

Notes to the Financial Statements For the year ended October 31, 2002

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company acts as an investment holding company. The activities of its principal subsidiaries and associates are set out in notes 42 and 43 to the financial statements.

2. ADOPTION OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE

In the current year, the Group has adopted for the first time a number of new and revised Statements of Standard Accounting Practice ("SSAP"s) issued by the Hong Kong Society of Accountants. Adoption of these Standards has led to a number of changes in the Group's accounting policies. The revised accounting policies are set out in note 3. In addition, the new and revised Standards have introduced additional and revised disclosure requirements which have been adopted in these financial statements. Comparative amounts for the prior year have been restated in order to achieve a consistent presentation.

The adoption of these new and revised Standards has resulted in the following changes to the Group's accounting policies that have affected the amounts reported for the current or prior year.

Dividends proposed or declared after the balance sheet date

In accordance with SSAP 9 (Revised) *Events after the Balance Sheet Date*, dividends proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date, but are disclosed as a separate component of equity on the face of the balance sheet/in the notes to the financial statements. This change in accounting policy has been applied retrospectively.

Goodwill

In the current year, the Group has adopted SSAP 30 *Business Combinations* and has elected not to restate goodwill (negative goodwill) previously eliminated against (credited to) reserves. Accordingly, goodwill arising on acquisitions prior to November 1, 2001 is held in reserves and will be charged to the income statement at the time of disposal of the relevant subsidiary or associate, or at such time as the goodwill is determined to be impaired. Negative goodwill represents the excess of the fair value of the Group's share of the net assets acquired over the cost of acquisition.

For acquisitions after November 1, 2001, negative goodwill is presented in the same balance sheet classification as goodwill. To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the Group's plan for the acquisition and can be measured reliably, but which do not represent identifiable liabilities as the date of acquisition, that portion of negative goodwill is recognised in the income statement when the future losses and expenses are recognised. Any remaining negative goodwill, not exceeding the fair values of the non-monetary asset acquired, is recognised in the income statement over the estimated useful life of those assets of twenty years; negative goodwill in excess of the fair values of those non-monetary assets is recognised in the income statement immediately.

For acquisition prior to November 1, 2001, negative goodwill was taken directly to reserves on acquisition.

2. ADOPTION OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE – continued

Segment reporting

In the current year, the Group has changed the basis of identification of reportable segments to that required by SSAP 26 *Segment Reporting*. Segment disclosures for the year ended October 31, 2001 have been amended so that they are presented on a consistent basis.

The adoption of other new and revised SSAPs has not had any effect on the results for the current or prior year.

Early adoption of statements of standard accounting practice.

The Group has chosen to early adopt Statement of Changes in Equity as required in SSAP 1 (revised) "*Presentation of Financial Statements*" and SSAP 15 (revised) "*Cash Flow Statements*". As a result of the adoption of the above SSAPs, certain comparative figures have been reclassified to conform with the current year's presentation.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified for the revaluation of certain properties and investments in securities.

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to October 31 each year.

A subsidiary is a company in which the Company directly or indirectly holds more than 50 per cent. of the equity, or controls more than half of its voting power or controls the composition of its Board of Directors.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the Group have been eliminated on consolidation.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Goodwill

Goodwill represents the excess of the purchase consideration over the fair value ascribed to the Group's share of the separable net assets at the date of acquisition of a business/subsidiary and is written off to reserves immediately on acquisition.

Goodwill arising on acquisitions prior to November 1, 2001 continues to be held in reserves, and will be charged to the income statement at the time of disposal of the relevant subsidiary or associate, or at such time as the goodwill is determined to be impaired.

Goodwill arising on acquisitions after November 1, 2001 is capitalised and amortised on a straight-line basis over its useful economic life of twenty years. Goodwill arising on the acquisition of an associate is included within the carrying amount of the associate. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet as a separate intangible asset.

On disposal of a subsidiary, the attributable amount of goodwill previously eliminated against or credited to reserves is included in the determination of the profit or loss on disposal.

Any premium or discount arising on the acquisition of an interest in an associate, representing the excess or shortfall respectively of the purchase consideration over the fair value ascribed to the Group's share of the separable net assets of the associate at the date of acquisition, is dealt with in the same manner as described above for goodwill.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost, less any identified impairment loss. The results of subsidiaries are accounted for on the basis of dividends received and receivable.

Interests in associates

An associate is a company in which the Company holds not less than 20 per cent. and not more than 50 per cent. of the equity as long term investment and exercises a significant influence in its management, including participation in financial and operating policy decisions.

The consolidated income statement includes the Group's share of the post-acquisition results of its associates for the year. In the consolidated balance sheet, interests in associates are stated at the Group's share of the net assets less any identified impairment losses.

Turnover

Turnover represents the contract sums received and receivable from contract work recognised on the percentage of completion method and the amounts receivable for services rendered during the year.

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue recognition

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.

Interest income from bank deposits is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

Dividend income from non-trading securities is recognised when the shareholders' rights to receive payment have been established.

Rental income, including rentals invoiced in advance from properties or assets held under operating leases, is recognised on a straight line basis over the terms of the relevant leases.

Investment properties

Investment properties are completed properties which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties are stated at their open market value based on independent professional valuations at the balance sheet date. Any surplus or deficit arising on the revaluation of investment properties is credited or charged to the investment property revaluation reserve unless the balance of this reserve is insufficient to cover a deficit on a portfolio basis, in which case the excess of the deficit over the balance of the investment property revaluation reserve is charged to the income statement. Where a deficit has previously been charged to the income statement and a revaluation surplus subsequently arises, this surplus is credited to the income statement to the extent of the deficit previously charged.

On disposal of an investment property, the balance on the investment property revaluation reserve attributable to that property is transferred to the income statement.

No depreciation is provided on investment properties which are held on leases with an unexpired term of more than 20 years.

Property, plant and equipment

Property, plant and equipment other than properties under development are stated at cost less depreciation or amortisation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset, the expenditure is capitalised as an additional cost of the asset.

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Property, plant and equipment – continued

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Depreciation and amortisation is provided to write off the cost of items of property, plant and equipment other than properties under development over their estimated useful lives from the date on which they are ready for their intended use, using the straight-line method, at the following rates per annum:

Freehold land	Nil
Leasehold land	2% or over the terms of the relevant leases where less than 50 years
Buildings	2% – 5% or over the terms of the relevant leases
Leasehold improvements	20%
Furniture, fixtures and office equipment	20%
Tools, machinery, factory equipment and fittings	20% – 33 ¹ / ₃ %
Motor vehicles	20%
Operating supplies	20% – 33 ¹ / ₃ %

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the terms of the relevant leases.

Assets held under hire purchase contracts are depreciated over their estimated useful lives on the same basis as owned assets.

Properties under development

Properties under development for production, rental 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 the 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 and borrowing costs capitalised in accordance with the Group's accounting policy.

Non-trading securities

Investments which are held for non-trading purpose are stated at fair value at the balance sheet date. Changes in fair value of individual securities are credited or debited to the investment revaluation reserve until the security is sold, or is determined to be impaired. Upon disposal, the cumulative gain or loss representing the difference between the net sales proceeds and the carrying amount of the relevant security, together with any surplus/deficit transferred from the investment revaluation reserve, is dealt with in the income statements.

Where there is objective evidence that individual investments are impaired the cumulative loss recorded in the revaluation reserve is taken to the income statement.

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Inventories

Inventories are 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 inventories to their present location and condition, is calculated using the first-in, first-out method. Net realisable value represents 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 cost, 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.

Trade receivables

Provision is made against trade receivables to the extent they are considered to be doubtful. Trade receivables in the balance sheet are stated net of such provision.

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. Capitalisation of such borrowing costs ceases when 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 capitalised.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Leased assets and assets held under hire purchase contracts

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership of the assets concerned to the Group. Assets held under finance leases and hire purchase contracts are capitalised at their fair values at the respective date of acquisition. The corresponding liability to the lessor or hirer, net of interest charges, is included in the balance sheet as a finance lease or hire purchase obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the period of the relevant leases and contracts so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases.

