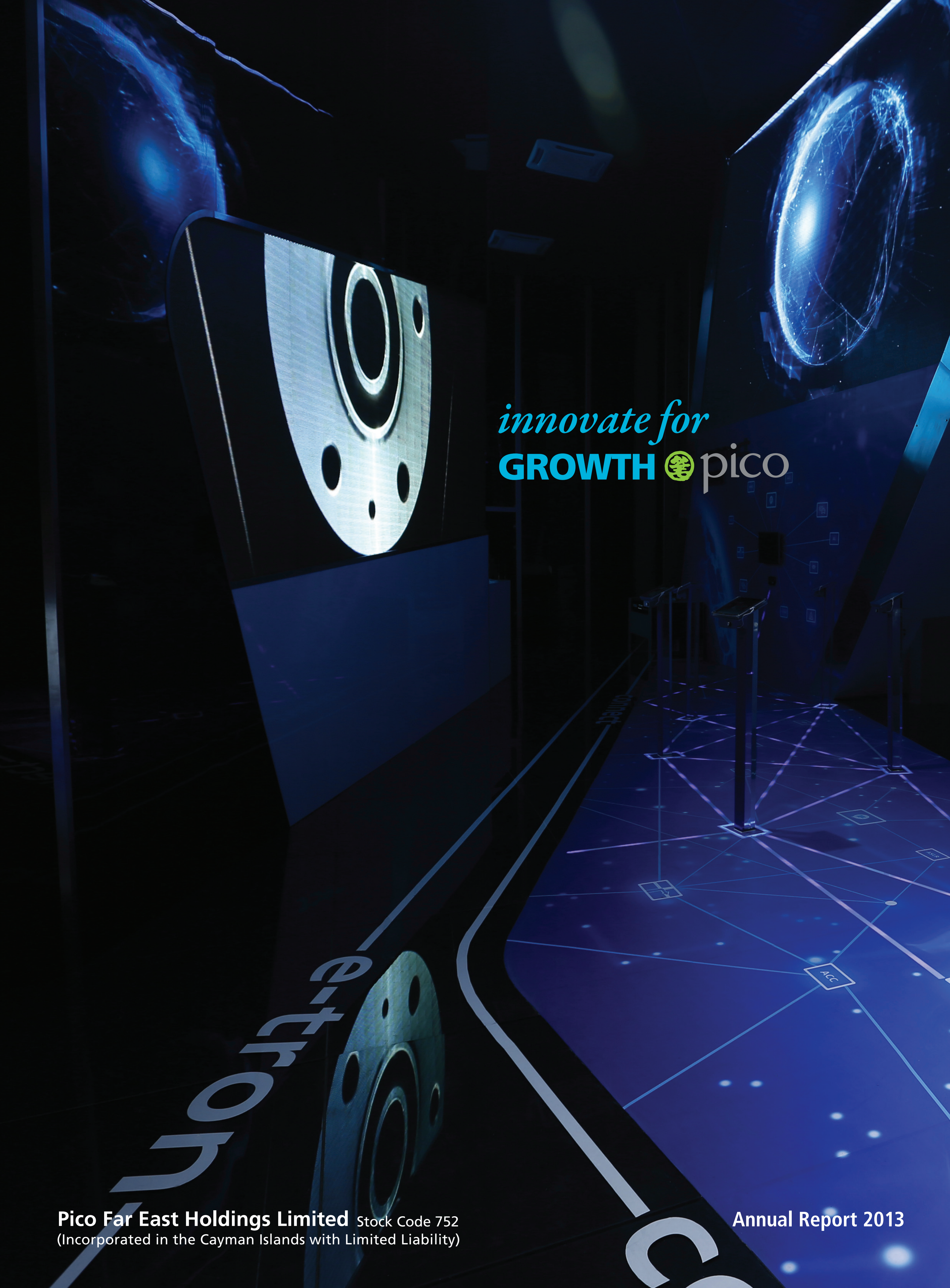

innovate for
GROWTH pico

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

Annual Report 2013

CONTENTS

innovate for
GROWTH pico

Cover:
Audi Experience Week in Beijing, Guangzhou and Shanghai

CORPORATE PROFILE

It has now been four and a half decades since Pico's inception as a humble exhibition stand builder. Thanks to our continuous evolution and diversification, Pico today is a global leader in Total Brand Activation with an international network of some 2,500 inspired professionals in 34 major cities worldwide. We have an impressive portfolio and a worldwide reputation for creating integrated and powerful brand experiences 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 focus on these core business segments will continue, with our strong desire to innovate staying as the key driver of future growth. However, the rapidly changing global technological environment has had significant impacts on our industry and our day-to-day business activities. We are keen to adapt to this new era in technology and improve on our successful business model to spearhead our expansion into the next decade.

Globally, the name Pico is synonymous with the outstanding services we already deliver. We are now entering the era of Pico+.

Pico+ will blend technological, digital, gaming, social media and virtual platforms and combine them with the real space experiences in our core offerings; bringing these through-the-line platforms to our clients, helping them strategise and engage market trends to maximise their branding and sales targets. Building on our successful foundation, Pico+ will offer a vast range of 360 degree solutions and futuristic service offerings.

The synergy created by Pico+, combined with our strong foundation and our top class professionals around the world will make Pico a stronger company in the coming decade.

Beijing Cultural Creative Industry Visitor Gallery

GLOBAL NETWORK

Headquartered in
Hong Kong

Operating with
45 Offices in
34
Cities Worldwide

01 Bangkok
02 Beijing
03 Cairo
04 Colombo
05 Doha
06 Dongguan
07 Dubai
08 Guangzhou
09 Hanoi
10 Ho Chi Minh City
11 Hong Kong
12 Jakarta
13 Kuala Lumpur
14 London
15 Los Angeles
16 Macau
17 Manama
18 Manila
19 Melbourne
20 Mumbai
21 Muscat
22 New Delhi
23 Perth
24 Rio de Janeiro
25 Riyadh
26 Sao Paulo
27 Seoul
28 Shanghai
29 Shenzhen
30 Singapore
31 Sydney
32 Taipei
33 Tokyo
34 Xian

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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, 2013.

RESULTS

During the period under review, the global economy remained in a state of slow growth. Europe's recession continued, US growth stayed sub-par and the world's major emerging markets, according to International Monetary Fund (IMF), faced slower growth than was expected. Growth in China, the 'global growth engine', also faltered in financial year 2013.

Against this backdrop of an ongoing tough economic environment, ripple effects were felt across international trade and in the meetings, incentives, conventions and exhibitions (MICE) industry. Prior to the current year, the Group has achieved three consecutive years of record-breaking results whilst this year there has been a slight decline in turnover to HK$3,319 million (2012: HK$3,858 million), representing a decrease of 13.97%.

Although profit for the year attributable to owners of the Company declined by 11.48% to HK$211 million, operating margin improved to 8.41% (2012: 7.88%). Earnings per share were HK17.37 cents (2012: HK19.66 cents).

These results reflect improved efficiencies, coupled with tightened risk and cost controls.

DIVIDEND

The Board of Directors (the "Board") recommends a final dividend of HK5.5 cents (2012: HK5.5 cents) per ordinary share. Altogether, the full year dividend is HK10.0 cents per ordinary share representing 57.57% of the earnings per share. The final dividend will be payable on Thursday, April 10, 2014 to shareholders on the register of members of the Company on Tuesday, April 1, 2014.

REVIEW OF OPERATIONS

Headquartered in Hong Kong, the Group is a global enterprise operating with 45 offices in 34 cities worldwide. Our operations are supported by a network of internal production facilities and complemented by a dependable pool of outsourced suppliers in various countries.

2013 was a year lacking in mega events on the scale such as the Olympic Games or World Expos. As a result, this affected our largest core business segment of exhibition and event marketing services. Fortunately, we anticipated this situation well in advance and worked hard to secure new contracts and retain existing clients. Inevitably though, this segment declined 9.4% compared with the same period last year, although the conference and show management segment was able to report 3.5% growth.

Our brand signage and visual communication segment's profit contribution was higher than that of the previous year notwithstanding a slight decline of 5.5% in turnover (2012: 32.8% increase). Nonetheless this segment is still a key driver for growth. The museum, themed environment, interior and retail segment turnover decreased by 52.4% but this is due to the nature of the business which depends on the timing of tenders and the subsequent awarding of contracts. It is encouraging to know new work such as Shanghai Disneyland and a number of museum projects in China is already in the pipeline for 2014/2015.

The persistent weak economies of European countries and the slower than expected growth in the U.S. continue to affect the global exhibition industry. In response, we are maintaining lean operations in London and Los Angeles. To capture the upcoming opportunities in Milan expected from the 2015 World Expo and ITMA 2015 (the world's largest textile machinery show, held every four years), we have established a business presence there and forged a strategic alliance with a local company.

▲ *Pico Creative Centre, Beijing*

▲ *Pico Creative Centre, Shanghai*

This financial year we expanded our facilities in China, opening a 17,000 square metre combined office and production facility in Beijing and a 41,000 square metre facility in Shanghai, which commenced operations in quarter two and quarter three respectively. These premises service our ever-growing clientele of Chinese national enterprises as well as multi-national enterprises and renowned brands operating in China.

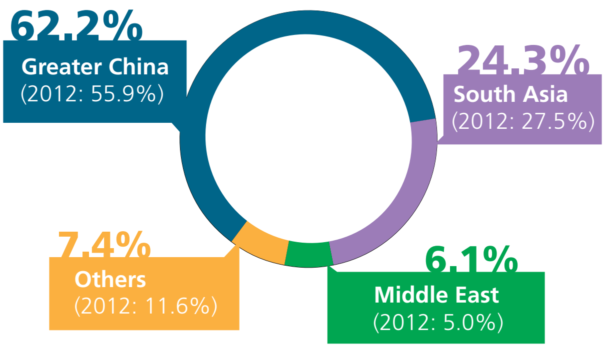
To help equip all our business units for sustainable growth the Group commissioned an independent audit of our management systems and operations. One of the key action items which emerged was that we needed to improve our talent management system. This will allow us to attract and retain the best people and provide them with new skills and knowledge to develop both the business and their future careers.

In light of this, the Group will also adopt a new management approach: the balanced score card system (BSC), where the key performance indicator for staff will be measured across four parameters: customers, internal business process, people (learning and growth) and financial. Each of these parameters holds a specified weight which will be tied to a new reward system. The new BSC system will strengthen our operations from within, helping us become an 'employer of choice' and attract and retain the best people.

The Group is consistently continuing to build a sustainable growth model and despite the current market conditions we have continued and strengthened investment in our global service and support organisation to keep at the forefront of the ever changing market environment.

REVIEW OF BUSINESS

Turnover by region



Geographical Review

Geographically, Greater China — including Hong Kong, Macau, Taiwan and the PRC — accounted for 62.2% (2012: 55.9%) of the total turnover of HK$3,319 million (2012: HK$3,858 million).

South Asia (Singapore, Malaysia, Vietnam and India) accounted for 24.3% (2012: 27.5%), and the Middle East accounted for 6.1% (2012: 5.0%). The remaining 7.4% (2012: 11.6%) 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 2013 and Greater China still accounted for over 55% of the total turnover.

Business Segments Review

1. Exhibition and Event Marketing Services

During the period under review, turnover in the exhibition and event marketing services segment accounted for HK$2,465 million (2012: HK$2,721 million) or 74.2% (2012: 70.6%) of the total turnover. Profit in this segment was HK$213.7 million (2012: HK$251.6 million).

	2013 HK$' million	2012 HK$' million	**Change %**
Turnover	**2,465**	2,721	**(9.4)**
Profit	**213.7**	251.6	**(15.1)**

Highlights of the 2013 financial year included:

1. Cathay Pacific/HSBC Hong Kong Sevens
2. COP18 UN Climate Change Conference in Doha
3. China International Machine Tool show in Beijing
4. China Sourcing Fairs in Dubai and Hong Kong
5. Clean and Green Exhibition in Singapore
6. Ferrari Events in Guangzhou, Hong Kong and Shanghai
7. Formula One Singtel Singapore Grand Prix
8. McDonald's China Managers Convention in Taipei
9. Mobile Asia Expo in Shanghai
10. Mubadala Youth Forum in Abu Dhabi
11. SIBOS SWIFT's International Banking Operations Seminar in Dubai
12. United Nations Public Service Forum in Bahrain
13. Volkswagen Santana 45-day Transcontinental Legend Tour from Germany to China
14. Youth City and Sheikh Nasser Youth Creativity Awards in Bahrain
15. Numerous exhibition stands and events for Audi, Bloomberg, Chevron, Dell, GE, Johnnie Walker, LG, Maersk, Malaysian Airline, Man Diesel, Mercedes-Benz, Nissan, Panasonic, Philips, Philippe Charriol, Qatar Petroleum, Rolex, Samsung, Singapore Airline, Taiwan External Trade Development Council, Toshiba, Toyota, Volvo and Volkswagen

Our innovative Total Brand Activation service model continues to receive a positive response from the market. Many of our clients engage us to pinpoint their unique brand challenges, give strategic advice, conduct research and competitive analysis, develop branding strategies and deliver implementation across a wide range of platforms. Some examples include Dell's CIO leadership campaign in Beijing, Suzhou and Xiamen, Toyota's Make Some Noise campaign at Dubai's Sandance Festival, and Infiniti, Maserati and Rolls-Royce product launches in China.

One of the biggest successes in this segment was the renewal of our three-to-five year contract with the Formula One Singtel Singapore Grand Prix to provide grandstands and premier seating, corporate and team hospitality suites and garage fit-out for the night race from 2013 to 2017; after the successful completion of our first five-year contract which ran from 2008-2012.

Another milestone was our successful delivery of temporary infrastructure at competition venues for the Sochi Winter Olympic test events in the winter of 2012/2013, which enabled us to subsequently win the contract for the Sochi Winter Olympics in February 2014.

