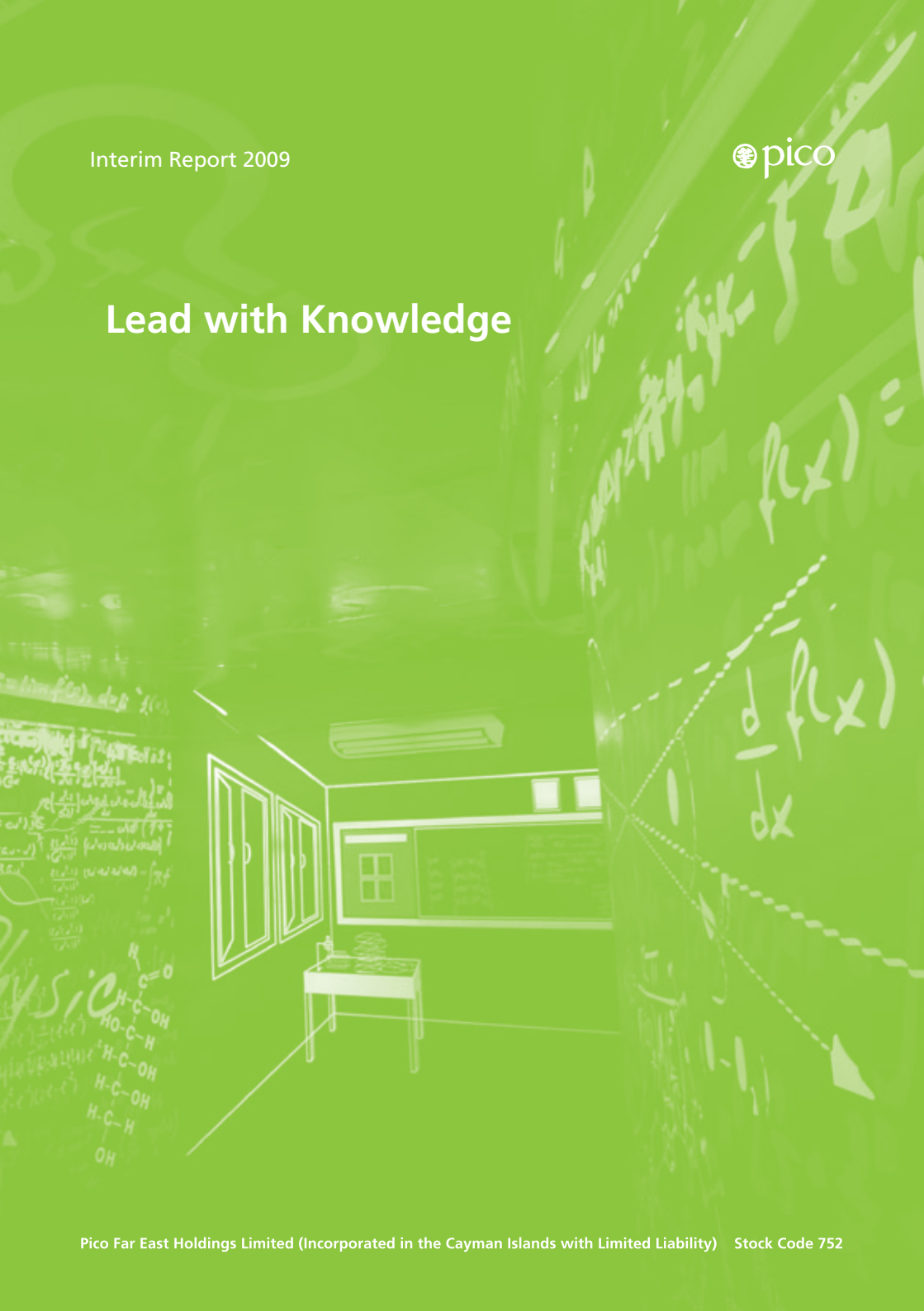


Lead with Knowledge



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, 2009, together with the unaudited comparative figures for the corresponding period in 2008 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended April 30, 2009