The rentals payable are charged to the income statement on a straight-line basis over the relevant lease terms.

Foreign currencies

Transactions in currencies other than Hong Kong dollars are translated into Hong Kong dollars at the rates of exchange ruling on the dates of the transactions.

Monetary assets and liabilities denominated in currencies other than Hong Kong dollars are re-translated into Hong Kong dollars at the rates ruling on the balance sheet date. Gains and losses arising on exchange are dealt with in the income statement.

The balance sheets of subsidiaries and associates expressed in foreign currencies are translated at the notes of exchange ruling at the balance sheet date whilst income statement items are translated at average rates. Exchange differences are dealt with as a movement in reserves. Upon the disposal of an overseas subsidiary or associate, the related cumulative exchange difference is included in the income statement as part of the gain or loss on disposal.

Taxation

The charge for taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognised in the financial statements. The tax effect of the timing differences, computed under the liability method, is recognised as deferred taxation in the financial statements to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Cash and cash equivalents

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 which are subject to an insignificant risk of change in value. For the purpose of cash flow, bank overdrafts which are repayable on demand form an integral part of an enterprise's cash management are also included as a component of cash and cash equivalents.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another accounting standard, in which case the impairment loss is treated as revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, the reversal of the impairment loss is treated as a revaluation increase.

Retirement benefits scheme

The amount of the contributions payable to the Group's defined contribution retirement benefits scheme is charged to the income statement.

Segment reporting

In accordance with the Group's internal financial reporting, the Group has determined that geographical segments be presented as the primary reporting format and business segments as the secondary reporting format.

Unallocated costs represent corporate expenses. Segment assets consist primarily of intangible assets, fixed assets, inventories, receivables and operating cash and mainly exclude interests in associates, tax refundable and certain corporate assets. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to property, plant and equipment (note 15), including additions resulting from acquisitions through acquisition of subsidiaries (note 32).

In presenting information on the basis of geographical segments, segment turnover and segment operating results are based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Related parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company has a 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 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.

Event after the balance sheet date

Post-year-end events that provide additional information about the Company's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

Notes to the Financial Statements For the year ended October 31, 2002

4. TURNOVER, REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the exhibition stand design and fabrication, museum interior fit outs, sign advertising, the organisation of exhibition and conference, exhibition hall management services, the provision of internet services and other activities. Revenue recognised during the year are as follows:

	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
Exhibitions and exhibition related business	801,845	1,055,257
Museum interior fit-outs	115,694	193,993
Sign advertising	44,770	41,768
Exhibition and conference organiser	26,054	5,604
Exhibition hall management	15,596	10,308
Internet services	4,211	5,660
Others activities	3,952	5,716
	1,012,122	1,318,306

Primary reporting format – geographical segments

The Group operates, through its subsidiaries or associates on a worldwide basis, and mainly in eight geographical areas – Hong Kong, China, Singapore, Malaysia, America, Japan, Middle East and Taiwan. Other countries include South Korea, United Kingdom, Sri Lanka, India and other regions in South Asia.

In presenting information on the basis of geographical segments, segment turnover and segment operating results are based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Notes to the Financial Statements For the year ended October 31, 2002

4. TURNOVER, REVENUE AND SEGMENT INFORMATION – continued

Secondary reporting format – business segments

The Group is categorised into six main business segments:

- Exhibitions and exhibition related business;
- Museum interior fit-outs;
- Sign advertising;
- Exhibition and conference organiser;
- Exhibition hall management; and
- Internet services

Others activities of the Group include rental income from leasing properties, tools, and equipment and other service fees.

(i) Primary reporting format – geographical segments

Year ended October 31, 2002

Income Statement

	Hong Kong HK\$'000	China HK\$'000	Singapore HK\$'000	Malaysia HK\$'000	America HK\$'000	Japan HK\$'000	Middle East HK\$'000	Taiwan HK\$'000	Others HK\$'000	Elimination HK\$'000	Group HK\$'000
REVENUE											
External sales	200,069	191,668	191,461	62,292	59,631	55,254	52,872	108,102	90,773	-	1,012,122
Inter-segment sales	43,029	41,218	30,744	269	5,764	5,844	6,482	2,174	2,795	(138,319)	-
Total revenue	243,098	232,886	222,205	62,561	65,395	61,098	59,354	110,276	93,568	(138,319)	1,012,122
Inter-segment sales are charged at prevailing market rates.											
RESULTS											
Segment results	14,445	11,699	5,037	6,793	553	2,556	2,055	1,467	1,257		45,862
Interest income											2,280
Unallocated costs											(16,755)
Profit from operations											31,387
Finance costs											(6,117)
Share of profits of associates	2,359	-	148	16	-	-	-	-	783		3,306
Profit before taxation											28,576
Taxation											(8,396)
Profit before minority interests											20,180
Minority interests											(4,147)
Net profit for the year											16,033

Notes to the Financial Statements For the year ended October 31, 2002

4. TURNOVER, REVENUE AND SEGMENT INFORMATION – continued

(i) Primary reporting format – geographical segments – continued

Year ended October 31, 2002

Balance Sheet

	Hong Kong HK\$'000	China HK\$'000	Singapore HK\$'000	Malaysia HK\$'000	America HK\$'000	Japan HK\$'000	Middle East HK\$'000	Taiwan HK\$'000	Others HK\$'000	Elimination HK\$'000	Group HK\$'000
ASSETS											
Segment assets	183,248	138,224	240,593	59,296	30,976	23,779	31,102	33,971	42,262		783,451
Interests in associates											18,739
Unallocated assets											96,903
Consolidated total assets											899,093
LIABILITIES											
Segment liabilities	95,722	84,602	120,767	27,213	15,267	17,071	19,265	13,780	13,348		407,035
Unallocated liabilities											27,998
Consolidated total liabilities											435,033
Other Information											
Capital additions	1,424	2,843	5,100	1,336	3,375	-	1,336	79	2,698		18,191
Depreciation and amortisation	10,737	4,187	12,672	1,992	1,171	85	880	275	3,945		35,944
Other non-cash expenses	254	2,080	1,917	628	168	272	135	-	195		5,649

Notes to the Financial Statements For the year ended October 31, 2002

4. TURNOVER, REVENUE AND SEGMENT INFORMATION – continued

(i) Primary reporting format – geographical segments – continued

Year ended October 31, 2001

Income Statement

	Hong Kong HK\$'000	China HK\$'000	Singapore HK\$'000	Malaysia HK\$'000	America HK\$'000	Japan HK\$'000	Middle East HK\$'000	Taiwan HK\$'000	Others HK\$'000	Elimination HK\$'000	Group HK\$'000
REVENUE											
External sales	354,758	187,145	354,235	77,592	42,587	79,891	63,603	52,512	105,983	-	1,318,306
Inter-segment sales	46,052	58,682	22,296	601	5,928	6,724	1,411	2,668	5,175	(149,537)	-
Total revenue	400,810	245,827	376,531	78,193	48,515	86,615	65,014	55,180	111,158	(149,537)	1,318,306
Inter-segment sales are charged at prevailing market rates.											
RESULTS											
Segment results	29,225	7,015	7,804	8,175	1,058	3,264	2,963	3,559	4,125		67,188
Interest income											3,501
Unallocated costs											(19,855)
Profit from operations											50,834
Finance costs											(9,220)
Share of profits of associates	2,725	-	99	167	-	-	-	-	-	-	2,991
Profit before taxation											44,605
Taxation											(10,939)
Profit before minority interests											33,666
Minority interests											(2,473)
Net profit for the year											31,193

