	44.65%	HK\$1.710	2.970%	8.73%
December 14, 2005	HK\$0.986	0.5 year	44.65%	HK\$1.880	3.680%	12.71%
May 16, 2006						
1st Tranche	HK\$2.100	0.0 year	47.13%	HK\$2.025	3.491%	7.37%
2nd Tranche	HK\$2.100	0.5 year	47.13%	HK\$2.025	3.890%	7.37%
3rd Tranche	HK\$2.100	1.0 year	47.13%	HK\$2.025	4.078%	7.37%
4th Tranche	HK\$2.100	1.5 years	47.13%	HK\$2.025	4.187%	7.37%
August 29, 2006	HK\$1.630	0.5 year	48.65%	HK\$1.630	3.640%	10.08%
May 21, 2007	HK\$2.184	2.5 years	47.01%	HK\$2.170	4.008%	3.23%
August 28, 2007	HK\$2.350	2.5 years	45.93%	HK\$2.350	4.004%	2.98%

Expected volatility was determined by calculating 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 estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

The Group recognised the total expenses of HK\$2,191,000 for year ended October 31, 2007 (2006: HK\$1,617,000) in relation to share options granted by the Company.

36. RESERVES

(a) Nature and purpose of reserves

(i) *Share premium*

Under the Companies Law (Revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) *Capital redemption reserve*

The capital redemption reserve represents the nominal amount of share capital repurchased through the Stock Exchange and cancelled by the Company. The issued share capital was reduced by the nominal value thereof and transfer to the capital redemption reserve upon cancellation of the repurchased shares.

(iii) *Capital reserve*

The capital reserve of the Group represents the difference between the nominal amounts of the share capital issued by the Company in exchange for the nominal amount of the share capital of its subsidiaries at the date of reorganisation.

(iv) *Investment revaluation reserve*

The investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale financial assets held at the balance sheet date and is dealt with in accordance with the accounting policy in Note 3 to the financial statements.

(v) *Equity-settled share-based payment reserve*

The fair value of the actual or estimated number of share options granted to Directors of the Company and employees of the Group recognised in accordance with the accounting policy adopted for share-based payment in Note 3 to the financial statements.

(vi) *Legal reserve*

The legal reserve of the Group represents the transfer from the retained earnings of the Company's subsidiaries as required by respective local laws and regulations.

(vii) *Translation reserve*

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 3 to the financial statements.

(viii) *Special reserve*

The special reserve of the Company represents the difference between the nominal amount of the share capital issued by the Company and the book value of the underlying consolidated net assets of subsidiaries acquired by the Company at the date of reorganisation.

36. RESERVES – continued

(b) The Company

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Equity- settled share-based payment reserve HK\$'000	Special reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At November 1, 2005	608,755	753	1,258	50,594	32,757	694,117
Shares issued at premium	5,117	–	–	–	–	5,117
Placement of shares	82,950	–	–	–	–	82,950
Share issue expenses paid	(3,071)	–	–	–	–	(3,071)
Recognition of equity-settled share-based payment	–	–	1,617	–	–	1,617
Exercise of equity-settled share-based payment	335	–	(335)	–	–	–
Profit for the year	–	–	–	–	25,738	25,738
2005 final and special dividends	–	–	–	–	(97,344)	(97,344)
2006 interim dividend	–	–	–	–	(23,806)	(23,806)
At October 31, 2006	694,086	753	2,540	50,594	(62,655)	685,318
Representing:						
2006 final dividends proposed					41,807	
Others					(104,462)	
Retained earnings at October 31, 2006					(62,655)	
At November 1, 2006	694,086	753	2,540	50,594	(62,655)	685,318
Shares issued at premium	5,346	–	–	–	–	5,346
Recognition of equity-settled share-based payment	–	–	2,191	–	–	2,191
Exercise of equity-settled share-based payment	641	–	(641)	–	–	–
Profit for the year	–	–	–	–	59,126	59,126
2006 final dividend	–	–	–	–	(41,807)	(41,807)
2007 interim dividend	–	–	–	–	(41,839)	(41,839)
At October 31, 2007	700,073	753	4,090	50,594	(87,175)	668,335
Representing:						
2007 final dividend proposed					41,867	
Others					(129,042)	
Retained earnings at October 31, 2007					(87,175)	

37. DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities (assets) recognised by the Group and movements thereon during the current and prior reporting periods:

	Accelerated tax depreciation <i>HK\$'000</i>	Revaluation of properties <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
At November 1, 2005	3,849	6,920	768	11,537
Exchange adjustments	137	588	–	725
Charge (credit) to income statement (Note 11)	1,115	–	(1,264)	(149)
At October 31, 2006	5,101	7,508	(496)	12,113
Exchange adjustments	943	(1,931)	996	8
Charge (credit) to income statement (Note 11)	(397)	829	(703)	(271)
At October 31, 2007	5,647	6,406	(203)	11,850

At October 31, 2007, the Group has unused tax losses of approximately HK\$74,235,000 (2006: HK\$66,546,000), available to offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are HK\$57,282,000 (2006: HK\$60,456,000) may be carried forward indefinitely, the remaining balances will be expired within 5 years.

38. RECONCILIATION OF PROFIT BEFORE TAX TO CASH FLOWS FROM OPERATIONS

	2007 HK\$'000	2006 HK\$'000
Profit before tax	190,883	177,278
Adjustments for:		
Interest expenses	2,850	2,849
Finance charges in respect of finance lease obligations	306	193
Interest income	(8,264)	(5,442)
Depreciation	31,142	25,779
Amortisation of prepaid land lease payments	1,736	1,659
Net gain on disposal of property, plant and equipment, investment properties and prepaid land lease payments	(7,672)	(725)
Increase in fair value of investment properties	(7,105)	(10)
Gain on disposal of subsidiaries	(7,206)	(19)
Allowance for amount due from investee company and bad and doubtful debts	17,851	18,032
Impairment on club membership	38	326
Net loss on disposal of financial assets	1,110	–
Share of profits of associates	(16,188)	(15,585)
Share of profits of jointly controlled entities	(2,527)	–
Equity-settled share-based payment expenses	2,191	1,617
Operating profit before changes in working capital	199,145	205,952
(Increase) decrease in inventories	(4,075)	2,406
Increase in contract work in progress	(248)	(11,355)
Decrease (increase) in amounts due from associates	8,471	(11,683)
Increase in amounts due from jointly controlled entities	(9,602)	–
Decrease (increase) in debtors, deposits and prepayments	17,928	(144,934)
Increase in payments received on account	23,393	16,837
(Decrease) increase in creditors and accrued charges	(10,395)	9,890
(Decrease) increase in amounts due to associates	(550)	168
Cash flows from operations	224,067	67,281

39. DISPOSAL OF SUBSIDIARIES

	2007 HK\$'000	2006 HK\$'000
Net Assets (Liabilities) disposed of:		
Property, plant and equipment (Note 17)	3,493	–
Debtors, deposits and prepayments	1,968	–
Current tax assets	58	–
Bank and cash balances	362	–
Payments received on account	(165)	–
Creditors and accrued charges	(1,256)	(19)
Amounts due to group companies	(4,058)	–
Current tax liabilities	(34)	–
Translation reserve	221	–
	589	(19)
Gain on disposal of subsidiaries	7,206	19
	7,795	–
Satisfied by:		
Cash consideration	7,795	–

Analysis of net inflow of cash and cash equivalents in connection with the disposal of subsidiaries:

	2007 HK\$'000	2006 HK\$'000
Cash consideration received	7,795	–
Bank and cash balances disposed of	(362)	–
	7,433	–

The subsidiaries disposed of have no significant impact on the turnover, results and cash flows of the Group during the year.

40. PLEDGE OF ASSETS

At October 31, 2007 the following assets were pledged as collaterals for credit facilities granted to the Group by certain banks.