	Note	For the six months ended April 30, 2009 Unaudited HK\$'000	2008 Unaudited HK\$'000
Turnover	2	1,049,734	1,201,864
Cost of sales		(695,359)	(816,125)
Gross profit		354,375	385,739
Other income		19,730	19,599
Distribution costs		(142,053)	(149,222)
Administrative expenses		(145,643)	(153,026)
Other operating expenses		(160)	(315)
Profit from operations		86,249	102,775
Finance costs	3	(1,412)	(1,198)
Share of profits of associates		84,837	101,577
Share of losses of jointly controlled entities		152	10,400
		(643)	-
Profit before tax		84,346	111,977
Income tax expense	4	(15,412)	(19,748)
Profit for the period	5	68,934	92,229
Attributable to:			
Equity holders of the Company		60,422	81,022
Minority interests		8,512	11,207
		68,934	92,229
Dividends paid	6	23,924	41,867
EARNINGS PER SHARE	7		
Basic		5.05 cents	6.77 cents
Diluted		5.05 cents	6.76 cents

CONDENSED CONSOLIDATED BALANCE SHEET

At April 30, 2009

	Note	April 30, 2009 Unaudited HK\$'000	October 31, 2008 Audited HK\$'000
Non-current Assets			
Investment properties		42,743	42,693
Property, plant and equipment	8	308,909	299,288
Prepaid land lease payments		56,847	57,262
Intangible assets	8	13,862	14,332
Interests in jointly controlled entities		3,464	6,639
Interests in associates		128,146	135,004
Club membership		5,490	5,570
Available-for-sale financial assets	9	336	336
Deferred tax assets		1,108	1,113
		560,905	562,237
Current Assets			
Inventories		14,907	29,962
Contract work in progress		60,740	48,474
Debtors, deposits and prepayments	10	501,663	672,785
Amounts due from associates		12,592	15,447
Amounts due from jointly controlled entities		705	2,484
Current tax assets		1,160	1,134
Pledged bank deposits		14,283	14,317
Bank and cash balances		619,657	560,192
		1,225,707	1,344,795
Current Liabilities			
Payments received on account		158,595	223,082
Creditors and accrued charges	11	539,548	641,271
Amounts due to associates		2,098	8,721
Amounts due to jointly controlled entities		27	–
Current tax liabilities		27,959	28,589
Borrowings		44,086	38,645
Finance lease obligations		1,667	1,916
		773,980	942,224

CONDENSED CONSOLIDATED BALANCE SHEET (Cont'd)

At April 30, 2009

	<i>Note</i>	April 30, 2009 Unaudited HK\$'000	October 31, 2008 Audited HK\$'000
Net Current Assets		451,727	402,571
Total Assets Less Current Liabilities		1,012,632	964,808
Non-current Liabilities			
Borrowings		12,533	10,090
Finance lease obligations		2,247	2,715
Deferred tax liabilities		13,566	12,632
		28,346	25,437
Net Assets		984,286	939,371
Capital and Reserves			
Share capital	12	59,810	59,810
Reserves		846,967	811,450
Equity attributable to equity holders of the Company		906,777	871,260
Minority Interests		77,509	68,111
Total Equity		984,286	939,371

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended April 30, 2009

	Attributable to equity holders of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Capital reserve HK\$'000	Equity-settled share-based payment reserve HK\$'000	Goodwill reserve HK\$'000	Legal reserve HK\$'000	Translation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total equity HK\$'000
At November 1, 2008 (Audited)	59,810	701,948	753	(12,080)	4,982	(419,083)	9,522	5,893	519,515	871,260	68,111	939,371
Exchange differences arising on translation of financial statements of overseas operations	-	-	-	-	-	-	-	(1,298)	-	(1,298)	1,195	(103)
Net income recognised directly in equity	-	-	-	-	-	-	-	(1,298)	-	(1,298)	1,195	(103)
Profit for the period	-	-	-	-	-	-	-	-	60,422	60,422	8,512	68,934
Total recognised income and expense for the period	-	-	-	-	-	-	-	(1,298)	60,422	59,124	9,707	68,831
Recognition of equity-settled share-based payment	-	-	-	-	317	-	-	-	-	317	-	317
Transfer	-	-	-	-	-	-	1,337	-	(1,337)	-	-	-
2008 final dividend	-	-	-	-	-	-	-	-	(23,924)	(23,924)	-	(23,924)
Dividend distribution to minorities	-	-	-	-	-	-	-	-	-	-	(309)	(309)
At April 30, 2009 (Unaudited)	59,810	701,948	753	(12,080)	5,299	(419,083)	10,859	4,595	554,676	906,777	77,509	984,286
Representing:												
2009 interim dividend proposed									29,905			
Others									524,771			
									554,676			