Notes to the Financial Statements For the year ended October 31, 2002

4. TURNOVER, REVENUE AND SEGMENT INFORMATION – continued

(i) Primary reporting format – geographical segments – continued

Year ended October 31, 2001

Balance Sheet

	Hong Kong HK\$'000	China HK\$'000	Singapore HK\$'000	Malaysia HK\$'000	America HK\$'000	Japan HK\$'000	Middle East HK\$'000	Taiwan HK\$'000	Others HK\$'000	Elimination HK\$'000	Group HK\$'000
ASSETS											
Segment assets	204,558	132,696	325,600	67,950	15,963	24,603	18,559	32,649	67,583		890,161
Interests in associates											8,710
Unallocated assets											99,189
Consolidated total assets											998,060
LIABILITIES											
Segment liabilities	105,393	75,062	211,626	36,085	3,403	15,016	9,816	16,513	20,749		493,663
Unallocated liabilities											36,945
Consolidated total liabilities											530,608
Other Information											
Capital additions	5,500	3,024	11,302	1,137	318	255	440	581	4,429		26,986
Depreciation and amortisation	10,703	4,579	15,204	2,529	742	121	743	259	4,910		39,790
Other non-cash expenses	1,119	1,064	4,071	737	239	63	452	342	186		8,273

Notes to the Financial Statements For the year ended October 31, 2002

4. TURNOVER, REVENUE AND SEGMENT INFORMATION – continued

(ii) Secondary reporting format – business segments

Year ended October 31, 2002

	Turnover <i>HK\$'000</i>	Profit (loss) from operations <i>HK\$'000</i>	Consolidated total assets <i>HK\$'000</i>	Capital expenditure <i>HK\$'000</i>
Exhibitions and exhibition related business	801,845	35,850	618,426	16,261
Museum interior fit-outs	115,694	1,672	29,877	–
Sign advertising	44,770	6,501	30,633	1,015
Exhibition and conference organiser	26,054	3,795	16,419	133
Exhibition hall management	15,596	2,523	28,190	–
Internet services	4,211	(3,297)	25,486	79
Others activities	3,952	(1,182)	34,420	703
	<u>1,012,122</u>	<u>45,862</u>	<u>783,451</u>	<u>18,191</u>
Interest income		2,280		
Unallocated costs		<u>(16,755)</u>		
Operating profit		<u>31,387</u>		
Interest in associates			18,739	
Unallocated assets			<u>96,903</u>	
Total assets			<u>899,093</u>	

Notes to the Financial Statements For the year ended October 31, 2002

4. TURNOVER, REVENUE AND SEGMENT INFORMATION – continued

(ii) Secondary reporting format – business segments – continued

Year ended October 31, 2001

	Turnover <i>HK\$'000</i>	Profit (loss) from operations <i>HK\$'000</i>	Consolidated total assets <i>HK\$'000</i>	Capital expenditure <i>HK\$'000</i>
Exhibitions and exhibition related business	1,055,257	62,586	676,960	23,389
Museum interior fit-outs	193,993	6,209	31,765	406
Sign advertising	41,768	3,492	30,120	1,208
Exhibition and conference organiser	5,604	1,073	55,106	1,340
Exhibition hall management	10,308	(1,056)	30,997	–
Internet services	5,660	(5,531)	30,172	41
Others activities	5,716	415	35,041	602
	<u>1,318,306</u>	<u>67,188</u>	<u>890,161</u>	<u>26,986</u>
Interest income		3,501		
Unallocated costs		(19,855)		
Operating profit		<u>50,834</u>		
Interest in associates			8,710	
Unallocated assets			99,189	
Total assets			<u>998,060</u>	

5. OTHER REVENUE

	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
Included in other revenue are:		
Interest income	2,280	3,501
Rental income, net of outgoings	6,117	6,648

The gross rental income from investment properties for the years of 2002 and 2001 amounted to approximately HK\$595,000 and HK\$3,352,000 respectively.

Notes to the Financial Statements For the year ended October 31, 2002

6. PROFIT FROM OPERATIONS

	2002 HK\$'000	2001 HK\$'000
Profit from operations has been arrived at after charging:		
Auditors' remuneration	1,828	2,530
Depreciation and amortisation:		
Assets owned by the Group	34,626	38,206
Assets held under finance leases and hire purchase contracts	1,318	1,584
	35,944	39,790
Amortisation of goodwill	130	–
Loss on disposal of property, plant and equipment	2,769	883
Revaluation deficit of investment properties	997	–
Operating lease rentals in respect of:		
Office premises and staff quarters	11,845	9,543
Equipment	4,238	4,055
Provision for bad and doubtful debts	4,708	8,037
Provision for amount due from investee company and project loan receivable	278	6,121
Provision for impairment loss of non-trading securities	500	–
Staff costs:		
Directors' emoluments		
Fees	660	1,040
Other emoluments including benefits in kind	9,384	13,190
	10,044	14,230
Other staff costs:		
Salaries and other allowances	199,372	221,876
Retirement benefits scheme contributions net of forfeited contributions of approximately HK\$361,000 (2001: HK\$490,000)	13,563	14,163
	222,979	250,269
and crediting:		
Gain on disposal of property, plant and equipment	1,383	410
Gain on revaluation of investment properties	–	449
Unrealised gain on non-trading securities	101	–
Realised gain on non-trading securities	43	–

Notes to the Financial Statements For the year ended October 31, 2002

7. FINANCE COSTS

	2002 HK\$'000	2001 HK\$'000
Interest on:		
Bank borrowings wholly repayable within five years	4,921	6,452
Bank borrowings not wholly repayable within five years	780	2,190
	5,701	8,642
Finance charges in respect of finance leases and hire purchase contracts	416	578
Total borrowing costs	6,117	9,220

8. DIRECTORS' EMOLUMENTS

	2002 HK\$'000	2001 HK\$'000
Directors' emoluments:		
Fees:		
Executive Directors	500	800
Non-Executive Directors	160	240
	660	1,040
Other emoluments to Executive Directors:		
Salaries and other benefits in kind (<i>note</i>)	9,357	13,157
Retirement benefits scheme	27	33
Estimated rental value for rent-free accommodation provided to Directors	808	843
	10,852	15,073

The amount disclosed above includes Directors' fees of HK\$160,000 (2001: HK\$160,000) payable to Independent Non-executive Directors.

Note: An amount of approximately HK\$311,000 (2001: HK\$729,000) of operating lease rentals in respect of rented premises had been included as part of Directors' emoluments.

Notes to the Financial Statements For the year ended October 31, 2002

8. DIRECTORS' EMOLUMENTS – continued

The emoluments of the Directors were within the following bands:

	Number of Directors	
	2002	2001
Nil – HK\$1,000,000	5	3
HK\$1,000,001 – HK\$1,500,000	–	–
HK\$1,500,001 – HK\$2,000,000	1	–
HK\$2,000,001 – HK\$2,500,000	–	3
HK\$2,500,001 – HK\$3,000,000	1	–
HK\$3,000,001 – HK\$3,500,000	–	1
HK\$3,500,001 – HK\$4,000,000	–	–
HK\$4,000,001 – HK\$4,500,000	1	–
HK\$4,500,001 – HK\$5,000,000	–	1
	8	8

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 has waived any emoluments during the year.

9. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2001: five) were Directors of the Company whose emoluments are included in the disclosures in note 8 above. The emoluments of the remaining two (2001: nil) individuals were as follows:

	2002 HK\$'000
Salaries and other benefits	4,929
Retirement benefits scheme	73
	5,002

Notes to the Financial Statements For the year ended October 31, 2002

9. EMPLOYEES' EMOLUMENTS – continued

	Number of employees 2002
Nil – HK\$1,000,000	–
HK\$1,000,001 – HK\$1,500,000	–
HK\$1,500,001 – HK\$2,000,000	–
HK\$2,000,001 – HK\$2,500,000	1
HK\$2,500,001 – HK\$3,000,000	1
HK\$3,000,001 – HK\$3,500,000	–
HK\$3,500,001 – HK\$4,000,000	–
HK\$4,000,001 – HK\$4,500,000	–
HK\$4,500,001 – HK\$5,000,000	–
	2

10. TAXATION

	2002 HK\$'000	2001 HK\$'000
The charge comprises:		
Profits tax for the year		
Hong Kong	979	840
Overseas	7,279	8,408
(Over) underprovision in prior years		
Hong Kong	(275)	(60)
Overseas	(467)	1,085
	7,516	10,273
Share of tax on results of associates	681	431
Deferred taxation (<i>note 30</i>)	199	235
	8,396	10,939

Hong Kong profits tax is calculated at 16% (2001: 16%) 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.

Overseas taxation is calculated at the rates prevailing in the relevant jurisdictions.

