

15

Celebrating 15 Years of Listing
and Four Decades of Growth



UNAUDITED INTERIM RESULTS

The Board of Directors (the "Board") of Pico Far East Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended April 30, 2008, together with the unaudited comparative figures for the corresponding period in 2007 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended April 30, 2008

		For the six months ended April 30,	
		2008	2007
	<i>Note</i>	Unaudited HK\$'000	Unaudited HK\$'000
Turnover	2	1,201,864	1,088,007
Cost of sales		(816,125)	(747,670)
Gross profit		385,739	340,337
Other income		19,599	20,060
Distribution costs		(149,222)	(131,119)
Administrative expenses		(153,026)	(130,586)
Other operating expenses		(315)	(565)
Profit from operations		102,775	98,127
Finance costs	3	(1,198)	(1,673)
		101,577	96,454
Share of profits of associates		10,400	8,469
Profit before tax		111,977	104,923
Income tax expense	4	(19,748)	(15,844)
Profit for the period	5	92,229	89,079
Attributable to:			
Equity holders of the Company		81,022	80,270
Minority interests		11,207	8,809
		92,229	89,079
Dividends paid	6	41,867	41,806
EARNINGS PER SHARE	7		
Basic		6.77 cents	6.72 cents
Diluted		6.76 cents	6.70 cents

CONDENSED CONSOLIDATED BALANCE SHEET

At April 30, 2008

	Note	April 30, 2008 Unaudited HK\$'000	October 31, 2007 Audited HK\$'000
Non-current Assets			
Investment properties		40,787	38,713
Property, plant and equipment	8	266,877	261,990
Prepaid land lease payments		59,169	58,986
Intangible assets	8	15,245	14,090
Interests in jointly controlled entities		7,571	7,332
Interests in associates		107,931	97,163
Club membership		5,443	5,430
Available-for-sale financial assets	9	346	293
		503,369	483,997
Current Assets			
Inventories		25,391	24,040
Contract work in progress		35,503	35,220
Debtors, deposits and prepayments	10	630,628	577,791
Amounts due from associates		31,822	20,298
Amounts due from jointly controlled entities		3,055	4,807
Current tax assets		271	305
Pledged bank deposits		8,876	8,702
Bank and cash balances		520,919	471,826
		1,256,465	1,142,989
Current Liabilities			
Payments received on account		184,387	183,768
Creditors and accrued charges	11	566,503	498,629
Amounts due to associates		13,552	7,501
Current tax liabilities		18,933	28,292
Borrowings		14,738	29,991
Finance lease obligations		1,872	1,861
		799,985	750,042

CONDENSED CONSOLIDATED BALANCE SHEET (Cont'd)

At April 30, 2008

	<i>Note</i>	April 30, 2008 Unaudited HK\$'000	October 31, 2007 Audited HK\$'000
Net Current Assets		456,480	392,947
Total Assets Less Current Liabilities		959,849	876,944
Non-current Liabilities			
Borrowings		20,601	19,106
Finance lease obligations		3,012	3,466
Deferred tax liabilities		12,843	11,850
		36,456	34,422
Net Assets		923,393	842,522
Capital and Reserves			
Share capital	12	59,810	59,771
Reserves		789,584	717,182
Equity attributable to equity holders of the Company		849,394	776,953
Minority Interests		73,999	65,569
Total Equity		923,393	842,522