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

For the six months ended April 30, 2008

	Attributable to equity holders of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Capital reserve HK\$'000	Equity-settled share-based payment reserve HK\$'000	Goodwill reserve HK\$'000	Legal reserve HK\$'000	Translation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total equity 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)	-	-	-	-	-	-	-
Loan from minority interests	-	-	-	-	-	-	-	-	-	-	83	83
Capital contribution from minority interests	-	-	-	-	-	-	-	-	-	-	1,863	1,863
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 CASHFLOW STATEMENT

For the six months ended April 30, 2009

	For the six months ended April 30,	
	2009 Unaudited HK\$'000	2008 Unaudited HK\$'000
Net cash generated from operating activities	93,722	105,385
Net cash used in investing activities	(17,270)	(5,230)
Net cash used in financing activities	(12,144)	(62,743)
Net increase in cash and cash equivalents	64,308	37,412
Cash and cash equivalents at beginning of the period	551,395	470,276
Effect of foreign exchange rate changes	322	10,113
Cash and cash equivalents at end of the period	616,025	517,801

Analysis of the balances of cash and cash equivalents

	For the six months ended April 30,	
	2009 Unaudited HK\$'000	2008 Unaudited HK\$'000
Bank and cash balances	619,657	520,919
Bank overdrafts	(3,632)	(3,118)
Cash and cash equivalents at end of the period	616,025	517,801

Note: Included in bank and cash balances is an amount of approximately Renminbi ("RMB") 27.3 million or HK\$31.0 million (2008: nil) representing refundable security deposit for exhibition venue damages received from customers. The amount has been refunded to customers as at the date of report.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended April 30, 2009

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 the revaluation of investment properties and 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, 2008.

In the current interim period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on November 1, 2008. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); HKASs 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 Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

2. TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in the exhibition and event marketing services; museum, themed environment, interior and retail; brand signage and visual communication; 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, 2009

	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	511,190	465,208	73,336	–	1,049,734
Inter-segment sales	68,197	25,252	10,033	(103,482)	–
Total revenue	579,387	490,460	83,369	(103,482)	1,049,734

Inter-segment sales are charged at prevailing market rates.

RESULTS

Segment results	47,577	62,690	(12,684)		97,583
Interest income					3,081
Unallocated costs					(14,415)
Profit from operations					86,249
Finance costs					(1,412)
Share of profits (losses) of associates	(2,214)	3,909	(1,543)		152
Share of losses of jointly controlled entities	–	(316)	(327)		(643)
Profit before tax					84,346
Income tax expense					(15,412)
Profit for the period					68,934

2. TURNOVER AND SEGMENT INFORMATION (Cont'd)

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

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)

(ii) Secondary reporting format – business segments

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

- Exhibition and event marketing services;
- Brand signage and visual communication;
- Museum, themed environment, interior and retail; and
- Conference and show management.