The Group did not have any significant unprovided deferred taxation for the year.

Notes to the Financial Statements For the year ended October 31, 2002

11. NET PROFIT FOR THE YEAR

Of the Group's net profit for the year of approximately HK\$16,033,000 (2001: HK\$31,193,000), a profit of approximately HK\$4,308,000 (2001: a profit of HK\$7,631,000) has been dealt with in the financial statements of the Company.

12. DIVIDENDS PAID

	2002 HK\$'000	As restated 2001 HK\$'000
2001 final dividend paid – HK3 cents per share (2000: HK3.5 cents per share)	16,364	17,359

A final dividend of HK1.5 cents per share has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

13. EARNINGS PER SHARE

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

	THE GROUP	
	2002 HK\$'000	2001 HK\$'000
Earnings for the purposes of basic earnings per share	16,033	31,193
	2002	2001
Weighted average number of ordinary shares for the purposes of basic earnings per share	546,864,063	498,669,581
Effect of dilutive potential ordinary shares in respect of options	871	394,925
Weighted average number of ordinary shares for the purposes of diluted earnings per share	546,864,934	499,064,506

Notes to the Financial Statements For the year ended October 31, 2002

14. INVESTMENT PROPERTIES

THE GROUP	
<i>HK\$'000</i>	
VALUATION	
At November 1, 2001	28,792
Reclassification (<i>note 15</i>)	(15,655)
Revaluation deficit	(997)
<hr/>	
At October 31, 2002	12,140

The investment properties were valued by Castores Magi Surveyors Limited, registered professional surveyors, at October 31, 2002, on an open market value existing state basis, and the resulting revaluation deficit of HK\$997,000 has been charged to the consolidated income statement. The investment properties are analysed as follows:

	THE GROUP	
	2002	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Land situated in Hong Kong held under medium-term leases	3,450	3,500
Land situated outside Hong Kong held under long leases	8,690	9,637
Land situated outside Hong Kong held under medium-term leases	–	15,655
<hr/>		
	12,140	28,792

Notes to the Financial Statements For the year ended October 31, 2002

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings situated in Hong Kong <i>HK\$'000</i>	Land and buildings situated outside Hong Kong <i>HK\$'000</i>	Leasehold improvements <i>HK\$'000</i>	Furniture, fixtures and office equipment <i>HK\$'000</i>	Tools, machinery, factory equipment and fittings <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Operating supplies <i>HK\$'000</i>	Properties under development <i>HK\$'000</i>	Total <i>HK\$'000</i>
THE GROUP									
COST									
At November 1, 2001	126,851	214,554	25,293	105,437	104,719	17,776	23,326	3,836	621,792
Exchange adjustments	-	5,191	201	1,750	293	357	311	138	8,241
Additions	-	69	589	3,743	1,541	3,558	552	-	10,052
Acquisition of subsidiaries	-	-	1,953	649	5,273	264	-	-	8,139
Disposal of subsidiaries	-	(9,335)	(588)	(9,468)	(8,499)	(2,250)	(177)	-	(30,317)
Disposals	-	(1,897)	(1,653)	(9,932)	(12,116)	(3,493)	(1,889)	-	(30,980)
Reclassifications (note 14)	-	15,655	-	-	-	-	-	-	15,655
At October 31, 2002	126,851	224,237	25,795	92,179	91,211	16,212	22,123	3,974	602,582
DEPRECIATION AND AMORTISATION									
At November 1, 2001	8,143	43,552	19,198	79,125	79,402	10,663	21,128	-	261,211
Exchange adjustments	-	1,122	159	1,260	458	182	452	-	3,633
Provided for the year	2,631	6,135	3,584	10,522	9,599	2,252	1,221	-	35,944
Acquisition of subsidiaries	-	-	645	281	3,141	233	-	-	4,300
Disposal of subsidiaries	-	(2,092)	(569)	(7,147)	(4,639)	(798)	(340)	-	(15,585)
Eliminated on disposals	-	(320)	(1,378)	(9,385)	(13,596)	(2,789)	(1,663)	-	(29,131)
At October 31, 2002	10,774	48,397	21,639	74,656	74,365	9,743	20,798	-	260,372
NET BOOK VALUES									
At October 31, 2002	116,077	175,840	4,156	17,523	16,846	6,469	1,325	3,974	342,210
At October 31, 2001	118,708	171,002	6,095	26,312	25,317	7,113	2,198	3,836	360,581

The properties under development represent land situated outside Hong Kong held under medium-term leases with carrying values of approximately HK\$3,974,000 (2001: HK\$3,836,000).

The net book value of property, plant and equipment includes an amount of approximately HK\$4,146,000 (2001: HK\$7,634,000) in respect of assets held under finance leases and hire purchase contracts.

Notes to the Financial Statements For the year ended October 31, 2002

15. PROPERTY, PLANT AND EQUIPMENT – continued

The net book value of land and buildings outside Hong Kong comprises:

	THE GROUP	
	2002 HK\$'000	2001 HK\$'000
Land and buildings situated in Hong Kong held under:		
Long leases	84,953	86,793
Medium-term leases	31,124	31,915
	116,077	118,708
Land and buildings situated outside Hong Kong held under:		
Freehold properties	15,777	22,833
Long leases	11,889	7,038
Medium-term leases	142,319	132,818
Short leases	5,855	8,313
	175,840	171,002

As the Group is engaged in the exhibition related business, tools, machinery, factory equipment and fittings are available for short-term leasing. If required, the land and buildings are also available for short-term leasing.

16. INTERESTS IN SUBSIDIARIES

	THE COMPANY	
	2002 HK\$'000	2001 HK\$'000
Unlisted shares	66,394	66,394
Amount due from a subsidiary	554,281	554,281
	620,675	620,675

The carrying value of the unlisted shares is based on the underlying net tangible assets of the subsidiaries at the time when they became members of the Group at the date of reorganisation.

The amount due from a subsidiary is unsecured, non-interest bearing and the Company will not demand for repayment from the subsidiary within the next twelve months from the balance sheet date.

Particulars of the Company's principal subsidiaries at October 31, 2002 are set out in note 42.

Notes to the Financial Statements For the year ended October 31, 2002

17. GOODWILL

	THE GROUP	
	<i>HK\$'000</i>	
Cost:		
Arising on acquisition of subsidiaries		4,715
Exchange difference on acquisition		(56)
		<hr/> 4,659
Accumulated amortisation:		
Provided for the year and balance at October 31, 2002		(130)
Net book Values:		
At October 31, 2002		4,529
At October 31, 2001		–

The amortisation period adopted for goodwill is twenty years.

Notes:

- (a) A goodwill of approximately HK\$4,125,000 was accounted for on the acquisition of a 70 per cent. equity interest in Architectural Concepts, Inc. ("ACI") by the Group. The goodwill is amortized over its expected useful life of twenty years. ACI is incorporated in Georgia, the United States of America and is engaged in exhibition business in Atlanta.
- (b) During the period, goodwill of approximately HK\$590,000 arose on the acquisition of a subsidiary and is amortized over twenty years, reflecting its expected useful life.

18. INTERESTS IN ASSOCIATES

	THE GROUP	
	2002	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Share of net assets of unlisted associates	18,739	8,710

Particulars of the Group's principal associates at October 31, 2002 are set out in note 43.

Notes to the Financial Statements For the year ended October 31, 2002

19. NON-TRADING SECURITIES

	THE GROUP	
	2002 HK\$'000	2001 HK\$'000
Market value of equity securities listed in Hong Kong	1,768	214
Other investments	5,773	6,107
	7,541	6,321

20. OTHER RECEIVABLES

	THE GROUP	
	2002 HK\$'000	2001 HK\$'000
Amount due from an investee company (<i>note a</i>)	26,621	24,301
Less: Provision	(9,837)	(9,559)
	16,784	14,742
Project loan receivable (<i>note b</i>)	18,974	18,974
Less: Provision	(8,871)	(8,871)
	10,103	10,103
	26,887	24,845

Notes:

- (a) The amount due from an investee company is unsecured, non-interest bearing and the Group will not demand for repayment from the investee company within the next twelve months from the balance sheet date.
- (b) The project loan receivable represents an advance to Hassell Holdings Limited, being a company in which the Group has a 10 per cent. equity interest, is unsecured and non-interest bearing. The purpose of the advance is to finance a property development project.