Given our accomplishments at the Shanghai World Expo in 2010 and Yeosu Expo in 2012, the upcoming universal exposition in Milan 2015 offers tremendous opportunities to the Group. The first contract we secured was to provide conceptual design for the Malaysian pavilion covering an area of about 2,000 square metres.

In 2010, we provided services to more than 40 pavilions in Shanghai and 11 pavilions in Yeosu, Korea in 2012. With 26 years of experience with eight World Expos, we are confident that we will help realise the exposition dreams of many more clients in Milan.

McDonald's China Managers Convention in Taipei

MG at Auto Shanghai

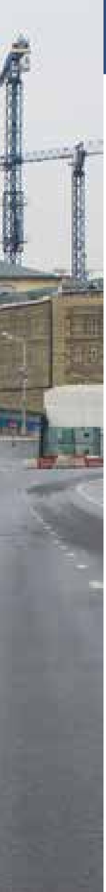
Red Bull Illume Awards in Hong Kong

Cathay Pacific/HSBC Hong Kong Sevens

Sheikh Nasser Youth Creativity Awards in Bahrain

Al-Futtaim Group at the Water, Energy, Technology, and Environment Exhibition in Dubai

Charriol at Baselworld in Basel



2. *Brand Signage and Visual Communication*

This segment accounted for HK$533 million (2012: HK$564 million) or 16.1% (2012: 14.6%) of the total turnover.

Segment profit was HK$77.6 million (2012: HK$75.5 million).

	2013 HK$' million	2012 HK$' million	**Change %**
Turnover	**533**	564	**(5.5)**
Profit	**77.6**	75.5	**2.8**

Thanks to our long-standing track record, we remain a major supplier of retail signage for the automobile sector and international fast food chains in China.

Our appointments by Rolls-Royce and Rousseau-Peugeot for provision of visual identity signage worldwide continues, with both contracts lasting until 2014. We secured another major contract with Jaguar Land Rover showrooms throughout China to provide visual identity, interior displays, furniture and customer area solutions through 2014. During the year, we continued to serve major international car companies and their dealers in China including Cadillac, Changan, Chevy, Dongfeng Peugeot, Infiniti, Lexus, Mercedes-Benz, Nissan, Peugeot and Shanghai General Motors.

We also continue our contracts with several fast food chains — Dairy Queen, Yoshinoya and Yonghe Dawang — lasting through 2014.

Our contribution to Beijing's urban refurbishment continues with more contracts to upgrade the surrounding landscape through 2014 along the Beijing Metro Lines 6 and 8, as well as providing all necessary wayfinding signage.

Other contracts running from 2013 to 2014 are with Chengdu Shihao Plaza, Citibank and Sinochem Oil in China; and MTR Express Rail Link Hong Kong Section.

3. *Museum, Themed Environment, Interior and Retail*

This segment accounted for HK$232 million (2012: HK$487 million) or 7.0% (2012: 12.6%) of the total turnover. Segment profit was HK$5.9 million (2012: HK$0.5 million loss).

	2013 HK$' million	2012 HK$' million	**Change %**
Turnover	**232**	487	**(52.4)**
Profit (Loss)	**5.9**	(0.5)	**NA**

Due to the unfavourable economic climate globally, we did not set high expectations for 2013. In spite of these factors, we still completed a number of projects in this financial year:

1. Ace Jerneh Insurance office in Kuala Lumpur
2. Bahrain Defence Force Military Museum
3. Chinese Gardens and Landscape Architecture Museum in Beijing
4. Beijing Cultural Creative Industry Visitor Gallery
5. Ericsson office and showroom in Beijing
6. Ferrari and Toyota showrooms in Singapore
7. Founder Group showroom in Beijing
8. Future World Big C Pandora in Ho Chi Minh City
9. Grundfos Beijing and Shanghai showrooms
10. Huawei showroom in Nigeria
11. Hytera showroom in Shenzhen
12. Johnson & Johnson office in Kuala Lumpur
13. Malaysia Convention and Exhibition Bureau in Kuala Lumpur
14. Mary Kay beauty centres in several cities across China
15. NEWater Visitor Centre in Singapore
16. Petro China Huabei Oilfield Technology Centre in Renqiu
17. Qatar TV studio in Doha
18. Samsung office and showroom in Kuala Lumpur
19. Taipei Expo Park Complex
20. The Wellness Group store in Dubai

We have already commenced work on the contracts which we were awarded by Shanghai Disneyland; a substantial portion of these contracts will be completed in 2014.

NEWater Visitor Centre in Singapore

Ferrari showroom in Singapore

Ace Jerneh Insurance office in Kuala Lumpur

4. Conference and Show Management

This segment accounted for HK$89 million (2012: HK$86 million) or 2.7% (2012: 2.2%) of the total turnover. Segment loss was HK$5.2 million (2012: HK$0.7 million).

	2013 HK$' million	2012 HK$' million	**Change %**
Turnover	**89**	86	**3.5**
Loss	**(5.2)**	(0.7)	**NA**

The losses incurred were mainly due to capital investment in the development of new shows. The rate of return on some of these shows was not satisfactory. In light of this, we have taken steps to halt future shows for which prospects are not encouraging. Additionally, the IPO road shows division in Hong Kong made losses again in 2013. A review is being carried out to evaluate the prospects of this business division.

Highlights of the financial year 2013 included a number of recurring shows which were profitable as well as some new projects:

1. 14th Asia Pacific Life Insurance Congress in Manila
2. 23rd Asian and Oceanic Congress of Obstetrics and Gynaecology in Bangkok
3. 50Plus Expo in Singapore
4. China EPower and WindPower in Shanghai
5. Consumer Fair in Colombo
6. InfoComm China in Beijing
7. InfoComm India in Mumbai
8. Manufacturing Technology World in Manila
9. Philconstruct in Manila
10. Singapore International Land Transport Congress 2013

The Group has already secured contracts for a number of recurring shows which will run throughout 2014. Notably, we have won appointments for a number of upcoming 2014 shows, including the 36th Asia Pacific Dental Congress in Dubai, EMTE-EASTPO Machine Tool Exhibition, ITMA Asia and CITME in Shanghai, and the Second Asian Congress on Pain in Taipei. In 2015, aside from the ITMA show in Milan, we have been appointed by the Myanmar Tourism Federation to manage the ASEAN Tourism Forum in January of that year.

FINANCIAL POSITION

As at year end date, total net tangible assets of the Group increased by 7.41% to about HK$1,493 million (2012: HK$1,390 million).

Bank and cash balances amounted to HK$876 million (2012: HK$951 million), with no pledged bank deposits (2012: nil). Deducting interest bearing external borrowings from cash and bank balances, the net cash balance was HK$866 million (2012: HK$939 million).

Total borrowings were at HK$10 million for year ended October 31, 2013 (2012: HK$12 million). Bank borrowings are mainly denominated in Singapore dollars, Indian Rupee and Korean Won, and the interest is charged on a mix of floating and fixed rate basis.

	Year ended October 31, 2013 HK$' million	Year ended October 31, 2012 HK$' million
Bank and cash balances	**876**	951
Less: Borrowings	**(10)**	(12)
Net cash balance	**866**	939

For the year ended October 31, 2013, the Group invested HK$208 million (2012: HK$125 million) in purchase of property, plant and equipment and other tangible assets of which HK$108 million was payment for premises in the PRC of combined office and production facility and HK$56 million for purchase of an office for own use situated in Guangzhou which is now under development. All these were financed from internal resources.

The Group has no long term borrowings at October 31, 2013 and 2012. The current ratio was 1.43 times (2012: 1.48 times) and the liquidity ratio was 1.39 times (2012: 1.44 times).

	2013	2012
Current ratio (current assets/ current liabilities)	**1.43 times**	1.48 times
Liquidity ratio (current assets — excluding inventory and contract work in progress/current liabilities)	**1.39 times**	1.44 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 82% of the Group's sales and purchases were denominated in Singapore dollars, Hong Kong dollars, Renminbi and US dollars, and the remaining 18% 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, 2013, the Group employs a total of some 2,500 full time employees (2012: 2,400) engaged in project management, design, production, sales and marketing and administration, which was supported by a large pool of subcontractors and suppliers. The staff costs incurred in the year were about HK$624 million (2012: HK$620 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, 2013, the following assets were pledged as collaterals for credit facilities granted to the Group by certain banks.

	2013 HK$'000	2012 HK$'000
Freehold land and buildings	**16,136**	16,931
Leasehold land and buildings	**14,054**	14,411
	30,190	31,342

CONTINGENT LIABILITIES

Financial Guarantees Issued

At October 31, 2013, the Group has issued the following guarantees:

	THE GROUP		THE COMPANY	
	2013 HK$'000	2012 HK$'000	**2013 HK$'000**	2012 HK$'000
Guarantees given to bank in respect of banking facilities granted to subsidiaries	—	—	**508,756**	422,478
Performance guarantees				
— secured	**28,902**	49,493	—	—
— unsecured	**41,520**	76,311	—	—
	70,422	125,804	—	—
Other guarantees				
— secured	**951**	2,819	—	—
— unsecured	—	—	—	—
	951	2,819	—	—

At October 31, 2013, 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

	2013 HK$'000	2012 HK$'000
Capital expenditures in respect of property, plant and equipment		
— contracted but not provided for	**15,515**	94,424
— authorised but not contracted for	**14,313**	45,345
	29,828	139,769

The Company did not have any other significant capital commitments at October 31, 2013 and 2012.

OUTLOOK

Looking ahead, our business in Asia will still continue to be a key driver of growth in 2014. During the year, we will deliver a number of high-profile exhibitions and events like Auto China in Beijing, Auto Guangzhou, Automechanika Shanghai, China Mobile Global Partner Conference in Guangzhou, China Sourcing Fairs in Hong Kong and New Delhi; Consumer Electronics Show in Las Vegas, Hong Kong International Fur and Fashion Fair, Hong Kong Jewellery and Gem Fair, ITU Telecom World in Bangkok, Mobile World Congress in Barcelona, Singapore Airshow, London Singapore Day, HSBC Golf Champions in Shanghai and Singapore, Food and Hotel Asia and International Furniture Fair in Singapore.

To secure more control of our position in the face of uncontrollable environmental factors such as slow global growth, our business model is evolving towards taking a more dominant role in the market and a bigger share of the marketing value chain. This strategy is working and our forward-thinking management principles are enabling us to proactively counter external challenges and develop business initiatives.

As Total Brand Activation gains traction in the wider market, we are confident that this will continue to grow as a major arm of our business and help us win major branding contracts across a wide spectrum of marketing activities, while our global presence will add to our edge and help to extend coverage for existing and new clients.

With the global slow growth projected to last through 2015, the Group is determined to capture every available opportunity in 2014 — a year with more mega events — while continuing our cautious approach and maintaining tightened risk controls.

All in all, we are well-placed to capture the opportunities when the global economy returns to robust growth. We will keep our focus firmly on optimising our structures and systems, to ensure that the Pico Group is known as a preferred partner for clients and a preferred employer for talent.

CONCLUSION

I would like to extend my sincere thanks to all our clients, shareholders, directors, managers and staff for your support through 2013. On the management side, we will continue to innovate our business model and improve our business processes so as to deliver good results to our stakeholders from year to year.

By Order of the Board

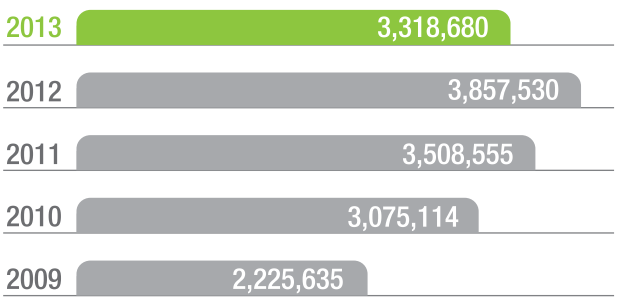
Lawrence Chia Song Huat
Chairman

Hong Kong, January 21, 2014

FINANCIAL SUMMARY

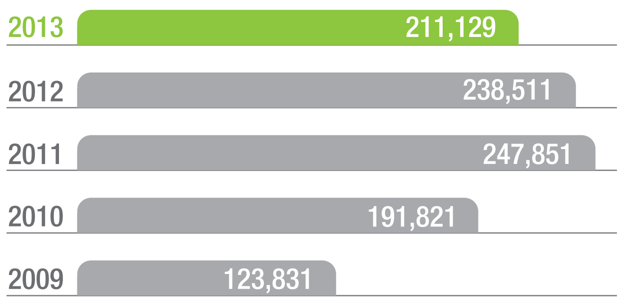
Turnover

HK$'000



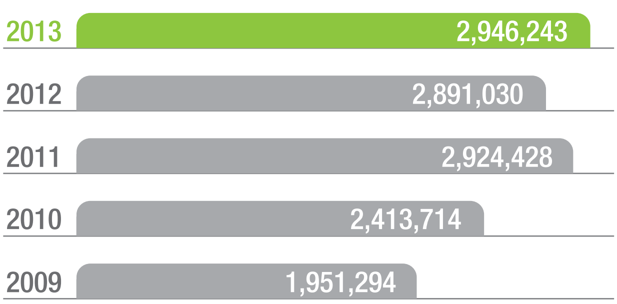
Profit attributable to owners of the Company

HK$'000



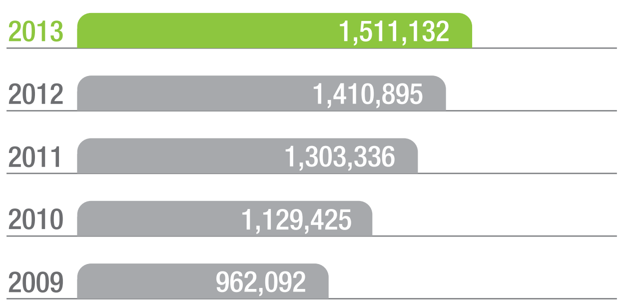
Total assets

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,				
	2009 HK$'000	2010 HK$'000	2011 HK$'000 (restated)	2012 HK$'000	**2013** **HK$'000**
Turnover	2,225,635	3,075,114	3,508,555	3,857,530	**3,318,680**
OPERATING PROFIT					
Profit from operations (after finance costs)	154,991	238,000	309,086	301,944	**277,333**
Share of profits of associates	719	7,997	23,433	12,111	**15,214**
Share of profits (losses) of jointly controlled entities	12,252	16,030	2,093	(193)	**—**
Profit before tax	167,962	262,027	334,612	313,862	**292,547**
Income tax expense	(36,154)	(58,873)	(79,637)	(74,806)	**(71,204)**
Profit for the year	131,808	203,154	254,975	239,056	**221,343**
Attributable to:					
Owners of the Company	123,831	191,821	247,851	238,511	**211,129**
Non-controlling interests	7,977	11,333	7,124	545	**10,214**
Profit for the year	131,808	203,154	254,975	239,056	**221,343**

ASSETS AND LIABILITIES

	At October 31,				
	2009 HK$'000	2010 HK$'000	2011 HK$'000 (restated)	2012 HK$'000	**2013** **HK$'000**
Total assets	1,951,294	2,413,714	2,924,428	2,891,030	**2,946,243**
Total liabilities	919,846	1,204,273	1,552,579	1,417,911	**1,379,972**
Net assets	1,031,448	1,209,441	1,371,849	1,473,119	**1,566,271**
Equity attributable to owners of the Company	962,092	1,129,425	1,303,336	1,410,895	**1,511,132**
Non-controlling interests	69,356	80,016	68,513	62,224	**55,139**
Total equity	1,031,448	1,209,441	1,371,849	1,473,119	**1,566,271**

CORPORATE SOCIAL RESPONSIBILITY

Pico's Vision 2020 provides a ten-year blueprint for our staff and stakeholders and a roadmap for long-term growth. Our five core objectives on people, place, profit, planet and professionalism became the foundation of Pico's robust Corporate Social Responsibility (CSR) policy, which continued to grow and evolve through 2013 as we fine-tuned our initiatives.