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

	For the six months ended April 30, 2009	2008
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Exhibition and event marketing services	860,453	969,765
Brand signage and visual communication	96,530	98,069
Museum, themed environment, interior and retail	63,226	118,598
Conference and show management	29,525	15,432
	1,049,734	1,201,864

3. FINANCE COSTS

	For the six months ended April 30, 2009	2008
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Interest on bank borrowings	1,304	1,061
Finance charges in respect of finance lease obligations	108	137
Total borrowing costs	1,412	1,198

4. INCOME TAX EXPENSE

	For the six months ended April 30,	
	2009 Unaudited HK\$'000	2008 Unaudited HK\$'000
The charge comprises:		
Profits tax for the period		
Hong Kong	–	55
Overseas	14,654	20,017
(Over) under provision in prior periods		
Hong Kong	(76)	22
Overseas	(166)	(183)
Deferred tax	14,412	19,911
	1,000	(163)
	15,412	19,748

Hong Kong profits tax is calculated at 16.5% (2008: 16.5%) 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,	
	2009 Unaudited HK\$'000	2008 Unaudited HK\$'000
Depreciation	18,678	14,883
Amortisation of intangible assets	389	24
Cost of inventories sold	93,842	111,336
Allowance for bad and doubtful debts	2,378	666
Loss on disposal of property, plant and equipment	160	30
Operating lease rentals in respect of:		
– Amortisation of prepaid land lease payments	560	579
and after crediting:		
Interest income	3,081	4,004
Gain on disposal of property, plant and equipment	37	124

6. DIVIDENDS PAID

	For the six months ended April 30,	
	2009 Unaudited HK\$'000	2008 Unaudited HK\$'000
2008 final dividend – HK2.0 cents per share (2007: HK3.5 cents per share)	23,924	41,867

Notes:

- (a) The 2008 final dividend of the year ended October 31, 2008 of HK\$23,924,000 (2007: HK\$41,867,000), 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 HK2.5 cents per share (2008: HK3.5 cents) be payable on Thursday, August 6, 2009 to the shareholders on the register of members of the Company on Friday, July 31, 2009.

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,	
	2009 Unaudited HK\$'000	2008 Unaudited HK\$'000
Earnings for the purposes of basic and diluted earnings per share	60,422	81,022
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,196,196,104	1,196,190,708
Effect of dilutive potential ordinary shares in respect of options	709,135	3,049,838
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,196,905,239	1,199,240,546

8. CAPITAL EXPENDITURE

	Property, plant and equipment <i>HK\$'000</i>	Goodwill <i>HK\$'000</i>	Other intangible assets <i>HK\$'000</i>
Carrying amount as at November 1, 2008 (Audited)	299,288	2,430	11,902
Additions	31,956	–	–
Disposals	(2,443)	–	–
Depreciation charge/amortisation	(18,678)	–	(389)
Exchange adjustments	(1,214)	–	(81)
Carrying amount as at April 30, 2009 (Unaudited)	308,909	2,430	11,432

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	April 30, 2009 Unaudited <i>HK\$'000</i>	October 31, 2008 Audited <i>HK\$'000</i>
Equity securities, unlisted (<i>Note</i>)	297	297
Equity securities at fair value, listed outside Hong Kong	39	39
	336	336

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\$402,664,000 (as at October 31, 2008: HK\$549,039,000), an ageing analysis of which at the reporting date is as follows:

	April 30, 2009 Unaudited <i>HK\$'000</i>	October 31, 2008 Audited <i>HK\$'000</i>
0 – 90 days	299,598	449,670
91 – 180 days	50,641	59,541
181 – 365 days	35,473	27,116
More than 1 year	16,952	12,712
	402,664	549,039

11. CREDITORS AND ACCRUED CHARGES

Included in creditors and accrued charges are trade creditors of approximately HK\$246,629,000 (as at October 31, 2008: HK\$237,625,000), an ageing analysis of which at the reporting date is as follows:

	April 30, 2009 Unaudited HK\$'000	October 31, 2008 Audited HK\$'000
0 – 90 days	196,705	184,718
91 – 180 days	24,913	32,963
181 – 365 days	13,503	10,751
More than 1 year	11,508	9,193
	246,629	237,625

12. SHARE CAPITAL

	Number of shares		Share capital	
	April 30, 2009 Unaudited	October 31, 2008 Audited	April 30, 2009 Unaudited HK\$'000	October 31, 2008 Audited HK\$'000
Ordinary shares of HK\$0.05 each: (2008: 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	1,196,196,104	1,195,422,104	59,810	59,771
Exercise of share options	–	774,000	–	39
At end of the period/year	1,196,196,104	1,196,196,104	59,810	59,810

13. PLEDGE OF ASSETS

At April 30, 2009, the following assets were pledged as collaterals for credit facilities granted to the Group by certain banks.

