innovate for
GROWTH pico

Pico Far East Holdings Limited
(Incorporated in the Cayman Islands with Limited Liability) Stock Code 752

Annual Report 2012

innovate for GROWTH pico

For the past three years, Pico has sustained a record high turnover in spite of a turbulent global business climate. This outstanding achievement has been a reflection of our solid foundation, our forward-thinking business strategies and our relentless commitment to improving our service offerings.

Our previous group strategy, *Change to Lead*, successfully saw us through difficult economic times. However, no organisation can afford to stand still. Improvements to the global economy lie just over the horizon and the time has come for a new strategy which will see us leverage our advantages and move to the next level in a healthier business environment.

This new strategy is called "Innovate for Growth".

To ensure Pico's future prosperity in times of good fortune, innovation at every level will be a fundamental necessity. We need to embrace innovation now and begin developing new ideas, products and services to ensure that we remain competitive in the growth markets of the future.

Innovation does not simply occur spontaneously, nor does it mean the same thing for every company. For Pico, first and foremost it means engaging our employees at every level to create and nurture a 'culture of innovation'.

Technology will feature prominently in this new strategy. The use of technology in the worlds of branding, marketing and events is accelerating forward at a breath-taking pace. The future belongs to those companies who use technology to maximise their competitive advantages.

With the recent announcement of our new Pico Innovation Hub in Los Angeles, work on our Innovate for Growth foundation has already begun. We are making progress on several 'innovation initiatives' and our Signature Practice, Total Brand Activation, PicoEco and other Group-level initiatives will be fine-tuned to reflect this new focus.

The Pico Group has had an excellent few years, and we are proud of our achievements and of the hard work which helped us weather the economic storms of the last challenging years. By building a culture of innovation and redoubling our efforts within this framework, we aim to continue this success for years to come.

Cover:
Philippines Pavilion at Expo 2012 Yeosu Korea

2012 RESULTS IN BRIEF

HK$'000	2012	2011
Turnover	**3,857,530**	3,508,555
Profit attributable to owners of the Company	**238,511**	247,851
EBITDA	**348,115**	375,701
Equity attributable to owners of the Company	**1,410,895**	1,303,336
Total assets	**2,891,030**	2,924,428
Earnings per share - basic (HK cents)	**19.66**	20.46
Earnings per share - diluted (HK cents)	**19.63**	20.41
Dividends per share (HK cents)	**9.5**	12.0
Return on average equity attributable to owners of the Company (%)	**17.57**	20.38
Current ratio (times)	**1.48**	1.43
Average inventory / Turnover (%)	**0.71**	0.51
Net cash	**938,781**	1,062,091

CONTENTS

◄ *Monaco Pavilion at Expo 2012 Yeosu Korea*

CORPORATE PROFILE

Pico is a leading Total Brand Activation company with a worldwide presence and a proven track record nearly half a century long. Innovative, insightful and inspired, we bring brands to life through powerful and engaging experiences — from strategy to execution.

With an international network of some 2,400 inspired professionals in 36 major cities worldwide, we are passionate about creating integrated and powerful brand engagements across multiple activation platforms — from world expos, exhibitions and events; to retail and branded environments, museums and themed environments, visual identity solutions, sports marketing and overlays, facility management and consultation.

Our strength comes from the diversity of our people — from brand strategists to museum specialists — and the depth of our understanding of different cultures and industry practices.

2012 not only marks the 20th anniversary of Pico Far East Holdings Limited's listing on the Hong Kong Stock Exchange; this has also been an exceptional year for the company. A number of accolades have been added to Pico's Hall of Fame, including the Event Marketing Agency of the Year Gold Award from Hong Kong's Marketing Magazine, a ranking of a second in America's Special Events Magazine's Top Event Company listings and being named one of Asia's top three event companies by CEI Asia magazine.

CORE BUSINESSES

Total Brand Activation

- Exhibition and Event Marketing Services
- Brand Signage and Visual Communication
- Museum, Themed Environment, Interior and Retail
- Conference and Show Management

- Special Design and Event Marketing
- Services to Organisers
- Facility Management

▸ *Singapore Pavilion at Expo 2012 Yeosu Korea*

CORPORATE INFORMATION

HONORARY CHAIRMAN

Chia Siong Lim

BOARD OF DIRECTORS

Executive Directors

Lawrence Chia Song Huat *(Chairman)*
(Chairman of the Nomination Committee and Member of the Remuneration Committee)
James Chia Song Heng
Mok Pui Keung

Independent Non-Executive Directors

Gregory Robert Scott Crichton
(Chairman of the Remuneration Committee and Member of the Audit Committee)
James Patrick Cunningham
(Member of the Audit Committee, Remuneration Committee and Nomination Committee)
Frank Lee Kee Wai
(Member of the Audit Committee)
Charlie Yucheng Shi
(Chairman of the Audit Committee and Member of the Nomination Committee)

COMPANY SECRETARY

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

AUDITOR

RSM Nelson Wheeler

PRINCIPAL BANKERS

China Construction Bank (Asia)
Citibank, N.A.
CITIC Bank International Limited
Development Bank of Singapore
Hongkong and Shanghai Banking Corporation
Mizuho Bank Ltd.
Standard Chartered Bank
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
United Overseas Bank

CORPORATE OFFICE

Pico House
4 Dai Fu Street
Tai Po Industrial Estate
New Territories
Hong Kong

REGISTERED OFFICE

Kirk House
P.O. Box 309
Grand Cayman
Cayman Islands
British West Indies

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

The R&H Trust Co Ltd
Windward 1
Regatla Office Park
P.O. Box 897
Grand Cayman KY1-1103
Cayman Islands

HONG KONG SHARE REGISTRARS AND TRANSFER OFFICE

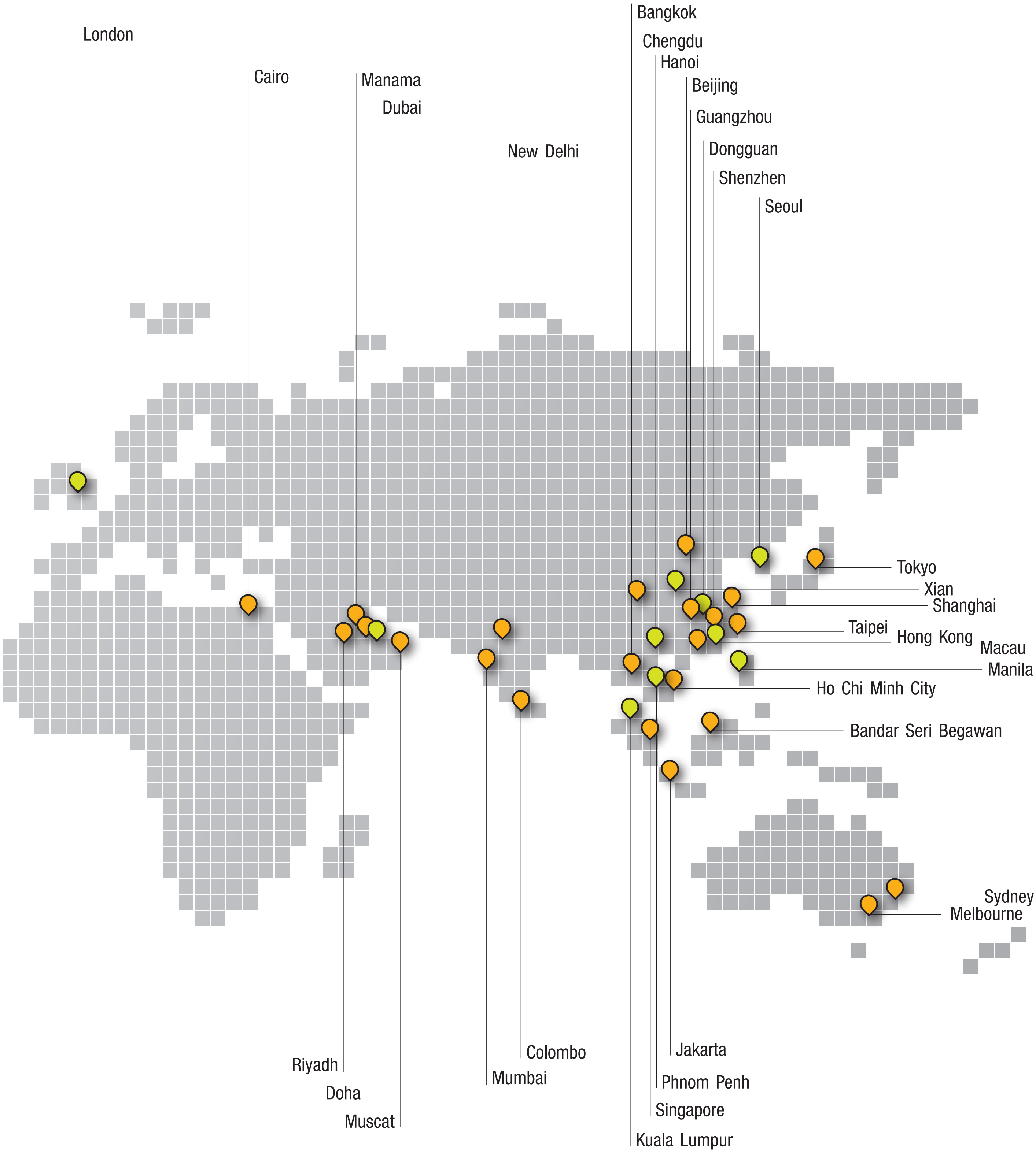
Union Registrars Limited
18th Floor
Fook Lee Commercial Centre
Town Place
33 Lockhart Road
Wanchai
Hong Kong

CORPORATE CALENDAR

Annual General Meeting	March 22, 2013
Payment of Final Dividend	April 15, 2013
Announcement of Interim Results	June 2013
Announcement of Final Results	January 2014

GLOBAL NETWORK

Headquartered in Hong Kong
Operating with 51 Offices in
36 Cities Worldwide


London
Cairo
Manama
Dubai
New Delhi
Bangkok
Chengdu
Hanoi
Beijing
Guangzhou
Dongguan
Shenzhen
Seoul
Tokyo
Xian
Shanghai
Taipei
Hong Kong
Macau
Manila
Ho Chi Minh City
Bandar Seri Begawan
Sydney
Melbourne
Riyadh
Doha
Muscat
Colombo
Mumbai
Jakarta
Phnom Penh
Singapore
Kuala Lumpur

PRINCIPAL OFFICES

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CHAIRMAN'S STATEMENT

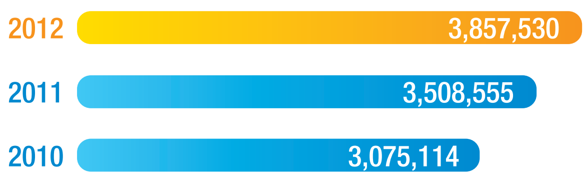
I am pleased to present our shareholders with the annual report of the Company and its subsidiaries (the "Group") for the year ended October 31, 2012.

RESULTS

Notwithstanding the impact of the global economic slowdown in the year under review, the Group maintained the business momentum of the previous year and achieved a record turnover of HK$3.858 billion (2011: HK$3.508 billion) representing an increase of 10.0%.

Turnover

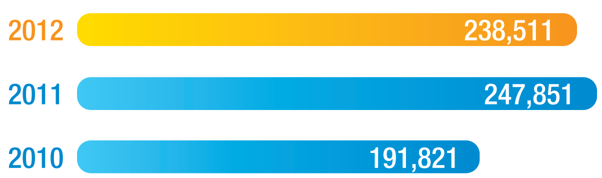
HK$'000



Profit for the year attributable to owners of the Company was HK$238.5 million (2011: HK$247.9 million), representing a decrease of 3.8%. This slight decrease is due to the various reasons stated in the following review of operations.

Profit attributable to owners of the Company

HK$'000



DIVIDEND

The Board of Directors recommend a final dividend of HK5.5 cents (2011: HK4.0 cents) per ordinary share. Altogether, the full year dividend is HK9.5 cents per ordinary share representing 48.3% of the earnings per share. The final dividend will be payable on Monday, April 15, 2013 to shareholders on the register of members of the Company on Tuesday, April 2, 2013.

Full year dividends per share

HK cents

REVIEW OF OPERATIONS

Headquartered in Hong Kong, the Group is a global organisation operating with 51 offices in 36 cities worldwide. Our operations are supported by a network of internal production facilities complemented by a large pool of outsource suppliers in 23 countries.

During the year under review, the Group delivered a good performance overall, although the continuing weak economies of Europe and the United States affected international trade and our industry. Due to the resilience of the Group, it did not affect many of our business and geographical segments. Many segments delivered good results, particularly those in Greater China and some countries in Southeast Asia, which enabled the Group to mitigate losses in other segments. Highlights included the Exhibition and Event Marketing Services segment and the Brand Signage and Visual Communication business segment which delivered growth of 13.2% and 33.0% respectively.

There were a few big projects which we undertook at a lower margin in order to break into certain niche services which resulted in our overall gross margin decreasing by about 1.8% compared to that of 2011. Contributing to this was a project in the Museum and Themed Environment segment due to work done which we have not yet recognised as revenue due to the current dispute with the main contractor. We also incurred some restructuring costs related to closing the Chicago office in North America and the consolidation of our operations in India. These were one-off costs which will not recur in the new financial year. These costs were the main factor contributing to the slight decrease in profit.

Last year saw the consolidation of all our US operations into our Los Angeles office, with the closure of our Chicago office. Although the recovery in the US market remains slow, we believe that a stronger Los Angeles office will enable the Group to focus on the right opportunities for business and growth, particularly in the areas of digital technology and content development in our business where California is a leader. This should put our Group in a position to capture the growth when the upturn comes in the US market.

Against this backdrop of a weak global economy, we continue to invest in technology, infrastructure and training instead of cutting such expenses for short term profitability. We believe it is important to invest in these areas in order to deliver innovative and value added services to our customers for sustainable long-term profitability.

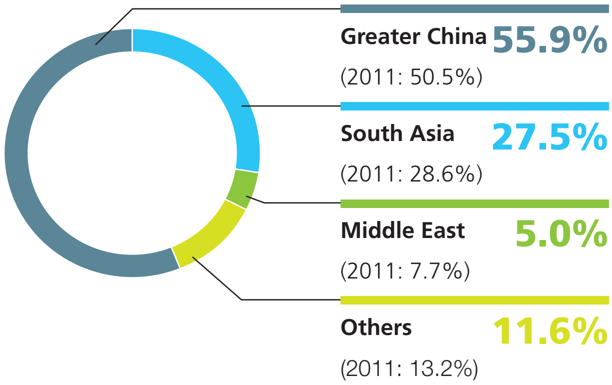
To update on the progress of our new infrastructure in China, our new 17,000 square metre office and production complex in Beijing will commence operations in May 2013, while the Group's largest office and production complex — at 41,000 square metres — in Shanghai will be ready by the third quarter of 2013. These two premises will double our existing capacity and enhance our ability to capture business opportunities in this dynamic country.

Together with the expansion in production space, the Group has also engaged specialised consultants to advise on the automation of our production methods and workflows. We have commenced this process in our Dongguan factory and will extend this technology to the new factories in Beijing and Shanghai so as to upgrade efficiency, quality and productivity in all facilities.

Training of new employees, middle and senior management staff continued throughout the year. During the year, the first batch of middle management staff successfully completed a two year distance-learning leadership programme which was conducted by a US-based human resources consultancy group.

REVIEW OF BUSINESS

Revenue by region



Geographical Review

Geographically, Greater China – which includes Hong Kong, Macau, Taiwan and the PRC – accounted for 55.9% (2011: 50.5%) of the Group's revenue of HK$3,858 million (2011: HK$3,508 million), South Asia (Singapore, Malaysia, Vietnam and India) accounted for 27.5% (2011: 28.6%), and the Middle East accounted for 5.0% (2011: 7.7%). The remaining 11.6% (2011: 13.2%) was mainly derived from Europe, North America, Japan and Korea.

In terms of volume, the business did not see any significant shift to any particular region in 2012. Greater China still accounted for over 50 percent of the Group's revenue.

Business Segments Review

1. The Exhibition and Event Marketing Services segment performance remained stable.

We were able to deliver strong growth of 13.2% (2011: 0.4%) up to HK$2,721 million (2011: HK$2,403 million) in the exhibition and event marketing services segment. Segment profit was HK$251.6 million (2011: HK$246.4 million).

▲ *Pico Creative Centre, Beijing*

▲ *Pico Creative Centre, Shanghai*

	2012 HK$' million	2011 HK$' million	Change %
Turnover	**2,721**	2,403	**13.2**
Profit	**251.6**	246.4	**2.1**

Our strategy and business model enabled us to achieve solid growth in this segment. Revenue growth was driven by our innovative service offerings including our Total Brand Activation approach, which embraces all aspects of branding – from strategic consultancy down to the execution level. These offerings successfully brought in new clients like Bloomberg, Chow Tai Fook, Goldman Sachs, SAP, SEAT and Volkswagen.

Through internal capability upgrading and by partnering with high-tech solution providers, we were able to deliver a broad range of creative and content development solutions. At the 2012 London Olympics, we created the three-storey Acer Pavilion at Olympic Park, which included a 3D theatre and interactive games. In the Tengger Desert and across a number of cities in China, we created the Audi Cube road show, in which we utilised integrated content and interactive software to enable the first application of transparent screen technology in China.

We continued to ensure that we were aligned with the key global trends of marketing and technology, particularly in faster-growing markets. We made significant progress in delivering our strategic priorities to maximise client value globally.

Highlights of the 2012 financial year include:

1. Automechanika Shanghai
2. Bahrain Animal Production Show
3. Bahrain National Day Celebration Events
4. Bangkok International Motor Show and Motor Expo
5. Cathay Pacific/HSBC Hong Kong Sevens
6. China Sourcing Fairs in Dubai, Hong Kong and Mumbai
7. Formula 1 Singtel Singapore Grand Prix
8. United Art Fair in New Delhi
9. New York Singapore Day
10. Singapore Air Show
11. Vinexpo Asia-Pacific in Hong Kong
12. World Petroleum Congress in Doha
13. Exhibition stands and events for Audi, Bloomberg, BMW, Boss, Chevron, Chow Tai Fook, H&M, Huawei, Man Diesel, Maersk, P&G, Peugeot, SAP, Tudor and Volkswagen

One of the significant events of 2012 for Pico was the Yeosu Expo, which ran from May to August in South Korea. This was a smaller-scale expo, held between the universal expositions (formally called World Expos) which take place every five years. Pico's longstanding local presence in South Korea meant that the organiser and participating organisations turned to us to deliver 11 theme and international pavilions, including the Marine Life Pavilion; country pavilions for Cambodia, Lithuania, Monaco, Nigeria, the Philippines, Singapore, Sri Lanka and the United Nations; the Jeonbuk pavilion; and a special exhibition to promote Ekaterinburg 2020 at the Russian pavilion.

Though the total contribution to our revenue was only about 20 percent of that from the Shanghai World Expo 2010, the Group considers this project to be a major strategic marketing move which will extend our gains from 2010 in terms of our portfolio, relationships and reputation, and act as a stepping stone for our marketing work for the next universal exposition in Milan in 2015.

While we have been undertaking a conservative approach to managing our operations in slow growth regions, we are also flexible: aiming to deploy our global resources carefully to ensure that we are well-placed to tap into upcoming business opportunities.

Asia, especially China, remained by far our strongest region for performance. While we are aware of the need to maintain a well-connected international network of operations, we have been and will continue to be extremely careful in managing our operations in Europe, the US, India and the Middle East in view of the possibility of unforeseen economic challenges and political unrest.

2. The Brand Signage and Visual Communication business segment continued to provide a constant revenue stream.

This segment achieved an outstanding 33.0% growth in revenue over the last year and accounted for HK$564 million (2011: HK$424 million) or 14.6% (2011: 12.1%) of the Group's revenue.

Segment profit was HK$75.5 million (2011: HK$42.4 million) or a margin of 13.4% (2011: 10.0%).