	THE GROUP	
	2007	2006
	HK\$'000	HK\$'000
Pledged bank deposits	8,702	8,564
Freehold land and buildings	15,949	14,874
Leasehold land	10,597	50,106
Leasehold buildings	16,489	148,329
Investment properties	32,336	13,870
Trade debtors	16,897	14,069
Inventories	–	966
Equipment	2,605	1,361
	103,575	252,139

41. CAPITAL COMMITMENTS

	THE GROUP	
	2007	2006
	HK\$'000	HK\$'000
Capital expenditure in respect of property, plant and equipment		
– contracted but not provided for	2,642	–
– authorised but not contracted for	5,467	–
	8,109	–

The Company did not have any other significant capital commitments at October 31, 2007.

42. OPERATING LEASE COMMITMENTS

The Group as lessee

At the balance sheet date, the total future minimum lease payments under non-cancellable operating leases in respect of rented premises and equipment are payable as follows:

	THE GROUP			
	2007		2006	
	Rented premises HK\$'000	Equipment HK\$'000	Rented premises HK\$'000	Equipment HK\$'000
Within one year	17,463	307	12,028	438
In the second to fifth year inclusive	44,820	327	31,813	141
Over five years	86,545	–	75,652	–
	148,828	634	119,493	579

42. OPERATING LEASE COMMITMENTS – continued

The Group as lessee – continued

Operating lease payments mainly represent three (2006: three) rentals payable by the Group for its offices. Leases are ranged between five years to sixty years and rentals are fixed over the lease terms and do not include contingent rentals.

At October 31, 2007, the Company had no other significant commitments under non-cancellable operating leases.

The Group as lessor

At the balance sheet date, the Group's total future minimum lease payments under non-cancellable operating lease are receivable as follows:

	THE GROUP	
	2007	2006
	HK\$'000	HK\$'000
Within one year	4,774	378
In the second to fifth year inclusive	5,301	–
	10,075	378

43. CONTINGENT LIABILITIES

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 is 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 February 2008. 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.

43. CONTINGENT LIABILITIES – continued

Financial Guarantees issued

At October 31, 2007, the Group has issued the following guarantees:

	THE GROUP		THE COMPANY	
	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Guarantees given to banks in respect of banking facilities granted to				
– subsidiaries	–	–	509,351	443,473
– associates	17,000	4,000	–	–
– investee company	4,000	4,000	–	–
	21,000	8,000	509,351	443,473

Guarantees amounting at HK\$13,000,000 are provided to secure for banking facilities jointly and severally used by an associate and a subsidiary of the Group.

Performance guarantees				
– secured	6,158	10,851	–	–
– unsecured	4,596	5,624	–	–
	10,754	16,475	–	–
Other guarantees				
– unsecured	1,167	6,704	–	–

At October 31, 2007, the Directors do not consider it is probable that a claim will be made against the Group under any of the above guarantees.

The fair value of the guarantees at date of inception is not material and is not recognised in the financial statements.

44. RETIREMENT BENEFITS SCHEME

The Group operates a defined contribution retirement benefits scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in funds under the control of the trustees.

The retirement benefits scheme's cost charged to income statement represents contributions payable to the funds by the Group at rates specified in the rules of scheme. Where there are employees who leave the scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

At the balance sheet date, the total amount of forfeited contributions, which arose upon employees leaving the retirement benefits scheme and which are available to reduce the contributions payable by the Group was approximately HK\$105,000 (2006: HK\$118,000).

This scheme has now been closed to new employees in Hong Kong as consequence of the new Mandatory Provident Fund Pension Legislation introduced by the Hong Kong Government. New staff in Hong Kong joining the Group after December 1, 2000 are required to join the Mandatory Provident Fund.

All Hong Kong staff employed by the Group before December 1, 2000 have been offered to join the Mandatory Provident Fund or remain under the Group's retirement benefits scheme. The Group and the employees contribute the same amount of 5% of the monthly remunerations up to HK\$1,000 per month to the Mandatory Provident Fund.