	April 30, 2009 Unaudited HK\$'000	October 31, 2008 Audited HK\$'000
Pledged bank deposits	14,283	14,317
Freehold land and buildings	14,765	14,827
Leasehold land	4,112	4,169
Leasehold buildings	11,548	11,670
Investment properties	5,340	5,340
Trade debtors	18,188	12,183
Inventories	4,886	4,594
Equipment	2,245	2,793
	75,367	69,893

14. COMMITMENTS

(a) Operating Lease Commitments

At April 30, 2009, 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, 2009		October 31, 2008	
	Rented premises	Equipment	Rented premises	Equipment
	Unaudited HK\$'000	Unaudited HK\$'000	Audited HK\$'000	Audited HK\$'000
Within one year	20,123	992	23,422	1,111
In the second to fifth year inclusive	46,573	1,724	54,806	1,966
Over five years	91,255	–	90,161	–
	157,951	2,716	168,389	3,077

14. COMMITMENTS (Cont'd)

(b) Capital Commitments

	April 30, 2009 Unaudited HK\$'000	October 31, 2008 Audited HK\$'000
Capital expenditure in respect of property, plant and equipment		
– contracted but not provided for	52,489	81,674
– authorised but not contracted for	–	1,747
	52,489	83,421

The Company did not have any other significant capital commitments at April 30, 2009.

15. CONTINGENT LIABILITIES

Financial Guarantees issued

At April 30, 2009, the Group has issued the following guarantees:

	THE GROUP		THE COMPANY	
	April 30, 2009 Unaudited HK\$'000	October 31, 2008 Audited HK\$'000	April 30, 2009 Unaudited HK\$'000	October 31, 2008 Audited HK\$'000
Guarantees given to banks in respect of banking facilities granted to				
– subsidiaries	–	–	341,074	341,100
– associates	38,071	38,026	38,071	38,026
– jointly controlled entities	7,743	7,980	–	–
	45,814	46,006	379,145	379,126
Performance guarantees				
– unsecured	37,117	12,385	–	–
Other guarantees				
– unsecured	1,372	6,303	–	–

15. CONTINGENT LIABILITIES (Cont'd)

At April 30, 2009, 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 consolidated 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 approximately Euro 1 million or HK\$10.31 million. Pico Hong Kong appealed and the court has suspended the enforcement of the default judgement pending a further hearing which took place in April 2009. A ruling on the matter is expected in July 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, 2009						At April 30, 2009		
	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	2,237	13,511	4,543	241	-	464	3,241	12,592	2,098
Jointly controlled entities	-	-	-	-	-	-	5	705	27
Related companies	56	5	-	-	244	-	457	55	-
	For the six months ended April 30, 2008						At October 31, 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	Audited	Audited
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Associates	12,369	1,136	4,253	493	-	728	463	15,447	8,721
Jointly controlled entities	-	-	-	-	-	-	-	2,484	-
Related companies	-	-	-	-	293	-	62	37	-

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

INTERIM DIVIDEND

The Board recommends the payment of an interim dividend of HK2.5 cents per share for the six months ended April 30, 2009 (six months ended April 30, 2008: HK3.5 cents). The interim dividend will be payable on Thursday, August 6, 2009 to shareholders on the register of members of the Company on Friday, July 31, 2009.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members will be closed from Tuesday, July 28, 2009 to Friday, July 31, 2009, 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 27, 2009.

BUSINESS REVIEW AND PROSPECTS

Results

Group revenue for the six months ended April 30, 2009 decreased by 13% over the previous corresponding period to HK\$1,050 million. The decline in revenue is due to the slowing global economy following the worldwide financial crisis.

