

## **BUSINESS REVIEW AND PROSPECTS**

### **Result**

The Group turnover for the six months ended April 30, 2002 was HK\$490 million which is 23.9% lower compared with the previous corresponding period. This was due to the reduction in the number and size of exhibitions in the immediate months after the September 11 incident.

The September 11 incident had deterred participants from attending international exhibitions worldwide due to security concerns. However the decrease in turnover caused by this event is unlikely to be a permanent one. The decrease in the first half was compounded by the absence of the mega Asian Telecom show which was held in Hong Kong in the previous corresponding period. This will not be a permanent absence as Asian Telecom is held once every two years. Barring these two factors the Group would have achieved a turnover comparable with that of the previous corresponding period.

Profit Before Taxation decreased by 72.5% to HK\$6.65 million compared with HK\$24.18 million of the previous corresponding period.

## Operations

As of April 30, 2002, the Group operated 19 offices in 13 countries worldwide. Of these offices, 12 have production facilities. These are located in the Middle East, India, South East Asia, Greater China and the United States.

The production facilities in the United States is a new addition following our acquisition of a 70% interest in Architectural Concepts Inc. (“ACI”) in April 2002. ACI which was founded in 1989 is based in Atlanta and is one of the leading exhibition companies in Georgia, USA. It operates in a 100,000 square feet office and factory. ACI business covers the Eastern region of the United States. This serves to complement our existing office and operations on the West Coast which is based in Los Angeles. ACI’s notable clients include The Atlanta Braves, The Coca-Cola Co., Delta Airlines, CNN/Turner Broadcasting, Ga. Pacific, and UPS.

During the period under review, the Group completed several high profile exhibitions such as:

1. ITU Telecom Africa held in Johannesburg, November 2001. Pico was appointed the official Technical Services Provider. Our clients included Huawei, ZTE, Shanghai Bell, Alcatel, PTIC and the Iran Pavilion.
2. Seoul Airshow held in November 2001. Pico clients included Wia, Samsung Thales and Lost Wax.
3. Bangkok Motor Expo held in December 2001. Ford of Thailand was one of our notable clients.
4. Hong Kong Innovation Expo held in November 2001. Pico was appointed the official contractor by the Innovation and Technology Commission of Hong Kong. This show covered 13,000 square meters.
5. Las Vegas Footwear Show held in February 2002. This is the largest footwear show in America which is held every two years. Pico constructed booths for Diesel Footwear, XOXO and Mecca Footwear.
6. Taipei International Auto Show held in January 2002. Pico constructed booths for Mercedes Benz, Chrysler, Smart, BMW, Volvo, Citroen and Audi.