Pico firmly believes in treating our staff, our stakeholders and the wider community with care and respect. This care and respect lies 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's most treasured assets are our human resources. Across the globe, our people continuously pursue training and career development through our Talent Enrichment Programme on top of mandatory training on anti-corruption, safety and health awareness. They also work within motivating remuneration and reward schemes and are provided with a smoke-free, healthy and safe working environment.

As a global corporate citizen, it is Pico's obligation to serve and nurture the communities it operates within. In addition to making donations to numerous charitable organisations, Pico staff in all parts of the world participate in many activities which give back to the community – fundraising events of all kinds, flag days, charity walks, volunteer services, elderly visits and many more.

Globally, all new staff of major business units are required to attend seminars coordinated with authorities introducing them to and reminding them of the importance of strictly following the Group's anti-corruption practices and guidelines.

In 2013, our long-standing Pico Eco initiatives were transformed into the Pico Sustainability unit, which provides professional sustainability services for the global MICE industry and other industries worldwide.

Taking the lead in sustainability is both our corporate and our social responsibility. By helping businesses grow and operate in a sustainable way, we are contributing to the health of the planet and the global economy, and ensuring the world is a better place for humankind's next generation.

Pico Sustainability has begun its rollout in the Middle East, where we already have qualified in-house personnel providing full consultancy, training and implementation services leading to certification in Environmental Management Systems and various ISO standards (9001, 18001, 20121, 26000, 50001).

We are now a LEED Silver member and a member of Emirates Green Building Council and U.S. Green Building Council; and we are certified with ISO 20121 and 14001. ISO 20121 is a new standard introduced for sustainable event management which was tested successfully at the 2012 London Olympics. We have also recently been certified with OHSAS 18001, the world's most recognised occupational health and safety management systems standard.

We continue to be committed to working with our business partners in long-term, mutually respectful relationships. By putting our best efforts into creating the best result for our clients and our stakeholders, the Pico Group aims to create a better world for our people, our stakeholders and our planet.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Lawrence Chia Song Huat, aged 53, has worked in the exhibition industry for more than 30 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 61, is a Founding Director of the Pico Group and has worked in the exhibition industry for more than 40 years. He is Group President of Pico and has overall responsibilities for the Group's 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 49, 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

Charlie Yucheng Shi, aged 52, 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.

Frank Lee Kee Wai, aged 54, 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. Mr. Lee 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.

Gregory Robert Scott Crichton, aged 62, 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 was recently 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 59, 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 eight years and for almost twenty years has been an active member of the Young Presidents' Organisation and the World Presidents' Organisation.

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 67, has worked in the exhibition industry for more than 44 years and is the founder of the Pico Group. Over the years, he had been involved in the key investments that created a strong foundation for the Group to grow to what it is today. He is also Chairman of the Intertrade group, which directs the development of exhibition hall management business. He is a brother of Mr. Lawrence Chia and Mr. James Chia.

Jean Chia Yuan Jiun
Managing Director (Singapore)

aged 40, has worked in the exhibition industry for 15 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 60, has worked in the exhibition industry for more than 15 years. He is a graduate of the Beijing Foreign Languages Institute and also completed a management course at Boston University under the Hubert H. Humphrey Fellowship Program. Prior to joining the Group, he 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 48, joined the Group in 1994 and has more than 17 years of experience in the signage business. He is responsible for the global business development of the Group's brand signage and visual identity segment, as well as the management of the Group's signage production facilities in China. He is a member of the Chinese People's Political Consultative Conference Jiading Committee of Shanghai.

Peter Sng Kia Tuck
Executive Director (Middle East)

aged 55, joined the Group in 1989 and has worked in the exhibition industry for more than 24 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 53, joined the group in 1980 and has worked in the exhibition industry for more than 33 years. She is responsible for the business development and management of Pico Shanghai, Pico Taiwan, IES Shanghai and MP Shanghai.

Yong Choon Kong
Executive Vice President (Group)

aged 60, 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 is also a Director of Pico (Thailand) Public Company Limited which is listed on the Stock Exchange of Thailand. He graduated with first class honours in economics and statistics from the University of Leeds in 1975.

CORPORATE GOVERNANCE REPORT

The Board is always committed to maintaining high standards of corporate governance. During the year ended October 31, 2013, the Company has complied with the code provision (the "CG Code") as set out in the Corporate Governance Code and Corporate Governance Report 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 Provision A2.1 stipulates that the role of the Chairman and the Chief Executive Officer should be separated and should not be performed by the same individual. Given the current corporate structure, there is no separation between the roles of the Chairman and the Chief Executive Officer. Although the responsibilities of the Chairman and the Chief Executive Officer are vested in one person, all major decisions are made in consultation with the Board members and the senior management of the Company. There are 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 Provision A4.1 requires that Non-Executive Directors should be appointed for a specific term, subject to re-election. All existing Non-Executive Directors of the Company are not appointed for specific term, but are subject to retirement 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 Provision 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, 2013.

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, 2013. 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	3
Charlie Yucheng Shi	3

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.

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 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, 2013 to the Company.

The individual training record of each Director received for financial year ended October 31, 2013 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 consisting of one Executive Director and two Independent Non-Executive Directors, it 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, 2013. Members of the Remuneration Committee and the attendance of each member are set out below:

Members	**Attendance of Meeting**
Gregory Robert Scott Crichton *(Chairman)*	1
Lawrence Chia Song Huat	1
James Patrick Cunningham	1

The terms of reference of the Remuneration Committee are aligned with code provision set out in 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$6,000,001–HK$7,000,000	2
HK$7,000,001–HK$8,000,000	1
HK$9,000,001–HK$10,000,000	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, 2013. Attendance of the Members is set out below:

Members	Attendance of Meeting
Charlie Yucheng Shi *(Chairman)*	2
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 code provision set out in 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

The Company has set up a Nomination Committee consisting of one Executive Director and two Independent Non-Executive Directors.

The Company is committed to equality of opportunity in all aspects of its business. The Board Diversity Policy (the "Policy") was adopted in September 2013.

Diversity of board members can be achieved through consideration of a number of factors, including but not limited to skills, regional and industry experience, background, race, gender and other qualities. In informing its perspective on diversity, the Company will also take into account factors based on its own business model and specific needs from time to time.

The Nomination Committee will review the Policy on a regular basis to ensure its continued effectiveness.

NOMINATION COMMITTEE (CONTINUED)

One Nomination Committee meeting was held during the financial year ended October 31, 2013. Attendance of the Members is set out below:

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

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

(a) to review the structure, size and composition (including the skills, regional and industry experience, background, race, gender, and other 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, 2013 amounted to HK$2,000,000 (2012: HK$1,870,000).

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, 2013 and for the year ended October 31, 2013, 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 (2011 Revision) 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 website 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, 2013.

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, 2013 are set out in the consolidated income statement on page 40 and the state of affairs of the Group and the Company at October 31, 2013 are set out in the statement of financial position on pages 42 to 44.

The Directors now recommend the payment of a final dividend of HK5.5 cents (2012: HK5.5 cents) per ordinary share. Together with the interim dividend of HK4.5 cents (2012: HK4.0 cents) per ordinary share, total dividend for the year amounted to HK10.0 cents (2012: HK9.5 cents) per ordinary share. The final dividend will be payable on Thursday, April 10, 2014 to shareholders on the register of members of the Company on Tuesday, April 1, 2014.

RESERVES

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

The Directors consider that the Company's reserves available for distribution to shareholders comprise the share premium, the special reserve and the retained earnings which amounted to HK$803,803,000 (2012: HK$784,915,000). Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution of dividend the Company is able to pay its debts as they fall due in the ordinary course of business.

INVESTMENT PROPERTIES

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$15,403,000 (2012: HK$3,043,000) 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 leasehold improvements at a cost of HK$10,211,000, furniture, fixtures and office equipment at a cost of HK$10,786,000, tools, machinery, factory equipment and fittings at a cost of HK$7,740,000, motor vehicles at a cost of HK$8,941,000 and operating supplies at a cost of HK$3,297,000 and property under development at a cost of HK$108,343,000.

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

SHARE CAPITAL

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

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive Directors:

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

Independent Non-Executive Directors:

Mr. Gregory Robert Scott Crichton
Mr. James Patrick Cunningham
Mr. Frank Lee Kee Wai
Mr. Charlie Yucheng Shi

In accordance with Article 116 of the Company's Articles of Association, Messrs. James Chia Song Heng, Gregory Robert Scott Crichton and Charlie Yucheng Shi 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, 2013, the interests of the Directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules were as follows:

Directors		Number of shares/underlying shares held — Personal interests	Other interests	Total interests	Approximate percentage of shareholding of the Company
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)*	542,000	—	542,000	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 352,000 shares and interest in 190,000 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.

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 to be 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.

SHARE OPTIONS (CONTINUED)

1. The 2002 Scheme (continued)

(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.

(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.

SHARE OPTIONS (CONTINUED)

2. The 2012 Scheme (continued)

(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, 2013.

(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.

(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, 2012	Number of share options granted	Number of share options exercised	Number of share options lapsed	Outstanding at October 31, 2013
Category 1: Directors						
Mr. Lawrence Chia Song Huat	*(Note 3)*	1,800,000	—	—	—	1,800,000
	(Note 5)	1,870,000	—	—	—	1,870,000
Mr. James Chia Song Heng	*(Note 3)*	1,000,000	—	—	—	1,000,000
	(Note 5)	936,000	—	—	—	936,000
Mr. Mok Pui Keung	*(Notes 1, 10)*	42,000	—	(42,000)	—	—
	(Note 2)	52,000	—	—	—	52,000
	(Note 3)	8,000	—	—	—	8,000
	(Note 4)	32,000	—	—	—	32,000
Total Directors		5,740,000	—	(42,000)	—	5,698,000
Category 2: Employees						
	(Notes 1, 10)	476,000	—	(320,000)	(156,000)	—
	(Notes 2, 10)	934,000	—	(676,000)	(212,000)	46,000
	(Notes 3, 10)	790,000	—	(28,000)	—	762,000
	(Notes 4, 10)	1,080,000	—	(342,000)	—	738,000
	(Note 5)	936,000	—	—	—	936,000
Total employees		4,216,000	—	(1,366,000)	(368,000)	2,482,000
Total all categories		9,956,000	—	(1,408,000)	(368,000)	8,180,000

SHARE OPTIONS (CONTINUED)

3. Outstanding options (continued)

2012 Scheme

		Outstanding at November 1, 2012	Number of share options granted	Number of share options exercised	Number of share options lapsed	Outstanding at October 31, 2013
Category 1: Directors						
Mr. Lawrence Chia Song Huat	*(Note 7)*	1,988,000	—	—	—	1,988,000
Mr. James Chia Song Heng	*(Note 7)*	994,000	—	—	—	994,000
Mr. Mok Pui Keung	*(Note 6)*	62,000	—	—	—	62,000
	(Note 9)	—	36,000	—	—	36,000
Total Directors		3,044,000	36,000	—	—	3,080,000
Category 2: Employees						
	(Notes 6, 10)	1,648,000	—	(276,000)	(16,000)	1,356,000
	(Note 7)	994,000	—	—	—	994,000
	(Notes 8, 10)	160,000	—	(80,000)	—	80,000
	(Note 9)	—	470,000	—	—	470,000
Total employees		2,802,000	470,000	(356,000)	(16,000)	2,900,000
Total all categories		5,846,000	506,000	(356,000)	(16,000)	5,980,000

Notes:

(1) The exercise price is HK$1.240. The option period during which the options may be exercised was the period from May 15, 2008 to May 14, 2013. The date of grant was May 14, 2008.

(2) 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.

(3) 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.

(4) 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.

(5) 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.

(6) 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.

(7) 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.

SHARE OPTIONS (CONTINUED)

3. Outstanding options (continued)

2012 Scheme (continued)

Notes: (continued)

(8) 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.

(9) The exercise price is HK$2.782. The option period during which the options may be exercised is the period from May 24, 2013 to May 23, 2018. The date of grant was May 23, 2013 and the closing price of share immediately before the date of grant was HK$2.760.

(10) The weighted average closing price of shares immediately before the dates on which the options were exercised by directors and employees is HK$2.438.