	2012 HK$' million	2011 HK$' million	Change %
Turnover	**564**	424	**33.0**
Profit	**75.5**	42.4	**78.1**

After many years of laying the groundwork, we now have an excellent track record in retail signage for the automotive sector, banks and international fast food chains in China. Today, we have become the preferred supplier for literally all major car brands in China. During the year, we provided signage in China for Buick, Chevy, Jaguar, Land Rover, Mercedes-Benz and Nissan. In addition, we handled Rolls-Royce

▲ Acer Pavilion at 2012 London Olympics

▲ Audi Cube road show in China

▲ Cathay Pacific/HSBC Hong Kong Sevens

▶ Lithuania Pavilion at Expo 2012 Yeosu Korea

▲ *Yoshinoya*

▲ *Costa Coffee*

▲ *Jaguar and Land Rover*

customer lounges worldwide. We have also successfully extended our foothold into other parts of the world through export to Europe and the Middle East for car brands like Infiniti and Peugeot.

In the fast food sector, we completed projects with Burger King, Costa Coffee, Dairy Queen, KFC, Yoshinoya and Xiabu Xiabu this year. Others projects include China Fashion Trade Centre, Total and Sinochem and several others.

Over the last few years, we have successfully opened up new growth opportunities, capitalising on the refurbishment and rejuvenation of many districts of Beijing, as well as the infrastructure development of the city.

With sound strategy, unique expertise and quality production, our brand signage and visual communication operations have successfully created an impressive portfolio with a vision for growth, which has generated significant results for the group over the past few years.

3. The Museum, Themed Environment, Interior and Retail segment saw growth, meeting our expectations.

This segment accounted for HK$487 million (2011: HK$381 million) or 12.6% (2011: 10.9%) of the Group's revenue. Segment loss was HK$0.5 million (2011: segment profit was HK$1 million).

	2012 HK$' million	2011 HK$' million	**Change %**
Turnover	**487**	381	**27.8**
(Loss) Profit	**(0.5)**	1.0	**(150.0)**

Due to an unfavourable economic climate and sluggish growth in this sector globally, we did not set high expectations for 2012. In spite of these factors, we still completed a number of projects in the financial year of 2012:

1. Ace Jerneh Insurance office in Kuala Lumpur
2. China National Offshore Oil Corporation showroom in Beijing
3. Civil Aviation Department headquarters in Hong Kong
4. Daqing Oil Pavilion
5. Ferrari Myth museum in Shanghai
6. Franck Muller store in Shenyang
7. HTC, Mercedes-Benz and Panasonic stores in Vietnam
8. Huawei showroom in Shenzhen
9. NEWater Visitor Centre in Singapore
10. Port of Lost Wonder at Sentosa in Singapore
11. Rivoli outlets in Abu Dhabi and Dubai
12. The War Museum Memorial Hall in Seoul
13. TV Today studio in Noida
14. VIVA shops in Bahrain
15. Xizi Otis Elevator showroom in Chongqing

4. The Conference and Show Management segment also met our expectations.

This segment accounted for HK$86 million (2011: HK$300 million) or 2.2% (2011: 8.5%) of the Group's revenue. Segment loss was HK$0.7 million (2011: segment profit was HK$36.5 million).

	2012 HK$' million	2011 HK$' million	**Change %**
Turnover	**86**	300	**(71.3)**
(Loss) Profit	**(0.7)**	36.5	**(101.9)**

Last year our growth of 200 percent in this segment was mostly attributed to the ITMA (Internationale Textilmaschinen Ausstellung) show in Barcelona — the world's largest international textile machinery show, which is held once every four years.

This year, we organised ITMA Asia held in Shanghai in June, essentially the Asian edition of ITMA. ITMA Asia ended on a high note, with a 30 percent increase

TV Today Studio, Noida

Xizi Otis Elevator Showroom, Chongqing

Franck Muller Store, Shenyang

House of Mekhong, Bangkok

▲ *ITMA Asia, Shanghai*

▲ *Incentive Travel Conventions, Meetings (China), Shanghai*

▲ *APEC 2012 Second Meeting of the Committee on Trade and Investment, Singapore*

on the record numbers of both visitors and exhibitors of the last edition, despite the difficult global economic climate. In a further boost, we have also been appointed to handle the upcoming ITMA Asia in Shanghai in 2014 and 2016, and ITMA 2015 in Milan.

Highlights of the financial year 2012 included a number of recurring shows, as well as several new projects:

1. 50Plus Expo in Singapore
2. 5th Philippine Life Insurance Congress in Manila
3. APEC 2012 Second Meeting of the Committee on Trade and Investment (CTI2) in Singapore
4. Asia Game Show in Hong Kong
5. Asian Attractions Expo in Hong Kong
6. Banking Technology 2012 in Mumbai
7. Incentive Travel and Conventions, Meetings in Shanghai
8. InfoComm China 2012 in Beijing
9. Philconstruct in Manila
10. Singapore Garden Festival

FINANCIAL POSITION

As at year end date, total net tangible assets of the Group increased by 8.1% to about HK$1,390 million (2011: HK$1,286 million).

Bank and cash balances amounted to HK$951 million (2011: HK$1,075 million), there was no pledged bank deposits (2011: HK$1 million). Deducting interest bearing external borrowings from cash and bank balances, the net cash balance was HK$939 million (2011: HK$1,062 million).

Total borrowings were at HK$12 million for year ended October 31, 2012 (2011: HK$14 million). Bank borrowings are mainly denominated in Singapore dollars, Indian Rufee and Korean Won, and the interest is charged on a mix of floating and fixed rate basis.

	2012 HK$' million	2011 HK$' million
Bank and cash balances	**951**	1,075
Pledged bank deposits	**—**	1
Less: Borrowings	**(12)**	(14)
Net cash balance	**939**	1,062

For the year ended October 31, 2012, the Group invested HK$125 million (2011: HK$96 million) in purchase of property, plant and equipment and other tangible and intangible assets of which HK$89 million was payment for property under development in the PRC of new office and production complex. All these were financed from internal resources.

The Group has no long term borrowings at October 31, 2012 and 2011. The current ratio was 1.48 times (2011: 1.43 times) and the liquidity ratio was 1.44 times (2011: 1.38 times).

	2012	2011
Current ratio (current assets/current liabilities)	**1.48 times**	1.43 times
Liquidity ratio (current assets — excluding inventory and contract work in progress/current liabilities)	**1.44 times**	1.38 times
Gearing ratio (long term borrowing/total assets)	**N/A**	N/A

Although our subsidiaries are located in many different countries of the world, over 76% of the Group's sales and purchases were denominated in Singapore dollars, Hong Kong dollars, Renminbi and US dollars, and the remaining 24% were denominated in other Asian currencies and European currencies. We are already diversified in many different currencies, and the major Asian currencies have been quite stable throughout the year, the Group's exposure to foreign exchange risk is minimal. It is the Group's policy not to enter into derivative transactions for speculative purposes.

EMPLOYEES AND EMOLUMENTS POLICIES

At October 31, 2012, the Group employs a total of some 2,400 full time employees (2011: 2,500) engaged in project management, design, production, sales and marketing and administration, which was supported by a large pool of subcontractors and suppliers. The staff costs incurred in the year were about HK$620 million (2011: HK$552 million).

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

PLEDGE OF ASSETS

At October 31, 2012, the following assets were pledged as collaterals for credit facilities granted to the Group by certain banks.

	2012 HK$'000	2011 HK$'000
Pledged bank deposits	—	996
Freehold land and buildings	**16,931**	17,011
Leasehold land and buildings	**14,411**	14,767
	31,342	32,774

CONTINGENT LIABILITIES

Financial guarantees issued

At October 31, 2012, the Group has issued the following guarantees:

	THE GROUP		THE COMPANY	
	2012 HK$'000	2011 HK$'000	**2012 HK$'000**	2011 HK$'000
Guarantees given to banks in respect of banking facilities granted to				
— subsidiaries	—	—	**422,478**	497,297
— associates	—	36,678	—	36,678
	—	36,678	**422,478**	533,975
Performance guarantees				
— secured	**49,493**	52,879	—	—
— unsecured	**76,311**	81,093	—	—
	125,804	133,972	—	—
Other guarantees				
— secured	**2,819**	5,384	—	—
— unsecured	—	538	—	—
	2,819	5,922	—	—

At October 31, 2012, the Executive Directors do not consider it is probable that a claim will be made against the Group under any of the above guarantees.

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

CAPITAL COMMITMENTS

	2012 HK$'000	2011 HK$'000
Capital expenditures in respect of property, plant and equipment		
— contracted but not provided for	**94,424**	17,783
— authorised but not contracted for	**45,345**	138,246
	139,769	156,029

The Company did not have any other significant capital commitments at October 31, 2012 and 2011.

OUTLOOK

Looking ahead, the world economy is still struggling to return to sustainable growth as Europe is still mired in recession while the US fiscal cliff deal has only postponed some difficult decisions in the world's biggest economy. Against this backdrop, our Group remains cautious on their repercussions to our industry.

While the Group still relies on the strength of its Asian business, particularly in the China market, we are constantly upgrading our capabilities in order to stay ahead of the competition so as to seize opportunities when slow moving regions begin to recover. Financially, the Group's balance sheet is strong, and we will be able to support any strategic moves to maintain our leadership position in the field.

Given our proven track record in handling world class events, the Pico brand name has, time and again, provided the Group with a competitive edge, distinguishing us from our competitors. 2012 was a year of international successes and rewards, which further enhanced Pico's leading position — we won the Gold Award at the Event Marketing Agency of the Year Awards by Marketing Magazine, we were ranked second by America's Special Events Magazine, and were ranked third in CEI Asia's list of top event companies.

We are confident that our culture of innovation and our "can do" attitude will continue to work in our favour despite slow growth and continuing global economic uncertainty. By leveraging our strengths and core competencies, we are already creating synergies to solidify our global presence and build on our unique strengths: we will increase our global presence, enhance our world class delivery and expand our signature practices to new and untapped markets.

CONCLUSION

I would like to extend my sincere thanks to all our clients, shareholders, directors, managers and staff for your support this year. Pico's successes are your successes — you have all contributed to lifting us to where we are today. I look forward to realising the accomplishments of our exciting innovations as we sail, together, into the future.

By Order of the Board

Lawrence Chia Song Huat
Chairman

Hong Kong, January 25, 2013

CORPORATE SOCIAL RESPONSIBILITY

From the company's founding in 1969, Pico has believed in treating our staff, our stakeholders and the wider community with care and respect. Care and respect are at the heart of every business decision we make, every project we embark upon and every branding campaign we create.

The trust of our staff, the support of our stakeholders and the continuing health of the communities and environment that surround and sustain us have been crucial to the Pico Group's global success, and will play an ever-greater role in our future achievements.

PICO CORPORATE SOCIAL RESPONSIBILITY POLICY — BEYOND VISION 2020

In 2010, Pico rolled out 'Vision 2020', our ten-year blueprint for engagement with our staff and stakeholders and a roadmap for long-term growth.

With five core objectives – people, place, profit, planet and professionalism – this solid strategy has now become the foundation of a robust Corporate Social Responsibility (the 'CSR') policy, which will continue to grow and evolve as we fine-tune our initiatives.

CSR COMMITMENT STATEMENT

People

We commit to protecting the human rights of our staff all over the world, and to ensuring a safe, clean, respectful and inclusive workplace for every Pico employee.

Place

We commit to the communities where we are based, through building strong local links, using local suppliers and service companies whenever possible, and by giving back to the communities through charitable initiatives.

Profit

We commit to our stakeholders by complying with both the letter and spirit of the laws and regulations in the countries in which we operate, and by conducting business with honesty and transparency. We commit to our shareholders by ensuring that we maximise returns in a sustainable way. We commit to ensuring efficiency and cost savings through rigorous, transparent corporate governance.

Planet

We commit to the principles of sustainable development by reducing the environmental impact of our business operations wherever possible, and by establishing and developing our PicoEco policies to ensure that our business activities safeguard our planet for future generations.

Professionalism

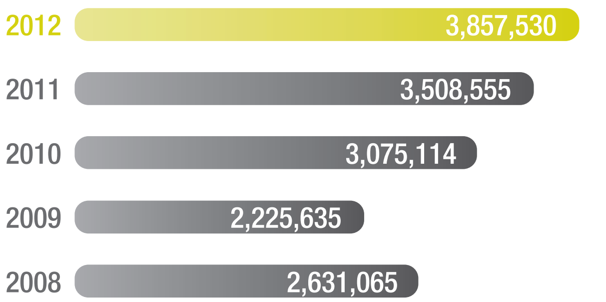
We commit to working with our business partners in long-term, mutually respectful relationships. We commit to putting our best effort into creating the best result for our clients and our stakeholders.

Through these commitments, the Pico Group aims to create a better world for our people, our stakeholders and our planet.

FINANCIAL SUMMARY

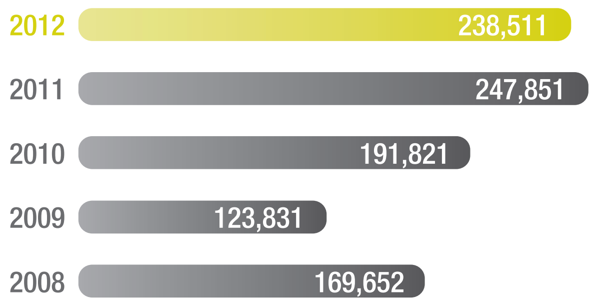
Turnover

HK$'000



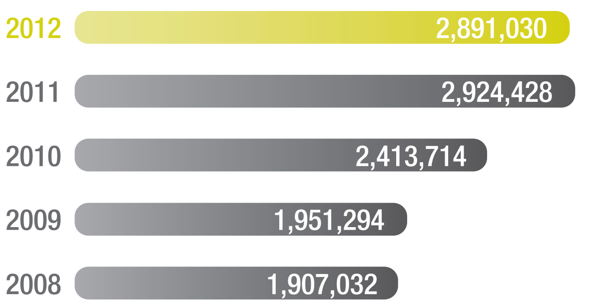
Profit attributable to owners of the Company

HK$'000



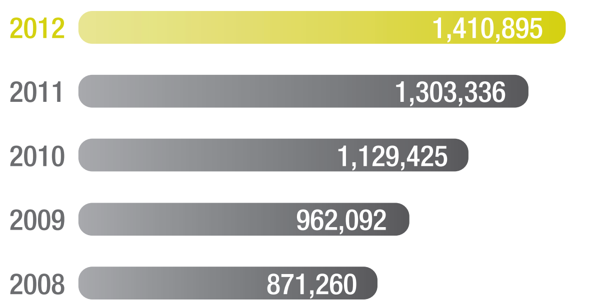
Total assets

HK$'000



Equity attributable to owners of the Company

HK$'000



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

RESULTS

	Year ended October 31,				
	2008 HK$'000	2009 HK$'000	2010 HK$'000	2011 HK$'000 (restated)	**2012** **HK$'000**
Turnover	2,631,065	2,225,635	3,075,114	3,508,555	**3,857,530**
OPERATING PROFIT					
Profit from operations (after finance costs)	217,490	154,991	238,000	309,086	**301,944**
Share of profits of associates	12,395	719	7,997	23,433	**12,111**
Share of (losses) profits of jointly controlled entities	1,091	12,252	16,030	2,093	**(193)**
Profit before tax	230,976	167,962	262,027	334,612	**313,862**
Income tax expense	(44,080)	(36,154)	(58,873)	(79,637)	**(74,806)**
Profit for the year	186,896	131,808	203,154	254,975	**239,056**
Attributable to:					
Owners of the Company	169,652	123,831	191,821	247,851	**238,511**
Non-controlling interests	17,244	7,977	11,333	7,124	**545**
Profit for the year	186,896	131,808	203,154	254,975	**239,056**

ASSETS AND LIABILITIES

	At October 31,				
	2008 HK$'000	2009 HK$'000	2010 HK$'000	2011 HK$'000 (restated)	**2012** **HK$'000**
Total assets	1,907,032	1,951,294	2,413,714	2,924,428	**2,891,030**
Total liabilities	967,661	919,846	1,204,273	1,552,579	**1,417,911**
Net assets	939,371	1,031,448	1,209,441	1,371,849	**1,473,119**
Equity attributable to owners of the Company	871,260	962,092	1,129,425	1,303,336	**1,410,895**
Non-controlling interests	68,111	69,356	80,016	68,513	**62,224**
Total equity	939,371	1,031,448	1,209,441	1,371,849	**1,473,119**

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Lawrence Chia Song Huat, aged 52, has worked in the exhibition industry for more than 29 years and has been Chairman of the Group since 1994. He is a graduate of the University of Tennessee with major in Finance. In 2006, he received the International Executive in Sport and Entertainment Award from The University of South Carolina in U.S.A. He is currently a member of the Academy of Visual Arts Advisory Committee for the Hong Kong Baptist University and is also the Vice-chairman of the Singapore Chamber of Commerce (Hong Kong).

James Chia Song Heng, aged 60, is a Founding Director of the Pico Group and has worked in the exhibition industry for more than 39 years. He is Group President of Pico and has overall responsibilities for the Group's exhibition business in South Asia. He is also Chairman of Pico (Thailand) Public Company Limited, which is listed on the Stock Exchange of Thailand, and Chairman of the MP International group which is engaged in the management of conferences and exhibitions.

Albert Mok Pui Keung, aged 48, joined the Group in 1991. He graduated with a bachelor degree in accounting from the University of Ulster in United Kingdom. Prior to joining the Group, he worked in an international audit firm in Hong Kong. He is also a member of the Hong Kong Institute of Certified Public Accountants.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Gregory Robert Scott Crichton, aged 61, has been an Independent Non-Executive Director of the Company since 1998. He has held numerous directorships in various entities and countries including American International Assurance Co., Ltd. (AIA) and continues to work in the insurance industry. He is currently Non-Executive President Commissioner of an Indonesian life insurance company and Advisor to a Singapore reinsurance company. He has served on the Inland Revenue Board of Review and other bodies. He is a graduate in Law from the University of Sydney and holds a Bachelor of Arts from the University of New South Wales. He is admitted as a solicitor of the Supreme Court of Hong Kong and is also a solicitor of the Supreme Court of England and Wales.

James Patrick Cunningham, aged 58, has been an Independent Non-Executive Director of the Company since 2004. He holds a B.S. degree in Business Administration from Adelphi University in New York and has attended advanced management courses at INSEAD in France. Mr. Cunningham has spent 35 years in the apparel and fashion retail industry and from 1990 until 2004 he was a Senior Vice President and Corporate Officer of the Gap Inc. He also sits on the board of Takson Holdings in Hong Kong and is on the board of Summerbridge Hong Kong. He has been an advisor to the Shinsegae Group in Seoul, Korea for the past seven years and for almost twenty years has been an active member of the Young Presidents' Organisation and the World Presidents' Organisation.

Frank Lee Kee Wai, aged 53, has been a Non-Executive Director of the Company since 1992 and is the senior partner of Messrs. Vincent T.K. Cheung, Yap & Co., Solicitors and Notaries. He holds a Bachelor of Law from the London School of Economics & Political Science and has obtained a Master of Laws degree from the University of Cambridge. He is a qualified solicitor in Hong Kong, England, Singapore and the Australian Capital Territory. He is also a China-Appointed Attesting Officer and a member of the Chartered Institute of Arbitrators. Mr. Lee is currently also an Independent Non-Executive Director of Vision Values Holdings Limited.

Charlie Yucheng Shi, aged 51, has been an Independent Non-Executive Director of the Company since 2002. Mr. Shi is currently the Managing Director of Omaha Capital Management Limited, which manages growth and venture capital funds focusing in the Greater China region. Mr. Shi holds a BA degree in Economics from Fudan University in Shanghai, and a MBA degree from California Lutheran University. Mr. Shi also graduated from the Advanced Management Program at the Harvard Business School.

SENIOR MANAGEMENT

The Executive Committee is comprised of the Executive Directors and the following persons in senior management of the Group:

Chia Siong Lim
Honorary Chairman of Pico Far East Holdings Limited

aged 66, has worked in the exhibition industry for more than 43 years and is the founder of the Pico Group. Over the years, he had been involved in the key investments that created a strong foundation for the Group and his vision has helped the Group grow to what it is today. He is also Chairman of the Intertrade group, which directs the development of exhibition hall management business. He is a brother of Mr. Lawrence Chia and Mr. James Chia.