45. RELATED PARTY TRANSACTIONS

(a) In addition to those related party transactions and balances disclosed elsewhere in the financial statements, the Group had the following transactions with its associates and related parties during the year:

Year ended October 31, 2007

	Exhibition income HK\$'000	Sub- contracting fee paid HK\$'000	Manage- ment fee income HK\$'000	Property rental income HK\$'000	Consultancy fee paid HK\$'000	Rental expenses HK\$'000	Others HK\$'000	Receivables HK\$'000	Payables HK\$'000
Associates (Note)	5,943	6,024	6,975	585	1,672	2,818	826	20,298	7,501
Related companies	-	-	-	-	-	-	86	9	-

Year ended October 31, 2006

	Exhibition income HK\$'000	Sub- contracting fee paid HK\$'000	Manage- ment fee income HK\$'000	Property rental income HK\$'000	Consultancy fee paid HK\$'000	Rental expenses HK\$'000	Others HK\$'000	Receivables HK\$'000	Payables HK\$'000
Associates (Note)	19,597	5,079	7,471	298	776	-	310	17,974	1,580
Related companies	-	-	-	-	-	-	70	11	-

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

45. RELATED PARTY TRANSACTIONS – continued

(b) Compensation of key management personnel (including Executive Directors) of the Group during the year:

	2007 HK\$'000	2006 HK\$'000
Salaries, bonus, allowances and benefits in kind	25,474	22,234
Group's contributions to retirement scheme	153	178
Share-based payment	2,029	1,016
	27,656	23,428

46. COMPARATIVE FIGURES

Certain comparative figures have 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.

47. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Board of Directors on January 23, 2008.

48. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries as at October 31, 2007 are as follows:

Name	Place of incorporation or registration/ operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
Albert Smith (China) Company Limited	Hong Kong	HK\$10,000	80	Trading and manufacturing of signage
Albert Smith Signs (Shanghai) Co., Ltd*	The PRC	US\$700,000	80	Signs manufacturing, design and consultation
Beijing Pico Exhibition Services Co., Ltd. ***	The PRC	US\$1,897,000	100	Exhibition construction
BizArt Asia Limited	Hong Kong	HK\$100	76	Business of entertainment, video production and facility research services

48. PARTICULARS OF PRINCIPAL SUBSIDIARIES – continued

Name	Place of incorporation or registration/ operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
BizArts Creative Pte Ltd	Singapore	S\$300,000	100	Providing entertainment, video production and facility research service and acting as exhibition fair and convention organisers
Chongqing Nanping Convention & Exhibition Centre Management Co., Ltd *	The PRC	RMB10,000,000	70	Management and leasing of exhibition halls including organising of exhibitions and events
Chongqing Pico Exhibition Services Co. Ltd ***	The PRC	RMB1,000,000	100	Provision of services relating to exhibitions and trade fairs
Décor International Pte Ltd	Singapore	S\$400,000	100	Investment holding
Expoman Limited	Hong Kong	HK\$2	100	Trading and rental of computer equipment
GMC Hong Kong Ltd	Hong Kong	HK\$10	100	Exhibition construction and interior renovation
Guangzhou Pico Exhibition Services Co., Ltd ***	The PRC	HK\$5,000,000	100	Exhibition construction
HIECC Management Company Limited	Vietnam	US\$3,700,000	65 (Note)	Management of an exhibition and convention centre No. 446 Hoang Van Thu St. Ward 4. Tan Binh District, Ho Chi Minh City Management and leasing of exhibition halls including organising of exhibitions and events
Intertrade Lanka Management (Pvt) Limited	Sri Lanka	RS8,472,500	100	Management of exhibitions and convention centre