Notes to the Financial Statements For the year ended October 31, 2002

21. INVENTORIES

	THE GROUP	
	2002 HK\$'000	2001 HK\$'000
Raw materials	10,792	10,742
Finished goods	4,030	1,139
	14,822	11,881

All inventories were carried at cost at the balance sheet date.

The cost of inventories recognised as an expense during the year amounted to HK\$107,554,000 (2001: HK\$99,165,000).

22. CONTRACT WORK IN PROGRESS

	THE GROUP	
	2002 HK\$'000	2001 HK\$'000
Contract costs incurred plus recognised profits less recognised losses	3,068	30,889

23. DEBTORS, DEPOSITS AND PREPAYMENTS

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

Included in debtors, deposits and prepayments are trade debtors of HK\$217,402,000 (2001: HK\$254,265,000), an aged analysis of which at the reporting date is as follows:

	2002 HK\$'000	2001 HK\$'000
0 – 90 days	170,369	213,712
91 – 180 days	20,545	16,048
181 – 365 days	16,742	15,203
More than 1 year	9,746	9,302
	217,402	254,265

Notes to the Financial Statements For the year ended October 31, 2002

24. AMOUNTS DUE FROM SUBSIDIARIES AND ASSOCIATES

The amounts due from subsidiaries and associates are unsecured, non-interest bearing and are repayable on demand.

25. CREDITORS AND ACCRUED CHARGES

Included in creditors and accrued charges are trade creditors of HK\$113,083,000 (2001: HK\$173,970,000), an aged analysis of which at the reporting date is as follows:

	2002 HK\$'000	2001 HK\$'000
0 – 90 days	82,543	134,289
91 – 180 days	16,377	26,774
181 – 365 days	5,687	3,622
More than 1 year	8,476	9,285
	113,083	173,970

Notes to the Financial Statements For the year ended October 31, 2002

26. BORROWINGS

	THE GROUP	
	2002 HK\$'000	2001 HK\$'000
Borrowings comprise the following:		
Bank overdrafts	7,363	5,815
Bank and other loans	117,427	102,689
	124,790	108,504
Obligations under finance leases and hire purchase contracts (<i>note 27</i>)	2,815	5,073
	127,605	113,577
Secured	50,038	44,392
Unsecured	77,567	69,185
	127,605	113,577
The maturity of the above borrowings is as follows:		
Bank loans and overdrafts:		
On demand or within one year	96,106	84,418
More than one year, but not exceeding two years	19,107	8,429
More than two years, but not exceeding five years	9,577	14,089
More than five years	–	1,568
	124,790	108,504
Obligations under finance leases and hire purchase contracts (<i>note 27</i>)	2,815	5,073
	127,605	113,577
Less: Amount due within one year shown under current liabilities	(97,034)	(85,226)
Amount due for settlement after one year	30,571	28,351

Notes to the Financial Statements For the year ended October 31, 2002

27. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	Minimum lease payments		Present value of minimum lease payments	
	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Amounts payable under finance leases				
Within one year	1,059	3,015	928	2,608
In the second to fifth years inclusive	2,119	2,875	1,887	2,465
	3,178	5,890	2,815	5,073
<i>Less: Future finance charges</i>	(363)	(817)	N/A	N/A
Present value of finance leases obligations <i>(note 26)</i>	2,815	5,073	2,815	5,073

It is the Group's practice to lease certain of its fixtures and equipment under finance leases. The average lease term is three years. For the year ended October 31, 2002, the average effective borrowing rate was 10.5 per cent. per annum. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Notes to the Financial Statements For the year ended October 31, 2002

28. SHARE CAPITAL

	Number of shares		Share capital	
	2002	2001	2002 HK\$'000	2001 HK\$'000
Ordinary shares of HK\$0.1 each:				
<i>Authorised:</i>				
At beginning of year and at end of year	600,000,000	600,000,000	60,000	60,000
<i>Issued and fully paid:</i>				
At beginning of year	545,457,252	495,957,252	54,546	49,596
Shares issued on acquisition of subsidiaries	–	49,500,000	–	4,950
Exercise of share options (<i>note a</i>)	2,814,000	–	281	–
At end of year	548,271,252	545,457,252	54,827	54,546

Notes:

(a) **Share capital**

During the year, 2,778,000 and 36,000 shares were issued at HK\$0.5 and HK\$0.461 per share respectively as a result of the exercise of share options of the Company.

(b) **Share option scheme**

Pursuant to the Extraordinary General Meeting of the Company held on January 7, 2002, the Board of Directors of the Company terminate the share option scheme ("1992 Scheme") adopted on September 4, 1992 and approve the adoption of new Share Option Scheme ("2002 Scheme") in order to fully comply with Chapter 17 of Hong Kong Listing Rules.

Notes to the Financial Statements For the year ended October 31, 2002

28. SHARE CAPITAL – continued

Details of outstanding options over new shares of the Company at the beginning and at the end of the year which have been granted under the 1992 and 2002 Scheme are as follows:

A summary of the movements of share options during the year is as follows:

Date of grant	Exercisable period	Consideration	Exercise price HK\$	Share options			Share options lapsed during the year	At October 31, 2002
				At November 1, 2001	granted during the year	exercised during the year		
March 14, 1997	September 14, 1997 to March 13, 2002	Nil	3.428	18,734,000	-	-	(18,734,000)	-
December 17, 1999	May 17, 2000 to December 17, 2004 (note 1)	Nil	0.63	4,808,000	-	-	-	4,808,000
December 17, 2000	May 17, 2001 to December 17, 2005 (note 2)	Nil	0.49	6,903,800	-	-	-	6,903,800
January 14, 2002	February 14, 2002 to January 14, 2007 (note 3)	Nil	0.604	-	5,990,000	-	-	5,990,000
April 30, 2002	May 2, 2002 to April 30, 2007 (note 4)	Nil	0.5	-	10,822,000	(2,778,000)	-	8,044,000
June 11, 2002	June 12, 2002 to June 11, 2007 (note 5)	Nil	0.461	-	138,000	(36,000)	-	102,000

Notes:

- (1) The options were to be vested in four equal tranches on December 17, 1999, 2000, 2001 and 2002.

The first tranche vested on December 17, 1999 was exercisable after six months on May 17, 2000 and up to December 17, 2004.

The second, third and fourth tranches were exercisable when vested and exercisable up to December 17, 2004.

Notes to the Financial Statements For the year ended October 31, 2002

28. SHARE CAPITAL – continued

- (2) The options were to be vested in four equal tranches on December 17, 2000, 2001, 2002 and 2003.

The first tranche vested on December 17, 2000 was exercisable after six months on May 17, 2001 and up to December 17, 2005.

The second, third and fourth tranches were exercisable when vested and exercisable up to December 17, 2005.

- (3) The options were to be vested in four equal tranches on January 14, 2002, 2003, 2004 and 2005.

The first tranche vested on January 14, 2002 was exercisable after one month on February 14, 2002 and up to January 14, 2007.

The second, third and fourth tranches were exercisable when vested and exercisable up to January 14, 2007.

- (4) The options were to be vested in four equal tranches on April 30, November 1, 2002 and May 1, November 1, 2003.

The first tranche vested on April 30, 2002 was exercisable in the next business day on May 2, 2002 and up to April 30, 2007.

The second, third and fourth tranches were exercisable when vested and exercisable up to April 30, 2007.

- (5) The options were to be vested in four equal tranches on June 11, November 1, 2002 and May 1, November 1, 2003.

The first tranche vested on June 11, 2002 was exercisable in the next business day on June 12, 2002 and up to June 11, 2007.