Jean Chia Yuan Jiun
Managing Director (Singapore)

aged 39, has worked in the exhibition industry for 14 years and also worked in the corporate finance industry in London, Hong Kong and Singapore before joining the Group. She is a niece of Mr. Lawrence Chia and Mr. James Chia. She is a graduate of the London School of Economics.

Steven Fang Xiang Jiang
President (China and Hong Kong)

aged 59, has worked in the exhibition industry for more than 14 years. He is a graduate of the Beijing Foreign Languages Institute and also completed a management course at Boston University under the Hubert H. Humphrey Fellowship Program. Prior to joining the Group, he worked for several ministries of the People's Republic of China government and held senior management positions in several large state-owned enterprises in the People's Republic of China for more than 20 years.

Danny Ku Yiu Chung
Managing Director (World Image Group)

aged 47, joined the Group in 1994 and has more than 16 years of experience in the signage business. He is responsible for business development as well as management of the production facilities in China of the Group's brand signage and visual communication business. He is a member of the Chinese People's Political Consultative Conference Jiading Committee of Shanghai.

Low Wun Gong
Executive Director (Pico IES Group)

aged 55, joined the Group in 1989 and has worked in the exhibition industry for more than 24 years. Pico IES Group is engaged in the general contracting of exhibition booths and the provision of technical services for trade shows. He is a Council member of the China Convention and Exhibition Industries Association, and Convenor of the Committee of Safety and Health Standard for the Exhibition Industry of Singapore. He is also the recipient of the National Youth Award and the Public Service Award (PBM), which was presented to him by the President of the Republic of Singapore in 1990.

Peter Sng Kia Tuck
Executive Director (Middle East)

aged 54, joined the Group in 1989 and has worked in the exhibition industry for more than 23 years. He is based in Dubai and is responsible for the business and operations in the Middle East and Africa Regions.

Florence Tan Siew Choo
Managing Director (Shanghai and Taiwan)

aged 52, joined the group in 1980 and has worked in the exhibition industry for more than 32 years. She is responsible for the business development and management of Pico Shanghai, IES Shanghai, Pico Taiwan and MP Shanghai.

Yong Choon Kong
Executive Vice President (Group)

aged 59, qualified as a Chartered Accountant with Coopers & Lybrand, London. He joined the Group in 1988 and was an Executive Director of the Board from 1992 to 2010. He graduated with first class honours in economics and statistics from the University of Leeds in 1975.

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board") of the Company is always committed to maintaining high standards of corporate governance. During the year ended October 31, 2012, the Company has complied with the code provision (the "CG Code") as set out in the Code on Corporate Governance Practices during the period from November 1, 2011 to March 31, 2012 and the Corporate Governance Code and Corporate Governance Report during the period from April 1, 2012 to October 31, 2012 contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") except for the following deviations:

CG Code 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 four Independent Non-Executive Directors 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 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 by rotation and re-election at the Company's Annual General Meeting (the "AGM"). The Articles of Association of the Company requires one-third of the Directors to retire by rotation. In the opinion of the Directors, it meets the same objective as the CG Code A4.1.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the Directors of the Company. Having made specific enquiry, the Company confirms that the Directors complied with the required standard set out in the Model Code for the year ended October 31, 2012.

THE BOARD

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

The Board is also responsible for performing the functions set out in the CG Code D3.1. The Board will meet to develop, review and monitor the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and compliance manual applicable to employees and directors.

THE BOARD (CONTINUED)

Four board meetings were held during the financial year ended October 31, 2012. The attendance of the Directors is set out below:

Directors	Attendance at Meetings
Executive Directors	
Lawrence Chia Song Huat *(Chairman)*	4
James Chia Song Heng	4
Mok Pui Keung	4
Independent Non-Executive Directors	
Gregory Robert Scott Crichton	4
James Patrick Cunningham	4
Frank Lee Kee Wai	4
Charlie Yucheng Shi	4

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

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

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

Mr. Frank Lee Kee Wai ("Mr. Lee") has been re-designated as an independent non-executive Director on May 15, 2012. Mr. Lee is a partner of Vincent T.K. Cheung, Yap & Co., a legal firm in Hong Kong which previous provided services to the Group. Except for rule 3.13(7) of the Listing Rules, being a non-executive Director of the Company with non management role, Mr. Lee complied with all the rule 3.13 of the Listing Rules. Vincent T.K. Cheung, Yap & Co. has not provided services to the Group in the previous two financial years. The Board considered Mr. Lee as an independent non-executive Director.

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

DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT

Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution into the Board remains informed and relevant.

The Directors are committed to complying with the CG Code A6.5 which came into effect on April 1, 2012 on Directors' training. All Directors have participated in continuous professional development and provided a record of training they received for the financial year ended October 31, 2012 to the Company.

DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT (CONTINUED)

The individual training record of each Director received for financial year ended October 31, 2012 is set out below:

Directors	Briefings and updates on the business, operations and corporate governance matters	Attending or participating in seminars/workshops or working in technical committee relevant to the business/directors' duties
Executive Directors		
Lawrence Chia Song Huat *(Chairman)*	√	√
James Chia Song Heng	√	√
Mok Pui Keung	√	√
Independent Non-Executive Directors		
Gregory Robert Scott Crichton	√	√
James Patrick Cunningham	√	√
Frank Lee Kee Wai	√	√
Charlie Yucheng Shi	√	√

THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

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

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

NON-EXECUTIVE DIRECTORS

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

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

REMUNERATION COMMITTEE

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

One Remuneration Committee meeting was held during the financial year ended October 31, 2012. Members of the Remuneration Committee and the attendance of each member are set out below:

Members	**Attendance of Meeting**
Gregory Robert Scott Crichton *(Chairman, appointed on March 29, 2012)*	1
Lawrence Chia Song Huat *(ceased to be Chairman, effective on March 29, 2012)*	1
James Patrick Cunningham	1

The terms of reference of the Remuneration Committee are aligned with the CG Code. Given below are main duties of the Remuneration Committee:

(a) to consider the Company's policy and structure of remuneration of the Directors and senior management;

(b) to determine specific remuneration packages of all Executive Directors and senior management;

(c) to review performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;

(d) to review compensation payable to Executive Directors and senior management in connection with any loss or termination of their office or appointment; and

(e) to review compensative arrangements relating to dismissal or removal of Directors for misconduct.

Details of remuneration paid to members of key management fell within the following bands:

	Number of individuals
HK$1,000,000 or below	4
HK$1,000,001–HK$2,000,000	1
HK$5,000,001–HK$6,000,000	1
HK$6,000,001–HK$7,000,000	2
HK$10,000,001–HK$11,000,000	1
HK$16,000,001–HK$17,000,000	1

AUDIT COMMITTEE

The Company has set up an Audit Committee consisting of four Independent Non-Executive Directors.

Three Audit Committee meetings were held during the financial year ended October 31, 2012. Attendance of the Members is set out below:

Members	Attendance of Meetings
Charlie Yucheng Shi *(Chairman)*	3
Gregory Robert Scott Crichton	3
James Patrick Cunningham	3
Frank Lee Kee Wai	3

The terms of reference of Audit Committee are aligned with the CG Code. Given below are the main duties of the Audit Committee:

(a) to consider the appointment of external auditor and any questions of resignation or dismissal;

(b) to discuss with the external auditor before the audit commences, the nature and scope of the audit;

(c) to review half-year and annual financial statements before submission to the Board;

(d) to discuss problems and reservations arising from the audit, and any matters the external auditor may wish to discuss; and

(e) to consider and review the Company's system of internal controls.

NOMINATION COMMITTEE

A Nomination Committee has been established by the Board with written terms of reference with effect from March 29, 2012.

One Nomination Committee meeting was held during the financial year ended October 31, 2012. Attendance of the Members is set out below:

Members	Attendance of Meetings
Lawrence Chia Song Huat *(Chairman)*	1
James Patrick Cunningham	1
Charlie Yucheng Shi	1

NOMINATION COMMITTEE (CONTINUED)

The terms of reference of Nomination Committee are aligned with the CG Code. Given below are the main duties of the Nomination Committee:

(a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(b) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(c) to receive nominations from shareholders or directors when such are tendered and to make recommendations to the Board on the candidacy of the nominees, having regard to the Board's compositional requirements and suitability of the nominees;

(d) to assess the independence of independent non-executive directors and review the independent non-executive directors' confirmations on their independence; and make disclosure of its review results in the corporate governance report. Where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe he/she should be elected and the reasons why they consider him/her to be independent;

(e) to make recommendations to the Board on the appointment or reappointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive of the Company; and

(f) to consider other topics and review other documents as may be reasonably requested by the Board from time to time.

AUDITOR'S REMUNERATION

The fees in relation to the audit service provided by RSM Nelson Wheeler, the external auditor of the Company, for the year ended October 31, 2012 amounted to HK$1,870,000 (2011: HK$1,700,000).

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements of the Group for the relevant accounting periods under applicable statutory and regulatory requirements which give a true and fair view of the state of affairs, the results of operations and cash flows of the Group. In preparing the financial statements for the six months ended April 30, 2012 and for the year ended October 31, 2012, suitable accounting policies have been adopted and applied consistently. The financial statements for the reporting year have been prepared on a going concern basis.

INTERNAL CONTROLS

The Board has overall responsibility for the effectiveness of the internal control system and monitors the internal control systems through the Internal Audit Department of the Group. The Internal Audit Department reviews the material controls of the Group on a continuous basis and aims to cover all major operations of the Group on a cyclical basis. Overall, internal audits are designed to provide the Board with reasonable assurance that the internal control systems of the Group are sound and effective. The Board also reviews regularly the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

SHAREHOLDERS RIGHTS

Pursuant to Articles 72 of the Company's Articles of Association, an extraordinary general meetings shall be convened on the written requisition of any two members of the Company deposited at the registered office specifying the objects of the meeting and signed by the shareholders, provided that such shareholders held at the date of deposit of the requisition not less than one tenth of the paid up capital of the Company as at the date of deposit which carries the right of voting at general meetings of the Company. If the Directors do not within twenty one days from the date of deposit of the requisition proceed duly to convene the meeting, the shareholders themselves may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors, and all reasonable expenses incurred by the shareholders as a result of the failure of the Directors shall be reimbursed to them by the Company.

There are no provision allowing shareholders to move new resolutions at general meetings under the Cayman Islands Companies Law or the Articles of Association of the Company. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

As regards, proposing a person for election as a director, please refer to the procedures available on the websites of the Company.

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Company's principal place of business in Hong Kong at Pico House, 4 Dai Fu Street, Tai Po Industrial Estate, New Territories, Hong Kong.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company follows a policy of disclosing relevant information to shareholders in a timely manner. Members of the Board meet and communicate with shareholders at the AGM of the Company. The Chairman proposes separate resolutions for each issue to be considered and put each proposed resolution to the vote by way of a poll. Voting results are posted on the Company's website on the day of AGM.

Our corporate website which contains corporate information, corporate governance practice, interim and annual reports, announcements and circulars issued by the Company enables the Company's shareholders to have timely and updated information of the Company.

DIRECTORS' REPORT

The Directors have pleasure in presenting their annual report and the audited financial statements for the year ended October 31, 2012.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries, associates and jointly controlled entities are set out in Notes 47, 48 and 49 respectively to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

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

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

RESULTS AND DIVIDENDS

The results of the Group and appropriations of the Company for the year ended October 31, 2012 are set out in the consolidated income statement on page 41 and the state of affairs of the Group and the Company at October 31, 2012 are set out in the statement of financial position on pages 43 to 45.

The Directors now recommend the payment of a final dividend of HK5.5 cents (2011: a final dividend of HK4.0 cents and a special dividend of HK4.0 cents) per ordinary share. Together with the interim dividend of HK4.0 cents (2011: HK4.0 cents) per ordinary share, total dividend for the year amounted to HK9.5 cents (2011: HK12.0 cents) per ordinary share. The final dividend will be payable on Monday, April 15, 2013 to shareholders on the register of members of the Company on Tuesday, April 2, 2013.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity and Note 35 to the financial statements respectively.

The Directors consider that the Company's reserves available for distribution to shareholders comprise the share premium, the special reserve and the retained earnings which amounted to HK$784,915,000 (2011: HK$653,469,000). Under the Chapter 22 of Cayman Islands Companies Law, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution of dividend the Company is able to pay its debts as they fall due in the ordinary course of business.

INVESTMENT PROPERTIES

The Group's investment properties were revalued at the end of the reporting period. The net fair value increase on investment properties arising on revaluation amounting to HK$3,043,000 (2011: HK$13,876,000) has been recognised in profit or loss.

Details of this and other movements in investment properties are set out in Note 16 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired land and buildings situated outside Hong Kong at a cost of HK$11,457,000, leasehold improvements at a cost of HK$4,114,000, furniture, fixtures and office equipment at a cost of HK$7,299,000, tools, machinery, factory equipment and fittings at a cost of HK$2,754,000, motor vehicles at a cost of HK$2,275,000, operating supplies at a cost of HK$1,695,000 and property under development at a cost of HK$89,233,000.

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

SHARE CAPITAL

Details of the issued share capital of the Company during the year are set out in Note 33 to the financial statements.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive Directors:

Mr. Lawrence Chia Song Huat, *Chairman*
Mr. James Chia Song Heng
Mr. Mok Pui Keung

Independent Non-Executive Directors:

Mr. Gregory Robert Scott Crichton
Mr. James Patrick Cunningham
Mr. Frank Lee Kee Wai *(re-designated from a non-executive Director to an independent non-executive Director with effect from May 15, 2012)*
Mr. Charlie Yucheng Shi

In accordance with Article 116 of the Company's Articles of Association, Messrs. Mok Pui Keung, James Patrick Cunningham and Frank Lee Kee Wai retire and being eligible, offer themselves for re-election.

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

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

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

DIRECTORS' INTERESTS IN SHARES

At October 31, 2012, the interests of the Directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules were as follows:

		Number of shares/underlying shares held			Approximate percentage of shareholding of the Company
Directors		**Personal interests**	**Other interests**	**Total interests**	
Mr. Lawrence Chia Song Huat	*(Note 1)*	5,658,000	—	5,658,000	0.47%
Mr. James Chia Song Heng	*(Note 2)*	2,930,000	—	2,930,000	0.24%
Mr. Mok Pui Keung	*(Note 3)*	506,000	—	506,000	0.04%
Mr. Gregory Robert Scott Crichton		—	—	—	—
Mr. James Patrick Cunningham		—	—	—	—
Mr. Frank Lee Kee Wai		—	—	—	—
Mr. Charlie Yucheng Shi		—	—	—	—

Notes:

1. The personal interest of Mr. Lawrence Chia Song Huat represents the interest in 5,658,000 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 2,930,000 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. Mok Pui Keung represents the interest in 310,000 shares and interest in 196,000 underlying shares in respect of the share options granted by the Company, the details of which are stated in the following section "Share options".

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

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

Save as disclosed herein and other than certain shares in subsidiaries held as nominees by certain Directors of the Group, none of the Directors and their associates has any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of the SFO) as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTIONS

The share option scheme approved by the shareholders of the Company on January 7, 2002 (the "2002 Scheme") has expired on January 7, 2012. Thereafter, no further options will be granted under the 2002 Scheme but the subsisting options granted thereunder prior to the expiry date will continue to be valid and exercisable in accordance with the terms of the 2002 Scheme.

At the AGM of the Company held on March 22, 2012, the shareholders of the Company approved the adoption of a new share option scheme (the "2012 Scheme") under which the directors of the Company may grant options to eligible persons to subscribe for the Company's shares subject to the terms and conditions as stipulated therein. Unless otherwise cancelled or amended, the 2012 Scheme will remain valid for a period of 10 years from the date of its adoption.

SHARE OPTIONS (CONTINUED)

1. The 2002 Scheme

The 2002 Scheme was adopted on January 7, 2002, details are as follows:

(i) Purpose

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

(ii) Eligible Person

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

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

(iii) The total number of shares available for issue under the 2002 Scheme and the percentage of the issued share capital that it represents as at the date of the annual report

(a) The total number of shares which may be issued upon exercise of all options granted under the 2002 Scheme do not in aggregate exceed 10% of the shares of the Company at date of approval.

(b) The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2002 Scheme and any other schemes of the Company must not exceed 30% of the shares in issue from time to time.

(iv) Maximum entitlement of each Eligible Person

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

(v) Timing for exercise of options

(a) An option may be exercised in accordance with the terms of the 2002 Scheme at any time during a period to be notified by the Directors to each option holder but may not be exercised after the expiry of five years from the offer date. The Directors may provide restrictions on the exercise of an option during the period and option may be exercised as a result.

(b) There is no general requirement on the performance targets that must be achieved before an option can be exercised under the terms of the 2002 Scheme. However, at the time of offer of an option, the Directors may, on a case by case basis, make such offer subject to such conditions in relation to performance targets to be achieved as the Directors may determine in their absolute discretion.

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

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

SHARE OPTIONS (CONTINUED)

1. The 2002 Scheme (continued)

(vii) Basis for determination of exercise price

The subscription price per share in relation to an option shall be a price to be determined by the Directors and shall be not less than the highest of:

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

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

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

(viii) Life of the 2002 Scheme

The 2002 Scheme was in force for a period of 10 years commencing on January 7, 2002, which was the date of adoption of the 2002 Scheme and has expired on January 7, 2012.

2. The 2012 Scheme

The 2012 Scheme was adopted on March 22, 2012, details are as follows:

(i) Purpose

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

(ii) Eligible Person

(a) Any Executive, i.e. any person who is, or who at any time after March 22, 2012 becomes, a full-time or part-time employee or an Executive Director of any Group company and has on the day preceding the offer date been such an employee or Executive Director for at least six months and any other employee or Executive Director of any Group company nominated by the Directors to be an Executive;

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

(iii) The total number of shares available for issue under the 2012 Scheme and the percentage of the issued share capital that it represents as at the date of the annual report

(a) The total number of shares which may be issued upon exercise of all options to be granted under the 2012 Scheme and any other schemes must not in aggregate exceed 121,342,410 shares, representing approximately 10% of the issued share capital as at October 31, 2012.

(b) The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2012 Scheme and any other schemes of the Company must not exceed 30% of the shares in issue from time to time.

SHARE OPTIONS (CONTINUED)

2. The 2012 Scheme (continued)

(iv) Maximum entitlement of each Eligible Person

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

(v) Timing for exercise of options

(a) An option may be exercised in accordance with the terms of the 2012 Scheme at any time during a period to be notified by the Directors to each option holder but may not be exercised after the expiry of five years from the offer date. The Directors may provide restrictions on the exercise of an option during the period and option may be exercised as a result.

(b) There is no general requirement on the performance targets that must be achieved before an option can be exercised under the terms of the 2012 Scheme. However, at the time of offer of an option, the Directors may, on a case by case basis, make such offer subject to such conditions in relation to performance targets to be achieved as the Directors may determine in their absolute discretion.

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

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

(vii) Basis for determination of exercise price

The subscription price per share in relation to an option shall be a price to be determined by the Directors and shall be not less than the highest of:

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

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

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

(viii) Life of the 2012 Scheme

The 2012 Scheme will remain in force for a period of 10 years commencing on March 22, 2012, which was the date of adoption of the 2012 Scheme.