48. PARTICULARS OF PRINCIPAL SUBSIDIARIES – continued

Name	Place of incorporation or registration/ operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
Intertrade (Sri Lanka) Pte Ltd	Singapore	S\$2	100	Investment holding
Intertrade (Vietnam) Pte Ltd	Singapore	S\$2	100	Investment holding, provision of services relating to exhibition and trade fairs
MP International (HKG) Limited	Hong Kong	HK\$10,000	100	Meeting, show and exhibitions administration business
MP International Pte Ltd	Singapore	S\$1,500,000	100	Investment holding, provision of services in engaging professional and other personnel in management and organising of conventions, conferences, seminars and management development programmes and courses
Parico Electrical Engineering Sdn. Bhd.	Malaysia	Ringgit Malaysia 100,000	49 (Note)	Electrical specialist and contractor for exhibitions, housing and industries
Pico Art Exhibit, Inc	The USA	US\$1,000	99	Exhibition design and construction
Pico Art International Pte Ltd	Singapore	S\$1,390,000	100	Exhibition designers and fabricators, outdoor advertising contractors, construction and interior design and general advertising agents
Pico Atlanta, Inc	The USA	US\$700,500	100	Exhibition design and construction
Pico Contracts Limited	Hong Kong	HK\$7,600,000	100	Exhibition construction and decoration

48. PARTICULARS OF PRINCIPAL SUBSIDIARIES – continued

Name	Place of incorporation or registration/ operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
Pico Global Services Ltd	Hong Kong	HK\$100	100	Provision of corporate services and exhibition construction
Pico Hong Kong Limited	Hong Kong	HK\$5,000,000	100	Exhibition design, construction and investment holding
Pico IES Group (China) Co., Ltd ***	The PRC	US\$140,000	100	Fabrication of exhibition booths
Pico IES Group Ltd	Hong Kong	HK\$10,000	100	Fabrication of exhibition booths
Pico International (China) Limited	Hong Kong	HK\$10,000	100	Exhibition design, construction and decoration
Pico International (Dubai) LLC	Dubai	–	100	Exhibition design and construction and interior decoration
Pico International (HK) Limited	Hong Kong	HK\$1,000 – ordinary HK\$2,500,000 – non-voting deferred #	100 –	Exhibition design and construction and investment holding
Pico International (M) Sdn. Bhd.	Malaysia	Ringgit Malaysia 896,000	50 (Note)	Exhibition design and construction, events promotion, interior decoration and architecture
Pico International (Macao) Ltd.	Macao	MOP25,000	100	Exhibition construction
Pico International (UK) Limited (formerly known as “Pico Exhibition (UK) Limited”)	United Kingdom	GBP149,808	100	Exhibition design and construction

48. PARTICULARS OF PRINCIPAL SUBSIDIARIES – continued

Name	Place of incorporation or registration/ operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
Pico International, Inc	The USA	US\$1,000	100	Provision of management services and investment holding
Pico International Ltd.	Japan	Yen 10,000,000	100	Exhibition construction and interior renovation
Pico International Taiwan Ltd	Taiwan	NT\$20,000,000	100	Exhibition design and construction
Pico Investments BVI Ltd ##	British Virgin Islands	US\$316	100	Investment holding
Pico North Asia Ltd	South Korea	Won 200,000,000	99	Exhibition design and construction
Pico Theme Projects International Ltd	Macau	MOP25,000	100	Interior design and construction
Shanghai Albert Smith Signs Co., Ltd *	The PRC	US\$720,000	80	Manufacturing of signs
Shanghai Pico Exhibition Services Co., Ltd **	The PRC	US\$848,000	100	Exhibition construction
Shanghai World Expo Bizarts China Co., Ltd *	The PRC	RMB2,000,000	65	Multi-media production and services
Shenzhen Pico Exhibition Services Co., Ltd ***	The PRC	HK\$1,000,000	100	Exhibition construction
Sitiawan Electric Pte Ltd	Singapore	S\$23,876	80	Installation of electrical fittings and lighting for trade and other exhibition
Tinsel Limited ##	British Virgin Islands	US\$10	100	Investment holding
World Image (Middle East) L.L.C.	Dubai	DHM300,000	49 (Note)	Business of interior decoration and exhibition stand fittings and execution

48. PARTICULARS OF PRINCIPAL SUBSIDIARIES – continued

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

The deferred shares, which are not held by the Group, practically carry no rights to dividends or to receive notice of or to attend or vote at any general meeting of the subsidiary or to participate in any distribution on winding up. The subsidiary had been granted an option by the holders of the deferred shares to acquire these shares at a nominal amount.