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$0.700 to HK$0.720 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 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	5.91
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
May 23, 2013	2.782	5.00	45.00	2.782	0.570	5.35

(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$1,473,000 for year ended October 31, 2013 (2012: HK$3,063,000) 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, 2013, 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, 2013, the register of substantial shareholders maintained by the Company pursuant to Section 336 of SFO shows that other than the interest disclosed above in respect of certain Directors, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long positions in shares and underlying shares of the Company

Name of Shareholders	Number of shares/ underlying share held	Percentage of issued share capital
Pine Asset Management Limited	462,167,186	38.00%
Denver Investment Advisors LLC (dba) Denver Investments and Clients	158,036,950	13.00%
DJE Investment S.A. *(Note)*	112,496,000	9.25%
Dr. Jens Ehrhardt Kapital AG	112,496,000	9.25%
Dr. Jens Alfred Karl Ehrhardt	112,496,000	9.25%

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

Save as disclosed 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, 2013.

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 2013, 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 21, 2014

INDEPENDENT AUDITOR'S REPORT

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 40 to 112, which comprise the consolidated and Company statements of financial position as at October 31, 2013, 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, 2013 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 21, 2014

CONSOLIDATED INCOME STATEMENT

For the year ended October 31, 2013

	Note	2013 HK$'000	2012 HK$'000
Turnover	6	**3,318,680**	3,857,530
Cost of sales		**(2,285,592)**	(2,774,760)
Gross profit		**1,033,088**	1,082,770
Other income	7	**103,898**	81,645
Distribution costs		**(421,700)**	(414,436)
Administrative expenses		**(435,233)**	(442,936)
Other operating expenses		**(1,120)**	(2,748)
Profit from operations		**278,933**	304,295
Finance costs	8	**(1,600)**	(2,351)
		277,333	301,944
Share of profits of associates	22	**15,214**	12,111
Share of losses of jointly controlled entities		**—**	(193)
Profit before tax		**292,547**	313,862
Income tax expense	11	**(71,204)**	(74,806)
Profit for the year	12	**221,343**	239,056
Attributable to:			
Owners of the Company	13	**211,129**	238,511
Non-controlling interests		**10,214**	545
		221,343	239,056
EARNINGS PER SHARE	15		
Basic		**17.37 cents**	19.66 cents
Diluted		**17.29 cents**	19.63 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended October 31, 2013

	2013 HK$'000	2012 HK$'000
Profit for the year	**221,343**	239,056
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	**3,620**	8,440
Investment revaluation reserve reclassified to profit or loss on disposal of available-for-sale financial assets	**(33)**	165
Reserve reclassified to profit or loss on dissolution/disposal of subsidiaries	**(355)**	—
Fair values changes of available-for-sale financial assets	**97**	379
Items that will not be reclassified subsequently to profit or loss:		
Fair value gain on transfer of property, plant and equipment to investment properties	**3,740**	—
Other comprehensive income for the year, net of tax	**7,069**	8,984
Total comprehensive income for the year	**228,412**	248,040
Attributable to:		
Owners of the Company	**218,212**	246,958
Non-controlling interests	**10,200**	1,082
	228,412	248,040

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At October 31, 2013

	Note	2013 HK$'000	2012 HK$'000
Non-current Assets			
Investment properties	*16*	**218,522**	197,657
Property, plant and equipment	*17*	**507,474**	395,763
Prepaid land lease payments	*18*	**67,103**	71,708
Intangible assets	*20*	**18,261**	20,474
Interests in jointly controlled entities	*21*	**74**	74
Interests in associates	*22*	**150,718**	150,057
Club membership		**4,261**	4,353
Available-for-sale financial assets	*23*	**1,130**	5,203
Other assets	*24*	**56,455**	—
Deferred tax assets	*37*	**1,153**	2,769
		1,025,151	848,058
Current Assets			
Inventories	*25*	**43,017**	32,130
Contract work in progress	*26*	**12,323**	16,653
Debtors, deposits and prepayments	*27*	**966,125**	1,017,232
Amounts due from associates	*29*	**15,814**	11,382
Amounts due from jointly controlled entities	*29*	**88**	701
Current tax assets		**8,163**	13,623
Bank and cash balances	*30*	**875,562**	951,251
		1,921,092	2,042,972
Current Liabilities			
Payments received on account		**196,755**	285,250
Creditors and accrued charges	*31*	**1,090,412**	1,039,983
Amounts due to associates	*29*	**9,691**	5,469
Current tax liabilities		**39,284**	39,243
Borrowings	*32*	**9,762**	12,470
Finance lease obligations	*33*	**400**	247
		1,346,304	1,382,662
Net Current Assets		**574,788**	660,310
Total Assets Less Current Liabilities		**1,599,939**	1,508,368

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At October 31, 2013

	Note	**2013** **HK$'000**	2012 HK$'000
Non-current Liabilities			
Finance lease obligations	33	**604**	150
Deferred tax liabilities	37	**33,064**	35,099
		33,668	35,249
NET ASSETS		**1,566,271**	1,473,119
Capital and Reserves			
Share capital	34	**60,804**	60,716
Reserves		**1,450,328**	1,350,179
Equity attributable to owners of the Company		**1,511,132**	1,410,895
Non-controlling interests		**55,139**	62,224
TOTAL EQUITY		**1,566,271**	1,473,119

The financial statements on pages 40 to 112 were approved by the Board of Directors on January 21, 2014 and are signed on its behalf by:

LAWRENCE CHIA SONG HUAT
DIRECTOR

MOK PUI KEUNG
DIRECTOR

STATEMENT OF FINANCIAL POSITION

At October 31, 2013

	Note	**2013 HK$'000**	2012 HK$'000
Non-current Asset			
Interests in subsidiaries	*19*	**66,394**	66,394
Current Assets			
Amounts due from subsidiaries	*28*	**807,171**	787,295
Bank and cash balances		**671**	914
		807,842	788,209
Current Liabilities			
Creditors and accrued charges		**1,722**	1,722
Net Current Assets		**806,120**	786,487
NET ASSETS		**872,514**	852,881
Capital and Reserves			
Share capital	*34*	**60,804**	60,716
Reserves	*36*	**811,710**	792,165
TOTAL EQUITY		**872,514**	852,881

LAWRENCE CHIA SONG HUAT
DIRECTOR

MOK PUI KEUNG
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended October 31, 2013

	Attributable to owners of the Company												
	Share capital	Share premium	Capital redemption reserve	Capital reserve	Equity-settled share-based payment reserve	Goodwill reserve	Legal reserve	Investment revaluation reserve	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At November 1, 2011	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 payments	—	651	—	—	(651)	—	—	—	—	—	—	—	—
Recognition of equity-settled share-based payments	—	—	—	—	3,063	—	—	—	—	—	3,063	—	3,063
Transfer	—	2,611	—	—	(2,611)	—	4,598	—	—	(4,598)	—	—	—
Acquisition of a subsidiary	—	—	—	—	—	—	—	—	—	—	—	6,004	6,004
Dissolution of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	(4,531)	(4,531)
Purchase of non-controlling interests	—	—	—	—	—	—	—	—	—	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 CHANGES IN EQUITY

For the year ended October 31, 2013

	Attributable to owners of the Company													
	Share capital	Share premium	Capital redemption reserve	Capital reserve	Equity-settled share-based payment reserve	Goodwill reserve	Legal reserve	Assets revaluation reserve	Investment revaluation reserve	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At November 1, 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
Total comprehensive income for the year	—	—	—	17	—	—	—	3,740	64	3,262	211,129	218,212	10,200	228,412
Shares issued at premium	88	2,182	—	—	—	—	—	—	—	—	—	2,270	—	2,270
Exercise of equity-settled share-based payments	—	689	—	—	(689)	—	—	—	—	—	—	—	—	—
Recognition of equity-settled share-based payments	—	—	—	—	1,473	—	—	—	—	—	—	1,473	—	1,473
Transfer	—	127	—	—	(127)	—	11,285	—	—	—	(11,285)	—	—	—
Dissolution/Disposal of subsidiaries *(Note 39)*	—	—	—	—	—	—	—	—	—	—	—	—	(608)	(608)
Purchase of non-controlling interests *(Note 39)*	—	—	—	—	—	—	—	—	—	—	(128)	(128)	128	—
Capital contribution from non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	2,499	2,499
2012 final dividend	—	—	—	—	—	—	—	—	—	—	(66,872)	(66,872)	—	(66,872)
2013 interim dividend	—	—	—	—	—	—	—	—	—	—	(54,718)	(54,718)	—	(54,718)
Dividend distribution to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(19,304)	(19,304)
At October 31, 2013	60,804	727,433	854	(11,749)	7,053	(419,083)	24,542	3,740	(186)	121,599	996,125	1,511,132	55,139	1,566,271
Representing:														
2013 final dividend proposed											66,885			
Others											929,240			
Retained earnings at October 31, 2013											996,125			

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended October 31, 2013

	Note	2013 HK$'000	2012 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows from operations	*38*	**287,066**	246,241
Interest paid		**(1,590)**	(2,321)
Finance charges in respect of finance lease obligations		**(10)**	(30)
Income taxes paid		**(66,296)**	(104,662)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**219,170**	139,228
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of property, plant and equipment		**16,240**	2,243
Proceeds on disposal of available-for-sale financial assets		**8,310**	6,406
Decrease in pledged bank deposits		**—**	996
Decrease (Increase) in non-pledged bank deposits with more than three months to maturity		**8,215**	(2,045)
Purchase of property, plant and equipment		**(148,457)**	(118,739)
Purchase of available-for-sale financial assets		**(3,399)**	(5,770)
Purchase of other intangible assets		**—**	(5,486)
Purchase of other assets		**(56,455)**	—
Disposal of subsidiaries	*39*	**234**	—
Proceeds on disposal of associates		**606**	92
Proceeds on disposal of a jointly controlled entity		**—**	65
Investment in associates		**(206)**	(1,706)
Acquisition of a subsidiary, net of cash acquired	*39*	**2,377**	8,899
Interest received		**9,721**	11,101
Dividend income from available-for-sale financial assets		**129**	205
Dividends received from associates		**14,090**	17,159
Dividends received from a jointly controlled entity		**—**	6,017
Repayment of shareholder loan from an associate		**—**	283
Advance to an associate		**—**	(18,824)
Net cashflow upon dissolution of subsidiaries	*39*	**(596)**	(4,531)
NET CASH USED IN INVESTING ACTIVITIES		**(149,191)**	(103,635)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended October 31, 2013

	Note	2013 HK$'000	2012 HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		**2,270**	2,191
Net (repayment of) proceeds from short term bank loans		**(2,525)**	5,744
Repayment of bank loans		**—**	(6,770)
Repayment of finance lease obligations		**(259)**	(413)
Dividends paid to non-controlling interests		**(19,885)**	(9,001)
Dividends paid to owners of the Company		**(121,590)**	(145,611)
Capital contribution from non-controlling interests		**2,499**	—
Acquisition of remaining shareholding from non-controlling interests		**—**	(14,583)
Partial disposal of subsidiaries		**—**	4,886
NET CASH USED IN FINANCING ACTIVITIES		**(139,490)**	(163,557)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(69,511)**	(127,964)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**933,947**	1,059,137
Effect of foreign exchange rate changes		**2,037**	2,774
CASH AND CASH EQUIVALENTS AT END OF YEAR		**866,473**	933,947
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank and cash balances	*30*	**866,473**	933,947

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, 2012. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards ("HKAS"); 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 except as stated below.

Amendments to HKAS 1 "Presentation of Financial Statements"

The Amendments to HKAS 1 requires additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (i) items that will not be reclassified subsequently to profit or loss; and (ii) items that may be reclassified subsequently to profit or loss when specific conditions are met. The amendments have been applied retrospectively. The adoption of Amendments to HKAS 1 has no significant impact on the Group's results and financial position.

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 4 to the financial statements.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Associates (continued)

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Joint venture (continued)

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies translation (continued)

(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.

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$\frac{1}{3}$%
Motor vehicles	20%
Operating supplies	20%–33$\frac{1}{3}$%

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

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 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.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference between the carrying amount and the fair value of this item at the date of transfer is recognised as a revaluation of property, plant and equipment.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

The Group as lessee (continued)

(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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(i) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as trade and other receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

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.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

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

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)

(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. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

Critical judgements in apply accounting policies

In the process of applying the accounting policies, the Directors have made the following judgement that have the most significant effect on the amounts recognised in the financial statements.

(i) Deferred tax for investment properties

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment properties portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through use. Therefore, in determining the Group's deferred tax for investment properties, the Directors have adopted the presumption that investment properties measured using fair value model are recovered through sale.

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.

(i) 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.

(ii) 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.

(iii) 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.

4. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

(iv) 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.

(v) Income taxes

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

5. FINANCIAL RISK MANAGEMENT

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 ("GBP") 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, 2013, 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$2,523,000 (2012: HK$2,277,000) and HK$591,000 (2012: HK$1,132,000) 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 US dollars and Euro respectively.

At October 31, 2013, 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$1,055,000 (2012: HK$527,000) 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, 2013, if the GBP 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$22,000 (2012: HK$1,139,000) lower or higher, arising mainly as a result of the foreign exchange gain or loss on trade debtors and bank and cash balances denominated in Euro.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign currency risk (continued)

At October 31, 2013, if the Hong Kong dollars had weakened or strengthened 10 per cent against the RMB and Euro with all other variables held constant, consolidated profit after tax for the year would have been HK$3,441,000 (2012: HK$363,000) and HK$256,000 (2012: HK$818,000) 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 RMB and Euro respectively.

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 prepayment	**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, 2013				
Bank borrowings	**—**	**9,800**	**—**	**—**
Finance lease obligations	**—**	**439**	**441**	**190**
Creditors and accrued charges	**—**	**1,090,412**	**—**	**—**
Amounts due to associates	**9,691**	**—**	**—**	**—**
	9,691	**1,100,651**	**441**	**190**
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	5,469	—	—	—
	5,469	1,052,797	76	86

5. 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, 2013, 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$16,000 (2012: HK$21,000) higher or HK$159,000 (2012: HK$205,000) lower respectively, arising mainly as a result of lower or higher interest expense on floating rate borrowings.