SHARE OPTIONS (CONTINUED)

3. Outstanding options

Details of outstanding options over new shares of the Company at the beginning and at the end of the reporting period which have been granted under the 2002 Scheme and 2012 Scheme are as follows:

2002 Scheme

		Outstanding at November 1, 2011	Number of share options granted	Number of share options exercised	Number of share options lapsed	Outstanding at October 31, 2012
Category 1: Directors						
Mr. Lawrence Chia Song Huat	*(Note 1)*	1,600,000	—	—	(1,600,000)	—
	(Note 5)	1,800,000	—	—	—	1,800,000
	(Note 7)	1,870,000	—	—	—	1,870,000
Mr. James Chia Song Heng	*(Note 1)*	1,300,000	—	—	(1,300,000)	—
	(Note 5)	1,000,000	—	—	—	1,000,000
	(Note 7)	936,000	—	—	—	936,000
Mr. Mok Pui Keung	*(Note 1)*	92,000	—	—	(92,000)	—
	(Note 3)	42,000	—	—	—	42,000
	(Note 4)	52,000	—	—	—	52,000
	(Note 5)	8,000	—	—	—	8,000
	(Note 6)	32,000	—	—	—	32,000
Total Directors		8,732,000	—	—	(2,992,000)	5,740,000
Category 2: Employees						
	(Note 1)	1,358,000	—	—	(1,358,000)	—
	(Note 2)	72,000	—	—	(72,000)	—
	(Notes 3, 11)	898,000	—	(422,000)	—	476,000
	(Notes 4, 11)	1,452,000	—	(518,000)	—	934,000
	(Notes 5, 11)	810,000	—	(20,000)	—	790,000
	(Notes 6, 11)	1,786,000	—	(680,000)	(26,000)	1,080,000
	(Note 7)	936,000	—	—	—	936,000
Total employees		7,312,000	—	(1,640,000)	(1,456,000)	4,216,000
Total all categories		16,044,000	—	(1,640,000)	(4,448,000)	9,956,000

SHARE OPTIONS (CONTINUED)

3. Outstanding options (continued)

2012 Scheme

		Outstanding at November 1, 2011	Number of share options granted	Number of share options exercised	Number of share options lapsed	Outstanding at October 31, 2012
Category 1: Directors						
Mr. Lawrence Chia Song Huat	*(Note 9)*	—	1,988,000	—	—	1,988,000
Mr. James Chia Song Heng	*(Note 9)*	—	994,000	—	—	994,000
Mr. Mok Pui Keung	*(Note 8)*	—	62,000	—	—	62,000
Total Directors		—	3,044,000	—	—	3,044,000
Category 2: Employees						
	(Notes 8, 11)	—	1,768,000	(42,000)	(78,000)	1,648,000
	(Note 9)	—	994,000	—	—	994,000
	(Note 10)	—	160,000	—	—	160,000
Total employees		—	2,922,000	(42,000)	(78,000)	2,802,000
Total all categories		—	5,966,000	(42,000)	(78,000)	5,846,000

Notes:

(1) The exercise price is HK$2.184. The option period during which the options may be exercised was the period from May 22, 2007 to May 21, 2012. The date of grant was May 21, 2007.

(2) The exercise price is HK$2.350. The option period during which the options may be exercised was the period from August 29, 2007 to August 28, 2012. The date of grant was August 28, 2007.

(3) 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.

(4) The exercise price is HK$0.970. The option period during which the options may be exercised is the period from May 19, 2009 to May 18, 2014. The date of grant was May 18, 2009.

(5) The exercise price is HK$1.416. The option period during which the options may be exercised is the period from May 26, 2010 to May 25, 2015. The date of grant was May 25, 2010.

(6) The exercise price is HK$1.570. The option period during which the options may be exercised is the period from May 18, 2011 to May 17, 2016. The date of grant was May 17, 2011.

(7) The exercise price is HK$1.540. The option period during which the options may be exercised is the period from December 28, 2011 to June 23, 2016. The date of grant was June 23, 2011.

(8) The exercise price is HK$1.648. The option period during which the options may be exercised is the period from May 25, 2012 to May 24, 2017. The date of grant was May 24, 2012 and the closing price of share immediately before the date of grant was HK$1.630.

SHARE OPTIONS (CONTINUED)

3. Outstanding options (continued)

Notes: (continued)

(9) The exercise price is HK$1.684. The option period during which the options may be exercised is the period from July 21, 2012 to July 20, 2017. The date of grant was July 20, 2012 and the closing price of share immediately before the date of grant was HK$1.670.

(10) The exercise price is HK$1.680. The option period during which the options may be exercised is the period from July 27, 2012 to July 26, 2017. The date of grant was July 26, 2012 and the closing price of share immediately before the date of grant was HK$1.680.

(11) The weighted average closing price of shares immediately before the dates on which the options were exercised by directors and employees is HK$1.828.

4. Valuation of share options

(i) The fair values of the share options granted in the current year measured as at date of grant ranged from HK$0.445 to HK$0.531 per option.

(ii) The following significant assumptions were used to derive the fair value using the Black-Scholes pricing model or Binominal Options pricing model:

Date of grant	Exercise price	Based on expected life of share options	Expected volatility	Weighted average share price	Risk-free rate	Annual dividend yield
	HK$	Year(s)	%	HK$	%	%
2002 Scheme						
May 21, 2007	2.184	2.50	47.01	2.170	4.008	3.23
August 28, 2007	2.350	2.50	45.93	2.350	4.004	2.98
May 14, 2008						
1st Tranche	1.240	2.50	55.18	1.240	2.123	5.65
2nd Tranche	1.240	2.70	53.99	1.240	2.217	5.65
3rd Tranche	1.240	3.00	53.69	1.240	2.248	5.65
4th Tranche	1.240	3.20	52.74	1.240	2.353	5.65
May 18, 2009	0.970	3.19	65.91	0.970	0.975	6.64
May 25, 2010	1.416	5.00	59.00	1.400	1.540	4.24
May 17, 2011	1.570	5.00	59.00	1.570	1.560	4.91
June 23, 2011	1.540	5.00	58.00	1.540	1.310	5.19
2012 Scheme						
May 24, 2012	1.648	5.00	57.00	1.630	0.420	4.94
July 20, 2012	1.684	5.00	57.00	1.684	0.260	5.09
July 26, 2012	1.680	5.00	56.00	1.680	0.210	5.09

(iii) 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 models has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioral considerations.

(iv) The Group recognised the total expenses of HK$3,063,000 for year ended October 31, 2012 (2011: HK$1,867,000) in relation to share options granted by the Company.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

CONNECTED TRANSACTIONS

During the year October 31, 2012, there were no connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules which are acquired to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules.

SUBSTANTIAL SHAREHOLDERS

At October 31, 2012, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interest disclosed above in respect of certain Directors, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long positions in shares and underlying shares of the Company

Name of Shareholders	Number of shares/ underlying shares held	Percentage of issued share capital
Pine Asset Management Limited	462,167,186	38.06%
DJE Investment S.A. *(Note)*	112,496,000	9.26%
DJE Kapital AG	112,496,000	9.26%
Dr. Jens Alfred Karl Ehrhardt	112,496,000	9.26%

Note: These shares are held by DJE Investment S.A. which is controlled by DJE Kapital AG, which in turn is controlled by Dr. Jens Alfred Karl Ehrhardt.

Save as disclosed herein, the Company has not been notified of any of 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 October 31, 2012.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDIT COMMITTEE

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

PRE-EMPTIVE RIGHTS

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

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

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

AUDITOR

A resolution to re-appoint Messrs. RSM Nelson Wheeler as auditor of the Company will be proposed at the forthcoming AGM.

On behalf of the Board

Lawrence Chia Song Huat
CHAIRMAN

Hong Kong, January 25, 2013

INDEPENDENT AUDITOR'S REPORT

RSM
Audit • Tax • Advisory

TO THE SHAREHOLDERS OF
PICO FAR EAST HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Pico Far East Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 41 to 112, which comprise the consolidated and Company statements of financial position as at October 31, 2012, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at October 31, 2012 and of the Group's results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

RSM Nelson Wheeler
Certified Public Accountants

Hong Kong, January 25, 2013

CONSOLIDATED INCOME STATEMENT

For the year ended October 31, 2012

	Note	2012 HK$'000	2011 HK$'000 (restated)
Turnover	7	**3,857,530**	3,508,555
Cost of sales		**(2,774,760)**	(2,460,908)
Gross profit		**1,082,770**	1,047,647
Other income	8	**81,645**	76,059
Distribution costs		**(414,436)**	(377,893)
Administrative expenses		**(442,936)**	(431,323)
Other operating expenses		**(2,748)**	(2,357)
Profit from operations		**304,295**	312,133
Finance costs	9	**(2,351)**	(3,047)
		301,944	309,086
Share of profits of associates	22	**12,111**	23,433
Share of (losses) profits of jointly controlled entities		**(193)**	2,093
Profit before tax		**313,862**	334,612
Income tax expense	11	**(74,806)**	(79,637)
Profit for the year	12	**239,056**	254,975
Attributable to:			
Owners of the Company	13	**238,511**	247,851
Non-controlling interests		**545**	7,124
		239,056	254,975
EARNINGS PER SHARE	15		
Basic		**19.66 cents**	20.46 cents
Diluted		**19.63 cents**	20.41 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended October 31, 2012

	2012	2011
	HK$'000	HK$'000
		(restated)
Profit for the year	**239,056**	254,975
Other comprehensive income:		
Exchange differences on translating foreign operations	**8,440**	40,449
Release of reserves upon disposal of subsidiaries reclassified to profit or loss	**—**	(3,620)
Release of investment revaluation reserve to profit or loss upon disposal of available-for-sale financial assets	**165**	—
Fair value changes of available-for-sale financial assets	**379**	(794)
Other comprehensive income for the year, net of tax	**8,984**	36,035
Total comprehensive income for the year	**248,040**	291,010
Attributable to:		
Owners of the Company	**246,958**	281,567
Non-controlling interests	**1,082**	9,443
	248,040	291,010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At October 31, 2012

	Note	**October 31, 2012 HK$'000**	October 31, 2011 HK$'000 (restated)	November 1, 2010 HK$'000
Non-current Assets				
Investment properties	*16*	**197,657**	192,430	171,594
Property, plant and equipment	*17*	**395,763**	314,757	326,831
Prepaid land lease payments	*18*	**71,708**	73,699	14,130
Intangible assets	*20*	**20,474**	17,721	10,595
Interests in jointly controlled entities	*21*	**74**	13,794	15,371
Interests in associates	*22*	**150,057**	135,030	132,439
Club membership		**4,353**	4,924	4,859
Available-for-sale financial assets	*23*	**5,203**	4,743	11,892
Deferred tax assets	*36*	**2,769**	606	524
		848,058	757,704	688,235
Current Assets				
Inventories	*24*	**32,130**	22,598	12,961
Contract work in progress	*25*	**16,653**	50,714	15,086
Debtors, deposits and prepayments	*26*	**1,017,232**	988,414	844,693
Amounts due from associates	*28*	**11,382**	13,887	12,220
Amounts due from jointly controlled entities	*28*	**701**	6,477	13,650
Current tax assets		**13,623**	8,169	3,129
Pledged bank deposits	*29*	**—**	996	964
Bank and cash balances	*29*	**951,251**	1,075,469	822,776
		2,042,972	2,166,724	1,725,479
Current Liabilities				
Payments received on account		**285,250**	329,742	191,652
Creditors and accrued charges	*30*	**1,039,983**	1,100,894	866,925
Amounts due to associates	*28*	**5,469**	5,277	3,459
Amounts due to jointly controlled entities	*28*	**—**	5,717	4,786
Current tax liabilities		**39,243**	63,183	55,334
Borrowings	*31*	**12,470**	14,374	24,773
Finance lease obligations	*32*	**247**	397	1,235
		1,382,662	1,519,584	1,148,164
Net Current Assets		**660,310**	647,140	577,315
Total Assets Less Current Liabilities		**1,508,368**	1,404,844	1,265,550

At October 31, 2012

	Note	**October 31, 2012 HK$'000**	October 31, 2011 HK$'000 (restated)	November 1, 2010 HK$'000
Non-current Liabilities				
Borrowings		**—**	—	28,760
Finance lease obligations	*32*	**150**	328	833
Deferred tax liabilities	*36*	**35,099**	32,667	26,516
		35,249	32,995	56,109
NET ASSETS		**1,473,119**	1,371,849	1,209,441
Capital and Reserves				
Share capital	*33*	**60,716**	60,632	60,354
Reserves		**1,350,179**	1,242,704	1,069,071
Equity attributable to owners of the Company		**1,410,895**	1,303,336	1,129,425
Non-controlling interests		**62,224**	68,513	80,016
TOTAL EQUITY		**1,473,119**	1,371,849	1,209,441

The financial statements on pages 41 to 112 were approved by the Board of Directors on January 25, 2013 and are signed on its behalf by:

LAWRENCE CHIA SONG HUAT
DIRECTOR

MOK PUI KEUNG
DIRECTOR

STATEMENT OF FINANCIAL POSITION

At October 31, 2012

	Note	2012 HK$'000	2011 HK$'000
Non-current Asset			
Interests in subsidiaries	*19*	**66,394**	66,394
Current Assets			
Amounts due from subsidiaries	*27*	**787,295**	682,329
Bank and cash balances		**914**	81
		788,209	682,410
Current Liabilities			
Creditors and accrued charges		**1,722**	1,657
Amounts due to subsidiaries	*27*	**—**	25,597
		1,722	27,254
Net Current Assets		**786,487**	655,156
NET ASSETS		**852,881**	721,550
Capital and Reserves			
Share capital	*33*	**60,716**	60,632
Reserves	*35*	**792,165**	660,918
TOTAL EQUITY		**852,881**	721,550

LAWRENCE CHIA SONG HUAT
DIRECTOR

MOK PUI KEUNG
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended October 31, 2012

	Attributable to owners 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$'000	Investment revaluation reserve HK$'000	Translation reserve HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000 (restated)	Total equity HK$'000
At November 1, 2010	60,354	712,138	753	(11,766)	6,263	(419,083)	11,100	—	74,132	695,534	1,129,425	80,016	1,209,441
Total comprehensive income for the year, restated	—	—	—	—	—	—	(2,389)	(794)	36,899	247,851	281,567	9,443	291,010
Shares issued at premium	379	5,393	—	—	—	—	—	—	—	—	5,772	—	5,772
Repurchase and cancellation of shares	(101)	—	101	—	—	—	—	—	—	(2,578)	(2,578)	—	(2,578)
Exercise of equity-settled share-based payment	—	843	—	—	(843)	—	—	—	—	—	—	—	—
Recognition of equity-settled share-based payment	—	—	—	—	1,867	—	—	—	—	—	1,867	—	1,867
Capital contribution from non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	487	487
Transfer	—	692	—	—	(692)	—	67	—	—	(67)	—	—	—
Acquisition of a subsidiary, restated *(Notes 4, 38)*	—	—	—	—	—	—	—	—	—	—	—	3,499	3,499
Disposal of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	(1,908)	(1,908)
Purchase of non-controlling interests *(Note 38)*	—	—	—	—	—	—	—	—	—	2,366	2,366	(14,279)	(11,913)
2010 final and special dividends	—	—	—	—	—	—	—	—	—	(66,622)	(66,622)	—	(66,622)
2011 interim dividend	—	—	—	—	—	—	—	—	—	(48,461)	(48,461)	—	(48,461)
Dividend distribution to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	(8,745)	(8,745)
At October 31, 2011, restated	60,632	719,066	854	(11,766)	6,595	(419,083)	8,778	(794)	111,031	828,023	1,303,336	68,513	1,371,849

	Retained earnings HK$'000
Representing:	
2011 final and special dividends proposed	97,011
Others	731,012
Retained earnings at October 31, 2011	828,023

	Attributable to owners 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$'000	Investment revaluation reserve HK$'000	Translation reserve HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000 (restated)	Total equity HK$'000
As November 1, 2011, restated	60,632	719,066	854	(11,766)	6,595	(419,083)	8,778	(794)	111,031	828,023	1,303,336	68,513	1,371,849
Total comprehensive income for the year	—	—	—	—	—	—	—	544	7,903	238,511	246,958	1,082	248,040
Shares issued at premium	84	2,107	—	—	—	—	—	—	—	—	2,191	—	2,191
Exercise of equity-settled share-based payment	—	651	—	—	(651)	—	—	—	—	—	—	—	—
Recognition of equity-settled share-based payment	—	—	—	—	3,063	—	—	—	—	—	3,063	—	3,063
Transfer	—	2,611	—	—	(2,611)	—	4,598	—	—	(4,598)	—	—	—
Acquisition of a subsidiary *(Note 38)*	—	—	—	—	—	—	—	—	—	—	—	6,004	6,004
Liquidation of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	(4,531)	(4,531)
Purchase of non-controlling interests *(Note 38)*	—	—	—	—	—	—	—	—	—	2,200	2,200	(5,390)	(3,190)
Partial disposal of subsidiaries to non-controlling interests	—	—	—	—	—	—	(119)	—	(597)	(526)	(1,242)	6,128	4,886
2011 final and special dividends	—	—	—	—	—	—	—	—	—	(97,074)	(97,074)	—	(97,074)
2012 interim dividend	—	—	—	—	—	—	—	—	—	(48,537)	(48,537)	—	(48,537)
Dividend distribution to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	(9,582)	(9,582)
At October 31, 2012	60,716	724,435	854	(11,766)	6,396	(419,083)	13,257	(250)	118,337	917,999	1,410,895	62,224	1,473,119
Representing:													
2012 final dividend proposed										66,796			
Others										851,203			
Retained earnings at October 31, 2012										917,999			

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended October 31, 2012

	Note	2012 HK$'000	2011 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows from operations	*37*	**246,241**	516,521
Interest paid		**(2,321)**	(2,986)
Finance charges in respect of finance lease obligations		**(30)**	(61)
Income taxes paid		**(104,662)**	(73,453)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**139,228**	440,021
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of property, plant and equipment		**2,243**	3,249
Proceeds on disposal of available-for-sale financial assets		**6,406**	129
Decrease (Increase) in pledged bank deposits		**996**	(32)
(Increase) Decrease in non-pledged bank deposits with more than three months to maturity		**(2,045)**	34,397
Purchase of prepaid land lease payments		**—**	(60,595)
Purchase of property, plant and equipment		**(118,739)**	(25,499)
Purchase of available-for-sale financial assets		**(5,770)**	(413)
Purchase of other intangible assets		**(5,486)**	—
Disposal of subsidiaries		**—**	(845)
Proceeds on disposal of associates		**92**	—
Proceeds on disposal of a jointly controlled entity		**65**	6,214
Investment in associates		**(1,706)**	(2,083)
Investment in jointly controlled entities		**—**	(387)
Acquisition of a subsidiary, net of cash acquired	*38*	**8,899**	3,071
Capital contribution from non-controlling interests		**—**	487
Interest received		**11,101**	9,375
Dividend income from available-for-sale financial assets		**205**	134
Dividends received from associates		**17,159**	16,517
Dividends received from a jointly controlled entity		**6,017**	—
Repayment of shareholder loan from an associate		**283**	—
Advance to an associate		**(18,824)**	—
Payment to non-controlling interests on liquidation		**(4,531)**	—
NET CASH USED IN INVESTING ACTIVITIES		**(103,635)**	(16,281)

	Note	2012 HK$'000	2011 HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		**2,191**	5,772
Proceeds for repurchase of shares		**—**	(2,578)
Net proceeds from short term bank loans		**5,744**	3,097
Repayment of bank loans		**(6,770)**	(45,213)
Repayment of finance lease obligations		**(413)**	(1,108)
Dividends paid to non-controlling interests		**(9,001)**	(8,745)
Dividends paid to owners of the Company		**(145,611)**	(115,083)
Acquisition of remaining shareholding from non-controlling interests	*38*	**(14,583)**	—
Partial disposal of subsidiaries		**4,886**	—
NET CASH USED IN FINANCING ACTIVITIES		**(163,557)**	(163,858)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(127,964)**	259,882
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**1,059,137**	773,101
Effect of foreign exchange rate changes		**2,774**	26,154
CASH AND CASH EQUIVALENTS AT END OF YEAR		**933,947**	1,059,137
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank and cash balances	*29*	**933,947**	1,060,210
Bank overdrafts	*31*	**—**	(1,073)
		933,947	1,059,137

NOTES TO THE FINANCIAL STATEMENTS

For the year ended October 31, 2012

1. GENERAL

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

The Company acts as an investment holding company. The activities of its principal subsidiaries, associates and jointly controlled entities are set out in Notes 47, 48, and 49 to the financial statements respectively.