Except for Tinsel Limited and Pico Investments BVI Ltd, all other subsidiaries are indirectly held by the Company.

Note: These companies are deemed to be subsidiaries of the Company as the Company controls the composition of the board of directors.

* These subsidiaries are Sino-foreign equity joint ventures.

** These subsidiaries are Sino-foreign cooperative joint ventures.

*** These subsidiaries are registered as wholly-foreign owned enterprise under the PRC law.

49. PARTICULARS OF PRINCIPAL ASSOCIATES

Details of the Group's principal associates as at October 31, 2007 are as follows:

Name	Place of incorporation/ operation	Issued and fully paid share capital/ registered capital	Attributable equitable interest of the Group %	Principal activities
Allied Hill Investment Limited	Hong Kong	HK\$10,000	50	Operation of two lounges at the Hong Kong International Airport
Allied Pacific Investment Limited	Hong Kong	HK\$3,000,000	50	Operation of two lounges at the Hong Kong International Airport
International Furniture Fair Singapore Pte Ltd	Singapore	S\$100,000	40	Furniture show exhibitions
Pico (Thailand) Public Company Ltd	Thailand	Baht 114,669,980 ordinary shares Baht 330,000 preferred shares	40	Exhibition designers, fabricators, outdoor advertising contractors and general advertising agents
Xi'an Greenland Pico Int'l Convention and Exhibition Centre Co. Ltd	The PRC	RMB50,000,000	30	Under construction of exhibition hall

49. PARTICULARS OF PRINCIPAL ASSOCIATES – continued

The above table lists the associates of the Group which, in the opinion of the Directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the Directors, result in particulars of excessive length.

50. PARTICULARS OF PRINCIPAL JOINTLY CONTROLLED ENTITIES

Details of the Group's principal jointly controlled entities as at October 31, 2007 are as follows:

Name	Place of incorporation or registration/ operation	Issued and fully paid share capital/ registered capital	Attributable equitable interest of the Group %	Principal activities
Redland Precast Sanderson Pico Ltd	Macau	MOP30,000	33 ¹ / ₃	Construction
Republic Events International Limited	Hong Kong	HK\$100	50	Design and fabrication of exhibition booths
Opus Create Limited	United Kingdom	GBP100	50	Event marketing

The above table lists the jointly controlled entities of the Group which, in the opinion of the Directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other jointly controlled entities would, in the opinion of the Directors, result in particulars of excessive length.