At October 31, 2013, 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$588,000 (2012: HK$451,000) lower and HK$5,878,000 (2012: HK$4,513,000) 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

	2013 **HK$'000**	2012 HK$'000
At October 31		
Financial assets:		
Loans and receivables (including cash and cash equivalents)	**1,749,530**	1,878,934
Available-for-sale financial assets	**1,130**	5,203
Financial liabilities:		
Financial liabilities at amortised cost	**1,109,865**	1,057,922

5. 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,

	2013	2012
	HK$'000	HK$'000
Fair value measurement using Level 1:		
Available-for-sale financial assets		
Equity investments	**799**	4,889

6. 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.

6. TURNOVER AND SEGMENT INFORMATION (CONTINUED)

(i) Information about reportable segment profit or loss, assets and liabilities

	Exhibition and event marketing services	Brand signage and visual communication	Museum, themed environment, interior and retail	Conference and show management	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
For the year ended October 31, 2013					
Revenue from external customers	**2,464,232**	**533,368**	**232,039**	**89,041**	**3,318,680**
Intersegment revenue	**246,965**	**1,017**	**25,231**	**624**	**273,837**
Segment profits (losses)	**213,675**	**77,642**	**5,933**	**(5,262)**	**291,988**
Interest income	**3,442**	**5,985**	**133**	**161**	**9,721**
Interest expenses	**1,061**	**—**	**—**	**539**	**1,600**
Depreciation and amortisation	**33,033**	**2,355**	**1,609**	**2,265**	**39,262**
Other material non-cash items					
Impairment of assets	**52**	**—**	**—**	**—**	**52**
Allowance for bad and doubtful debts	**12,020**	**3,330**	**5,192**	**397**	**20,939**
Additions to segment non-current assets	**30,533**	**1,150**	**8,811**	**605**	**41,099**
At October 31, 2013					
Segment assets	**1,591,454**	**335,058**	**194,390**	**89,294**	**2,210,196**
Segment liabilities	**903,883**	**237,004**	**121,797**	**44,940**	**1,307,624**
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

6. TURNOVER AND SEGMENT INFORMATION (CONTINUED)

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

	2013 HK$'000	2012 HK$'000
Revenue		
Total revenue of reportable segments	**3,592,517**	4,231,008
Elimination of intersegment revenue	**(273,837)**	(373,478)
Consolidated revenue	**3,318,680**	3,857,530
Profit or loss		
Total profits of reportable segments	**291,988**	325,889
Share of profits of associates	**15,214**	12,111
Share of losses of jointly controlled entities	**—**	(193)
Unallocated amounts:		
Gain on disposal of available-for-sale financial assets, net	**—**	475
Loss on disposal of club membership	**—**	(460)
Dividend income	**129**	205
Corporate expenses	**(14,784)**	(24,165)
Consolidated profit before tax	**292,547**	313,862
Assets		
Total assets of reportable segments	**2,210,196**	2,289,633
Interests in associates	**150,718**	150,057
Interests in jointly controlled entities	**74**	74
Unallocated amounts:		
Corporate motor vehicles	**12,122**	5,905
Properties	**563,817**	428,969
Deferred tax assets	**1,153**	2,769
Current tax assets	**8,163**	13,623
Consolidated total assets	**2,946,243**	2,891,030
Liabilities		
Total liabilities of reportable segments	**1,307,624**	1,343,569
Unallocated amounts:		
Current tax liabilities	**39,284**	39,243
Deferred tax liabilities	**33,064**	35,099
Consolidated total liabilities	**1,379,972**	1,417,911

6. TURNOVER AND SEGMENT INFORMATION (CONTINUED)

(iii) Geographical information

	Revenue		Non-current assets	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Greater China	**2,062,307**	2,157,193	**616,909**	411,950
India, Malaysia, Singapore, and Vietnam	**806,389**	1,061,250	**380,375**	387,510
Bahrain, Kuwait, Libya, Oman, Pakistan, Qatar, Saudi Arabia and United Arab Emirates	**203,873**	192,477	**17,565**	31,032
Spain, United Kingdom and United States	**81,560**	231,662	**469**	1,394
Others	**164,551**	214,948	**3,289**	3,847
Consolidated total	**3,318,680**	3,857,530	**1,018,607**	835,733

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

7. OTHER INCOME

	2013	2012
	HK$'000	HK$'000
Included in other income are:		
Allowance written back on bad and doubtful debts	**14,963**	9,991
Dividend income from available-for-sale financial assets	**129**	205
Interest income	**9,721**	11,101
Rental income	**36,075**	34,379

Due to the settlement of the doubtful debts by the customers that have been impaired previously, it led to the allowance written back recognised in profit or loss.

The gross rental income from investment properties for the year amounted to HK$30,456,000 (2012: HK$30,717,000).

8. FINANCE COSTS

	2013	2012
	HK$'000	HK$'000
Interest on bank borrowings	**1,590**	2,321
Finance charges in respect of finance lease obligations	**10**	30
Total borrowing costs	**1,600**	2,351

9. DIRECTORS' EMOLUMENTS

Pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, the emoluments of each Director for the year ended October 31, 2013 and 2012 are as follows:

Name	Directors' fees	Salaries, allowances and benefits in kind	Bonus	Share-based payments	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, 2013							
Executive Directors							
Lawrence Chia Song Huat	**400**	**5,275**	**9,695**	**452**	**15**	**1,092**	**16,929**
James Chia Song Heng	**338**	**5,584**	**3,080**	**226**	**70**	**—**	**9,298**
Mok Pui Keung	**187**	**1,122**	**428**	**28**	**71**	**—**	**1,836**
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 2013	**1,724**	**11,981**	**13,203**	**706**	**156**	**1,092**	**28,862**
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

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

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

10. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2012: two) were Directors of the Company whose emoluments are included in the disclosures in Note 9 to the financial statements. The emoluments of the remaining three (2012: three) individuals are as follows:

	2013	2012
	HK$'000	HK$'000
Salaries, allowances and benefits in kind	**11,934**	11,565
Bonus	**6,816**	5,714
Share-based payments	**226**	554
Group's contributions to retirement scheme	**181**	176
	19,157	18,009

The emoluments fell within the following bands:

	Number of employees	
	2013	2012
HK$5,000,001–HK$5,500,000	**—**	1
HK$5,500,001–HK$6,000,000	**—**	—
HK$6,000,001–HK$6,500,000	**2**	—
HK$6,500,001–HK$7,000,000	**—**	2
HK$7,000,001–HK$7,500,000	**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

	2013 HK$'000	2012 HK$'000
The charge comprises:		
Profits tax for the year		
Hong Kong	**1,955**	3,108
Overseas	**71,612**	65,713
(Over) Under provision in prior years		
Hong Kong	**(369)**	202
Overseas	**(1,480)**	5,939
	71,718	74,962
Deferred tax *(Note 37)*	**(514)**	(156)
	71,204	74,806

Hong Kong profits tax is calculated at 16.5% (2012: 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:

	2013 HK$'000	2012 HK$'000
Profit before tax (excluding share of results of associates and jointly controlled entities)	**277,333**	301,944
Tax at the domestic income tax rate of 16.5% (2012: 16.5%)	**45,760**	49,821
Effect of different taxation rates in other countries	**15,456**	10,384
Tax effect of income that is not taxable	**(21,367)**	(21,390)
Tax effect of expenses that are not deductible	**27,386**	19,586
Tax effect of utilisation of previously unrecognised tax losses	**(825)**	(1,626)
Tax effect of tax losses not recognised	**5,805**	12,137
Deferred taxation on withholding tax arising on undistributed earnings of subsidiaries	**(4,315)**	2,032
(Over) Under provision in prior years	**(1,849)**	6,141
Others	**5,153**	(2,279)
Income tax expense	**71,204**	74,806

12. PROFIT FOR THE YEAR

	2013 HK$'000	2012 HK$'000
Profit for the year has been arrived at after charging:		
Auditors' remuneration	**4,493**	4,220
Depreciation	**35,699**	38,894
Loss on disposal of property, plant and equipment	**572**	1,711
Loss on disposal of club membership	**—**	460
Loss on disposal of an associate	**365**	—
Operating lease rentals in respect of:		
Amortisation of prepaid land lease payments	**1,848**	2,105
Office premises	**31,640**	31,084
Equipment	**2,484**	2,208
Direct operating expenses of investment properties that generate rental income	**6,795**	10,480
Cost of inventories sold	**181,448**	250,333
Allowance for bad and doubtful debts	**20,939**	27,154
Allowance for inventories	**426**	734
Amortisation of other intangible assets (included in administrative expenses)	**1,715**	2,004
Net exchange loss	**—**	1,673
Impairment on club membership (included in administrative expenses)	**52**	55
Impairment on intangible assets (included in administrative expenses)	**—**	1,575
Impairment on an associate (included in administrative expenses)	**—**	1,780
Staff costs:		
Directors' emoluments:		
Fees	**1,724**	1,724
Other emoluments including benefits in kind (excluded estimated rental value for rent-free accommodation)	**26,046**	27,370
	27,770	29,094
Other staff costs:		
Salaries, allowances and benefits in kind	**546,844**	548,261
Share-based payments	**767**	1,414
Group's contributions to retirement scheme, net of forfeited contribution of HK$108,000 (2012: HK$108,000)	**48,972**	40,802
Total staff costs	**624,353**	619,571
and crediting:		
Net exchange gain	**879**	—
Gain on dissolution of subsidiaries	**4,433**	—
Gain on disposal of subsidiaries	**1,020**	—
Gain on disposal of an associate	**128**	92
Gain on disposal of available-for-sale financial assets, net	**773**	475
Gain on disposal of property, plant and equipment	**10,626**	947
Increase in net fair value of investment properties	**15,403**	3,043

13. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

Of the Group's profit attributable to owners of the Company for the year of HK$211,129,000 (2012: HK$238,511,000), a profit of HK$137,480,000 (2012: HK$271,688,000) has been dealt with in the financial statements of the Company.

14. DIVIDENDS PAID

	2013 **HK$'000**	2012 HK$'000
2012 final dividend paid HK5.5 cents per share (2012: 2011 final dividend paid HK4.0 cents per share and special dividend paid HK4.0 cents per share)	**66,872**	97,074
2013 interim dividend paid HK4.5 cents per share (2012: 2012 interim dividend paid HK4.0 cents per share)	**54,718**	48,537
Total	**121,590**	145,611

A final dividend of HK5.5 cents per share for the year ended October 31, 2013 have been proposed by the Directors and are subject to approval by the shareholders in the forthcoming Annual General Meeting ("AGM").

15. EARNINGS PER SHARE

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

	2013 **HK$'000**	2012 HK$'000
Earnings for the purposes of calculating basic and diluted earnings per share	**211,129**	238,511

	2013	2012
Issued ordinary shares at beginning of year	**1,214,316,104**	1,212,634,104
Effect of new shares issued	**1,253,321**	638,448
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,215,569,425**	1,213,272,552
Effect of dilutive potential ordinary shares in respect of options	**5,384,243**	1,780,059
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,220,953,668**	1,215,052,611

16. INVESTMENT PROPERTIES

	THE GROUP	
	2013	2012
	HK$'000	HK$'000
VALUATION		
At beginning of year	**197,657**	192,430
Exchange adjustments	**135**	2,184
Transfer from property, plant and equipment and prepaid land lease payments *(Notes 17, 18)*	**1,587**	—
Fair value gain on the transfer of property, plant and equipment to investment properties	**3,740**	—
Net increase in fair value	**15,403**	3,043
At end of year	**218,522**	197,657

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, 2013, 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, 2013. 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	
	2013	2012
	HK$'000	HK$'000
The investment properties are analysed as follows:		
Situated in Hong Kong held under medium-term leases	**11,930**	9,600
Situated outside Hong Kong held under medium-term leases	**206,592**	181,672
Situated outside Hong Kong held under long leases	**—**	6,385
	218,522	197,657

17. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings situated in Hong Kong	Land and buildings situated outside Hong Kong	Leasehold improvements	Furniture, fixtures and office equipment	Tools, machinery, factory equipment and fittings	Motor vehicles	Operating supplies	Property under development	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
THE GROUP									
COST									
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	—	—	—	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 and November 1, 2012	80,783	258,636	48,104	150,367	96,537	26,223	38,461	89,590	788,701
Exchange adjustments	—	(882)	172	78	(317)	(51)	482	1,230	712
Acquisition of a subsidiary *(Note 39)*	—	—	8	116	—	—	—	—	124
Additions	—	—	10,211	10,786	7,740	8,941	3,297	108,343	149,318
Disposal	—	—	(8,084)	(9,380)	(9,634)	(7,268)	(10,225)	—	(44,591)
Disposal of subsidiaries *(Note 39)*	—	—	—	(164)	(17)	—	—	—	(181)
Dissolution of subsidiaries *(Note 39)*	—	—	—	(558)	—	—	—	—	(558)
Transfer	—	199,163	—	—	—	—	—	(199,163)	—
Transfer to investment properties *(Note 16)*	—	(717)	—	—	—	—	—	—	(717)
Reclassification	—	768	(768)	(4,036)	(10,640)	—	14,676	—	—
At October 31, 2013	80,783	456,968	49,643	147,209	83,669	27,845	46,691	—	892,808
ACCUMULATED DEPRECIATION AND IMPAIRMENT									
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 and November 1, 2012	(17,501)	(76,667)	(36,682)	(129,466)	(74,399)	(20,318)	(37,905)	—	(392,938)
Exchange adjustments	—	918	(94)	144	285	120	(409)	—	964
Provided for the year	(1,214)	(6,881)	(4,602)	(11,570)	(6,154)	(2,632)	(2,646)	—	(35,699)
Elimination on disposal	—	—	7,084	8,971	9,081	7,107	9,366	—	41,609
Disposal of subsidiaries *(Note 39)*	—	—	—	59	1	—	—	—	60
Dissolution of subsidiaries *(Note 39)*	—	—	—	369	—	—	—	—	369
Transfer to investment properties *(Note 16)*	—	301	—	—	—	—	—	—	301
Reclassifications	—	—	—	3,949	5,183	—	(9,132)	—	—
At October 31, 2013	(18,715)	(82,329)	(34,294)	(127,544)	(66,003)	(15,723)	(40,726)	—	(385,334)
CARRYING AMOUNT									
At October 31, 2013	62,068	374,639	15,349	19,665	17,666	12,122	5,965	—	507,474
At October 31, 2012	63,282	181,969	11,422	20,901	22,138	5,905	556	89,590	395,763

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The carrying amount of property, plant and equipment includes an amount of HK$3,348,000 (2012: HK$154,000) in respect of assets held under finance lease obligations.