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

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on November 1, 2011. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the Directors to exercise their judgements in the process of applying the accounting policies. The areas where assumptions and estimates are significant to these financial statements are disclosed in Note 5 to the financial statements.

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

Consolidation

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidation (continued)

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated translation reserve.

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

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated income statement and consolidated statement of comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

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

Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combination and goodwill (continued)

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, available-for-sale investment), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

Associates

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

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included within the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

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

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated translation reserve.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Joint venture

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

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

Investment in a jointly controlled entity is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the jointly controlled entity in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the jointly controlled entity's identifiable assets and liabilities is recorded as goodwill. The goodwill is included within the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

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

The gain or loss on the disposal of a jointly controlled entity that results in a loss of joint control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that jointly controlled entity and (ii) the Group's share of the net assets of that jointly controlled entity plus any remaining goodwill relating to that jointly controlled entity and any related accumulated translation reserve.

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

Other Intangible Assets

(i) Show rights

The show rights are measured initially at purchase cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of ten years.

(ii) Patents

Patents for production board design are measured initially at purchase cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of ten years.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies translation

(i) Functional and presentation currency

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

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

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

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

— assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

— income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

— all resulting exchange differences are recognised in the translation reserve.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Land and buildings comprise mainly factories and offices. All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

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

Freehold land	Nil
Freehold buildings	1%–2%
Land and buildings	2%–5% or over the terms of the relevant leases
Leasehold improvements	20%
Furniture, fixtures and office equipment	20%
Tools, machinery, factory equipment and fittings	20%–33$^1/_3$%
Motor vehicles	20%
Operating supplies	20%–33$^1/_3$%

The useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

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

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

Property under development

Properties under development for production, or administrative purposes or for purposes not yet determined are stated at cost, less any identified impairment loss. On completion, such assets are transferred to other appropriate specific category of property, plant and equipment. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Cost includes all direct costs incurred in relation to the development.

Investment properties

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

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

Property that is being constructed or developed for future use as investment property is stated at cost less impairment losses until construction or development is complete, at which time it is stated at fair value. The difference between the fair value and the previous carrying amount is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties (continued)

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

Leases

The Group as lessee

(i) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

(ii) Finance leases

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

The corresponding liability to the lessor is included in the statement of financial position as finance lease obligations. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets.

The Group as lessor

(i) Operating leases

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Club membership

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

Inventories

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contract work in progress

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

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

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

Recognition and derecognition of financial instruments

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

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

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

Investments

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

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as trade and other receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in other comprehensive income, until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. Interest calculated using the effective interest method is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (continued)

Available-for-sale financial assets (continued)

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

Trade and other debtors

Trade and other debtors are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the debtors' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

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

Cash and cash equivalents

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

Financial liabilities and equity instruments

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

Borrowings

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial guarantee contract liabilities

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

— the amount of the obligations under the contracts, as determined in accordance with HKAS 37 "Provision, Contingent Liabilities and Contingent Assets"; and

— the amount initially recognised less cumulative amortisation recognised in profit or loss on a straight-line basis over the terms of the guarantee contracts.

Trade and other creditors

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

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Revenue recognition

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

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

Revenue from sales of products are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

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

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

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

Management service income is recognised when the service is rendered.

Employee benefits

(i) Employee leave entitlements

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

(ii) Pension obligations

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

(iii) Termination benefits

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

Share-based payments

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

Related parties

A related party is a person or entity that is related to the Group.

(i) A person or a close member of that person's family is related to the Group if that person:

  (a) has control or joint control over the Group;

  (b) has significant influence over the Group; or

  (c) is a member of the key management personnel of the Company or of a parent of the Company.

(ii) An entity is related to the Group (reporting entity) if any of the following conditions applies:

  (a) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

  (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

  (c) Both entities are joint ventures of the same third party.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (continued)

(ii) An entity is related to the Group (reporting entity) if any of the following conditions applies: (continued)

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(f) The entity is controlled or jointly controlled by a person identified in (i).

(g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Impairment of assets

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

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

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

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

Provisions and contingent liabilities

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Events after the reporting period

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

4. RETROSPECTIVE RESTATEMENT

There were retrospective restatements in the consolidated financial statements for the year ended October 31, 2011. On May 6, 2011, the Group acquired an additional 20% interest in Global-Link MP Events International Inc. ("GLMP"), increasing its ownership from 40% to 60%. The independent professional valuation report was completed on April 6, 2012 and the fair value of the intangible assets comprising show rights was determined based on the income approach using the relief from royalty method and the fair value of the equity in GLMP before acquisition was determined using the market approach based on the transaction value for the additional 20% shareholding acquisition made on May 6, 2011. Based on the independent professional valuation report, retrospective restatements have been made by restating the comparative information for the year ended October 31, 2011 as follows,

Consolidated Statement of Financial Position

	October 31, 2011 HK$'000
Increase in goodwill	1,842
Decrease in other intangible assets	(1,219)
Increase in deferred tax liabilities	(2,451)
Decrease in non-controlling interests	1,828

Consolidated Income Statement

	2011 HK$'000
Increase in loss on acquisition of equity interest held before upon business combination	886
Decrease in amortisation of intangible assets	(606)
Decrease in income tax expense	(280)

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Impairment for bad and doubtful debts

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

Property, plant and equipment and depreciation

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

Fair value of investment properties

The Group appointed independent professional valuers to assess the fair values of the investment properties. In determining the fair values, the valuers have utilised a method of valuation which involves certain estimates. The Directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

Revenue and profit recognition

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

Income taxes

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

6. FINANCIAL RISK MANAGEMENT

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

Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of Group entities, including Hong Kong dollars, Renminbi ("RMB"), Singapore dollars and United States dollars ("US dollars"), but certain business transactions, assets and liabilities are denominated in currencies other than their functional currencies such as Euro, Great Britain pound and United Arab Emirates dirhams. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and considers hedging significant foreign currency exposure should the need arise.

At October 31, 2012, if the Singapore dollars had weakened or strengthened 10 per cent against the US dollars and Euro with all other variables held constant, consolidated profit after tax for the year would have been HK$2,277,000 (2011: HK$4,271,000) and HK$1,132,000 (2011: HK$5,596,000) higher or lower respectively, arising mainly as a result of the foreign exchange gain or loss on trade debtors and bank and cash balances denominated in US dollars and Euro respectively.

At October 31, 2012, if the United Arab Emirates dirhams had weakened or strengthened 10 per cent against the US dollars with all other variables held constant, consolidated profit after tax for the year would have been HK$527,000 (2011: HK$988,000) higher or lower, arising mainly as a result of the foreign exchange gain or loss on trade debtors denominated in US dollars.

At October 31, 2012, if the Great Britain pound had weakened or strengthened 10 per cent against the Euro with all other variables held constant, consolidated profit after tax for the year would have been HK$1,139,000 (2011: HK$278,000) higher or lower, arising mainly as a result of the foreign exchange gain or loss on trade debtors and bank and cash balances denominated in Euro.

At October 31, 2012, if the Hong Kong dollars had weakened or strengthened 10 per cent against the Euro and Great Britain pound with all other variables held constant, consolidated profit after tax for the year would have been HK$818,000 (2011: HK$701,000) and HK$68,000 (2011: HK$610,000) higher or lower respectively, arising mainly as a result of the foreign exchange gain or loss on trade debtors and bank and cash balances denominated in Euro and Great Britain pound respectively.

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

The Group has no significant concentrations of credit risk.

The carrying amount of the bank and cash balances, trade and other debtors, amounts due from associates and jointly controlled entities included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

It has policies in place to ensure that sales are made to customers with an appropriate credit history. Amounts due from associates and jointly controlled entities are closely monitored by the Directors.

The credit risk on bank and cash balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

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

The maturity analysis of the Group's financial liabilities is as follows:

	No fixed term of repayment	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**
	HK$'000	HK$'000	HK$'000	HK$'000
At October 31, 2012				
Bank borrowings	**—**	**12,556**	**—**	**—**
Finance lease obligations	**—**	**258**	**76**	**86**
Creditors and accrued charges	**—**	**1,039,983**	**—**	**—**
Amounts due to associates and jointly controlled entities	**5,469**	**—**	**—**	**—**
	5,469	**1,052,797**	**76**	**86**
At October 31, 2011				
Bank borrowings	1,073	13,405	—	—
Finance lease obligations	—	427	264	87
Creditors and accrued charges	—	1,100,894	—	—
Amounts due to associates and jointly controlled entities	10,994	—	—	—
	12,067	1,114,726	264	87

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk

The Group's exposure to cash flow and fair value interest rate risk arises from its borrowings, finance lease obligations, bank deposits and cash at banks. The borrowings, deposits and cash at banks bear interests at variable rates varied with the prevailing market condition.

As the Group has no significant interest-bearing assets and liabilities, except for borrowings, bank deposits and cash at banks, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

At October 31, 2012, if interest rates at that date had been 20 basis points lower or 200 basis points higher, with all other variables held constant, consolidated profit after tax for the year would have been HK$21,000 (2011: HK$24,000) higher or HK$205,000 (2011: HK$235,000) lower respectively, arising mainly as a result of lower or higher interest expense on floating rate borrowings.

At October 31, 2012, if interest rates on cash at banks at that date had been 20 basis points lower or 200 basis points higher, with all other variables held constant, consolidated profit after tax for the year would have been HK$451,000 (2011: HK$616,000) lower and HK$4,513,000 (2011: HK$6,155,000) higher respectively, arising mainly as a result of lower or higher interest income on interest-bearing cash at banks.

Price risk

Certain Group's available-for-sale financial assets are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity security price risk. The Directors manage this exposure by maintaining a portfolio of investments with different risk profiles.

Categories of financial instruments

	2012 **HK$'000**	2011 HK$'000
At October 31		
Financial assets:		
Loans and receivables (including cash and cash equivalents)	**1,878,934**	1,912,253
Available-for-sale financial assets	**5,203**	4,743
Financial liabilities:		
Financial liabilities at amortised cost	**1,057,922**	1,126,262

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair values

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

The following disclosures of fair value measurements use a fair value hierarchy which has 3 levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Disclosures of level in fair value hierarchy at October 31,

	2012 **HK$'000**	2011 HK$'000
Fair value measurement using Level 1:		
Available-for-sale financial assets		
Equity investments	**4,889**	4,429

7. TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in the exhibition and event marketing services; brand signage and visual communication; museum, themed environment, interior and retail; conference and show management; and their related business.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in Note 3 to the financial statements. Segment profits or losses do not include share of profits or losses of associates and jointly controlled entities, income tax expense and income and expenses arising from corporate teams. Segment assets do not include interests in associates and jointly controlled entities, certain properties and motor vehicles which are used as corporate assets, current tax assets and deferred tax assets. Segment liabilities do not include current tax liabilities and deferred tax liabilities.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

7. TURNOVER AND SEGMENT INFORMATION (CONTINUED)

(i) Information about reportable segment profits or losses, assets and liabilities

	Exhibition and event marketing services HK$'000	Brand signage and visual communication HK$'000	Museum, themed environment, interior and retail HK$'000	Conference and show management HK$'000 (restated)	Total HK$'000
For the year ended October 31, 2012					
Revenue from external customers	**2,720,027**	**563,863**	**487,270**	**86,370**	**3,857,530**
Intersegment revenue	**332,551**	**712**	**40,115**	**100**	**373,478**
Segment profits (losses)	**251,611**	**75,478**	**(484)**	**(716)**	**325,889**
Interest income	**3,470**	**7,332**	**34**	**265**	**11,101**
Interest expenses	**2,183**	**16**	**—**	**152**	**2,351**
Depreciation and amortisation	**36,242**	**3,072**	**1,117**	**2,572**	**43,003**
Other material non-cash items					
Impairment of assets	**55**	**—**	**—**	**3,355**	**3,410**
Allowance for bad and doubtful debts	**18,328**	**2,647**	**4,320**	**1,859**	**27,154**
Additions to segment non-current assets	**14,841**	**3,041**	**803**	**5,806**	**24,491**
At October 31, 2012					
Segment assets	**1,566,809**	**477,791**	**150,623**	**94,410**	**2,289,633**
Segment liabilities	**865,481**	**302,444**	**131,860**	**43,784**	**1,343,569**
For the year ended October 31, 2011					
Revenue from external customers	2,402,752	424,472	381,138	300,193	3,508,555
Intersegment revenue	312,686	191	18,183	100	331,160
Segment profits, restated	246,404	42,430	1,001	36,548	326,383
Interest income	5,739	2,200	10	1,426	9,375
Interest expenses	2,792	153	25	77	3,047
Depreciation and amortisation, restated	41,242	1,764	1,340	3,071	47,417
Other material non-cash items					
Impairment of assets	6,730	—	—	5,758	12,488
Allowance for bad and doubtful debts	12,954	3,579	2,022	2,941	21,496
Additions to segment non-current assets, restated	22,637	1,972	400	13,222	38,231
At October 31, 2011					
Segment assets, restated	1,666,314	360,016	146,764	256,754	2,429,848
Segment liabilities	935,495	229,133	107,172	184,929	1,456,729

7. TURNOVER AND SEGMENT INFORMATION (CONTINUED)

(ii) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	2012 HK$'000	2011 HK$'000 (restated)
Revenue		
Total revenue of reportable segments	**4,231,008**	3,839,715
Elimination of intersegment revenue	**(373,478)**	(331,160)
Consolidated revenue	**3,857,530**	3,508,555
Profit or loss		
Total profits of reportable segments, restated	**325,889**	326,383
Share of profits of associates	**12,111**	23,433
Share of (losses) profits of jointly controlled entities	**(193)**	2,093
Unallocated amounts:		
Gain on disposal of available-for-sale financial assets	**475**	—
Loss on disposal of club membership	**(460)**	—
Dividend income	**205**	134
Corporate expenses	**(24,165)**	(17,431)
Consolidated profit before tax, restated	**313,862**	334,612
Assets		
Total assets of reportable segments, restated	**2,289,633**	2,429,848
Interests in associates	**150,057**	135,030
Interests in jointly controlled entities	**74**	13,794
Unallocated amounts:		
Corporate motor vehicles	**5,905**	5,919
Properties	**428,969**	331,062
Deferred tax assets	**2,769**	606
Current tax assets	**13,623**	8,169
Consolidated total assets, restated	**2,891,030**	2,924,428
Liabilities		
Total liabilities of reportable segments	**1,343,569**	1,456,729
Unallocated amounts:		
Current tax liabilities	**39,243**	63,183
Deferred tax liabilities, restated	**35,099**	32,667
Consolidated total liabilities, restated	**1,417,911**	1,552,579

7. TURNOVER AND SEGMENT INFORMATION (CONTINUED)

(iii) Geographical information

	Revenue		Non-current assets	
	2012	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000 (restated)
Greater China	**2,157,193**	1,771,728	**411,950**	312,968
India, Malaysia, Singapore, and Vietnam, restated	**1,061,250**	1,004,214	**387,510**	423,474
Bahrain, Kuwait, Libya, Oman, Pakistan, Qatar, Saudi Arabia and United Arab Emirates	**192,477**	269,111	**31,032**	6,012
Spain, United Kingdom and United States	**231,662**	263,188	**1,394**	357
Others	**214,948**	200,314	**3,847**	4,620
Consolidated total, restated	**3,857,530**	3,508,555	**835,733**	747,431

In presenting the geographical information, revenue is based on the locations of the customers.

8. OTHER INCOME

	2012	2011
	HK$'000	HK$'000
Included in other income are:		
Allowance written back on bad and doubtful debts	**9,991**	2,549
Dividend income from available-for-sale financial assets	**205**	134
Interest income	**11,101**	9,375
Rental income	**34,379**	28,242

The gross rental income from investment properties for the year amounted to HK$30,717,000 (2011: HK$27,487,000).

9. FINANCE COSTS

	2012	2011
	HK$'000	HK$'000
Interest on bank borrowings	**2,321**	2,986
Finance charges in respect of finance lease obligations	**30**	61
Total borrowing costs	**2,351**	3,047

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Directors emoluments

Pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, the emoluments of each Director for the year ended October 31, 2012 and 2011 are as follows:

Name	Directors' fees	Salaries, allowances and benefits in kind	Bonus	Share-based payment	The Group's contributions to retirement scheme	Estimated rental value for rent-free accommodation provided to directors	Total emoluments
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
October 31, 2012							
Executive Directors							
Lawrence Chia Song Huat	**400**	**5,176**	**9,130**	**1,081**	**13**	**1,049**	**16,849**
James Chia Song Heng	**338**	**5,433**	**4,264**	**541**	**47**	**—**	**10,623**
Mok Pui Keung	**187**	**1,165**	**423**	**27**	**70**	**—**	**1,872**
Independent Non-Executive Directors							
Gregory Robert Scott Crichton	**193**	**—**	**—**	**—**	**—**	**—**	**193**
James Patrick Cunningham	**193**	**—**	**—**	**—**	**—**	**—**	**193**
Frank Lee Kee Wai	**193**	**—**	**—**	**—**	**—**	**—**	**193**
Charlie Yucheng Shi	**220**	**—**	**—**	**—**	**—**	**—**	**220**
Total 2012	**1,724**	**11,774**	**13,817**	**1,649**	**130**	**1,049**	**30,143**
October 31, 2011							
Executive Directors							
Lawrence Chia Song Huat	400	4,875	6,394	631	12	958	13,270
James Chia Song Heng	338	5,113	3,278	332	44	—	9,105
Mok Pui Keung	187	1,056	320	12	66	—	1,641
Non-Executive Director							
Frank Lee Kee Wai	175	—	—	—	—	—	175
Independent Non-Executive Directors							
Gregory Robert Scott Crichton	175	—	—	—	—	—	175
James Patrick Cunningham	175	—	—	—	—	—	175
Charlie Yucheng Shi	200	—	—	—	—	—	200
Total 2011	1,650	11,044	9,992	975	122	958	24,741

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

The above emoluments include the value of share options granted to certain directors under the Company's share option scheme as estimated at the date of grant. Further details are disclosed under the section "Share options" in the Directors' Report and in Note 34 to the financial statements.

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONTINUED)

Employees' emoluments

Of the five individuals with the highest emoluments in the Group, two (2011: two) were Directors of the Company whose emoluments are included in the proceeding disclosures on directors emoluments. The emoluments of the remaining three (2011: three) individuals are as follows:

	2012 **HK$'000**	2011 HK$'000
Salaries, allowances and benefits in kind	**11,565**	9,696
Bonus	**5,714**	8,122
Share-based payment	**554**	265
Group's contributions to retirement scheme	**176**	153
	18,009	18,236

The emoluments fell within the following bands:

	Number of employees	
	2012	2011
HK$5,000,001–HK$5,500,000	**1**	1
HK$5,500,001–HK$6,000,000	**—**	—
HK$6,000,001–HK$6,500,000	**—**	1
HK$6,500,001–HK$7,000,000	**2**	1
	3	3

During the year, no emoluments were paid by the Group to any highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

11. INCOME TAX EXPENSE

	2012 HK$'000	2011 HK$'000 (restated)
The charge comprises:		
Profits tax for the year		
Hong Kong	**3,108**	2,207
Overseas	**65,713**	74,786
Under (Over) provision in prior years		
Hong Kong	**202**	245
Overseas	**5,939**	(559)
	74,962	76,679
Deferred tax, restated *(Note 36)*	**(156)**	2,958
	74,806	79,637

Hong Kong profits tax is calculated at 16.5% (2011: 16.5%) on the estimated assessable profit for the year. A portion of the Group's profit is derived offshore and is not subject to Hong Kong profits tax.