Notes to the Financial Statements For the year ended October 31, 2002

29. CAPITAL AND RESERVES

	Capital			Investment			Legal Translation reserve	Special reserve	Retained earnings	Total
	Share capital	Share premium	Share redemption reserve	Capital reserve	revaluation reserve	Goodwill reserve				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
THE GROUP										
At November 1, 2000										
– previously reported	49,596	584,657	247	(11,998)	(1,010)	(383,069)	838	(50,103)	–	217,729
– effect of adopting SSAP 9 (revised)	–	–	–	–	–	–	–	–	–	17,359
	49,596	584,657	247	(11,998)	(1,010)	(383,069)	838	(50,103)	–	235,088
Shares issued at premium	4,950	13,860	–	–	–	–	–	–	–	18,810
Deficit on revaluation of non-trading securities	–	–	–	–	(305)	–	–	–	–	(305)
Goodwill on acquisition of subsidiaries	–	–	–	–	–	(28,916)	–	–	–	(28,916)
Negative goodwill released on disposal of associate	–	–	–	–	–	(39)	–	–	–	(39)
Exchange difference arising on translation of financial statements of overseas operations	–	–	–	–	–	–	–	(5,700)	–	(5,700)
Transfer	–	–	–	–	–	–	217	10	–	(227)
Net profit for the year	–	–	–	–	–	–	–	–	–	31,193
2000 final dividend paid (note 12)	–	–	–	–	–	–	–	–	–	(17,359)
	54,546	598,517	247	(11,998)	(1,315)	(412,024)	1,055	(55,793)	–	248,695
At October 31, 2001										
Representing:										
2001 final dividend proposed										16,364
Others										232,331
Retained earnings at October 31, 2001										248,695
Attributable to:										
Company and subsidiaries	54,546	598,517	247	(11,998)	(1,315)	(412,024)	1,055	(55,793)	–	242,291
Associates	–	–	–	–	–	–	–	–	–	6,404
	54,546	598,517	247	(11,998)	(1,315)	(412,024)	1,055	(55,793)	–	248,695
At November 1, 2001										
– previously reported	54,546	598,517	247	(11,998)	(1,315)	(412,024)	1,055	(55,793)	–	232,331
– effect of adopting SSAP 9 (revised)	–	–	–	–	–	–	–	–	–	16,364
	54,546	598,517	247	(11,998)	(1,315)	(412,024)	1,055	(55,793)	–	248,695
Shares issued at premium	281	1,124	–	–	–	–	–	–	–	1,405
Deficit on revaluation of non-trading securities	–	–	–	–	(1,143)	–	–	–	–	(1,143)
Exchange difference arising on translation of financial statements of overseas operations	–	–	–	–	–	–	–	2,267	–	2,267
Transfer	–	–	–	–	–	–	93	1	–	(94)
Net profit for the year	–	–	–	–	–	–	–	–	–	16,033
2001 final dividend paid (note 12)	–	–	–	–	–	–	–	–	–	(16,364)
	54,827	599,641	247	(11,998)	(2,458)	(412,024)	1,148	(53,525)	–	248,270
At October 31, 2002										
Representing:										
2002 final dividend proposed										8,255
Others										240,015
Retained earnings at October 31, 2002										248,270
Attributable to:										
Company and subsidiaries	54,827	599,641	247	(11,998)	(2,458)	(412,024)	1,148	(53,525)	–	239,241
Associates	–	–	–	–	–	–	–	–	–	9,029
	54,827	599,641	247	(11,998)	(2,458)	(412,024)	1,148	(53,525)	–	248,270

Notes to the Financial Statements For the year ended October 31, 2002

29. CAPITAL AND RESERVES – continued

	Capital			Investment			Legal Translation reserve	Special reserve	Retained earnings	Total
	Share capital	Share premium	Share redemption reserve	Capital reserve	revaluation reserve	Goodwill reserve				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
THE COMPANY										
At November 1, 2000										
– previously reported	49,596	584,657	247	–	–	–	–	50,594	89,543	774,637
– effect of adopting SSAP 9 (revised)	–	–	–	–	–	–	–	–	17,359	17,359
	49,596	584,657	247	–	–	–	–	50,594	106,902	791,996
Shares issued at premium	4,950	13,860	–	–	–	–	–	–	–	18,810
Net profit for the year	–	–	–	–	–	–	–	–	7,631	7,631
2000 final dividend paid (note 12)	–	–	–	–	–	–	–	–	(17,359)	(17,359)
At October 31, 2001	54,546	598,517	247	–	–	–	–	50,594	97,174	801,078
Representing:										
2001 final dividend proposed									16,364	
Others									80,810	
Retained earnings at October 31, 2001									97,174	
At November 1, 2001										
– previously reported	54,546	598,517	247	–	–	–	–	50,594	80,810	784,714
– effect of adopting SSAP 9 (revised)	–	–	–	–	–	–	–	–	16,364	16,364
	54,546	598,517	247	–	–	–	–	50,594	97,174	801,078
Shares issued at premium	281	1,124	–	–	–	–	–	–	–	1,405
Net profit for the year	–	–	–	–	–	–	–	–	4,308	4,308
2001 final dividend paid (note 12)	–	–	–	–	–	–	–	–	(16,364)	(16,364)
At October 31, 2002	54,827	599,641	247	–	–	–	–	50,594	85,118	790,427
Representing:										
2002 final dividend proposed									8,255	
Others									76,863	
Retained earnings at October 31, 2002									85,118	

The capital reserve of the Group represents the difference between the nominal amount 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.

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

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.

Notes to the Financial Statements For the year ended October 31, 2002

29. CAPITAL AND RESERVES – continued

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\$735,353,000 (2001: HK\$746,285,000). 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 or dividend the Company is able to pay its debts as they fall due in the ordinary course of business.

30. DEFERRED TAXATION

	THE GROUP	
	2002 HK\$'000	2001 HK\$'000
Balance at November 1,	3,878	3,723
Exchange adjustments	83	(80)
Acquisition of subsidiaries	316	–
Charge for the year (<i>note 10</i>)	199	235
Others	216	–
Balance at October 31,	4,692	3,878

At the balance sheet date, the major components of the provision for deferred taxation are as follows:

	THE GROUP	
	2002 HK\$'000	2001 HK\$'000
Tax effect of timing differences because of:		
Excess of tax allowances over depreciation	3,651	4,260
Others	1,041	(382)
	4,692	3,878

Neither the Group nor the Company had any material unprovided deferred taxation for the year and at the balance sheet date.

The surplus or deficit arising on revaluation of the Group's investment properties and non-trading securities does not constitute a timing difference for taxation purposes as any profits or losses realised on their subsequent disposals would not be subject to taxation.

Notes to the Financial Statements For the year ended October 31, 2002

31. RECONCILIATION OF PROFIT BEFORE TAXATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002 HK\$'000	2001 HK\$'000
Profit before taxation	28,576	44,605
Adjustments for :		
Interest expenses	5,701	8,642
Finance charges in respect of finance leases and hire purchase contracts	416	578
Interest income	(2,280)	(3,501)
Depreciation and amortisation	36,074	39,790
Loss on disposal of property, plant and equipment	1,386	883
Revaluation decrease (increase) of investment properties	997	(449)
Gain on disposal of subsidiaries	(42)	(1,150)
Loss on disposal of interests in subsidiaries	679	-
Provision for amount due from investee company, project loan receivable and bad and doubtful debts	4,986	14,158
Unrealised gain on non-trading securities	(101)	-
Provision for loss on non-trading securities	500	-
Profit on disposal of an associate	(42)	-
Share of profits of associates	(3,306)	(2,991)
Operating profit before changes in working capital	73,544	100,565
(Increase) decrease in inventories	(1,523)	1,208
Decrease in contract work in progress	27,841	1,658
Decrease in amounts due from associates	336	411
Decrease in debtors, deposits and prepayments	23,680	134,003
Decrease in payments received on account	(8,555)	(4,395)
Decrease in creditors and accrued charges	(78,549)	(75,148)
(Decrease) increase in amounts due to associates	(1,100)	2,234
Cash flows from operations	35,674	160,536

Notes to the Financial Statements For the year ended October 31, 2002

32. ACQUISITION OF SUBSIDIARIES

	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
Net assets acquired:		
Property, plant and equipment	3,839	1,109
Interests in associates	–	169
Inventories	1,419	–
Contract work in progress	–	79
Debtors, deposits and prepayments	9,155	17,384
Amounts due from associates	–	4,545
Taxation recoverable	643	–
Bank balances and cash	5,112	46,122
Payments received on account	(4,023)	(2,116)
Creditors and accrued charges	(8,575)	(57,683)
Taxation payable	–	(2,555)
Borrowings	(22)	–
Obligations under finance leases and hire purchase contracts	–	(2)
Minority interests	(2,347)	(725)
Deferred taxation	(316)	–
	4,885	6,327
Goodwill	4,715	28,916
	9,600	35,243
Satisfied by:		
Shares allotted	–	18,810
Cash paid	9,600	16,433
	9,600	35,243

Notes to the Financial Statements For the year ended October 31, 2002

32. ACQUISITION OF SUBSIDIARIES – continued

Analysis of net (outflow) inflow of cash and cash equivalents in connection with the acquisition of subsidiaries:

	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
Cash consideration paid	(9,600)	(16,433)
Bank balances and cash acquired	5,112	46,122
	(4,488)	29,689

The subsidiaries acquired had no significant impact on the turnover, results and cash flows of the Group for the year.