The carrying amount of land and buildings comprises:

	THE GROUP	
	2013	2012
	HK$'000	HK$'000
Situated in Hong Kong held under:		
Long leases	**22,902**	23,026
Medium-term leases	**39,166**	40,256
	62,068	63,282
Situated outside Hong Kong held under:		
Freehold	**27,530**	28,829
Medium-term leases	**344,917**	150,628
Short leases	**2,192**	2,512
	374,639	181,969

At October 31, 2013, certain land and buildings situated in Hong Kong under medium-term leases with carrying amount of HK$14,054,000 (2012: HK$14,411,000) and certain land and buildings situated outside Hong Kong under freehold with carrying amount of HK$16,136,000 (2012: HK$16,931,000) were pledged for credit facilities granted to the Group (Note 40).

Included under medium-term leases for land situated in Hong Kong with carrying amount of HK$12,439,000 (2012: HK$12,621,000) as at October 31, 2013 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	
	2013	2012
	HK$'000	HK$'000
At beginning of year	**71,708**	73,699
Exchange adjustments	**1,618**	463
Disposal	**(3,204)**	(349)
Amortisation	**(1,848)**	(2,105)
Transfer to investment properties *(Note 16)*	**(1,171)**	—
At end of year	**67,103**	71,708

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

	THE GROUP	
	2013	2012
	HK$'000	HK$'000
Situated outside Hong Kong held under:		
Medium-term leases	**67,103**	71,708

19. INTERESTS IN SUBSIDIARIES

	THE COMPANY	
	2013	2012
	HK$'000	HK$'000
Unlisted shares, at cost	**66,394**	66,394

Particulars of the Company's principal subsidiaries at October 31, 2013 are set out in Note 47 to financial statements.

20. INTANGIBLE ASSETS

		Other intangible assets		
	Goodwill	Show rights	Patent	Total
	HK$'000	HK$'000	HK$'000	HK$'000
THE GROUP				
COST				
At November 1, 2011	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 and November 1, 2012	6,520	26,593	478	33,591
Exchange adjustments	**(311)**	**(274)**	**—**	**(585)**
At October 31, 2013	**6,209**	**26,319**	**478**	**33,006**
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSS				
At November 1, 2011	—	(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 and November 1, 2012	—	(12,818)	(299)	(13,117)
Exchange adjustments	**—**	**87**	**—**	**87**
Amortisation	**—**	**(1,655)**	**(60)**	**(1,715)**
At October 31, 2013	**—**	**(14,386)**	**(359)**	**(14,745)**
CARRYING AMOUNT				
At October 31, 2013	**6,209**	**11,933**	**119**	**18,261**
At October 31, 2012	6,520	13,775	179	20,474

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 three years to seven 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. 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 16.41% (2012: 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 two years.

21. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	THE GROUP	
	2013	2012
	HK$'000	HK$'000
Unlisted investments		
Share of net assets	**74**	74

Particulars of the Group's principal jointly controlled entities at October 31, 2013 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.

	2013	2012
	HK$'000	HK$'000
At October 31,		
Current assets	**74**	75
Non-current assets	**—**	—
Current liabilities	**—**	(1)
Non-current liabilities	**—**	—
Net assets	**74**	74
Year ended October 31,		
Turnover	**—**	318
Expenses	**—**	511

22. INTERESTS IN ASSOCIATES

	THE GROUP	
	2013	2012
	HK$'000	HK$'000
Unlisted/Listed investments		
Share of net assets	**152,498**	151,837
Less: Impairment loss recognised	**(1,780)**	(1,780)
	150,718	150,057
Fair value of listed investment in associates outside Hong Kong	**39,410**	58,586

Particulars of the Group's principal associates at October 31, 2013 are set out in Note 48 to the financial statements.

22. INTERESTS IN ASSOCIATES (CONTINUED)

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

	2013 HK$'000	2012 HK$'000
At October 31, Group's share of associates' net assets	**150,718**	150,057
Total assets	**631,562**	649,021
Total liabilities	**(340,472)**	(360,231)
Net assets	**291,090**	288,790
Year ended October 31, Group's share of associates' profits for the year	**15,214**	12,111
Total revenue	**593,878**	634,354
Total profit for the year	**40,320**	23,913

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, 2013 was HK$1,457,000 (2012: HK$1,875,000) of which there was no share of losses for the year (2012: share of losses of HK$956,000). The Group had no obligation in respect of these losses.

23. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	THE GROUP	
	2013 **HK$'000**	2012 HK$'000
Equity securities, at cost, unlisted	**7,292**	7,085
Less: Impairment loss recognised	**(6,961)**	(6,771)
	331	314
Equity securities at fair value, listed in Hong Kong	**799**	4,889
	1,130	5,203

The fair values of listed securities are based on current bid prices. Unlisted equity securities with carrying amount of HK$331,000 (2012: 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. OTHER ASSETS

	THE GROUP	
	2013	2012
	HK$'000	HK$'000
Other deposits	**56,455**	—

The Group has entered into agreements to purchase of an office for own use situated in Guangzhou which is now under development at the end of the reporting period and expect to complete in the year 2016.

25. INVENTORIES

	THE GROUP	
	2013	2012
	HK$'000	HK$'000
Raw materials	**6,541**	6,939
Work in progress	**29,333**	20,630
Finished goods	**7,143**	4,561
	43,017	32,130

26. CONTRACT WORK IN PROGRESS

	THE GROUP	
	2013	2012
	HK$'000	HK$'000
Contract costs incurred plus recognised profits less recognised losses to date	**199,385**	154,595
Less: progress billings	**(187,062)**	(137,942)
	12,323	16,653
Gross amounts due from customers for contract work	**37,032**	57,681
Gross amounts due to customers for contract work	**(24,709)**	(41,028)
	12,323	16,653

In respect of contract work in progress at the end of the reporting period, retentions receivable included in trade and other debtors are HK$11,329,000 (2012: HK$14,120,000).

27. DEBTORS, DEPOSITS AND PREPAYMENTS

	THE GROUP	
	2013	2012
	HK$'000	HK$'000
Trade debtors	**808,397**	884,076
Less: allowance for bad and doubtful debts	**(30,712)**	(39,379)
	777,685	844,697
Other debtors	**47,776**	45,623
Prepayments and deposits	**140,664**	126,912
	966,125	1,017,232

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:

	2013	2012
	HK$'000	HK$'000
Less than 91 days	**608,375**	645,715
91–180 days	**82,013**	76,112
181–365 days	**71,062**	107,220
More than 1 year	**16,235**	15,650
	777,685	844,697

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, 2013	**65,704**	**8,759**	**37,925**	**371,858**	**139,113**	**49,817**	**32,063**	**72,446**	**777,685**
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, 2013, an allowance was made for estimated irrecoverable trade debtors of HK$30,712,000 (2012: HK$39,379,000) which have either been placed under liquidation or in severe financial difficulties. The Group does not hold any collateral over these balances.

27. DEBTORS, DEPOSITS AND PREPAYMENTS (CONTINUED)

Movements in the allowance for bad and doubtful debts:

	2013 HK$'000	2012 HK$'000
At beginning of year	**39,379**	49,930
Exchange adjustments	**68**	210
Allowance for the year	**13,282**	20,631
Amounts written off as uncollectible	**(7,903)**	(22,357)
Allowance written back	**(13,479)**	(9,035)
Disposal of subsidiaries	**(635)**	—
At end of year	**30,712**	39,379

At October 31, 2013, trade debtors of HK$454,876,000 (2012: HK$380,008,000) 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:

	2013 HK$'000	2012 HK$'000
Less than 91 days	**313,633**	214,079
91–180 days	**107,401**	87,919
181–365 days	**23,571**	67,270
More than 1 year	**10,271**	10,740
	454,876	380,008

28. AMOUNTS DUE FROM SUBSIDIARIES

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

29. 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, 2013, allowance for doubtful debts were made for amounts due from associates of HK$688,000 (2012: HK$670,000) and jointly controlled entities of HK$5,561,000 (2012: HK$5,591,000).

30. 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, 2013								
Cash at bank and on hand	**77,183**	**11,788**	**274,331**	**120,410**	**112,951**	**28,919**	**65,610**	**691,192**
Bank deposits	**—**	**23,623**	**133,271**	**3,643**	**16,832**	**—**	**7,001**	**184,370**
	77,183	**35,411**	**407,602**	**124,053**	**129,783**	**28,919**	**72,611**	**875,562**
Non-pledged bank deposits with more than three months to maturity	**—**	**—**	**(8,460)**	**—**	**—**	**—**	**(629)**	**(9,089)**
Cash and cash equivalents	**77,183**	**35,411**	**399,142**	**124,053**	**129,783**	**28,919**	**71,982**	**866,473**
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

The effective interest rates on bank deposits range from 0.15% to 4.00% per annum (2012: 0.06% to 3.85% per annum), these deposits have maturity range from 30 days to 3 years (2012: 30 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$407,602,000 (2012: HK$523,574,000) were denominated in RMB, which was not freely convertible to other currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

31. CREDITORS AND ACCRUED CHARGES

	THE GROUP	
	2013	2012
	HK$'000	HK$'000
Trade creditors	**372,341**	387,745
Accrued charges	**696,901**	630,708
Other creditors	**21,170**	21,530
	1,090,412	1,039,983

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

	2013	2012
	HK$'000	HK$'000
Less than 91 days	**284,180**	237,453
91–180 days	**32,089**	62,361
181–365 days	**17,570**	38,197
More than 1 year	**38,502**	49,734
	372,341	387,745

The carrying amounts of the Group's trade creditors 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, 2013	**22,185**	**7,722**	**13,856**	**229,375**	**30,822**	**16,299**	**26,012**	**26,070**	**372,341**
At October 31, 2012	17,700	14,122	9,156	204,625	52,976	23,717	23,594	41,855	387,745

32. BORROWINGS

	THE GROUP	
	2013	2012
	HK$'000	HK$'000
Borrowings comprise the following:		
Short term bank loans	**9,762**	12,470
The borrowings are repayable as follows:		
On demand or within one year	**9,762**	12,470

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

	Singapore dollars	**Others**	**Total**
	HK$'000	HK$'000	HK$'000
At October 31, 2013			
Bank loans	**8,135**	**1,627**	**9,762**
At October 31, 2012			
Bank loans	9,206	3,264	12,470

The Group's bank loans of HK$200,000 (2012: HK$9,401,000) carry fixed interest rate at 2.0% per annum on rollover basis (2012: 1.85% to 2.0% per annum) and expose the Group to fair value interest rate risk. As at October 31, 2013, the Group's bank loans of HK$9,562,000 (2012: HK$3,069,000) carried floating interest rates at 1.85% to 10.85% per annum (2012: 10.85% per annum), thus exposing the Group to cash flow interest rate risk.

33. FINANCE LEASE OBLIGATIONS

	THE GROUP			
	Minimum lease payments		**Present value of minimum lease payments**	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Amounts payable under finance leases:				
Within one year	**439**	258	**400**	247
In the second to fifth years, inclusive	**631**	162	**604**	150
	1,070	420	**1,004**	397
Less: Future finance charges	**(66)**	(23)	**N/A**	N/A
Present value of finance lease obligations	**1,004**	397	**1,004**	397
Less: Amounts due within one year shown under current liabilities			**(400)**	(247)
Amounts due for settlement after one year			**604**	150

33. FINANCE LEASE OBLIGATIONS (CONTINUED)

It is the Group's practice to lease certain of its motor vehicles and equipment under finance leases. The lease term is usually three to five years. For the year ended October 31, 2013, the average effective borrowing rate was 5.17% (2012: 5.32%) per annum. Interest rates are fixed at the contract date and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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

34. SHARE CAPITAL

	THE GROUP AND THE COMPANY			
	Number of shares		Share capital	
	2013	2012	**2013**	2012
			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	**1,214,316,104**	1,212,634,104	**60,716**	60,632
Exercise of share options *(Note)*	**1,764,000**	1,682,000	**88**	84
At end of year	**1,216,080,104**	1,214,316,104	**60,804**	60,716

Note: During the year, 362,000, 676,000, 28,000, 342,000, 276,000 and 80,000 shares were issued at HK$1.240, HK$0.970, HK$1.416, HK$1.570, HK$1.648 and HK$1.680 per share respectively as a result of the exercise of share options of the Company (2012: 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).

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.

34. SHARE CAPITAL (CONTINUED)

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, 2013 and 2012 were as follows:

	THE GROUP	
	2013	2012
	HK$'000	HK$'000
Long-term borrowings	**—**	—
Non-current assets	**1,025,151**	848,058
Current assets	**1,921,092**	2,042,972
Total assets	**2,946,243**	2,891,030
	2013	2012
Gearing ratio	**N/A**	N/A

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

35. 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.

The Company was authorised to grant share options under the 2012 Scheme for subscription of up to a total of 121,342,410 shares, representing 10% of the issued share capital of the Company as at the date of adoption. 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 (i) 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; (ii) 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 (iii) the nominal value of the shares on the offer date.