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

The reconciliation between the income tax expense and the product of profit before tax multiplied by the Hong Kong profits tax rate is as follows:

	2012 HK$'000	2011 HK$'000 (restated)
Profit before tax, restated (excluding share of profits of associates and jointly controlled entities)	**301,944**	309,086
Tax at the domestic income tax rate of 16.5% (2011: 16.5%), restated	**49,821**	50,999
Effect of different taxation rates in other countries, restated	**10,384**	22,234
Tax effect of income that is not taxable	**(21,390)**	(19,227)
Tax effect of expenses that are not deductible, restated	**19,586**	16,549
Tax effect of utilisation of previously unrecognised tax losses	**(1,626)**	(745)
Tax effect of tax losses not recognised	**12,137**	6,776
Deferred taxation on withholding tax arising on undistributed earnings of subsidiaries	**2,032**	1,383
Under (Over) provision in prior years	**6,141**	(314)
Others	**(2,279)**	1,982
Income tax expense, restated	**74,806**	79,637

12. PROFIT FOR THE YEAR

	2012 HK$'000	2011 HK$'000 (restated)
Profit for the year has been arrived at after charging:		
Auditors' remuneration	**4,220**	4,422
Depreciation	**38,894**	43,402
Loss on disposal of property, plant and equipment	**1,711**	1,061
Loss on disposal of club membership	**460**	—
Loss on disposal of a subsidiary	**—**	371
Loss on acquisition of equity interest held before upon business combination, restated	**—**	2,198
Operating lease rentals in respect of:		
Amortisation of prepaid land lease payments	**2,105**	1,512
Office premises	**31,084**	32,744
Equipment	**2,208**	1,894
Direct operating expenses of investment properties that generate rental income	**10,480**	5,125
Cost of inventories sold	**250,333**	336,570
Allowance for bad and doubtful debts	**27,154**	21,496
Allowance for inventories	**734**	620
Amortisation of other intangible assets, restated (included in administrative expenses)	**2,004**	2,503
Net exchange loss	**1,673**	4,019
Impairment on club membership (included in administrative expenses)	**55**	55
Impairment on other intangible assets (included in administrative expenses)	**1,575**	5,758
Impairment on available-for-sale financial assets (included in administrative expenses)	**—**	6,675
Impairment on an associate (included in administrative expenses)	**1,780**	—
Staff costs:		
Directors' emoluments:		
Fees	**1,724**	1,650
Other emoluments including benefits in kind (excluded estimated rental value for rent-fee accommodation)	**27,370**	22,133
	29,094	23,783
Other staff costs:		
Salaries, allowances and benefits in kind	**548,261**	491,570
Share-based payment	**1,414**	892
Group's contributions to retirement scheme, net of forfeited contribution of HK$108,000 (2011: nil)	**40,802**	35,441
Total staff costs	**619,571**	551,686
and crediting:		
Gain on disposal of subsidiaries	**—**	3,871
Gain on disposal of an associate	**92**	—
Gain on disposal of a jointly controlled entity	**—**	1,834
Gain on disposal of available-for-sale financial assets, net	**475**	—
Gain on disposal of property, plant and equipment	**947**	1,437
Increase in net fair value of investment properties	**3,043**	13,876

13. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

Of the Group's profit attributable to owners of the Company for the year of HK$238,511,000 (2011: HK$247,851,000), a profit of HK$271,688,000 (2011: HK$71,623,000) has been dealt with in the financial statements of the Company.

14. DIVIDENDS PAID

	2012	2011
	HK$'000	HK$'000
2011 final dividend paid HK4.0 cents per share and special dividend paid HK4.0 cents per share (2010: final dividend paid HK4.0 cents per share and special dividend paid HK1.5 cents per share)	**97,074**	66,622
2012 interim dividend paid HK4.0 cents per share (2011: HK4.0 cents per share)	**48,537**	48,461
Total	**145,611**	115,083

A final dividend of HK5.5 cents per share for the year ended October 31, 2012 have been proposed by the Directors and are subject to approval by the shareholders in the forthcoming AGM.

15. EARNINGS PER SHARE

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

	2012	2011
	HK$'000	HK$'000
Earnings for the purposes of calculating basic and diluted earnings per share	**238,511**	247,851

	2012	2011
Issued ordinary shares at beginning of year	**1,212,634,104**	1,207,072,104
Effect of new shares issued	**638,448**	4,286,849
Effect of repurchase of shares	**—**	(51,337)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,213,272,552**	1,211,307,616
Effect of dilutive potential ordinary shares in respect of options	**1,780,059**	3,054,184
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,215,052,611**	1,214,361,800

16. INVESTMENT PROPERTIES

	THE GROUP 2012 HK$'000	2011 HK$'000
VALUATION		
At beginning of year	**192,430**	171,594
Exchange adjustments	**2,184**	6,960
Net increase in fair value	**3,043**	13,876
At end of year	**197,657**	192,430

The investment properties, situated in Hong Kong and the People Republic of China (the "PRC"), were valued by LCH (Asia-Pacific) Surveyors Limited, an independent and registered professional firm of surveyors, at October 31, 2012, on an open market value existing state basis.

The investment properties, situated in Singapore, were valued by Realty International Associates Pte Limited, an independent and registered professional firm of valuers, at October 31, 2012. The fair value is based on open market value, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. In determining the fair value, the valuers have taken into cognisance of comparable properties, the prevailing marketing conditions and underlying economic factors which may be of influence to the trend of the market prices.

	THE GROUP 2012 HK$'000	2011 HK$'000
The investment properties are analysed as follows:		
Situated in Hong Kong held under medium-term leases	**9,600**	8,760
Situated outside Hong Kong held under medium-term leases	**181,672**	170,845
Situated outside Hong Kong held under long leases	**6,385**	12,825
	197,657	192,430

17. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings situated in Hong Kong HK$'000	Land and buildings situated outside Hong Kong HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and office equipment HK$'000	Tools, machinery, factory equipment and fittings HK$'000	Motor vehicles HK$'000	Operating supplies HK$'000	Property under development HK$'000	Total HK$'000
THE GROUP									
COST									
At November 1, 2010	80,783	261,923	43,981	146,228	95,107	23,638	38,302	—	689,962
Exchange adjustments	—	10,639	1,079	2,630	2,802	793	1,113	—	19,056
Acquisition of a subsidiary *(Note 38)*	—	—	—	149	—	533	—	—	682
Additions	—	—	3,518	12,830	1,634	3,403	4,280	—	25,665
Disposal	—	(23,735)	(1,948)	(10,755)	(581)	(3,762)	(7,041)	—	(47,822)
Disposal of subsidiaries	—	—	(95)	(791)	—	(560)	—	—	(1,446)
Reclassification	—	—	—	584	(584)	—	—	—	—
At October 31, 2011 and at November 1, 2011	80,783	248,827	46,535	150,875	98,378	24,045	36,654	—	686,097
Exchange adjustments	—	1,885	350	45	1,325	186	112	357	4,260
Acquisition of a subsidiary *(Note 38)*	—	—	—	523	345	—	—	—	868
Additions	—	11,457	4,114	7,299	2,754	2,275	1,695	89,233	118,827
Disposal	—	(3,533)	(2,886)	(12,555)	(2,150)	(227)	—	—	(21,351)
Reclassification	—	—	(9)	4,180	(4,115)	(56)	—	—	—
At October 31, 2012	80,783	258,636	48,104	150,367	96,537	26,223	38,461	89,590	788,701
ACCUMULATED DEPRECIATION AND IMPAIRMENT									
At November 1, 2010	(15,073)	(89,371)	(30,737)	(113,399)	(60,901)	(18,353)	(35,297)	—	(363,131)
Exchange adjustments	—	(3,695)	(702)	(2,345)	(2,051)	(659)	(885)	—	(10,337)
Provided for the year	(1,214)	(4,773)	(4,646)	(15,311)	(9,206)	(2,826)	(5,426)	—	(43,402)
Elimination on disposal	—	23,123	1,525	9,231	581	3,600	6,889	—	44,949
Elimination on disposal of subsidiaries	—	—	57	412	—	112	—	—	581
Reclassifications	—	—	—	(47)	47	—	—	—	—
At October 31, 2011 and at November 1, 2011	(16,287)	(74,716)	(34,503)	(121,459)	(71,530)	(18,126)	(34,719)	—	(371,340)
Exchange adjustments	—	(240)	(272)	(1,687)	1,656	(234)	(100)	—	(877)
Provided for the year	(1,214)	(4,685)	(4,485)	(14,005)	(9,252)	(2,167)	(3,086)	—	(38,894)
Elimination on disposal	—	2,974	2,569	10,585	1,863	182	—	—	18,173
Reclassifications	—	—	9	(2,900)	2,864	27	—	—	—
At October 31, 2012	(17,501)	(76,667)	(36,682)	(129,466)	(74,399)	(20,318)	(37,905)	—	(392,938)
CARRYING AMOUNT									
At October 31, 2012	63,282	181,969	11,422	20,901	22,138	5,905	556	89,590	395,763
At October 31, 2011	64,496	174,111	12,032	29,416	26,848	5,919	1,935	—	314,757

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The carrying amount of property, plant and equipment includes an amount of HK$154,000 (2011: HK$452,000) in respect of assets held under finance lease obligations.

The carrying amount of land and buildings comprises:

	THE GROUP	
	2012	2011
	HK$'000	HK$'000
Situated in Hong Kong held under:		
Long leases	**23,026**	23,148
Medium-term leases	**40,256**	41,348
	63,282	64,496
Situated outside Hong Kong held under:		
Freehold	**28,829**	17,892
Long leases	**—**	812
Medium-term leases	**150,628**	151,748
Short leases	**2,512**	3,659
	181,969	174,111

At October 31, 2012, certain land and buildings situated in Hong Kong under medium-term leases with carrying amount of HK$14,411,000 (2011: HK$14,767,000) and certain land and buildings situated outside Hong Kong under freehold with carrying amount of HK$16,931,000 (2011: HK$17,011,000) were pledged for credit facilities granted to the Group *(Note 39)*.

Included under medium-term leases for land situated in Hong Kong with carrying amount of HK$12,621,000 (2011: HK$12,986,000) as at October 31, 2012 was leased from Hong Kong Science and Technology Parks Corporation for a term up to June 27, 2047.

18. PREPAID LAND LEASE PAYMENTS

	THE GROUP	
	2012	2011
	HK$'000	HK$'000
At beginning of year	**73,699**	14,130
Exchange adjustments	**463**	486
Additions	**—**	60,595
Disposal	**(349)**	—
Amortisation	**(2,105)**	(1,512)
At end of year	**71,708**	73,699

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

	THE GROUP	
	2012	2011
	HK$'000	HK$'000
Situated outside Hong Kong held under:		
Long leases	**—**	2,226
Medium-term leases	**71,708**	71,473
	71,708	73,699

19. INTERESTS IN SUBSIDIARIES

	THE COMPANY	
	2012	2011
	HK$'000	HK$'000
Unlisted shares, at cost	**66,394**	66,394

Particulars of the Company's principal subsidiaries at October 31, 2012 are set out in Note 47 to financial statements.

20. INTANGIBLE ASSETS

	Goodwill	Other intangible assets Show rights	Patent	Total
	HK$'000	HK$'000	HK$'000	HK$'000
	(restated)	(restated)		
THE GROUP				
COST				
At November 1, 2010	—	12,529	478	13,007
Exchange adjustments, restated	48	184	—	232
Acquisition of a subsidiary, restated *(Note 38)*	6,167	9,031	—	15,198
At October 31, 2011 and at November 1, 2011, restated	6,215	21,744	478	28,437
Exchange adjustments	**305**	**618**	**—**	**923**
Additions	**—**	**5,486**	**—**	**5,486**
Disposals	**—**	**(1,255)**	**—**	**(1,255)**
At October 31, 2012	**6,520**	**26,593**	**478**	**33,591**
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSS				
At November 1, 2010	—	(2,233)	(179)	(2,412)
Exchange adjustments, restated	—	(43)	—	(43)
Amortisation, restated	—	(2,443)	(60)	(2,503)
Impairment loss recognised	—	(5,758)	—	(5,758)
At October 31, 2011 and at November 1, 2011, restated	—	(10,477)	(239)	(10,716)
Exchange adjustments	**—**	**(77)**	**—**	**(77)**
Disposals	**—**	**1,255**	**—**	**1,255**
Amortisation	**—**	**(1,944)**	**(60)**	**(2,004)**
Impairment loss recognised	**—**	**(1,575)**	**—**	**(1,575)**
At October 31, 2012	**—**	**(12,818)**	**(299)**	**(13,117)**
CARRYING AMOUNT				
At October 31, 2012	**6,520**	**13,775**	**179**	**20,474**
At October 31, 2011, restated	6,215	11,267	239	17,721
At November 1, 2010	—	10,296	299	10,595

20. INTANGIBLE ASSETS (CONTINUED)

The Group's show rights are used in the Group's conference and show management segment. The remaining amortisation period of the rights ranges from four years to eight years.

The Group carried out reviews of the recoverable amounts of its show rights having regard to the market condition and popularity of the shows. As the decline of the market conditions and economic environment, the management recognised impairment losses of HK$1,575,000 (2011: HK$5,758,000) regarding to one of its show rights in Hong Kong. There was no carrying value of this show rights at the end of the reporting period. The Group has other show rights outside Hong Kong. The recoverable amount of the relevant assets has been determined on the basis of their value in use annually. The discount rate used in measuring value in use was 11.4%.

The Group's patent is used in the Group's exhibition and event marketing services segment. The remaining amortisation period of the patent is three years.

21. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	THE GROUP	
	2012	2011
	HK$'000	HK$'000
Unlisted investments:		
Share of net assets	**74**	13,794

Particulars of the Group's principal jointly controlled entities at October 31, 2012 are set out in Note 49 to the financial statements.

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

	2012	2011
	HK$'000	HK$'000
At October 31,		
Current assets	**75**	21,512
Non-current assets	**—**	484
Current liabilities	**(1)**	(8,183)
Non-current liabilities	**—**	(19)
Net assets	**74**	13,794
Year ended October 31,		
Turnover	**318**	40,835
Expenses	**511**	38,742

22. INTERESTS IN ASSOCIATES

	THE GROUP	
	2012	2011
	HK$'000	HK$'000
Unlisted/Listed investments:		
Share of net assets	**151,837**	135,030
Less: Impairment loss recognised	**(1,780)**	—
	150,057	135,030
Fair value of listed investment in associates outside Hong Kong	**58,586**	36,373

Particulars of the Group's principal associates at October 31, 2012 are set out in Note 48 to the financial statements.

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

	2012	2011
	HK$'000	HK$'000
At October 31,		
Group's share of associates' net assets	**150,057**	135,030
Total assets	**649,021**	650,365
Total liabilities	**(360,231)**	(352,468)
Net assets	**288,790**	297,897
Year ended October 31,		
Group's share of associates' profits for the year	**12,111**	23,433
Total revenue	**634,354**	656,209
Total profit for the year	**23,913**	58,756

The Group has not recognised losses relating to certain associates where its share of losses exceed the Group's carrying amount of its investment in those associates. The Group's cumulative share of unrecognised losses as at October 31, 2012 was HK$1,875,000 (2011: HK$2,128,000) of which HK$956,000 (2011: HK$95,000) was the share of the losses for the year. The Group had no obligation in respect of these losses.

23. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	THE GROUP	
	2012	2011
	HK$'000	HK$'000
Equity securities at cost, unlisted	**7,085**	6,989
Less: Impairment loss recognised	**(6,771)**	(6,675)
	314	314
Equity securities at fair value, listed in Hong Kong	**4,889**	4,429
	5,203	4,743

The fair values of listed securities are based on current bid prices. Unlisted equity securities with carrying amount of HK$314,000 (2011: HK$314,000) were carried at cost as they do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

24. INVENTORIES

	THE GROUP	
	2012	2011
	HK$'000	HK$'000
Raw materials	**6,939**	7,712
Work in progress	**20,630**	8,274
Finished goods	**4,561**	6,612
	32,130	22,598

25. CONTRACT WORK IN PROGRESS

	THE GROUP	
	2012	2011
	HK$'000	HK$'000
Contract costs incurred plus recognised profits less recognised losses to date	**154,595**	156,020
Less: progress billings	**(137,942)**	(105,306)
	16,653	50,714
Gross amounts due from customers for contract work	**57,681**	99,469
Gross amounts due to customers for contract work	**(41,028)**	(48,755)
	16,653	50,714

In respect of contract work in progress at the end of reporting period, retentions receivable included in trade and other debtors are HK$14,120,000 (2011: HK$9,592,000).

26. DEBTORS, DEPOSITS AND PREPAYMENTS

	THE GROUP	
	2012	2011
	HK$'000	HK$'000
Trade debtors	**884,076**	799,358
Less: allowance for bad and doubtful debts	**(39,379)**	(49,930)
	844,697	749,428
Other debtors	**45,623**	39,495
Prepayments and deposits	**126,912**	199,491
	1,017,232	988,414

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

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

	2012	2011
	HK$'000	HK$'000
Less than 90 days	**645,715**	608,494
91–180 days	**76,112**	80,461
181–365 days	**107,220**	38,056
More than 1 year	**15,650**	22,417
	844,697	749,428

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

	Hong Kong dollars	**Euro**	**Malaysian ringgits**	**RMB**	**Singapore dollars**	**US dollars**	**United Arab Emirates dirhams**	**Other**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At October 31, 2012	**92,428**	**20,188**	**61,483**	**314,358**	**197,473**	**34,108**	**32,943**	**91,716**	**844,697**
At October 31, 2011	80,801	42,813	52,056	233,500	131,175	81,903	37,924	89,256	749,428

At October 31, 2012, an allowance was made for estimated irrecoverable trade debtors of HK$39,379,000 (2011: HK$49,930,000) which have either been placed under liquidation or in severe financial difficulties. The Group does not hold any collateral over these balances.

26. DEBTORS, DEPOSITS AND PREPAYMENTS (CONTINUED)

Movements in the allowance for bad and doubtful debts:

	2012 HK$'000	2011 HK$'000
At beginning of year	**49,930**	36,418
Exchange adjustments	**210**	366
Allowance for the year	**20,631**	17,946
Amounts written off as uncollectible	**(22,357)**	(2,979)
Allowance written back	**(9,035)**	(1,896)
Acquisition of a subsidiary	**—**	75
At end of year	**39,379**	49,930

At October 31, 2012, trade debtors of HK$380,008,000 (2011: HK$446,958,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade debtors is as follows:

	2012 HK$'000	2011 HK$'000
Less than 90 days	**214,079**	344,921
91–180 days	**87,919**	54,475
181–365 days	**67,270**	24,620
More than 1 year	**10,740**	22,942
	380,008	446,958

27. AMOUNTS DUE FROM (TO) SUBSIDIARIES

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

28. AMOUNTS DUE FROM (TO) ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

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

At October 31, 2012, an allowance was made for doubtful debt for amounts due from associates of HK$670,000 (2011: HK$1,034,000) and jointly controlled entities of HK$5,591,000 (2011: HK$3,814,000).

29. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCES

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

	Hong Kong dollars	Malaysian ringgits	RMB *(Note)*	Singapore dollars	US dollars	United Arab Emirates dirhams	Other	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At October 31, 2012								
Cash at bank and on hand	**80,852**	**7,345**	**322,544**	**99,113**	**59,398**	**19,995**	**86,744**	**675,991**
Bank deposits	**—**	**37,676**	**201,030**	**9,589**	**14,641**	**—**	**12,324**	**275,260**
	80,852	**45,021**	**523,574**	**108,702**	**74,039**	**19,995**	**99,068**	**951,251**
Non-pledged bank deposits with more than three months to maturity	**—**	**—**	**(16,509)**	**—**	**—**	**—**	**(795)**	**(17,304)**
Cash and cash equivalents	**80,852**	**45,021**	**507,065**	**108,702**	**74,039**	**19,995**	**98,273**	**933,947**
At October 31, 2011								
Cash at bank and on hand	45,004	9,560	326,189	95,739	77,508	28,143	128,824	710,967
Bank deposits	10,002	40,002	141,023	7,165	36,572	—	130,734	365,498
	55,006	49,562	467,212	102,904	114,080	28,143	259,558	1,076,465
Pledged bank deposits	—	—	—	—	—	—	(996)	(996)
Bank and cash balances	55,006	49,562	467,212	102,904	114,080	28,143	258,562	1,075,469
Non-pledged bank deposits with more than three months to maturity	—	—	(11,981)	—	—	—	(3,278)	(15,259)
Cash and cash equivalents	55,006	49,562	455,231	102,904	114,080	28,143	255,284	1,060,210

The effective interest rates on bank deposits range from 0.06% to 3.85% per annum (2011: 0.01% to 7.45% per annum), these deposits have maturity range from 30 days to 365 days (2011: 7 days to 365 days) and are subject to fair value interest rate risk.