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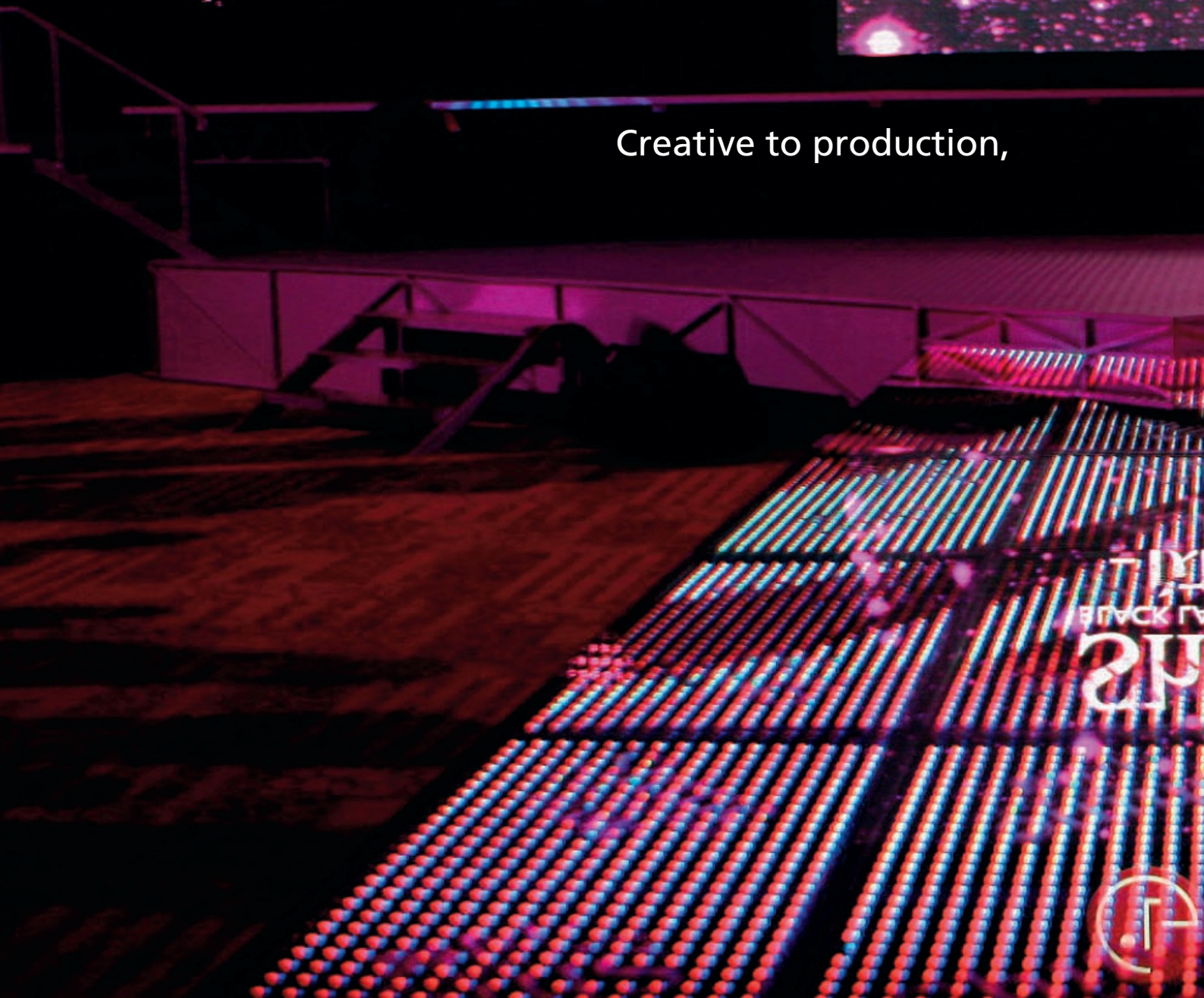




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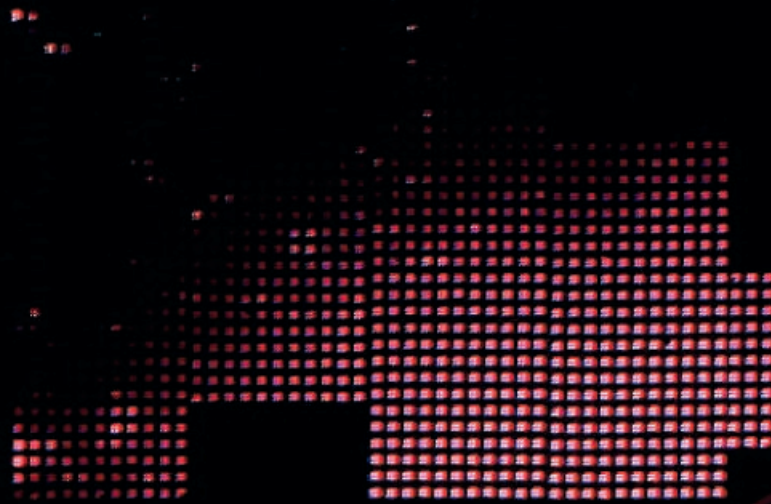
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