35. SHARE-BASED PAYMENTS (CONTINUED)

(i) Details of the specific categories of options relevant for the year ended October 31, 2013 are as follows:

	Date of grant	Vesting date	Exercise period	Exercise price HK$
2002 Scheme				
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
2012	23-May-13			
1st tranche		24-May-13	24.5.2013–23.5.2018	2.782
2nd tranche		1-Nov-13	1.11.2013–23.5.2018	2.782
3rd tranche		2-May-14	2.5.2014–23.5.2018	2.782
4th tranche		3-Nov-14	3.11.2014–23.5.2018	2.782

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.

35. SHARE-BASED PAYMENTS (CONTINUED)

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

	2013		2012	
	Number of shares options	**Weighted average exercise price HK$**	Number of share options	Weighted average exercise price HK$
Outstanding at beginning of year	**15,802,000**	**1.52**	16,044,000	1.62
Granted during the year	**506,000**	**2.78**	5,966,000	1.67
Lapsed during the year	**(384,000)**	**1.11**	(4,526,000)	2.17
Exercised during the year	**(1,764,000)**	**1.29**	(1,682,000)	1.30
Outstanding at end of year	**14,160,000**	**1.60**	15,802,000	1.52
Exercisable at end of year	**12,372,000**	**1.56**	10,090,000	1.45

The weighted average share price at the date of exercise for share options exercised during the year was HK$2.451. The options outstanding at end of year have a weighted average remaining contractual life of 3 years (2012: average life of 3 years) and the exercise prices range from HK$0.970 to HK$2.782 (2012: HK$0.970 to HK$1.684). In 2013, options were granted on May 23, 2013. The estimated fair value per option ranges from HK$0.700 to HK$0.720 with total fair value of HK$358,000. 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.

35. 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	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 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	5.91
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
May 23, 2013	2.782	5.00	45.00	2.782	0.570	5.35

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$1,473,000 for year ended October 31, 2013 (2012: HK$3,063,000) in relation to share options granted by the Company.

36. RESERVES

Nature and purpose of reserves

(i) Share premium

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

(ii) Capital redemption reserve

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

(iii) Capital reserve

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

(iv) Equity-settled share-based payment reserve

The fair value of the actual or estimated number of share options granted to Directors of the Company and employees of the Group recognised in accordance with the accounting policy adopted for share-based payments 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) Assets revaluation reserve

The assets revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for property in Note 3 to the financial statements.

(ix) 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 accordance with the accounting policies in Note 3 to the financial statement.

36. 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, 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 payments	—	—	3,063	—	—	3,063
Exercise of equity-settled share-based payments	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	
At November 1, 2012	724,435	854	6,396	50,594	9,886	792,165
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**137,480**	**137,480**
Shares issued at premium	**2,182**	**—**	**—**	**—**	**—**	**2,182**
Recognition of equity-settled share-based payments	**—**	**—**	**1,473**	**—**	**—**	**1,473**
Exercise of equity-settled share-based payments	**689**	**—**	**(689)**	**—**	**—**	**—**
Transfer	**127**	**—**	**(127)**	**—**	**—**	**—**
2012 final dividend	**—**	**—**	**—**	**—**	**(66,872)**	**(66,872)**
2013 interim dividend	**—**	**—**	**—**	**—**	**(54,718)**	**(54,718)**
At October 31, 2013	**727,433**	**854**	**7,053**	**50,594**	**25,776**	**811,710**
Representing:						
2013 final dividend proposed					**66,885**	
Others					**(41,109)**	
Retained earnings at October 31, 2013					**25,776**	

37. 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	Revaluation of properties	Withholding tax arising on undistributed earnings of subsidiaries	Intangible assets	Others	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At November 1, 2011	8,278	18,559	3,379	2,451	(606)	32,061
Exchange adjustments	(23)	115	—	119	180	391
Acquisition of a subsidiary	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 and November 1, 2012	7,114	20,282	5,411	2,292	(2,769)	32,330
Exchange adjustments	**(140)**	**(98)**	**—**	**(101)**	**413**	**74**
Acquisition of a subsidiary *(Note 39)*	**21**	**—**	**—**	**—**	**—**	**21**
Charge (credit) to profit or loss for the year *(Note 11)*	**(183)**	**3,069**	**(4,315)**	**(288)**	**1,203**	**(514)**
At October 31, 2013	**6,812**	**23,253**	**1,096**	**1,903**	**(1,153)**	**31,911**

Deferred tax of HK$1,096,000 (2012: HK$5,411,000) has been provided in the consolidated financial statements in respect of the undistributed profits earned by the Group's subsidiaries in Macau, Japan and PRC. Starting from January 1, 2008, the undistributed profits, earned by the Group's PRC subsidiaries attributable to the Group, 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, 2013 are from 5% to 10% (2012: 5% to 10%).

At the end of the reporting period, deferred tax of HK$20,817,000 (2012: HK$18,252,000) has not been recognised in respect of certain undistributed earnings of subsidiaries.

The following is the analysis of the deferred tax balances:

	THE GROUP	
	2013	2012
	HK$'000	HK$'000
Deferred tax liabilities	**33,064**	35,099
Deferred tax assets	**(1,153)**	(2,769)
	31,911	32,330

At October 31, 2013, the Group has unused tax losses of HK$165,327,000 (2012: HK$167,288,000), 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$153,247,000 (2012: HK$154,748,000) may be carried forward indefinitely, the tax losses of HK$12,080,000 (2012: HK$11,626,000) which will expire within 5 years and no tax losses (2012: HK$914,000) which will expire within 3 years.

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

	2013 HK$'000	2012 HK$'000
Profit before tax	**292,547**	313,862
Adjustments for:		
Interest expenses	**1,590**	2,321
Finance charges in respect of finance lease obligations	**10**	30
Interest income	**(9,721)**	(11,101)
Dividend income	**(129)**	(205)
Depreciation	**35,699**	38,894
Amortisation of prepaid land lease payments	**1,848**	2,105
Amortisation of other intangible assets	**1,715**	2,004
(Gain) Loss on disposal of property, plant and equipment, net	**(10,054)**	764
Increase in net fair value of investment properties	**(15,403)**	(3,043)
Gain on dissolution of subsidiaries	**(4,433)**	—
Gain on disposal of subsidiaries, net	**(1,020)**	—
Loss (Gain) on disposal of associates, net	**237**	(92)
Gain on disposal of available-for-sale financial assets and club membership, net	**(773)**	(15)
Allowance for bad and doubtful debts	**20,939**	27,154
Allowance written back on bad and doubtful debts	**(14,963)**	(9,991)
Allowance for inventories	**426**	734
Impairment on club membership	**52**	55
Impairment on intangible assets	**—**	1,575
Impairment on an associate	**—**	1,780
Share of profits of associates	**(15,214)**	(12,111)
Share of losses of jointly controlled entities	**—**	193
Equity-settled share-based payments expenses	**1,473**	3,063
Operating profit before changes in working capital	**284,826**	357,976
Increase in inventories	**(10,695)**	(10,192)
Decrease in contract work in progress	**5,266**	40,862
(Increase) Decrease in amounts due from associates	**(4,099)**	3,173
Decrease in amounts due from jointly controlled entities	**347**	4,118
Decrease (Increase) in debtors, deposits and prepayments	**39,316**	(19,307)
Decrease in payments received on account	**(89,192)**	(46,010)
Increase (Decrease) in creditors and accrued charges	**56,166**	(79,120)
Increase in amounts due to associates	**5,131**	458
Decrease in amounts due to jointly controlled entities	**—**	(5,717)
Cash flows from operations	**287,066**	246,241

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Acquisition of a subsidiary

In January 2013, the Group acquired the remaining 70% shareholding in an associate, International Exhibition Group Pte Ltd., which become a subsidiary. 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 International Exhibition Group Pte Ltd. was as follows:

	2013 **HK$'000**
Net assets acquired of:	
Property, plant and equipment *(Note 17)*	**124**
Debtors, deposits and prepayments	**814**
Bank and cash balances	**2,813**
Creditors and accrued charges	**(3,092)**
Current tax liabilities	**(16)**
Deferred taxation *(Note 37)*	**(21)**
Net identified assets	**622**
Details of net assets acquired, goodwill and acquisition-related costs are as follows:	
Cash consideration paid	**436**
Fair value of equity interest in an associate, before the acquisition	**186**
Less: Net identified assets	**(622)**
	—
Analysis of net inflow of cash and cash equivalents in connections with the acquisition of a subsidiary:	
Cash consideration paid	**(436)**
Bank and cash balances acquired	**2,813**
	2,377

International Exhibition Group Pte Ltd. contributed a net loss of HK$1,913,000 from the date of acquisition to October 31, 2013. Revenue for the year includes HK$4,415,000 in respect of International Exhibition Group Pte Ltd.

Had these business combinations has been effect at November 1, 2012, the revenue of the Group would have been HK$3,318,680,000, and the profit for the year would have been HK$211,129,000.

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

Disposal of subsidiaries

The carrying amounts of the assets and liabilities disposed of as at its date of disposal, were as follows:

	2013 HK$'000
Net assets disposed of:	
Property, plant and equipment *(Note 17)*	**121**
Debtors, deposits and prepayments	**9,718**
Current tax assets	**4**
Bank and cash balances	**1,532**
Creditors and accrued charges	**(9,618)**
Amounts due to fellow subsidiaries	**(892)**
Current tax liabilities	**(139)**
	726
Non-controlling interests	**3**
Release of capital reserve	**17**
Gain on disposal of subsidiaries	**1,020**
Total consideration — satisfied by cash	**1,766**
Analysis of net inflow of cash and cash equivalents in connections with the disposal of subsidiaries:	
Cash consideration received	**1,766**
Bank and cash balances disposed of	**(1,532)**
	234

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

Dissolution of subsidiaries

The carrying amounts of the assets and liabilities as at its date of dissolution, were as follows:

	2013 HK$'000
Net liabilities disposed of	
Property, plant and equipment *(Note 17)*	**189**
Debtors, deposits and prepayments	**4,074**
Bank and cash balances	**3,115**
Payments received on account	**(680)**
Creditors and accrued charges	**(7,325)**
Amounts due to fellow subsidiaries	**(44)**
Amounts due to associates	**(260)**
	(931)
Non-controlling interests	**(611)**
Release of translation reserve	**(372)**
Gain on dissolution of subsidiaries	**4,433**
Total consideration — satisfied by cash	**2,519**
Analysis of net outflow of cash and cash equivalents in connections with the dissolution of subsidiaries:	
Investment cost refunded	**2,519**
Bank and cash balances dissolved of	**(3,115)**
	(596)

Purchase of non-controlling interests

During the year ended October 31, 2013, the Group acquired the remaining 3.75% in a subsidiary from the non-controlling shareholder at a cash consideration of HK$36, which was settled during the year.

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

	2013 HK$'000
Share of net liabilities in a subsidiary acquired	**128**
Consideration	**—**
Loss on acquisition recognised directly in equity	**128**

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

Significant non-cash transactions

During the year ended October 31, 2013, dividend received from an associate amounted to HK$4,449,000 (2012: HK$5,761,000) was settled by the issue of new shares in the associate.

40. PLEDGE OF ASSETS

At October 31, 2013, the following assets were pledged as collaterals for credit facilities granted to the Group by certain banks.

	THE GROUP	
	2013	2012
	HK$'000	HK$'000
Freehold land and buildings	**16,136**	16,931
Leasehold land and buildings	**14,054**	14,411
	30,190	31,342

41. CAPITAL COMMITMENTS

	THE GROUP	
	2013	2012
	HK$'000	HK$'000
Capital expenditures in respect of property, plant and equipment		
— contracted but not provided for	**15,515**	94,424
— authorised but not contracted for	**14,313**	45,345
	29,828	139,769

The Company did not have any other significant capital commitments at October 31, 2013 and 2012.

42. OPERATING LEASE COMMITMENTS

The Group as lessee

At the October 31, 2013, the total future minimum lease payments under non-cancellable operating leases in respect of rented premises and equipment are payable as follows:

	THE GROUP			
	2013		2012	
	Rented premises HK$'000	**Equipment HK$'000**	Rented premises HK$'000	Equipment HK$'000
Within one year	**16,518**	**920**	22,498	865
In the second to fifth years, inclusive	**27,300**	**1,053**	28,167	1,363
Over five years	**103,904**	**22**	99,146	2
	147,722	**1,995**	149,811	2,230

Operating lease payments mainly represent five (2012: five) rentals payable by the Group for its offices. Leases are ranged between one year to sixty years and rentals are fixed over the lease terms and do not include contingent rentals.

At October 31, 2013 and 2012, the Company had no other significant commitments under non-cancellable operating leases.

The Group as lessor

At October 31, 2013, the Group's total future minimum lease payments under non-cancellable operating lease are receivable as follows:

	THE GROUP	
	2013 HK$'000	2012 HK$'000
Within one year	**22,831**	27,327
In the second to fifth years, inclusive	**4,294**	24,399
	27,125	51,726

43. CONTINGENT LIABILITIES

Financial guarantees issued

At October 31, 2013, the Group has issued the following guarantees:

	THE GROUP		THE COMPANY	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Guarantees given to bank in respect of banking facilities granted to subsidiaries	**—**	—	**508,756**	422,478
Performance guarantees				
— secured	**28,902**	49,493	**—**	—
— unsecured	**41,520**	76,311	**—**	—
	70,422	125,804	**—**	—
Other guarantees				
— secured	**951**	2,819	**—**	—
— unsecured	**—**	—	**—**	—
	951	2,819	**—**	—

At October 31, 2013, 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.

44. RETIREMENT BENEFITS SCHEME

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

The retirement benefits scheme's cost charged to 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 (2012: HK$108,000), 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.

44. RETIREMENT BENEFITS SCHEME (CONTINUED)

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 per month to the Mandatory Provident Fund.