Note: Included in the bank and cash balances of the Group, HK$523,574,000 (2011: HK$467,212,000) were denominated in RMB, which was not freely convertible to other currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

30. CREDITORS AND ACCRUED CHARGES

	THE GROUP 2012 HK$'000	2011 HK$'000
Trade creditors	**387,745**	444,080
Accrued charges	**630,708**	646,114
Other creditors	**21,530**	10,700
	1,039,983	1,100,894

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

	2012 HK$'000	2011 HK$'000
Less than 90 days	**237,453**	326,406
91–180 days	**62,361**	62,419
181–365 days	**38,197**	38,498
More than 1 year	**49,734**	16,757
	387,745	444,080

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

	Hong Kong dollars HK$'000	Euro HK$'000	Malaysian ringgits HK$'000	RMB HK$'000	Singapore dollars HK$'000	US dollars HK$'000	United Arab Emirates dirhams HK$'000	Other HK$'000	Total HK$'000
At October 31, 2012	**17,700**	**14,122**	**9,156**	**204,625**	**52,976**	**23,717**	**23,594**	**41,855**	**387,745**
At October 31, 2011	28,122	38,914	15,602	207,105	29,223	48,749	29,281	47,084	444,080

31. BORROWINGS

	THE GROUP 2012 HK$'000	2011 HK$'000
Borrowings comprise the following:		
Long term bank loans	—	7,059
Short term bank loans	**12,470**	6,242
Bank overdrafts	—	1,073
	12,470	14,374
The borrowings are repayable as follows:		
On demand or within one year	**12,470**	14,374

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

	Singapore dollars HK$'000	**Others** HK$'000	**Total** HK$'000
At October 31, 2012			
Bank loans	**9,206**	**3,264**	**12,470**
At October 31, 2011			
Bank loans	13,109	192	13,301
Bank overdrafts	1,073	—	1,073
	14,182	192	14,374

The Group's bank loans of HK$9,401,000 (2011: HK$192,000) carry fixed interest rate at 1.85% to 2.0% per annum on rollover basis (2011: 2.0% per annum) and expose the Group to fair value interest rate risk. As at October 31, 2012, the Group's bank loans of HK$3,069,000 (2011: HK$13,109,000) carried floating interest rates at 10.85% per annum (2011: 1.4% to 3.8% per annum), thus exposing the Group to cash flow interest rate risk.

32. FINANCE LEASE OBLIGATIONS

	THE GROUP			
	Minimum lease payments		Present value of minimum lease payments	
	2012	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000
Amounts payable under finance leases:				
Within one year	**258**	427	**247**	397
In the second to fifth years inclusive	**162**	351	**150**	328
	420	778	**397**	725
Less: Future finance charges	**(23)**	(53)	**N/A**	N/A
Present value of finance lease obligations	**397**	725	**397**	725
Less: Amounts due within one year shown under current liabilities			**(247)**	(397)
Amounts due for settlement after one year			**150**	328

It is the Group's practice to lease certain of its fixtures and equipment under finance leases. The lease term is usually three to five years. For the year ended October 31, 2012, the average effective borrowing rate was 5.32% (2011: 4.38%) per annum. Interest rates are fixed at the contract date and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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

33. SHARE CAPITAL

	THE GROUP AND THE COMPANY			
	Number of shares		Share capital	
	2012	2011	**2012**	2011
			HK$'000	HK$'000
Ordinary shares of HK$0.05 each				
Authorised:				
At beginning of year and end of year	**2,400,000,000**	2,400,000,000	**120,000**	120,000
Issued and fully paid:				
At beginning of year	**1,212,634,104**	1,207,072,104	**60,632**	60,354
Exercise of share options *(Note)*	**1,682,000**	7,576,000	**84**	379
Repurchase and cancellation of shares	**—**	(2,014,000)	**—**	(101)
At end of year	**1,214,316,104**	1,212,634,104	**60,716**	60,632

Note: During the year, 422,000, 518,000, 20,000, 680,000 and 42,000 shares were issued at HK$1.240, HK$0.970, HK$1.416, HK$1.570 and HK$1.648 per share respectively as a result of the exercise of share options of the Company (2011: 4,200,000, 56,000, 3,000,000, 294,000 and 26,000 shares were issued at HK$0.986, HK$1.240, HK$0.413, HK$0.970 and HK$1.416 per share respectively).

33. SHARE CAPITAL (CONTINUED)

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group regularly reviews the capital structure by considering the costs of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through payment of dividends, new share issues and issue of new debts, redemption of existing debts or selling assets to reduce debts.

The Group monitors its capital on the basis of the gearing ratio, which is long-term borrowings divided by total assets. Total assets are calculated as non-current assets plus current assets. The gearing ratios as at October 31, 2012 and 2011 were as follows:

	2012 **HK$'000**	2011 HK$'000 (restated)
Long-term borrowings	**—**	—
Non-current assets, restated	**848,058**	757,704
Current assets	**2,042,972**	2,166,724
Total assets, restated	**2,891,030**	2,924,428
	2012	2011
Gearing ratio	**N/A**	N/A

The Group's overall strategy of gearing remains unchanged during the year.

34. SHARE-BASED PAYMENTS

The share option scheme approved by the shareholders of the Company on January 7, 2002 (the "2002 Scheme") has expired on January 7, 2012. Thereafter, no further options will be granted under the 2002 Scheme but the subsisting options granted thereunder prior to the expiry date will continue to be valid and exercisable in accordance with the terms of the 2002 Scheme.

At the AGM of the Company held on March 22, 2012, the shareholders of the Company approved the adoption of a new share option scheme (the "2012 Scheme") under which the directors of the Company may grant options to eligible persons to subscribe for the Company's shares subject to the terms and conditions as stipulated therein. Unless otherwise cancelled or amended, the 2012 Scheme will remain valid for a period of 10 years from the date of its adoption. Under the 2012 Scheme, the Company may grant options to Eligible Persons to subscribe for shares in the Company, subject to the maximum number of shares available for issue under options in aggregate not exceeding 10% of the issued share capital of the Company as at the date of adoption of the 2012 Scheme. Options granted are exercisable at any time during a period to be notified by the Directors to each option holder but may not be exercised after the expiry of five years from the offer date. The Directors may provide restrictions on the exercise of an option during the period and option may be exercised as a result. The subscription price per share in relation to an option shall be a price to be determined by the Directors and shall be not 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.

34. SHARE-BASED PAYMENTS (CONTINUED)

(i) Details of the specific categories of options relevant for the year ended October 31, 2012 are as follows:

	Date of grant	Vesting date	Exercise period	Exercise price HK$
2002 Scheme				
2006A	21-May-07			
1st tranche		22-May-07	22.5.2007–21.5.2012	2.184
2nd tranche		1-Nov-07	1.11.2007–21.5.2012	2.184
3rd tranche		2-May-08	2.5.2008–21.5.2012	2.184
4th tranche		3-Nov-08	3.11.2008–21.5.2012	2.184
2006B	28-Aug-07			
1st tranche		29-Aug-07	29.8.2007–28.8.2012	2.350
2nd tranche		1-Nov-07	1.11.2007–28.8.2012	2.350
3rd tranche		2-May-08	2.5.2008–28.8.2012	2.350
4th tranche		3-Nov-08	3.11.2008–28.8.2012	2.350
2007	14-May-08			
1st tranche		15-May-08	15.5.2008–14.5.2013	1.240
2nd tranche		3-Nov-08	3.11.2008–14.5.2013	1.240
3rd tranche		4-May-09	4.5.2009–14.5.2013	1.240
4th tranche		2-Nov-09	2.11.2009–14.5.2013	1.240
2008	18-May-09			
1st tranche		19-May-09	19.5.2009–18.5.2014	0.970
2nd tranche		2-Nov-09	2.11.2009–18.5.2014	0.970
3rd tranche		3-May-10	3.5.2010–18.5.2014	0.970
4th tranche		1-Nov-10	1.11.2010–18.5.2014	0.970
2009	25-May-10			
1st tranche		26-May-10	26.5.2010–25.5.2015	1.416
2nd tranche		1-Nov-10	1.11.2010–25.5.2015	1.416
3rd tranche		3-May-11	3.5.2011–25.5.2015	1.416
4th tranche		1-Nov-11	1.11.2011–25.5.2015	1.416
2010A	17-May-11			
1st tranche		18-May-11	18.5.2011–17.5.2016	1.570
2nd tranche		1-Nov-11	1.11.2011–17.5.2016	1.570
3rd tranche		2-May-12	2.5.2012–17.5.2016	1.570
4th tranche		1-Nov-12	1.11.2012–17.5.2016	1.570
2010B	23-Jun-11			
1st tranche		28-Dec-11	28.12.2011–23.6.2016	1.540
2nd tranche		25-Jun-12	25.6.2012–23.6.2016	1.540
3rd tranche		24-Dec-12	24.12.2012–23.6.2016	1.540
4th tranche		24-Jun-13	24.6.2013–23.6.2016	1.540
2012 Scheme				
2011A	24-May-12			
1st tranche		25-May-12	25.5.2012–24.5.2017	1.648
2nd tranche		1-Nov-12	1.11.2012–24.5.2017	1.648
3rd tranche		2-May-13	2.5.2013–24.5.2017	1.648
4th tranche		1-Nov-13	1.11.2013–24.5.2017	1.648
2011B	20-Jul-12			
1st tranche		21-Jul-12	21.7.2012–20.7.2017	1.684
2nd tranche		1-Nov-12	1.11.2012–20.7.2017	1.684
3rd tranche		2-May-13	2.5.2013–20.7.2017	1.684
4th tranche		1-Nov-13	1.11.2013–20.7.2017	1.684
2011C	26-Jul-12			
1st tranche		27-Jul-12	27.7.2012–26.7.2017	1.680
2nd tranche		1-Nov-12	1.11.2012–26.7.2017	1.680
3rd tranche		2-May-13	2.5.2013–26.7.2017	1.680
4th tranche		1-Nov-13	1.11.2013–26.7.2017	1.680

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

34. SHARE-BASED PAYMENTS (CONTINUED)

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

	2012		2011	
	Number of share options	**Weighted average exercise price HK$**	Number of share options	Weighted average exercise price HK$
Outstanding at beginning of year	**16,044,000**	**1.62**	21,610,000	1.34
Granted during the year	**5,966,000**	**1.67**	5,560,000	1.55
Lapsed during the year	**(4,526,000)**	**2.17**	(3,550,000)	1.63
Exercised during the year	**(1,682,000)**	**1.30**	(7,576,000)	0.76
Outstanding at end of year	**15,802,000**	**1.52**	16,044,000	1.62
Exercisable at end of year	**10,090,000**	**1.45**	10,054,000	1.68

The weighted average share price at the date of exercise for share options exercised during the year was HK$1.820. The options outstanding at end of year have a weighted average remaining contractual life of 3 years (2011: average life of 3 years) and the exercise prices range from HK$0.970 to HK$1.684 (2011: HK$0.413 to HK$2.350). In 2012, options were granted on May 24, 2012, July 20, 2012 and July 26, 2012. The estimated fair value per option ranges from HK$0.445 to HK$0.531 with total fair value of HK$2,857,000. In 2011, options were granted on May 17, 2011 and June 23, 2011. The estimated fair value per option ranges from HK$0.439 to HK$0.535.

34. SHARE-BASED PAYMENTS (CONTINUED)

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

These fair values were calculated using the Black-Scholes Model or Binominal Options Model. The inputs into the models were as follows:

Date of grant	Exercise price HK$	Based on expected life of share options year(s)	Expected volatility %	Weighted average share price HK$	Risk-free rate %	Annual dividend yield %
2002 Scheme						
May 21, 2007	2.184	2.50	47.01	2.170	4.008	3.23
August 28, 2007	2.350	2.50	45.93	2.350	4.004	2.98
May 14, 2008						
1st tranche	1.240	2.50	55.18	1.240	2.123	5.65
2nd tranche	1.240	2.70	53.99	1.240	2.217	5.65
3rd tranche	1.240	3.00	53.69	1.240	2.248	5.65
4th tranche	1.240	3.20	52.74	1.240	2.353	5.65
May 18, 2009	0.970	3.19	65.91	0.970	0.975	6.64
May 25, 2010	1.416	5.00	59.00	1.400	1.540	4.24
May 17, 2011	1.570	5.00	59.00	1.570	1.560	4.91
June 23, 2011	1.540	5.00	58.00	1.540	1.310	5.19
2012 Scheme						
May 24, 2012	1.648	5.00	57.00	1.630	0.420	4.94
July 20, 2012	1.684	5.00	57.00	1.684	0.260	5.09
July 26, 2012	1.680	5.00	56.00	1.680	0.210	5.09

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 behavioural considerations.

The Group recognised total expenses of HK$3,063,000 for year ended October 31, 2012 (2011: HK$1,867,000) in relation to share options granted by the Company.

35. RESERVES

Nature and purpose of reserves

(i) Share premium

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

(ii) Capital redemption reserve

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

(iii) Capital reserve

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

(iv) Equity-settled share-based payment reserve

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

(v) Legal reserve

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

(vi) Translation reserve

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

(vii) Special reserve

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

(viii) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale assets held at the end of the reporting period and is dealt with in accordance with the accounting policies in Note 3 to the financial statement.

35. RESERVES (CONTINUED)

	Share premium	Capital redemption reserve	Equity-settled share-based payment reserve	Special reserve	Retained earnings (Accumulated losses)	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
THE COMPANY						
At November 1, 2010	712,138	753	6,263	50,594	(70,153)	699,595
Total comprehensive income for the year	—	—	—	—	71,623	71,623
Shares issued at premium	5,393	—	—	—	—	5,393
Recognition of equity-settled share-based payment	—	—	1,867	—	—	1,867
Exercise of equity-settled share-based payment	843	—	(843)	—	—	—
Transfer	692	—	(692)	—	—	—
Repurchase and cancellation of shares	—	101	—	—	(2,578)	(2,477)
2010 final and special dividends	—	—	—	—	(66,622)	(66,622)
2011 interim dividend	—	—	—	—	(48,461)	(48,461)
At October 31, 2011	719,066	854	6,595	50,594	(116,191)	660,918
Representing:						
2011 final and special dividends proposed					97,011	
Others					(213,202)	
Accumulated losses at October 31, 2011					(116,191)	
At November 1, 2011	719,066	854	6,595	50,594	(116,191)	660,918
Total comprehensive income for the year	—	—	—	—	**271,688**	**271,688**
Shares issued at premium	**2,107**	—	—	—	—	**2,107**
Recognition of equity-settled share-based payment	—	—	**3,063**	—	—	**3,063**
Exercise of equity-settled share-based payment	**651**	—	**(651)**	—	—	—
Transfer	**2,611**	—	**(2,611)**	—	—	—
2011 final and special dividends	—	—	—	—	**(97,074)**	**(97,074)**
2012 interim dividend	—	—	—	—	**(48,537)**	**(48,537)**
At October 31, 2012	**724,435**	**854**	**6,396**	**50,594**	**9,886**	**792,165**
Representing:						
2012 final dividend proposed					**66,796**	
Others					**(56,910)**	
Retained earnings at October 31, 2012					**9,886**	

36. DEFERRED TAX

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

	Accelerated tax depreciation HK$'000	Revaluation of properties HK$'000	Withholding tax arising on undistributed earnings of subsidiaries HK$'000	Intangible assets HK$'000 (restated)	Others HK$'000	Total HK$'000
At November 1, 2010	8,502	16,018	1,996	—	(524)	25,992
Exchange adjustments, restated	409	81	—	22	(59)	453
Acquisition of a subsidiary, restated *(Note 38)*	—	—	—	2,709	—	2,709
Disposal of subsidiaries	—	—	—	—	(51)	(51)
Charge (credit) to profit or loss for the year *(Note 11)*, restated	(633)	2,460	1,383	(280)	28	2,958
At October 31, 2011 and November 1, 2011, restated	8,278	18,559	3,379	2,451	(606)	32,061
Exchange adjustments	**(23)**	**115**	**—**	**119**	**180**	**391**
Acquisition of a subsidiary *(Note 38)*	**34**	**—**	**—**	**—**	**—**	**34**
Charge (credit) to profit or loss for the year *(Note 11)*	**(1,175)**	**1,608**	**2,032**	**(278)**	**(2,343)**	**(156)**
At October 31, 2012	**7,114**	**20,282**	**5,411**	**2,292**	**(2,769)**	**32,330**

Deferred tax of HK$5,411,000 (2011: HK$3,379,000) has been provided in the consolidated financial statements in respect of the undistributed profits earned by the Group's PRC subsidiaries starting from January 1, 2008, attributable to the Group that are subject to the PRC Enterprise Income Tax Law upon the distribution of such profits to the shareholders outside the PRC. The applicable withholding tax rates for the Group for the year ended October 31, 2012 are from 5% to 10% (2011: 5%).

At the end of the reporting period, deferred tax of HK$18,252,000 (2011: HK$12,157,000) has not been recognised in respect of certain undistributed earnings of subsidiaries.

The following is the analysis of the deferred tax balances:

	THE GROUP	
	2012 HK$'000	2011 HK$'000 (restated)
Deferred tax liabilities, restated	**35,099**	32,667
Deferred tax assets	**(2,769)**	(606)
	32,330	32,061

At October 31, 2012, the Group has unused tax losses of HK$167,288,000 (2011: HK$111,832,000), available to offset against future profits. No deferred tax asset in respect of tax losses has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are HK$154,748,000 (2011: HK$100,927,000) may be carried forward indefinitely, the tax losses of HK$11,626,000 (2011: HK$9,416,000) which will expire within 5 years and tax losses of HK$914,000 (2011: HK$1,489,000) which will expire within 3 years.

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

	2012 **HK$'000**	2011 HK$'000 (restated)
Profit before tax, restated	**313,862**	334,612
Adjustments for:		
Interest expenses	**2,321**	2,986
Finance charges in respect of finance lease obligations	**30**	61
Interest income	**(11,101)**	(9,375)
Dividend income	**(205)**	(134)
Depreciation	**38,894**	43,402
Amortisation of prepaid land lease payments	**2,105**	1,512
Amortisation of other intangible assets, restated	**2,004**	2,503
Loss (Gain) on disposal of property, plant and equipment, net	**764**	(376)
Increase in net fair value of investment properties	**(3,043)**	(13,876)
Gain on disposal of subsidiaries, net	**—**	(3,500)
Gain on disposal of a jointly controlled entity	**—**	(1,834)
Gain on disposal of available-for-sale financial assets and club membership, net	**(15)**	—
Gain on disposal of an associate	**(92)**	—
Loss on remeasurement of equity interest held before upon business combination, restated	**—**	2,198
Allowance for bad and doubtful debts	**27,154**	21,496
Allowance written back on bad and doubtful debts	**(9,991)**	(2,549)
Allowance for inventories	**734**	620
Impairment on club membership	**55**	55
Impairment on available-for-sale financial assets	**—**	6,675
Impairment on other intangible assets	**1,575**	5,758
Impairment on an associates	**1,780**	—
Share of profits of associates	**(12,111)**	(23,433)
Share of losses (profits) of jointly controlled entities	**193**	(2,093)
Equity-settled share-based payment expenses	**3,063**	1,867
Operating profit before changes in working capital	**357,976**	366,575
Increase in inventories	**(10,192)**	(9,444)
Decrease (Increase) in contract work in progress	**40,862**	(36,543)
Decrease (Increase) in amounts due from associates	**3,173**	(1,206)
Decrease in amounts due from jointly controlled entities	**4,118**	5,091
Increase in debtors, deposits and prepayments	**(19,307)**	(121,935)
(Decrease) Increase in payments received on account	**(46,010)**	132,854
(Decrease) Increase in creditors and accrued charges	**(79,120)**	178,188
Increase in amounts due to associates	**458**	2,010
(Decrease) Increase in amounts due to jointly controlled entities	**(5,717)**	931
Cash flows from operations	**246,241**	516,521

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Acquisition of a subsidiary

(i) On December 27, 2011, Pico-Sanderson JV Pte Ltd is reclassified from a jointly controlled entity to a subsidiary of the Group subsequent to the addition of directorship with majority in voting rights. The acquisition is to align the Group's continuous expansion of its global strategy to be an industry leader in its core principal activities.