33. DISPOSAL OF SUBSIDIARIES

	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
Net assets (liabilities) disposed of:		
Property, plant and equipment	14,732	338
Non-trading securities	384	–
Inventories	57	–
Debtors, deposits and prepayments	33,974	2,846
Bank balances and cash	4,520	1,165
Creditors and accrued charges	(32,013)	(5,499)
Borrowings	(1,338)	–
Taxation payable	(1,755)	–
Minority interest	(9,365)	–
	9,196	(1,150)
Disposal as an associate	(8,170)	–
(Loss) gain on disposal of subsidiaries	(637)	1,150
	389	–
Satisfied by:		
Cash consideration	389	–

Notes to the Financial Statements For the year ended October 31, 2002

33. DISPOSAL OF SUBSIDIARIES – continued

Analysis of net outflow of cash and cash equivalents in connection with the disposal of subsidiaries:

	2002 HK\$'000	2001 HK\$'000
Bank balances disposed of	(4,131)	(1,165)

The subsidiaries disposed of had no significant impact on the turnover, results and cash flows of the Group during the year.

34. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	THE GROUP	
	2002 HK\$'000	2001 HK\$'000
Bank balances and cash	183,915	189,388
Bank overdrafts	(7,363)	(5,815)
	176,552	183,573

35. MAJOR NON-CASH TRANSACTIONS

Last year, the Group acquired a group of companies which was satisfied partly by an allotment of 49,500,000 new ordinary shares of HK\$0.10 each of the Company at HK\$0.38 per share which represented the closing price of the Company's shares as quoted on the Stock Exchange on October 12, 2001.

The Group entered into finance leases and hire purchase contracts in respect of the acquisition of property, plant and equipment with a total capital value at the inception of the contracts of approximately HK\$1,776,000 (2001: HK\$2,267,000).

36. PLEDGE OF ASSETS

At October 31, 2002, the Group has pledged bank deposits of approximately HK\$18 million (2001: HK\$17 million), land and buildings, investment properties, accounts receivable, inventories and property and equipment with aggregate net book values of approximately HK\$266 million (2001: HK\$238 million) and HK\$4 million (2001: HK\$25 million), HK\$8 million (2001: nil), HK\$2 million (2001: nil) and HK\$1 million (2001: nil), respectively, as collaterals for credit facilities granted to the Group by certain banks. The pledged bank deposits are applied to secure short-term bank borrowings.

Notes to the Financial Statements For the year ended October 31, 2002

37. CAPITAL COMMITMENTS

The Group is under negotiation with certain third parties to establish joint ventures in which the Group will invest approximately RMB1,020,000 and USD700,000 respectively to develop exhibition companies in China.

The Group and Company did not have any other significant capital commitments at October 31, 2002.

38. OPERATING LEASE COMMITMENTS

The Group as lessee

At the balance sheet date, the Group had the outstanding commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises and equipment which fall due as follows:

	THE GROUP			
	2002		2001	
	Rented premises HK\$'000	Equipment HK\$'000	Rented premises HK\$'000	Equipment HK\$'000
Within one year	11,523	234	6,375	7
In the second to fifth year inclusive	32,968	141	16,679	–
Over five years	123,348	–	130,257	–
	167,839	375	153,311	7

At October 31, 2002, the Company had no other significant commitments under non-cancellable operating leases.

The Group as lessor

All of the properties held have committed tenants for the next one to three years.

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

	THE GROUP	
	2002 HK\$'000	2001 HK\$'000
Within one year	4,346	3,962
In the second to fifth year inclusive	1,816	3,470
	6,162	7,432

Notes to the Financial Statements For the year ended October 31, 2002

39. CONTINGENT LIABILITIES

- (i) On April 26, 2002, the Group entered into an agreement to acquire a 70 per cent. equity interest of ACI, as mentioned in note 17(a). According to the agreement, there is a contingent consideration payable by the Group based on the full year audited results of ACI ending on December 31, 2002. The maximum contingent consideration payable is HK\$5,363,000 and at the date of this report, the audit of ACI is not completed.

(ii)

	THE GROUP		THE COMPANY	
	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Guarantees given to banks in respect of banking facilities				
– subsidiaries and related companies	–	–	424,957	477,749
– associates	4,000	4,000	–	–
– investee company	18,025	18,025	–	–
	22,025	22,025	424,957	477,749

40. 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 cost charged to income statement 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 balance sheet date, the total amount of forfeited contributions, which arose upon employees leaving the retirement benefits scheme and which are available to reduce the contributions payable by the Group was approximately HK\$361,000 (2001: HK\$490,000).

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 staff in Hong Kong joining the Group are required to join the Mandatory Provident Fund.

All Hong Kong staff employed by the Group before December 1, 2000 are 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 per cent. of the monthly remunerations up to HK\$1,000 per month to the Mandatory Provident Fund.

Notes to the Financial Statements For the year ended October 31, 2002

41. RELATED PARTY TRANSACTIONS

Year ended October 31, 2002

	Exhibition income <i>HK\$'000</i>	Subcontracting fee paid <i>HK\$'000</i>	Management fee income <i>HK\$'000</i>	Furniture rental paid <i>HK\$'000</i>	Property rental paid <i>HK\$'000</i>	Receivable <i>HK\$'000</i>	Payable <i>HK\$'000</i>	Guarantee given to bank <i>HK\$'000</i>
Associates (note 1)	769	2,886	3,528	2,005	-	5,569	1,447	4,000
Related companies (note 2)	-	-	-	-	834	232	57	-

Year ended October 31, 2001

	Exhibition income <i>HK\$'000</i>	Subcontracting fee paid <i>HK\$'000</i>	Management fee income <i>HK\$'000</i>	Furniture rental paid <i>HK\$'000</i>	Property rental paid <i>HK\$'000</i>	Receivable <i>HK\$'000</i>	Payable <i>HK\$'000</i>	Guarantee given to bank <i>HK\$'000</i>
Associates (note 1)	-	6,967	-	3,710	-	6,161	2,543	4,000
Related companies (note 2)	3,034	874	-	-	348	-	462	-

Notes:

- (1) All transactions except for guarantee given to bank were carried out at cost plus a percentage of mark-up.
- (2) One of the Directors, also a beneficial owner, of these related companies, who is not an employee or a Director or a shareholder of the Company, is related to one of the Directors of the Company.