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended April 30, 2008

Attributable to equity holders of the Company

	Share capital		Capital reserve		Investment reserve		Equity-settled share-based payment	Goodwill	Legal reserve	Translation reserve	Retained earnings	Minority interests	Total equity
	capital	premium	reserve	reserve	reserve	reserve	reserve	reserve	reserve	earnings	Total	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, 2007 (Audited)	59,771	700,073	753	(12,080)	-	4,090	(419,083)	5,302	283	437,844	776,953	65,569	842,522
Exchange differences arising on translation of financial statements of overseas operations	-	-	-	-	-	-	-	-	31,244	-	31,244	2,490	33,734
Net income recognised directly in equity	-	-	-	-	-	-	-	-	31,244	-	31,244	2,490	33,734
Profit for the period	-	-	-	-	-	-	-	-	-	81,022	81,022	11,207	92,229
Total recognised income and expense for the period	-	-	-	-	-	-	-	-	31,244	81,022	112,266	13,697	125,963
Shares issued at premium	39	1,591	-	-	-	-	-	-	-	-	1,630	-	1,630
Recognition of equity-settled share-based payment	-	-	-	-	-	585	-	-	-	-	585	-	585
Exercise of equity-settled share-based payment	-	284	-	-	-	(284)	-	-	-	-	-	-	-
Capital contribution from minority interests	-	-	-	-	-	-	-	-	-	-	-	1,863	1,863
Loan from minority interests	-	-	-	-	-	-	-	-	-	-	-	83	83
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(3,552)	(3,552)
Transfer	-	-	-	3,299	-	-	-	(10)	(79)	(3,383)	(173)	173	-
2007 final dividend	-	-	-	-	-	-	-	-	-	(41,867)	(41,867)	-	(41,867)
Dividend distribution to minorities	-	-	-	-	-	-	-	-	-	-	-	(3,834)	(3,834)
At April 30, 2008 (Unaudited)	59,810	701,948	753	(8,781)	-	4,391	(419,083)	5,292	31,448	473,616	849,394	73,999	923,393
Representing:													
2008 interim dividend proposed										41,867			
Others										431,749			
										473,616			

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

For the six months ended April 30, 2007

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

CONDENSED CONSOLIDATED CASHFLOW STATEMENT

For the six months ended April 30, 2008

	For the six months ended April 30,	
	2008 Unaudited HK\$'000	2007 Unaudited HK\$'000
Net cash generated from operating activities	105,385	153,561
Net cash used in investing activities	(5,230)	(14,277)
Net cash used in financing activities	(62,743)	(45,039)
Net increase in cash and cash equivalents	37,412	94,245
Cash and cash equivalents at beginning of the period	470,276	329,032
Effect of foreign exchange rate changes	10,113	10,114
Cash and cash equivalents at end of the period	517,801	433,391

Analysis of the balances of cash and cash equivalents

	For the six months ended April 30,	
	2008 Unaudited HK\$'000	2007 Unaudited HK\$'000
Bank and cash balances	520,919	433,391
Bank overdrafts	(3,118)	–
Cash and cash equivalents at end of the period	517,801	433,391

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended April 30, 2008

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

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

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

The accounting policies and basis of preparation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual accounts for the year ended October 31, 2007.

In the current interim period, the Group has applied, for the first time, a number of new and revised Hong Kong Financial Reporting Standards ("HKFRSs") and HKASs and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the HKICPA that are effective for accounting periods beginning on or after November 1, 2007. The adoption of these new HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current year and prior years.

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

2. TURNOVER AND SEGMENT INFORMATION

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

For the six months ended April 30, 2008

	Greater China Unaudited HK\$'000	Asia other than Greater China Unaudited HK\$'000	Others Unaudited HK\$'000	Elimination Unaudited HK\$'000	Group Unaudited HK\$'000
REVENUE					
External sales	587,296	522,191	92,377	–	1,201,864
Inter-segment sales	79,982	24,817	5,488	(110,287)	–
Total revenue	667,278	547,008	97,865	(110,287)	1,201,864

Inter-segment sales are charged at prevailing market rates.

RESULTS

Segment results	48,399	56,173	5,175		109,747
Interest income					4,004
Unallocated costs					(10,976)
Profit from operations					102,775
Finance costs					(1,198)
Share of profits of associates	723	9,237	440		10,400
Profit before tax					111,977
Income tax expense					(19,748)
Profit for the period					92,229

2. TURNOVER AND SEGMENT INFORMATION (Cont'd)

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

Income Statement

For the six months ended April 30, 2007

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

Inter-segment sales are charged at prevailing market rates.