The fair value of the net identifiable assets of Pico-Sanderson JV Pte Ltd is as follows:

	2012 HK$'000
Net assets acquired of:	
Property, plant and equipment *(Note 17)*	**868**
Debtors, deposits and prepayments	**10,859**
Contract work in progress	**7,030**
Cash and bank balances	**8,899**
Creditors and accrued charges	**(13,717)**
Current tax liabilities	**(565)**
Deferred tax liabilities *(Note 36)*	**(34)**
Net identifiable assets	**13,340**
Details of net assets acquired, goodwill and acquisition-related costs are as follows:	
Cash consideration paid	**—**
Fair value of equity interest in a subsidiary, before the acquisition	**7,336**
Less: Net identifiable assets	**(13,340)**
Non-controlling interest measured based on proportionate share of net identifiable assets	**6,004**
	—
Analysis of net inflow of cash and cash equivalents in connection with the acquisition of a subsidiary:	
Cash consideration paid	**—**
Bank and cash balances acquired	**8,899**
	8,899

Included in the profit for the year is HK$255,000 attributable to the additional business generated by Pico-Sanderson JV Pte Ltd. Revenue for the year includes HK$65,106,000 in respect of Pico-Sanderson JV Pte Ltd.

Had these business combinations be effective at November 1, 2011, the revenue of the Group would have been HK$3,857,530,000, and the profit for the year would have been HK$238,511,000.

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Acquisition of a subsidiary (continued)

(ii) On May 6, 2011, the Group had acquired an additional 20% interest in GLMP, increasing its ownership from 40% to 60%. The acquisition is to align the Group's continues expansion of its global strategy to be an industry leader in its core principal activities.

As disclosed in Note 4 to the financial statements, retrospective restatements have been made subsequent to the completion of the independent professional valuation on the other intangible assets.

The fair value of the net identifiable assets of GLMP is restated as follows:

	2011 HK$'000 (restated)
Net assets acquired of:	
Property, plant and equipment *(Note 17)*	682
Intangible assets	9,031
Debtors, deposits and prepayments	7,306
Bank and cash balances	6,877
Creditors and accrued charges	(12,012)
Current tax liabilities	(427)
Deferred tax liabilities *(Note 36)*	(2,709)
	8,748

Details of net assets acquired, goodwill and acquisition related costs are as follows:

Cash consideration paid	3,806
Fair value of equity interest in a subsidiary before the acquisition	7,610
Less: Net identifiable assets	(8,748)
Non-controlling interest measured based on proportionate share of net identifiable assets	3,499
Goodwill *(Note 20)*	6,167

Analysis of net inflow of cash and cash equivalents in connection with the acquisition of a subsidiary:

Cash consideration paid	(3,806)
Bank and cash balances acquired	6,877
	3,071

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Purchase of non-controlling interests

During the year ended October 31, 2012, the Group acquired the remaining 20% and 40% in two subsidiaries from the non-controlling shareholders at a cash consideration of HK$2,670,000, which was settled during the year. In addition, a sino-foreign cooperative joint ventures became a wholly-owned foreign enterprise under the PRC law by releasing the land and buildings outside Hong Kong with carrying amount of HK$520,000.

During the year ended October 31, 2011, the Group acquired 20% interests in two 80% subsidiaries from the non-controlling shareholders at a cash consideration of HK$11,913,000 which was settled on December 9, 2011.

The effect of the acquisition on the equity attributable to the owners of the Company is as follows:

	2012	2011
	HK$'000	HK$'000
Share of net assets in the subsidiaries acquired	**5,390**	14,279
Consideration	**(3,190)**	(11,913)
Gain on acquisition recognised directly in equity	**2,200**	2,366

Significant non-cash transactions

During the year ended October 31, 2012, dividend received from an associate amounted to HK$5,761,000 was settled by the issue of new shares in the associate.

39. PLEDGE OF ASSETS

At October 31, 2012, the following assets were pledged as collaterals for credit facilities granted to the Group by certain banks.

	THE GROUP	
	2012	2011
	HK$'000	HK$'000
Pledged bank deposits	**—**	996
Freehold land and buildings	**16,931**	17,011
Leasehold land and buildings	**14,411**	14,767
	31,342	32,774

40. CAPITAL COMMITMENTS

	THE GROUP	
	2012	2011
	HK$'000	HK$'000
Capital expenditures in respect of property, plant and equipment		
— contracted but not provided for	**94,424**	17,783
— authorised but not contracted for	**45,345**	138,246
	139,769	156,029

The Company did not have any other significant capital commitments at October 31, 2012 and 2011.

41. OPERATING LEASE COMMITMENTS

The Group as lessee

At the October 31, 2012, the total future minimum lease payments under non-cancellable operating leases in respect of rented premises and equipment are payable as follows:

	THE GROUP			
	2012		2011	
	Rented premises	**Equipment**	Rented premises	Equipment
	HK$'000	**HK$'000**	HK$'000	HK$'000
Within one year	**22,498**	**865**	20,061	706
In the second to fifth years inclusive	**28,167**	**1,363**	30,099	437
Over five years	**99,146**	**2**	101,891	—
	149,811	**2,230**	152,051	1,143

Operating lease payments mainly represent five (2011: six) rentals payable by the Group for its offices. Leases are ranged between five years to sixty years and rentals are fixed over the lease terms and do not include contingent rentals.

At October 31, 2012 and 2011, the Company had no other significant commitments under non-cancellable operating leases.

41. OPERATING LEASE COMMITMENTS (CONTINUED)

The Group as lessor

At October 31, 2012, the Group's total future minimum lease payments under non-cancellable operating lease are receivable as follows:

	THE GROUP	
	2012	2011
	HK$'000	HK$'000
Within one year	**27,327**	28,931
In the second to fifth years inclusive	**24,399**	21,754
	51,726	50,685

42. CONTINGENT LIABILITIES

Financial guarantees issued

At October 31, 2012, the Group has issued the following guarantees:

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000
Guarantees given to banks in respect of banking facilities granted to				
— subsidiaries	**—**	—	**422,478**	497,297
— associates	**—**	36,678	**—**	36,678
	—	36,678	**422,478**	533,975
Performance guarantees				
— secured	**49,493**	52,879	**—**	—
— unsecured	**76,311**	81,093	**—**	—
	125,804	133,972	**—**	—
Other guarantees				
— secured	**2,819**	5,384	**—**	—
— unsecured	**—**	538	**—**	—
	2,819	5,922	**—**	—

At October 31, 2012, the Executive 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.

43. RETIREMENT BENEFITS SCHEME

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

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

At the end of the reporting period, contribution forfeited of HK$108,000 (2011: nil), which arose upon employees leaving the retirement benefits scheme and which are available to reduce the contributions payable by the Group.

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

All Hong Kong staffs employed by the Group before December 1, 2000 have been offered to join the Mandatory Provident Fund or remain under the Group's retirement benefits scheme. The Group and the employees contribute the same amount of 5% of the monthly remunerations up to HK$1,250 (2011: HK$1,000) per month to the Mandatory Provident Fund.

44. RELATED PARTY TRANSACTIONS

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

	Exhibition income	Sub-contracting fee paid	Management fee income	Property rental income	Property rental expenses	Consultancy fee paid	Other income	Receivables	Payables
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended October 31, 2012									
Associates	**12,895**	**26,636**	**8,152**	**910**	**—**	**—**	**3,453**	**11,382**	**5,469**
Jointly controlled entities	**71**	**—**	**185**	**142**	**—**	**—**	**17**	**701**	**—**
Related companies	**285**	**1,889**	**—**	**—**	**585**	**—**	**577**	**8**	**254**
Year ended October 31, 2011									
Associates	6,166	41,807	10,299	768	—	1,326	2,625	13,887	5,277
Jointly controlled entities	3	148	77	516	—	—	1,369	6,477	5,717
Related companies	27	1,346	—	—	585	—	552	182	624

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

44. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	2012	2011
	HK$'000	HK$'000
Salaries, bonus, allowances and benefits in kind	**44,844**	40,737
Group's contributions to retirement scheme	**306**	275
Share-based payment	**2,203**	1,240
	47,353	42,252

45. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. The changes included the restatement as disclosed in Note 4 to financial statements. Accordingly, certain comparative amounts have been reclassified and a third consolidated statement of financial position as at November 1, 2010, has been presented.

46. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on January 25, 2013.

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries as at October 31, 2012 are as follows:

Name	Place of incorporation/ registration/ operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
A.E. Smith Signs (Shanghai) Co., Ltd.	The PRC	US$1,550,000	90	Signs manufacturing, design and consultation
Asia Game Show Holdings Ltd.	Hong Kong	HK$10,000,000	100	Investment holding
Beijing Pico Exhibition Services Co., Ltd. ***	The PRC	US$1,897,000	100	Exhibition construction
Beijing Pico Exhibition Management Co., Ltd. ***	The PRC	RMB10,000,000	100	Parliamentary services, undertaking display demonstration, specialised contract, decoration design, technical advisory work, technology development, technical service, business management
Beijing Pico DesignWorks Co., Ltd. ***	The PRC	RMB10,000,000	100	Decoration design and exhibitions and home construction, conference services, enterprise image planning and technical consultancy
Bespoke Company Ltd.	Hong Kong	HK$100	51	Events agency business
Dongguan Pico Exhibition Services Co., Limited ***	The PRC	HK$8,850,000	100	Production of exhibition products
Fairtrans International Ltd. *(Note 2)*	Japan	Yen 10,000,000	100	Handling transportation, import and export administrative responsibilities for exhibitors
Freestate Asia Pte Ltd. *(Note 2)*	Singapore	S$1	100	Design and management of entertainment projects
GMC Hong Kong Ltd.	Hong Kong	HK$10	100	Exhibition construction and interior renovation
Guangzhou Pico Exhibition Services Co., Ltd. ***	The PRC	HK$5,000,000	100	Exhibition design, construction and decoration
Guangzhou Pico IES Exhibition Services Co Ltd. **	The PRC	RMB5,000,000	100	Fabrication of exhibition booths

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name	Place of incorporation/ registration/ operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
Global-Link MP Events International Inc. *(Note 2)*	The Philippines	PHP$1,000,000	60	Organising and managing exhibitions, conferences and events
Indec International Pte Ltd. *(Note 2)*	Singapore	S$100,000	70	Interior renovation, design and consulting services
Intertrade Lanka Management (Private) Limited *(Note 2)*	Sri Lanka	LKR8,472,500	100	Design, development, management and operation of exhibitions and convention centre
Intertrade (Sri Lanka) Pte Ltd. *(Note 2)*	Singapore	S$2	100	Investment holding
Intertrade (Vietnam) Pte Ltd. *(Note 2)*	Singapore	S$2	100	Investment holding
MP International (Asia Pacific) Limited	Hong Kong	HK$2	100	Meeting, shows and exhibitions administration business
MP International (HKG) Limited	Hong Kong	HK$10,000	100	Show and exhibition administration business
MP International Pte Ltd. *(Note 2)*	Singapore	S$1,500,000	100	Investment holding, professional and other personnel in management of conventions, conferences, seminars and management development programmes and courses
MP Singapore Pte Ltd (formerly known as MP Asia Pte Ltd) *(Note 2)*	Singapore	S$100,000	100	Management of convention conferences, seminars and exhibitions
MPI Ventures S.L.U. *(Note 2)*	Spain	EUR3,006	100	Management of convention and conferences
Parico Electrical Engineering Sdn. Bhd. *(Note 2)*	Malaysia	Malaysian Ringgits 100,000	49.5 *(Note 1)*	Electrical specialist
Pico Art Exhibit. Inc.	The USA	US$1,000	99	Design and fabrication of exhibition booths
Pico Art International Pte Ltd. *(Note 2)*	Singapore	S$1,500,000	100	Exhibition design and fabrication, events promotion design and planning, interior architecture and museum fitting out, multi-media services, outdoor advertising contractors, and investment holding

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name	Place of incorporation/ registration/ operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
Pico Concept Limited *(Note 2)*	The United Kingdom	GBP80	96.25	Creative concept of designs, brands, interiors, events organiser and installation of exhibition stands
Pico Concepts India Private Ltd. *(Note 2)*	India	Indian Rupees 2,500,000	100	Interior, renovation design and consultancy services
Pico Contracts Limited	Hong Kong	HK$7,600,000	100	Exhibition design, construction and decoration
Pico Exhibition Services (Chengdu) Co., Ltd. ***	The PRC	RMB1,000,000	100	Provision of design, and fabrication exhibition booths, exhibition construction, design and installation, interior renovation, design and consulting service
Pico Event Management Pte Ltd *(Note 2)*	Singapore	S$50,000	100	Event management services
Pico Global Services Limited	Hong Kong	HK$100	100	Provision of corporate services and consultancy services
Pico Ho Chi Minh City Ltd. *(Note 2)*	Vietnam	US$50,000	100	Design and project management services
Pico Hong Kong Limited	Hong Kong	HK$5,000,000	100	Exhibition design, construction and investment holding
Pico IES Group (China) Co., Ltd. ***	The PRC	US$140,000	100	Fabrication of exhibition booths
Pico IES Group Limited	Hong Kong	HK$10,000	100	Fabrication of exhibition booths
Pico International LLC (JLT Branch) (formerly known as Pico International (Dubai) LLC) *(Note 2)*	Dubai	—	95	Interior decoration, exhibition stand fittings and execution
Pico International Exhibition Services Ltd.	Hong Kong	HK$100	100	Exhibition design, construction and decoration
Pico International (HK) Limited	Hong Kong	HK$1,000 — ordinary HK$2,500,000 — non-voting deferred#	100	Exhibition design, construction and investment holding

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name	Place of incorporation/ registration/ operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
Pico International (M) Sdn. Bhd. *(Note 2)*	Malaysia	Malaysian Ringgits 896,000	50 *(Note 1)*	Exhibition design and construction, event promotion, interior decoration and architecture
Pico International (Macao) Limited	Macau	MOP25,000	100	Exhibition construction
Pico International (Qatar) WLL	Qatar	QAR200,000	95	Exhibition, event marketing and interiors
Pico International, Inc.	The USA	US$1,000	100	Provision of management services and investment holding
Pico International (LA) Inc.	The USA	US$1,000	100	Trade show exhibits and services
Pico IN-Creative (UK) Ltd. *(Note 2)*	The United Kingdom	GBP1	100	Organisation of exhibition stands
Pico International Ltd. *(Note 2)*	Japan	Yen 10,000,000	100	Organising exhibitions and conferences
Pico International Taiwan Ltd. *(Note 2)*	Taiwan	NT$20,000,000	100	Exhibition design and construction and interior decoration
Pico Investments BVI Ltd. ##	British Virgin Islands	US$316	100	Investment holding
Pico North Asia Ltd.	Korea	Won 200,000,000	99.28	Exhibition design and construction
Pico Production Ltd. *(Note 2)*	Dubai	—	95	Screen printing, digital printing, neon printing manufacture, exhibition contractor and signage manufacture
Pico Projects (International) Limited	Hong Kong	HK$100	100	Interior decoration, fabrication for events and exhibitions
Pico Sanderson (HK) Limited	Hong Kong	HK$150,000	55	Exhibition designers and contractors
Pico-Sanderson JV Macau Limited	Macau	MOP25,000	50 *(Note 1)*	Exhibition designers and contractors

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name	Place of incorporation/ registration/ operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
Pico-Sanderson JV Pte Ltd. *(Note 2)*	Singapore	S$1,000,000	55	Themed design, construction and project management services
Pico TBA Consulting Group Limited	Hong Kong	HK$3,000,000	86	Engaging the full services of brand, marketing and creative agency
Pico Venture Pte Ltd. *(Note 2)*	Singapore	S$400,000	100	Investment holding
Pico World (Singapore) Pte Ltd. *(Note 2)*	Singapore	S$100,000	100	Exhibition design and fabrication, events and promotion
Shanghai Pico Exhibition Services Co., Ltd. ***	The PRC	US$848,000	100	Exhibition construction
Shanghai Pico Exhibition Management Co., Ltd. ****	The PRC	RMB7,000,000	100	Exhibition construction
Shanghai Pico Management Company Limited ***	The PRC	US$10,000,000	100	Property holding
Shenzhen Pico Exhibition Services Co., Ltd. ***	The PRC	HK$4,000,000	100	Exhibition construction and property investment
Tinsel Limited ##	British Virgin Islands	US$10	100	Investment holding
Total Brand Activation Pte Ltd. *(Note 2)*	Singapore	S$100,000	93.14	Brand consultancy services
TBA (Indonesia) Pte Ltd. *(Note 2)*	Singapore	S$2	100	Brand consultancy services
World Image International Ltd.	Hong Kong	HK$10,000	90	Investment holding, trading of signage, signage consultant and management
World Image Signs (Beijing) Company Ltd. *	The PRC	RMB5,000,000	45.9 *(Note 1)*	Signs manufacturing, design and maintenance and installation consultant and other services
World Image (Shanghai) Design and Engineering Company Ltd. ****	The PRC	RMB5,000,000	63	Advertisements and signage decoration design, construction, installation and maintenance

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name	Place of incorporation/ registration/ operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Group %	Principal activities
World Image (China) Company Ltd. ***	The PRC	USD140,000	90	Signs maintenance and installation consultant, design and other services
World Image Exhibition (Beijing) Company Ltd. ***	The PRC	RMB1,000,000	45.9 *(Note 1)*	Signs design, installation and maintenance and consultancy services
World Image (Shanghai) Engineering Company Ltd. ****	The PRC	RMB5,000,000	63	Advertisements and signage decoration design, construction, installation and maintenance

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

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

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

* These subsidiaries are Sino-foreign equity joint ventures.

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

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

**** These subsidiaries are registered as PRC, co-operative liability companies.

Note 1: These companies are deemed to be subsidiaries of the Company as the Company controls the composition of the board of directors.

Note 2: These subsidiaries are audited by other firms of auditors.

48. PARTICULARS OF PRINCIPAL ASSOCIATES

Details of the Group's principal associates as at October 31, 2012 are as follows:

Name	Place of incorporation/ operation	Issued and fully paid share capital/registered capital	Attributable equitable interest of the Group %	Principal activities
Arina International Holding Pte Ltd.	Singapore	S$300,000	30	Exhibition and interior contractor
InfocommAsia Pte Ltd.	Singapore	S$20,000	45	Management of convention and conferences
International Furniture Fair Singapore Pte Ltd.	Singapore	S$100,000	40	Exhibitions organiser
Pico Australia Pty Ltd.	Australia	AUD100	49	Design and fabrication of exhibition stands and interior decoration
Pico (Thailand) Public Company Ltd.	Thailand	Baht 172,169,820 — ordinary shares Baht 330,000 — preferred shares	40	Exhibition designers and fabricators, outdoor advertising contractors and general advertising agents
Xi'an Greenland Pico Int'l Convention and Exhibition Co. Ltd. *	The PRC	RMB125,000,000	30	Management and leasing of exhibition halls including organising of exhibitions and events

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

* This associate is Sino-foreign equity joint venture.

49. PARTICULARS OF PRINCIPAL JOINTLY CONTROLLED ENTITIES

Details of the Group's principal jointly controlled entities as at October 31, 2012 are as follows:

Name	Place of incorporation/ registration/ operation	Issued and fully paid share capital/registered capital	Attributable equitable interest of the Group %	Principal activities
Kenes MP Asia Pte Ltd.	Singapore	S$100,000	45	Managing exhibitions and conferences in the medical and scientific industries
MP-Fira International Pte Ltd.	Singapore	S$100,000	50	Exhibition organisers and managers

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

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