Notes to the Financial Statements For the year ended October 31, 2002

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at October 31, 2002 are as follows:

Name	Place of incorporation or registration/ operation	Issued and fully paid share capital or registered capital	Proportion of nominal value of issued capital/registered capital held by the Group %	Principal activities
AM-Media Sdn. Bhd.	Malaysia	Ringgit Malaysia 2,520,000	50 (note)	Property investment
Architectural Concepts, Inc.	United States of America	US\$500	70	Exhibition design and construction
Beijing Pico Exhibition Services Co., Ltd.	The People's Republic of China	RMB16,025,540	70	Exhibition construction
Best Century Industries Limited	Hong Kong	HK\$2	100	Property holding
BizArts Creative Pte Ltd	Republic of Singapore	S\$300,000	100	Entertainment, video production and facility research services, and acting as exhibition fair and convention organisers
Dimensions Marketing Communications Pte Ltd	Republic of Singapore	S\$50,000	95	Exhibition designers and fabricators, outdoor advertising contractors, event management and promotion agents
Dongguan Pico Exhibition Services Co., Ltd.	The People's Republic of China	HK\$8,850,000	100	Production house
ExhibitionOne.com Limited	British Virgin Islands	US\$50,000	52	Internet business

Notes to the Financial Statements For the year ended October 31, 2002

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES – continued

Name	Place of incorporation or registration/ operation	Issued and fully paid share capital or registered capital	Proportion of nominal value of issued capital/registered capital held by the Group %	Principal activities
eXpoMan.com Limited	Hong Kong	HK\$2	52	Internet business
Gain Point Properties Limited	Hong Kong/ The People's Republic of China	HK\$10	100	Property holding
GT Communication (M) Sdn Bhd	Malaysia	Ringgit Malaysia 55,002	50 (note)	Graphic design
Guangzhou Pico Exhibition Services Co., Ltd.	The People's Republic of China	HK\$5,000,000	100	Exhibition construction
HIECC Management Co Ltd	Vietnam	US\$3,700,000	70	To build and manage an exhibition and convention centre No. 446 Hoang Van Thu St. Ward 4. Tan Binh District, Ho Chi Minh City
Inter-Expo Services Limited	Hong Kong	HK\$2	100	Exhibition construction
Intertrade Lanka Management (Private) Ltd	Sri Lanka	RS8,472,500	100	Operators of exhibitions and convention centre

Notes to the Financial Statements For the year ended October 31, 2002

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES – continued

Name	Place of incorporation or registration/ operation	Issued and fully paid share capital or registered capital	Proportion of nominal value of issued capital/registered capital held by the Group %	Principal activities
Intertrade Services Pte Ltd	Niue	US\$100	100	Providing management service
Intertrade (Sri Lanka) Pte Ltd	Republic of Singapore	S\$2	100	Investment holding
Intertrade (Vietnam) Pte Ltd	Republic of Singapore	S\$2	100	Investment Holding
Joya Development Limited	Hong Kong	HK\$2	100	Property holding
Key Talent International Limited	Hong Kong	HK\$2	100	Property holding
Meeting Planners International (HK) Ltd	Hong Kong	HK\$10,000	100	Meeting, show and exhibition administration business
Meeting Planners International Pte Ltd	Republic of Singapore	S\$500,000	100	Investment holding
MP Asia Pte Ltd	Republic of Singapore	S\$100,000	100	Organising of exhibition conferences, conventions and events management
MP Conventions Pte Ltd	Republic of Singapore	S\$100,000	100	Organising of exhibition conferences, conventions and events management
Parico Electrical Engineering Sdn Bhd	Malaysia	Ringgit Malaysia 100,000	45 (note)	Electrical specialist and contractors for exhibitions, housing and industries

Notes to the Financial Statements For the year ended October 31, 2002

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES – continued

Name	Place of incorporation or registration/ operation	Issued and fully paid share capital or registered capital	Proportion of nominal value of issued capital/registered capital held by the Group %	Principal activities
Pico Art Exhibit Inc	United States of America	US\$1,000	100	Design and fabrication of exhibition stands and exhibits
Pico Art International (Australia) Pty Ltd	Australia	A\$2	100	Exhibition design
Pico Art International Pte Ltd	Republic of Singapore	S\$1,390,000	100	Exhibition designers and fabricators, outdoor advertising contractors, construction and interior design and general advertising agents
Pico Exhibition (UK) Limited	United Kingdom	GBP1	100	Exhibition design and construction
Pico Hong Kong Limited	Hong Kong	HK\$100	100	Exhibition design and construction
Pico Indochina Pte Ltd	Republic of Singapore	S\$200,000	100	Contracting for outdoor advertising and erecting of exhibition stalls, inclusive of carpentry work
Pico International (China) Limited	Hong Kong	HK\$10,000	100	Exhibition construction
Pico International, Inc	United States of America	US\$1,000	100	Regional Centre
Pico International Ltd.	Japan	Yen 10,000,000	100	Exhibition construction and interior renovation

Notes to the Financial Statements For the year ended October 31, 2002

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES – continued

Name	Place of incorporation or registration/ operation	Issued and fully paid share capital or registered capital	Proportion of nominal value of issued capital/registered capital held by the Group %	Principal activities
Pico International (Dubai) LLC	Niue	US\$1	100	Exhibition design and construction
Pico International (HK) Limited	Hong Kong	HK\$1,000 – ordinary	100	Investment holding
		HK\$2,500,000 – non-voting deferred*	–	
Pico International (M) Sdn. Bhd.	Malaysia	Ringgit Malaysia 896,000	50 (note)	Exhibition design and construction, events promotion, interior decoration and/or architecture
Pico International (Middle East) L.L.C.	United Arab Emirates	Dirhams 300,000	49 (note)	Exhibit design and fabrication of exhibition booths and related activities
Pico Internusa Pte Ltd	Republic of Singapore	S\$250,000	100	Exhibition designers, fabricators, outdoor advertising contractors and general advertising agent
Pico International Taiwan Ltd	Taiwan	NT\$20,000,000	100	Exhibition construction
Pico Limited	British Virgin Islands	US\$1	100 [#]	Licensing of trademarks and logo
Pico North Asia Ltd.	South Korea	Won 100,000,000	99	Exhibition design and construction

Notes to the Financial Statements For the year ended October 31, 2002

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES – continued

Name	Place of incorporation or registration/ operation	Issued and fully paid share capital or registered capital	Proportion of nominal value of issued capital/registered capital held by the Group %	Principal activities
Pico World Limited	Hong Kong	HK\$100	100	Exhibition construction
Rock Mind Industries Limited	Hong Kong	HK\$2	100	Property holding
SASS (International) Limited	British Virgin Islands	US\$100	80	Sales of signs
Sea Win Investments Limited	Hong Kong	HK\$2	100	Property holding
Seni Exhibit Productions Sdn., Bhd.	Malaysia	Ringgit Malaysia 20,000	30.5 (note)	Production house
Shanghai Pico Exhibition Services Co., Ltd.	The People's Republic of China	US\$848,000	100	Exhibition construction
Shanghai Albert Smith Signs Co., Ltd.	The People's Republic of China	US\$720,000	80	Manufacturing of signs
Shanghai World Expo Bizarts China Co., Ltd.	The People's Republic of China	RMB2,000,000	65	Multi-media production and services
Sitiawan Electric Pte Ltd	Republic of Singapore	S\$23,876	80	Installation of electrical fittings and lighting for trade and other exhibition

Notes to the Financial Statements For the year ended October 31, 2002

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES – continued

Name	Place of incorporation or registration/ operation	Issued and fully paid share capital or registered capital	Proportion of nominal value of issued capital/registered capital held by the Group %	Principal activities
Thinkdesign Consultancy Pte Ltd	Republic of Singapore	S\$100,000	100	Image and art designers, project managers for buildings and interior designers
Tinsel Limited	British Virgin Islands	US\$10	100 [#]	Investment holding
VTI (HK) Ltd	Hong Kong	HK\$300,000	75	Rental of audio visual equipment

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

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

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

Note: These companies are deemed to be subsidiaries of the Company as the Company controls the composition of the Board of Directors.

Notes to the Financial Statements For the year ended October 31, 2002

43. PARTICULARS OF PRINCIPAL ASSOCIATES

Details of the Group's principal associates as at October 31, 2002 are as follows:

Name of associates	Place of incorporation/ operation	Issued and fully paid share capital	Attributable equitable interest of the Group %	Principal activities
Allied Pacific Investment Limited	Hong Kong	HK\$3,000,000	50	Operation of a business centre
Pico International Enterprise (Thailand) Co., Limited	Thailand	Baht 14,670,000 – ordinary shares Baht 330,000 – preferred shares	49	Exhibition designers, fabricators, outdoor advertising contractors and general advertising agents