RESULTS

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

2. TURNOVER AND SEGMENT INFORMATION (Cont'd)

(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:

	For the six months ended April 30,	
	2008	2007
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Exhibition and event marketing services	969,765	923,253
Museum, theme park and interior fit-out	118,598	70,556
Sign advertising	98,069	79,888
Conference and show management	15,432	14,310
	1,201,864	1,088,007

3. FINANCE COSTS

	For the six months ended April 30,	
	2008	2007
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Interest on bank borrowings	1,061	1,526
Finance charges in respect of finance lease obligations	137	147
Total borrowing costs	1,198	1,673

4. INCOME TAX EXPENSE

	For the six months ended April 30,	
	2008 Unaudited HK\$'000	2007 Unaudited HK\$'000
The charge comprises:		
Profits tax for the period		
Hong Kong	55	2,069
Overseas	20,017	13,311
(Over) under provision in prior periods		
Hong Kong	22	205
Overseas	(183)	238
Deferred tax	19,911 (163)	15,823 21
	19,748	15,844

Hong Kong profits tax is calculated at 16.5% (2007: 17.5%) on the estimated assessable profit for the period. A portion of the Group's profit is derived offshore and is not subject to Hong Kong profits tax.

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

The Group did not have any significant unprovided deferred tax for the period.

5. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	For the six months ended April 30,	
	2008 Unaudited HK\$'000	2007 Unaudited HK\$'000
Depreciation	14,883	15,367
Cost of inventories sold	111,336	71,335
Allowance for bad and doubtful debts	666	1,249
Loss on disposal of property, plant and equipment	30	544
Operating lease rentals in respect of:		
– Amortisation of prepaid land lease payments	579	785
and after crediting:		
Interest income	4,004	3,963
Gain on disposal of property, plant and equipment	124	456

6. DIVIDENDS PAID

	For the six months ended April 30,	
	2008 Unaudited HK\$'000	2007 Unaudited HK\$'000
2007 final dividend – HK3.5 cents per share (2006: HK3.5 cents per share)	41,867	41,806

Notes:

- (a) The 2007 final dividend of the year ended October 31, 2007 of HK\$41,867,000 (2006: HK\$41,806,000), were approved after the balance sheet date. Under the Group's accounting policy, they were charged in the periods in which they were proposed and approved.
- (b) The Board has determined that an interim dividend of HK3.5 cents per share (2007: HK3.5 cents) be payable on Friday, August 8, 2008 to the shareholders on the register of members of the Company on Friday, August 1, 2008.

7. EARNINGS PER SHARE

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

	For the six months ended April 30,	
	2008 Unaudited HK\$'000	2007 Unaudited HK\$'000
Earnings for the purposes of basic and diluted earnings per share	81,022	80,270
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,196,190,708	1,194,210,347
Effect of dilutive potential ordinary shares in respect of options	3,049,838	3,555,014
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,199,240,546	1,197,765,361

8. CAPITAL EXPENDITURE

	Property, plant and equipment Unaudited HK\$'000	Goodwill Unaudited HK\$'000	Other intangible assets Unaudited HK\$'000
Carrying amount as at November 1, 2007	261,990	3,612	10,478
Additions	8,227	1,138	–
Disposals	(478)	–	–
Depreciation charge/amortisation	(14,883)	–	(24)
Disposal of subsidiaries	(1,244)	–	–
Exchange adjustments	13,265	41	–
Carrying amount as at April 30, 2008	266,877	4,791	10,454

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	April 30, 2008 Unaudited HK\$'000	October 31, 2007 Audited HK\$'000
Equity securities, unlisted (Note)	303	252
Equity securities at fair value, listed outside Hong Kong	43	41
	346	293