45. 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	Other income	Receivables	Payables
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended October 31, 2013								
Associates	**13,996**	**28,320**	**7,211**	**860**	**—**	**3,359**	**15,814**	**9,691**
Jointly controlled entities	**2,548**	**21**	**251**	**83**	**—**	**447**	**88**	**—**
Related companies	**488**	**1,803**	**—**	**—**	**585**	**669**	**5**	**588**
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

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

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

	2013	2012
	HK$'000	HK$'000
Salaries, bonus, allowances and benefits in kinds	**45,951**	44,844
Group's contributions to retirements scheme	**337**	306
Share-based payments	**932**	2,203
	47,220	47,353

46. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on January 21, 2014.

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries as at October 31, 2013 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$2,500,000	90	Visual identity solutions and investment holding
Beijing Pico Exhibition Services Co., Ltd. @	The PRC	US$1,897,000	100	Turnkey services for exhibition, event, museum, interior, themed environment and investment holdings
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 and property holding
Beijing Pico DesignWorks Co., Ltd. *	The PRC	RMB10,000,000	100	Construction decoration design, exhibitions and home construction, conference services, sells furniture, enterprise image planning, the technical consultancy management
Dongguan Pico Exhibition Services Co., Limited. @	The PRC	HK$8,850,000	100	Production of exhibition and event products
Expoman Limited	Hong Kong	HK$2	100	Exhibition and event organiser
Fairtrans International Ltd. *(Note 2)*	Japan	Yen10,000,000	100	Transportation, import and export administrative responsibilities for exhibitors
GMC Hong Kong Ltd.	Hong Kong	HK$10	100	Production of exhibition and interior fitout products
Guangzhou Pico Exhibition Services Co., Ltd. @	The PRC	HK$5,000,000	100	Turnkey services for exhibition, event, museum, interior and themed environment
Guangzhou Pico IES Exhibition Services Co., Ltd. #	The PRC	RMB5,000,000	100	Services to organisers and 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	Philippine Peso 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	Lankan Rupees 847,250	100	Design, development, management and operation of exhibition 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
Intertrade Services Pte Ltd.	Republic of Seychelles	US$1	100	Provision of management services for exhibitions and trade fairs and investment holding
International Exhibitions Group Pte Ltd. *(Note 2)*	Singapore	S$100,000	100	Exhibition and event organiser
MP International (HKG) Limited	Hong Kong	HK$10,000	100	Exhibition and event administration business
MP Congress and Exhibitions Pte Ltd. *(Note 2)*	Singapore	S$100,000	100	Event management services and investment holding
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 International (Asia Pacific) Limited	Hong Kong	HK$2	100	Exhibition and conference administration business
MP Singapore Pte Ltd. *(Note 2)*	Singapore	S$100,000	100	Management of conventions conferences, seminars and exhibitions
MP TFCI Events Private Limited *(Note 2)*	India	Indian Rupees 1,000,000	51	Organising and managing exhibitions, conferences and events

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
MP Zhongmao International (Shanghai) Pte Ltd. ^ *(Note 2)*	The PRC	RMB1,000,000	50 *(Note 1)*	Management of conventions and conferences
MP Zhongmao Deray International (Shanghai) Pte Ltd. ^ *(Note 2)*	The PRC	RMB1,000,000	35 *(Note 1)*	Management of conventions and conferences
Muji Design Pte Ltd. *(Note 2)*	Singapore	S$100,000	70	Design and project management services
Parico Electrical Engineering Sdn. Bhd. *(Note 2)*	Malaysia	Malaysian Ringgits 100,000	50 *(Note 1)*	Electrical specialist
Pico Art Exhibit, Inc.	The USA	US$1,000	99	Turnkey services for exhibition, event, museum, interior and themed environment
Pico Art International Pte Ltd. *(Note 2)*	Singapore	S$1,500,000	100	Turnkey services for exhibition, event, museum, interior, themed environment and investment holding
Pico Brasil Servicos de Marketing Ltda.	Brazil	Brazilian Reals 200,000	100	Turnkey services for exhibition, event, museum, interior and themed environment
Pico Concept Limited *(Note 2)*	The United Kingdom	GBP80	100	Turnkey services for exhibition, event, museum interior and themed environment
Pico Concepts India Private Ltd. *(Note 2)*	India	Indian Rupees 2,500,000	100	Interior design, renovation and consultancy services
Pico Contracts Limited	Hong Kong	HK$7,600,000	100	Museum and theme park design, construction and decoration
Pico Event Management Pte Ltd. *(Note 2)*	Singapore	S$50,000	100	Event management services
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 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$300,000	100	Turnkey services for exhibition, event, museum, interior and themed environment

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 Hanoi Ltd.	Vietnam	US$50,000	100	Turnkey services for exhibition, event, museum, interior and themed environment
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	Services to organisers and fabrication of exhibition booths
Pico IES Group Limited	Hong Kong	HK$10,000	100	Services to organisers and fabrication of exhibition booths
Pico International LLC (JLT Branch) *(Note 2)*	Dubai	—	95	Turnkey services for exhibition, event, museum, interior and themed environment
Pico International Exhibition Services Ltd.	Hong Kong	HK$100	100	Turnkey services for exhibition, event, museum, interior and themed environment
Pico International (HK) Limited	Hong Kong	HK$1,000 — ordinary shares HK$2,500,000 — non-voting deferred shares *(Note 3)*	100	Turnkey services for exhibition, event, museum, interior, themed environment and investment holding
Pico International (M) Sdn. Bhd. *(Note 2)*	Malaysia	Malaysian Ringgits 1,075,200	50 *(Note 1)*	Turnkey services for exhibition, event, museum, interior and themed environment
Pico International (Macao) Limited	Macau	MOP25,000	100	Turnkey services for exhibition, event, museum, interior and themed environment
Pico International (Qatar) W.L.L.	Qatar	Qatar Riyal 200,000	95	Turnkey services for exhibition, event, museum, interior and themed environment
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	Turnkey services for exhibition, event, museum, interior and themed environment
Pico International Ltd. *(Note 2)*	Japan	Yen10,000,000	100	Turnkey services for exhibition, event, museum, interior and themed environment

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 Taiwan Ltd. *(Note 2)*	Taiwan	NT$20,000,000	100	Turnkey services for exhibition, event, museum, interior and themed environment
Pico International (Oman) LLC *(Note 2)*	Oman	—	95	Turnkey services for exhibition, event, museum, interior and themed environment
Pico Investments BVI Ltd. *(Note 4)*	British Virgin Islands	US$316	100	Investment holding
Pico North Asia Ltd.	Korea	WON200,000,000	99.28	Exhibition design and construction
Pico Production Ltd. *(Note 2)*	Dubai	—	95	Production of exhibition and event products
Pico Projects (International) Limited	Hong Kong	HK$100	100	Interior design and renovation exhibition and event fabrication
Pico Sanderson (HK) Limited	Hong Kong	HK$150,000	55	Themed design, construction and project management services
Pico-Sanderson JV Macau Limited	Macau	MOP25,000	50 *(Note 1)*	Themed design, construction and project management services
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	Full services of brand marketing and creative agency
Pico TBA Consulting Group (Beijing) Limited @	The PRC	RMB5,000,000	86	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$500,000	100	Exhibition design and fabrication, events and promotion
Pudong Pico Exhibition Producer Co., Ltd. @	The PRC	US$140,000	100	Production of exhibition and interior fitout products
PT Pico TBA *(Note 2)*	Indonesia	Indonesian Rupiah 3,000,000	51	Full services of brand marketing and creative agency
Shanghai Pico Exhibition Services Co., Ltd. @	The PRC	US$848,000	100	Turnkey services for exhibition, event, museum, interior and themed environment

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
Shanghai Pico Exhibition Management Co., Ltd. *	The PRC	RMB7,000,000	100	Turnkey services for exhibition, event, museum, interior and themed environment
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	Turnkey services for exhibition, event, museum, interior, themed environment and property investment
Tinsel Limited *(Note 4)*	British Virgin Islands	US$10	100	Investment holding
Total Brand Activation Pte Ltd. *(Note 2)*	Singapore	S$100,000	100	Full services of brand marketing and creative agency
TBA (Indonesia) Pte Ltd. *(Note 2)*	Singapore	S$2	100	Full services of brand marketing and creative agency
World Image International Ltd.	Hong Kong	HK$10,000	90	Visual identity solutions and investment holding
World Image Signs (Beijing) Company Ltd. #	The PRC	RMB5,000,000	45.9 *(Note 1)*	Visual identity solutions
World Image Signs (Shanghai) Design and Engineering Company Ltd. ^	The PRC	RMB5,000,000	63	Visual identity solutions
World Image (China) Company Ltd. @	The PRC	US$140,000	90	Visual identity solutions
World Image Exhibition (Beijing) Company Ltd. @	The PRC	RMB1,000,000	45.9 *(Note 1)*	Visual identity solutions
World Image (Shanghai) Engineering Company Ltd. ^	The PRC	RMB5,000,000	63	Visual identity solutions

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

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

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

These subsidiaries are Sino-foreign equity joint ventures.

^ These subsidiaries are registered in the PRC as co-operative liability companies.

* These subsidiaries are registered in the PRC as private company limited.

Notes:

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

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

3. 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.

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

48. PARTICULARS OF PRINCIPAL ASSOCIATES

Details of the Group's principal associates as at October 31, 2013 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
Arina International Holding Pte Ltd.	Singapore	S$300,000	30	Exhibition and interior contractor
InfocommAsia Pte Ltd.	Singapore	S$20,000	45	Management of conventions and conferences
International Furniture Fair Singapore Pte Ltd.	Singapore	S$100,000	40	Exhibition organiser
Pico Australia Pty Ltd.	Australia	AUD100	49	Turnkey services of exhibition stands and interior decoration
Pico (Thailand) Public Company Ltd.	Thailand	Baht 172,169,820 — ordinary shares Baht 330,000 — preferred shares	40	Turnkey services for exhibition, event, museum, interior and themed environment
Xi'an Greenland Pico Int'l Convention and Exhibition Co. Ltd. *(Note 1)*	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.

Note 1: 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, 2013 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

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.

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

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REGISTERED OFFICE

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PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

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HONG KONG SHARE REGISTRARS AND TRANSFER OFFICE

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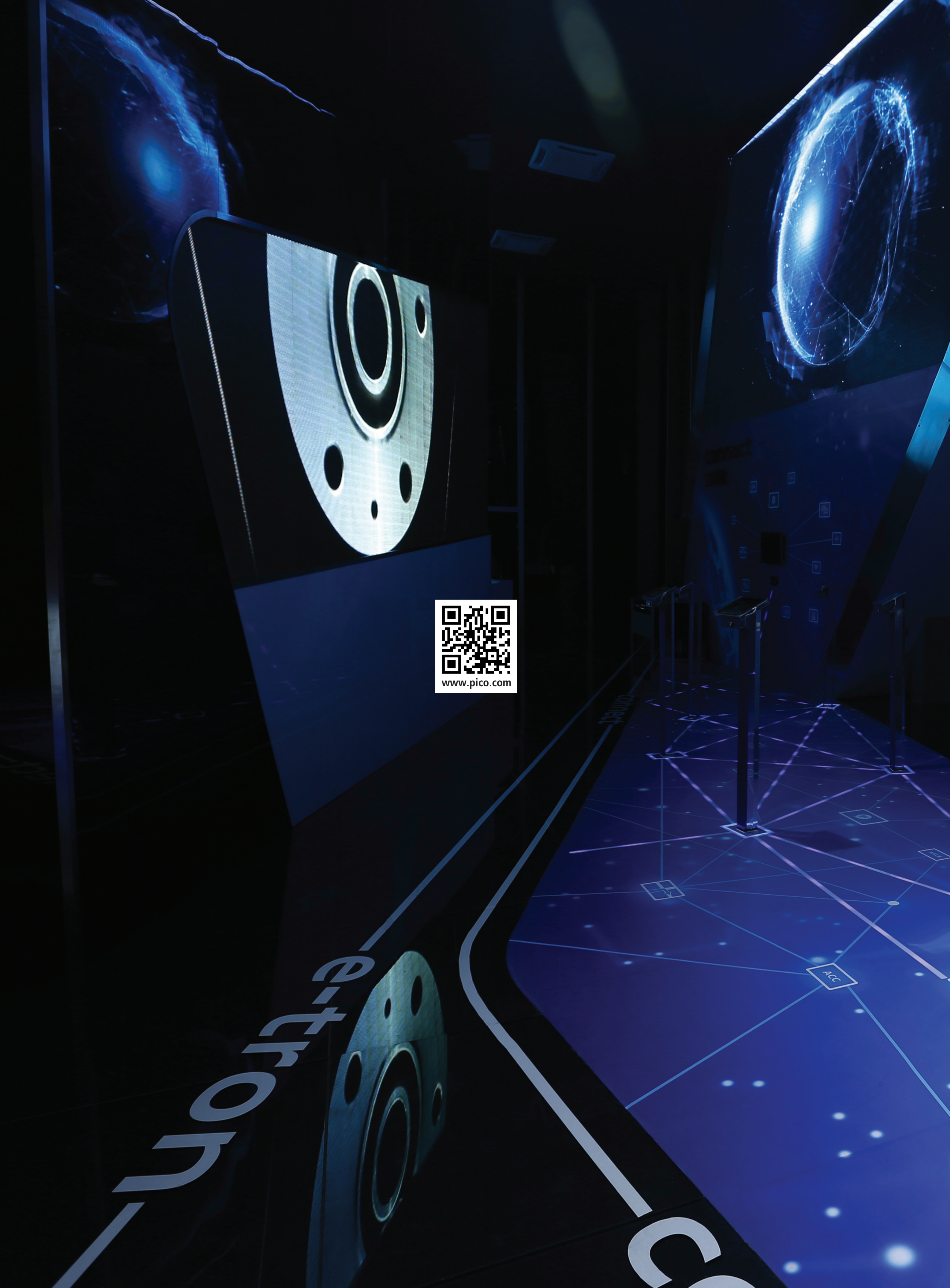
CORPORATE WEBSITE

www.pico.com

CORPORATE CALENDAR

Annual General Meeting	March 21, 2014
Payment of Final Dividend	April 10, 2014
Announcement of Interim Results	June 2014
Announcement of Final Results	January 2015



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