Profit attributable to equity holders of the Company declined by 25% to HK\$60.4 million. The decrease was due mainly to lower sales and a decrease of HK\$10.2 million profit contribution from associates.

Pico (Thailand) Public Company Ltd, our main associate, contributed a loss of HK\$0.2 million to the Group compared with profit after tax of HK\$4.8 million in the previous period. This was mainly due to the ongoing political imbroglio in Thailand which adversely affected the whole economy of Thailand. Other associates such as Xi'an Greenland Pico Int'l Convention and Exhibition Co Ltd and Pico Kuwait International Company for Decoration Works contributed start up losses of HK\$2.0 million and HK\$0.9 million respectively. Excluding the results of associates from this period and the previous corresponding period, profit attributable to equity holders of the Company declined by approximately 15%.

Basic earnings per share is HK5.05 cents compared to HK6.77 cents in the previous corresponding period. The Board has recommended an interim dividend of HK2.5 cents per ordinary share as compared to HK3.5 cents in the previous period.

BUSINESS REVIEW AND PROSPECTS (Cont'd)

Review of Operations

We began the year aware of the challenges facing the Group in the wake of the global financial crisis. The main challenge is how to reduce cost of sales and overhead expenses quickly without affecting the quality of service and sacrificing the thrust and direction of the Group's medium-term business strategy. This will continue to be the main challenge in the months to come.

On a geographical basis, turnover has declined by approximately 13% in Greater China and approximately 11% in Asia other than Greater China, when compared to the previous corresponding period. Other regions suffered comparable declines in profitability, except for North America and Europe, which recorded a loss. However, the Group's existing market presence there is relatively small and any substantial reduction will affect our medium-term global strategy.

On a segmental basis, the core segment is exhibition and event marketing services which accounts for 82% of the total revenue. Out of the three remaining business segments which account for 18% of the total revenue, the museum, themed environment, interior and retail segment recorded a decline of 47% from the previous corresponding period, to HK\$63.2 million. The decline is mainly due to the suspension of works adjacent to the Venetian Macao where the Group was expecting more revenue streams from the ongoing development.

In order to mitigate the impact of the decline in turnover, we have improved our gross margin in the first half of the year to 33.8% compared to 32.1% in the previous period through careful review of all direct costs. This will continue to be the emphasis in the months ahead. Fixed overheads such as distribution and administrative costs were reduced by approximately 5%.

In the exhibition and event marketing services segment, some of the trade shows where the Group was appointed as the official service provider by show organisers during the period were:

1. Malaysia International Furniture Fair in Kuala Lumpur in March 2009
2. The 11th China International Machine Tool Show in Beijing in April 2009
3. China 2009 World Stamp Exhibition in Louyang in April 2009
4. China Sourcing Fair in Hong Kong in April 2009

BUSINESS REVIEW AND PROSPECTS (Cont'd)

Review of Operations (Cont'd)

Besides providing services directly to show organisers, we also provided exhibition stand design and fitting services to many international customers in various exhibitions, including, Bayer, Dongfeng Nissan, ExxonMobil, Haier, Hong Kong Tourism Board, Peugeot, Qatar Petroleum, Toyota, and ZTE.

Aside from annual trade shows and exhibitions, the Group also provided services to many customers for events such as the Singapore Day in London in April 2009, ground breaking ceremonies for the Pakistan, UAE and Oil pavilions at the World Expo 2010 venue in April 2009, and several Samsung road shows in Malaysia.

The customers and shows enumerated above are valuable business but do not account for more than 10% of the total revenue of the exhibition and event marketing services segment.

In the brand signage and visual communication segment, the focus is China and major customers include KFC, McDonald's, Mercedes-Benz, Nissan, PetroChina, Shanghai General Motors and Sinochem Total. This segment accounted for 9% or HK\$96.5 million of the total revenue during the period.

In the museum, themed environment, interior and retail segment, our scope of services ranges from research, development, content to final fabrication. This segment accounted for 6% or HK\$63.2 million of the total revenue during the period. Jobs included Fun City Oasis Mall in Dubai, Kowloon Walled City Park in Hong Kong, the Lenovo Experience Centre in Beijing, Media Fusion Experience Centre in Singapore and Parkson Saigon in Ho Chi Minh City.