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

10. DEBTORS, DEPOSITS AND PREPAYMENTS

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

Included in debtors, deposits and prepayments are trade debtors of approximately HK\$468,410,000 (as at October 31, 2007: HK\$456,458,000), an ageing analysis of which at the reporting date is as follows:

	April 30, 2008 Unaudited HK\$'000	October 31, 2007 Audited HK\$'000
0 – 90 days	373,373	384,017
91 – 180 days	56,968	39,995
181 – 365 days	27,014	29,066
More than 1 year	11,055	3,380
	468,410	456,458

11. CREDITORS AND ACCRUED CHARGES

Included in creditors and accrued charges are trade creditors of approximately HK\$251,772,000 (as at October 31, 2007: HK\$204,419,000), an ageing analysis of which at the reporting date is as follows:

	April 30, 2008 Unaudited HK\$'000	October 31, 2007 Audited HK\$'000
0 – 90 days	215,444	156,998
91 – 180 days	16,081	33,726
181 – 365 days	9,108	6,269
More than 1 year	11,139	7,426
	251,772	204,419

12. SHARE CAPITAL

	Number of shares		Share capital	
	April 30, 2008 Unaudited	October 31, 2007 Audited	April 30, 2008 Unaudited HK\$'000	October 31, 2007 Audited HK\$'000
Ordinary shares of HK\$0.05 each: (2007: HK\$0.05 each)				
Authorised:				
At beginning and end of the period/year	2,400,000,000	2,400,000,000	120,000	120,000
Issued and fully paid:				
At beginning of the period/year	1,195,422,104	1,190,294,104	59,771	59,515
Exercise of share options (Note)	774,000	5,128,000	39	256
At end of the period/year	1,196,196,104	1,195,422,104	59,810	59,771

Note: During the period, 722,000 and 52,000 shares were issued at HK\$2.100 and HK\$2.184 per share respectively as a result of the exercise of share options of the Company.

13. PLEDGE OF ASSETS

At April 30, 2008, the following assets were pledged as collaterals for credit facilities granted to the Group by certain banks.

	April 30, 2008	October 31,
	Unaudited	Audited
	<i>HK\$'000</i>	<i>HK\$'000</i>
Pledged bank deposits	8,876	8,702
Freehold land and buildings	18,252	15,949
Leasehold land	10,927	10,597
Leasehold buildings	16,645	16,489
Investment properties	34,410	32,336
Trade debtors	21,982	16,897
Equipment	2,385	2,605
	113,477	103,575

14. COMMITMENTS

(a) Operating Lease Commitments

At April 30, 2008, the Group had the total future minimum lease payments under non-cancellable operating leases in respect of rented premises and equipment are payable as follows:

	April 30, 2008		October 31, 2007	
	Rented		Rented	
	premises	Equipment	premises	Equipment
	Unaudited	Unaudited	Audited	Audited
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	20,325	471	17,463	307
In the second to fifth year inclusive	41,732	222	44,820	327
Over five years	89,899	–	86,545	–
	151,956	693	148,828	634

14. COMMITMENTS (Cont'd)

(b) Capital Commitments

	April 30, 2008 Unaudited HK\$'000	October 31, 2007 Audited HK\$'000
Capital expenditure in respect of property, plant and equipment		
– contracted but not provided for	112,741	2,642
– authorised but not contracted for	–	5,467
	112,741	8,109

The Group did not have any other significant capital commitments at April 30, 2008.

15. CONTINGENT LIABILITIES

Financial Guarantees issued

At April 30, 2008, the Group has issued the following guarantees:

	THE GROUP		THE COMPANY	
	April 30, 2008 Unaudited HK\$'000	October 31, 2007 Audited HK\$'000	April 30, 2008 Unaudited HK\$'000	October 31, 2007 Audited HK\$'000
Guarantees given to banks in respect of banking facilities granted to				
– subsidiaries	–	–	509,412	509,351
– associates	37,404	17,000	–	–
– investee company	4,000	4,000	–	–
	41,404	21,000	509,412	509,351
Performance guarantees				
– secured	–	6,158	–	–
– unsecured	13,941	4,596	–	–
	13,941	10,754	–	–
Other guarantees				
– unsecured	776	1,167	–	–

15. CONTINGENT LIABILITIES (Cont'd)

At April 30, 2008, 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.

Since 2003, two subsidiaries and an associate of the Company have been named as defendants in a civil proceedings in Dubai brought by the other shareholder of the Company's subsidiary Pico International (Middle East) L.L.C. which had been placed under receivership. Currently, an award of Dirhams 50,000 or HK\$100,000 was made by the court to the plaintiff against the defendants for moral damages in April 2008 but this is still under appeal by both parties. A provision of HK\$100,000 has been made in the financial statements.

In 2006, 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\$12 million. Pico Hong Kong appealed and the court has suspended the enforcement of the default judgement pending a further hearing in April 2009. No provision 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.

16. RELATED PARTY TRANSACTIONS

	For the six months ended April 30, 2008							At April 30, 2008	
	Exhibition income	Sub-contracting fee paid	Management fee income	Property rental income	Property rental paid	Consultancy fee paid	Others	Receivables	Payables
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Associates (Note)	12,369	1,136	4,253	493	-	728	463	31,822	13,552
Related companies	-	-	-	-	293	-	62	-	-
	For the six months ended April 30, 2007							At October 31, 2007	
	Exhibition income	Sub-contracting fee paid	Management fee income	Property rental income	Property rental paid	Consultancy fee paid	Others	Receivables	Payables
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Associates (Note)	4,128	2,498	3,248	311	-	776	172	20,298	7,501
Related companies	-	-	-	-	-	-	52	9	-

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

17. 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.

INTERIM DIVIDEND

The Board recommends the payment of an interim dividend of HK3.5 cents per share for the period ended April 30, 2008 (six months ended April 30, 2007: HK3.5 cents). The interim dividend will be payable on Friday, August 8, 2008 to shareholders on the register of members of the Company on Friday, August 1, 2008.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members will be closed from Tuesday, July 29, 2008 to Friday, August 1, 2008, both days inclusive, during which period no transfers of shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Union Registrars Limited, at Room 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, not later than 4:00 pm on Monday, July 28, 2008.

BUSINESS REVIEW AND PROSPECTS

Results

The Group performed well for the six months ended April 30, 2008. Total revenue of HK\$1,202 million exceeded that of the previous corresponding period by about HK\$114 million or 10.5% although the first half of financial year 2007 had included a substantial one-off combined revenue of HK\$160 million from the ITU Telecom World held in Hong Kong and the Doha Asian Games.

Profit before tax rose from HK\$104.9 million to HK\$112.0 million or an increase 6.8%. Profit attributable to equity holders of the Company also improved to HK\$81 million (six months ended April 30, 2007: HK\$80 million).

The Group has achieved sustainable growth in revenue from the exhibition industry through its wide range of exhibition and related services and its international network of offices. During the period under review, the Group provided comprehensive venue services to exhibition organisers as well as design-build services to various exhibitors in several major exhibitions such as:

1. The 1st Motor World Macau in November 2007
2. The International Petroleum Technology Conference and Exhibition in Dubai in December 2007

BUSINESS REVIEW AND PROSPECTS (Cont'd)

Results (Cont'd)

3. Singapore Airshow in February 2008
4. The 29th Bangkok International Motor Show in April 2008
5. Asia Pacific Leather Fair in Hong Kong in April 2008
6. China Sourcing Fair in Hong Kong in April 2008
7. The 10th Beijing International Automotive Industry Exhibition in April 2008
8. Vietnam Textile and Garment Industry Expo in Ho Chi Minh City in April 2008