In the conference and show management segment, four main shows were organised by the Group. These were Asia Game Show in Hong Kong, China EPower and Incentive Travel & Conventions, Meetings in Shanghai, World Toilet Summit and Expo in Macau. This segment accounted for 3% or HK\$29.5 million of the total revenue during the period.

BUSINESS REVIEW AND PROSPECTS (Cont'd)

Liquidity and Financial Information

The total net tangible assets of the Group was HK\$893 million (at October 31, 2008: HK\$857 million). At April 30, 2009, the bank and cash balances, including pledged bank deposits, after excluding refundable security deposit of HK\$31 million was approximately HK\$603 million, representing an increase of HK\$28 million or 4.9% when compared with HK\$575 million on October 31, 2008. The Group's total borrowings increased by HK\$8 million compared with that on October 31, 2008. Amount due within one year was HK\$44 million (at October 31, 2008: HK\$39 million), and the remaining portion due more than one year amounted to HK\$13 million (at October 31, 2008: HK\$10 million).

The liquidity ratios of the Group as at April 30, 2009 are as follows:

		April 30, 2009	October 31, 2008
(i)	Current ratio <i>(Current assets/Current liabilities)</i>	1.58 times	1.43 times
(ii)	Liquidity ratio <i>(Current assets – excluding inventories and contract work in progress/Current liabilities)</i>	1.49 times	1.34 times
(iii)	Gearing ratio <i>(Long term borrowings/Total assets)</i>	0.70%	0.53%

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 71% of the Group's sales and purchases were denominated in Singapore dollars, Hong Kong dollars, RMB and US dollars, and the remaining 29% were denominated in other Asian currencies and European currencies. Bank borrowings are mainly denominated in Singapore dollars and US dollars, and the interest is charged on floating and fixed 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 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.

BUSINESS REVIEW AND PROSPECTS (Cont'd)

Employees and Emoluments Policies

At April 30, 2009, the Group employs a total of some 2,200 full time employees (at October 31, 2008: 2,400) 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\$207 million (six months ended April 30, 2008: HK\$205 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

Geographically, Greater China forms the single largest market of the Group and accounts for about 50% of our total revenue during the period. This market remains resilient as the Chinese economy is still growing at annual rate of more than 6%, albeit below what China would have achieved without the ensuing problems created by last year's global financial crisis. The prospects for the exhibition and event marketing services segment should remain stable into 2010. The Group recognises the existing and unfolding market opportunities in China which the Group intends to focus and capitalise upon.

Looking ahead, next year's behemoth event in Asia, Shanghai World Expo 2010, will stimulate our business. Thus, the Greater China market should continue to be resilient for the Group throughout 2010.

The North America and Europe market is still uncertain but this is mitigated by our relatively small business presence there, compared to the Group's overall size, which enables us to take swift action when it is required.

The political situation in Thailand remains uncertain which makes the visibility within the next six months difficult.

We remain ever vigilant to the problems of the global economy. We will continue to improve our prospects by gains in market share, geographical expansion, adapting our services into related areas and excellence in execution. Internally, we will continue to review our overheads and stay nimble to ride out the prevailing uncertainties in the global economy.

DIRECTORS' INTERESTS IN SHARES

At April 30, 2009, 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:

Name of 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)	9,140,000	–	9,140,000	0.76%
Mr. James Chia Song Heng	(Note 2)	8,090,000	–	8,090,000	0.68%
Mr. Yong Choon Kong	(Note 3)	8,383,600	–	8,383,600	0.70%
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 9,140,000 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 8,090,000 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 3,523,600 shares and interest in 4,860,000 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, 2009. 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, 2008	Number of share options granted	Number of share options exercised	Number of share options lapsed	Outstanding at April 30, 2009
Category 1: Directors						
Mr. Lawrence Chia Song Huat	(Note 1)	3,240,000	-	-	-	3,240,000
	(Note 2)	1,600,000	-	-	-	1,600,000
	(Note 3)	1,200,000	-	-	-	1,200,000
	(Note 4)	1,600,000	-	-	-	1,600,000
	(Note 7)	-	1,500,000	-	-	1,500,000
Mr. James Chia Song Heng	(Note 1)	3,040,000	-	-	-	3,040,000
	(Note 2)	1,600,000	-	-	-	1,600,000
	(Note 3)	1,150,000	-	-	-	1,150,000
	(Note 4)	1,300,000	-	-	-	1,300,000
	(Note 7)	-	1,000,000	-	-	1,000,000
Mr. Yong Choon Kong	(Note 1)	1,860,000	-	-	-	1,860,000
	(Note 2)	1,000,000	-	-	-	1,000,000
	(Note 3)	700,000	-	-	-	700,000
	(Note 4)	800,000	-	-	-	800,000
	(Note 7)	-	500,000	-	-	500,000
Total Directors		19,090,000	3,000,000	-	-	22,090,000
Category 2: Employees						
	(Note 1)	1,860,000	-	-	-	1,860,000
	(Note 3)	450,000	-	-	-	450,000
	(Note 4)	786,000	-	-	(72,000)	714,000
	(Note 5)	72,000	-	-	-	72,000
	(Note 6)	1,500,000	-	-	-	1,500,000
Total employees		4,668,000	-	-	(72,000)	4,596,000
Total all categories		23,758,000	3,000,000	-	(72,000)	26,686,000

SHARE OPTIONS (Cont'd)

(i) Outstanding options (Cont'd)

Notes:

- (1) 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.
- (2) 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.
- (3) The exercise price is HK\$1.630. 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.
- (4) The exercise price is HK\$2.184. 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.
- (5) The exercise price is HK\$2.350. 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.
- (6) The exercise price is HK\$1.240. The option period during which the options may be exercised is the period from May 15, 2008 to May 14, 2013. The date of grant was May 14, 2008.
- (7) The exercise price is HK\$0.413. The option period during which the options may be exercised is the period from December 16, 2008 to December 15, 2013. The date of grant was December 15, 2008 and the closing price of shares immediately before the date of grant was HK\$0.385.

(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	Risk-free rate %	Annual dividend yield %
		expected life of share options Year(s)		average share price HK\$		
July 25, 2005	0.855	0.5	44.65	1.710	2.970	8.73
December 14, 2005	0.986	0.5	44.65	1.880	3.680	12.71
August 29, 2006	1.630	0.5	48.65	1.630	3.640	10.08
May 21, 2007	2.184	2.5	47.01	2.170	4.008	3.23
August 28, 2007	2.350	2.5	45.93	2.350	4.004	2.98
May 14, 2008						
1st Tranche	1.240	2.5	55.18	1.240	2.123	5.65
2nd Tranche	1.240	2.7	53.99	1.240	2.217	5.65
3rd Tranche	1.240	3.0	53.69	1.240	2.248	5.65
4th Tranche	1.240	3.2	52.74	1.240	2.353	5.65
December 15, 2008	0.413	5.0	59.26	0.390	1.496	5.98

SHARE OPTIONS (Cont'd)

(ii) Valuation of share options (Cont'd)

- (2) Expected volatility was determined by using the historical volatility of the Company's share price over the previous three to five years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.
- (3) The Group recognised the total expenses of HK\$317,000 for six months ended April 30, 2009 (six months ended April 30, 2008: HK\$585,000) 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, 2009, 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	462,687,186	38.68%
DJE Investment S.A. <i>(Note)</i>	95,772,000	8.01%
Dr. Jens Ehrhardt Kapital AG	95,772,000	8.01%
Dr. Jens Alfred Karl Ehrhardt	95,772,000	8.01%

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, 2009.

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

During the period ended April 30, 2009, 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, 2009, 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, 2009.

AUDIT COMMITTEE

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

By Order of the Board
Leung Hoi Yan
Company Secretary

Hong Kong, June 29, 2009