Besides regular exhibitions, the Group also assists companies to launch their own marketing events such as road shows and various forms of product launches. Participation in the regular exhibitions, particularly in large countries like China, India, etc, is necessary but there is inadequate exposure for many companies to promote their products to the final consumers. Therefore, year round event marketing activities such as road shows, sponsorship events, and product launches are also necessary. During the first half of the year, the Group provided event marketing services to many companies such as:

1. HSBC Women's Golf Championship in Singapore
2. Motorola road shows in several cities in the United States
3. Chevrolet Captiva product launch events in Kuala Lumpur and Bangkok
4. Skoda road shows in several cities in China
5. Nokia, Mercedes-Benz, Toyota and Nissan events and road shows in Thailand
6. Christmas and New Year festive decorations for several shopping malls in Hong Kong

BUSINESS REVIEW AND PROSPECTS (Cont'd)

Results (Cont'd)

The Group also organise and/or manage exhibitions such as:

1. ICT Expo in Bangkok in November 2007
2. Asia Game Show in Hong Kong in December 2007
3. International Furniture Fair in Singapore in March 2008
4. China EPower in Shanghai in April 2008
5. Incentives Travel and Conventions, Meetings in Shanghai in April 2008

In the museum and interior fit-out segment, our scope of services also includes research, development and content besides fabrication. Some of the projects in the first half of the year were:

1. "It's A Small World" at Hong Kong Disneyland
2. Museum of Siam (NDMI) in Bangkok
3. Boise Watershed Environment Education Centre in Idaho, the United States
4. KPMG office in Kuala Lumpur
5. Stores for Blush, Duty Free Americas, Ferrari and See's Candies in Macau
6. OSIM stores in Hong Kong and Macau
7. Land Transport Gallery in Singapore

In the advertising signage segment, the Group has extended its business in China to the banking and petrol station sectors besides the restaurant and automobile sectors. The Group also fabricates signage for overseas customers which now account for about 20% of its revenue. Some of the projects in the first half of the year were:

1. McDonald's in China
2. Major car companies such as Shanghai General Motors, Nissan Infiniti in China and overseas, Mercedes-Benz in China, Dodge in Northern China and Dacia in France

BUSINESS REVIEW AND PROSPECTS (Cont'd)

Results (Cont'd)

3. International banks and local banks in China such as Citibank, The Royal Bank of Scotland, Industrial and Commercial Bank of China and Shanghai Pudong Development Bank
4. IKEA in China and Japan and Total Sinochem in China

Liquidity and Financial Information

The total net tangible assets of the Group was HK\$834 million (at October 31, 2007: HK\$763 million). At April 30, 2008, the bank and cash balances including pledged bank deposits was approximately HK\$530 million, representing an increase of HK\$49 million or 10.2% when compared with HK\$481 million on October 31, 2007. The Group's total borrowings decreased by HK\$13 million compared with that on October 31, 2007. Amount due within one year was HK\$15 million (at October 31, 2007: HK\$30 million), and the remaining portion due more than one year amounted to HK\$21 million (at October 31, 2007: HK\$19 million).

The liquidity ratios of the Group as at April 30, 2008 are as follows:

		April 30, 2008	October 31, 2007
(i)	Current ratio <i>(Current assets/Current liabilities)</i>	1.57 times	1.52 times
(ii)	Liquidity ratio <i>(Current assets – excluding inventories and contract work in progress/Current liabilities)</i>	1.49 times	1.44 times
(iii)	Gearing ratio <i>(Long term borrowings/Total assets)</i>	1.17%	1.17%

In terms of liquidity, the Group continues to preserve our sound financial position. The current ratio, liquidity ratio and gearing ratio were stable. All in all, the long term and short term liquidity continue to be healthy, and the existing financial position can facilitate us to capitalise on any future business opportunities.

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

BUSINESS REVIEW AND PROSPECTS (Cont'd)

Liquidity and Financial Information (Cont'd)

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 RMB. The Group monitors its foreign currency exposure closely and considers hedging significant foreign currency exposure should the need arise.

Employees and Emoluments Policies

At April 30, 2008, the Group employs a total of approximately 2,300 full time employees (at October 31, 2007: 2,300) engaged in project management, design, production, sales and marketing and administration, which was supported by a large pool of subcontractors and suppliers. The staff costs incurred in the period was HK\$205 million (six months ended April 30, 2007: HK\$174 million).

The Group's emolument policies are formulated on the performance of individual employees and on the basis of the trends of salaries in various regions, which will be reviewed regularly every year. Apart from provident fund scheme and medical insurance, discretionary bonuses and employee share options are also awarded to employees according to the assessment of individual performance.

Prospects

In spite of the continuing poor economic outlook in the United States and global inflation caused by high oil prices, we believe that the exhibition and event marketing business will be resilient as the rest of the world still wants to do business in Asia.

Predictions are that China will become a global economic superpower, the Gulf States of the Middle East a global financial superpower, and India an information technology powerhouse, within another decade or so. All this will continue to strengthen Asia as a place to hold exhibitions, trade shows, conferences and events.

Looking immediately ahead, we expect business in the second half of the year to remain promising. Several important projects will be booked in the second half of the year which include projects at the Beijing Olympic Games, Formula One Singapore Grand Prix, World Expo in Zaragoza, and the combined textile machinery show, International Textile Machinery Association (ITMA) + China International Textile Machinery Exhibition (CITME) in Shanghai.

BUSINESS REVIEW AND PROSPECTS (Cont'd)

Prospects (Cont'd)

As the world economy evolves and adjusts to the high commodities prices which are here to stay, so will businesses like ours also adjust to the new operating conditions. Against this backdrop of a new global economy, we look forward to the next year where potential business would come from the two integrated resorts in Singapore, Shanghai World Expo 2010, Guangzhou Asian Games 2010, and many new convention and exhibition centres which have been completed or will be completed over the next two years in Asia.

DIRECTORS' INTERESTS IN SHARES

At April 30, 2008, the interest of the Directors and their associates in the shares and underlying shares of the Company and its associated corporations as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (SFO), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors ("Model Code") contained in the Listing Rules were as follows:

Directors	Number of shares/underlying shares held			Approximate % of shareholding of the Company	
	Personal interests	Other interests	Total interests		
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".

DIRECTORS' INTERESTS IN SHARES (Cont'd)

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

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") in order to fully comply with Chapter 17 of the Listing Rules. 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 9.12% of the issued share capital of the Company as at April 30, 2008. Options granted are exercisable at any time during a period to be notified by the Directors to each option holder but may not be exercised after the expiry of five years from the offer date. The Directors may provide restrictions on the exercise of an option during the period and option may be exercised as a result. The subscription price per share in relation to an option shall be a price to be determined by the Directors and shall be no less than the highest of the closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange on the date on which the option is offered to Eligible Persons, which must be a business day; the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the offer date; and the nominal value of the shares on the offer date.

SHARE OPTIONS (Cont'd)

(i) Outstanding options

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

Name of Directors		Outstanding at November 1, 2007	Number of share options granted	Number of share options exercised	Number of share options lapsed	Outstanding at April 30, 2008
<i>Category 1: Directors</i>						
Mr. Lawrence						
Chia Song Huat	(Note 1)	3,240,000	-	-	-	3,240,000
	(Note 2)	1,600,000	-	-	-	1,600,000
	(Note 4)	1,200,000	-	-	-	1,200,000
	(Note 5)	1,600,000	-	-	-	1,600,000
Mr. James						
Chia Song Heng	(Note 1)	3,040,000	-	-	-	3,040,000
	(Note 2)	1,600,000	-	-	-	1,600,000
	(Note 4)	1,150,000	-	-	-	1,150,000
	(Note 5)	1,300,000	-	-	-	1,300,000
Mr. Yong						
Choon Kong	(Note 1)	1,860,000	-	-	-	1,860,000
	(Note 2)	1,000,000	-	-	-	1,000,000
	(Note 4)	700,000	-	-	-	700,000
	(Note 5)	800,000	-	-	-	800,000
Total Directors		19,090,000	-	-	-	19,090,000
<i>Category 2: Employees</i>						
	(Note 1)	1,860,000	-	-	-	1,860,000
	(Notes 3, 7)	756,000	-	(722,000)	(34,000)	-
	(Note 4)	450,000	-	-	-	450,000
	(Notes 5, 7)	838,000	-	(52,000)	-	786,000
	(Note 6)	72,000	-	-	-	72,000
Total employees		3,976,000	-	(774,000)	(34,000)	3,168,000
Total all categories		23,066,000	-	(774,000)	(34,000)	22,258,000

SHARE OPTIONS (Cont'd)

(i) Outstanding options (Cont'd)

Notes:

- (1) The exercise price is HK\$0.855 per share and 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.
- (2) The exercise price is HK\$0.986 per share and 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.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) The weighted average closing price of shares immediately before the dates on which the options were exercised by employees is HK\$2.421.

SHARE OPTIONS (Cont'd)

(ii) Valuation of share options

- (1) The following significant assumptions were used to derive the fair value using the Black-Scholes option pricing model:

Date of grant	Exercise price HK\$	Based on	Expected volatility	Weighted average share price HK\$	Risk-free rate	Annual dividend yield
		expected life of share options				
July 25, 2005	0.855	0.5 year	44.65%	1.710	2.970%	8.73%
December 14, 2005	0.986	0.5 year	44.65%	1.880	3.680%	12.71%
May 16, 2006						
1st Tranche	2.100	0.0 year	47.13%	2.025	3.491%	7.37%
2nd Tranche	2.100	0.5 year	47.13%	2.025	3.890%	7.37%
3rd Tranche	2.100	1.0 year	47.13%	2.025	4.078%	7.37%
4th Tranche	2.100	1.5 years	47.13%	2.025	4.187%	7.37%
August 29, 2006	1.630	0.5 year	48.65%	1.630	3.640%	10.08%
May 21, 2007	2.184	2.5 years	47.01%	2.170	4.008%	3.23%
August 28, 2007	2.350	2.5 years	45.93%	2.350	4.004%	2.98%

- (2) 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.
- (3) The Group recognised the total expenses of HK\$585,000 for six months ended April 30, 2008 (six months ended April 30, 2007: HK\$249,000) in relation to share options granted by the Company.

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

SUBSTANTIAL SHAREHOLDERS

At April 30, 2008, the following persons (other than a director of the Company) who have interests or short positions in the shares and underlying shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Number of shares/ Underlying shares held	Percentage of issued share capital
Pine Asset Management Limited	452,687,186	37.84%
Matthews International Capital Management, LLC	97,874,000	8.18%
DJE Investment S.A. <i>(Note)</i>	71,874,000	6.01%
Dr. Jens Ehrhardt Kapital AG	71,874,000	6.01%
Dr. Jens Alfred Karl Ehrhardt	71,874,000	6.01%

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.

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

Save as disclosed herein, the Company has not been notified of any other person (other than a director of the Company) who has an interest or a short position in the shares and underlying shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at April 30, 2008.

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

During the period ended April 30, 2008, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

During the six months ended April 30, 2008, the Company has complied with the provisions of the Code on Corporate Governance Practices (the “CG Code Provision”) as set out in Appendix 14 of the Listing Rules, except for the following deviations:

CG Code Provision A2.1 stipulates that the role of 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 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 period ended April 30, 2008.

AUDIT COMMITTEE

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

By Order of the Board

Leung Hoi Yan

Company Secretary

Hong Kong, July 2, 2008