

2024
INTERIM
REPORT



CONTENTS

Management Discussion and Analysis

Highlights	2
Property Investments and Management	2
Playmates Toys	4
Portfolio Investments	6

Condensed Consolidated Financial Information

Condensed Consolidated Income Statement	7
Condensed Consolidated Statement of Comprehensive Income	8
Condensed Consolidated Statement of Financial Position	9
Condensed Consolidated Cash Flow Statement	11
Condensed Consolidated Statement of Changes in Equity	13
Notes to the Condensed Consolidated Financial Information	15

Information Provided in Accordance with the Listing Rules 35

Corporate Information 44

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MANAGEMENT DISCUSSION AND ANALYSIS

Highlights

For the six months ended 30 June	2024 HK\$'000	2023 HK\$'000
Group revenue	526,666	427,006
– from toy business	445,141	347,231
– from property investments and management businesses	79,339	76,792
– from investment business	2,186	2,983
Gross profit	324,137	259,934
Net revaluation (deficit)/surplus on investment properties	(249,529)	4,123
Operating (loss)/profit	(121,081)	120,219
(Loss)/Profit before income tax	(80,414)	144,531
(Loss)/Profit attributable to owners of the Company	(159,880)	96,291
(Loss)/Earnings per share	HK cents	HK cents
– Basic	(7.72)	4.65
– Diluted	(7.72)	4.65
Interim dividend per share	1.50	1.50

Property Investments and Management

The property investments and management segment recorded a 3.3% increase in revenue to HK\$79.3 million during the first half of 2024 compared to the same period last year (same period in 2023: HK\$76.8 million). The Group's investment properties were revalued by independent professional surveyors at the fair value of HK\$4.7 billion. A net revaluation deficit of HK\$249.5 million was recorded in the consolidated income statement of the Group (same period in 2023: net revaluation surplus of HK\$4.1 million). Segment operating loss including property revaluation was HK\$190.3 million (same period in 2023: segment operating profit of HK\$58.8 million).

(a) Property Investments

The Group's major investment properties include (i) a commercial building, The Toy House, at 100 Canton Road; (ii) a number of residential units at Hillview, 21-23A MacDonnell Road, and (iii) Playmates Factory Building at 1 Tin Hau Road, Tuen Mun. The Group's property portfolio also includes overseas investment properties in the United Kingdom, the United States of America and Japan, which in aggregate accounted for 8.3% of the fair value of the Group's overall investment property portfolio (31 December 2023: 8.1%).

Aggregate rental income generated from the investment properties of the Group was HK\$68.5 million, an increase of 3.9% from the prior year period (same period in 2023: HK\$65.9 million). Overall occupancy rate of the Group's investment properties was 68% (31 December 2023: 74%).

(i) Commercial

The Group's investment in commercial properties consists of The Toy House, 100 Canton Road, Tsimshatsui, Kowloon, Hong Kong. The changes in consumption patterns of inbound tourists to Hong Kong, together with the increase in local consumers' outbound travel, have made the first half of 2024 a challenging period for many retail businesses in Hong Kong. This dynamic has dampened demand for retail and commercial premises in the vicinity. However, we expect Canton Road to remain one of the premier shopping districts in Hong Kong over the long term.

(ii) Residential

The Group's principal investment in residential properties includes units in Hillview on MacDonnell Road, Mid-Levels, Hong Kong. Continued high interest rates and a subdued economic environment have put Hong Kong's residential property market under pressure during the first half of 2024. On the other hand, our interior renovation and improvement works which have been carried out successively since 2021 should enhance the value of the property over the long term.

(iii) Industrial

The Group's investment in industrial properties consists of Playmates Factory Building in Tuen Mun, New Territories, Hong Kong. With the revived government policy to revitalize and optimize the use of existing industrial buildings, the Group submitted a planning application in June 2019 to the Town Planning Board of Hong Kong to seek permission for the wholesale conversion of Playmates Factory Building for commercial uses. On January 3, 2020, this application was conditionally approved. The subsequent stage in the approval process (special waiver application) is currently in progress. The Group will continue to monitor the economic environment before proceeding with the building conversion and deciding on the scale of the project.

(b) Property Management

The Group engaged Savills Property Management Limited ("Savills") to manage The Toy House and Playmates Factory Building. Savills provides comprehensive property management services, including repair and maintenance, building security, general cleaning for common areas, hand-over and take-over of premises, and the monitoring of reinstatement and refurbishment works.

Income generated from the property management business segment decreased by 0.9% to HK\$10.8 million as compared to HK\$10.9 million during the same period last year.

We continue to maintain a long-term view of our property investments and will adjust the balance of our property portfolio to achieve our strategic objective of seeking investment returns through capital appreciation and growth in recurring income. In the meantime, we will closely monitor the risks and uncertainties arising from the ever-changing global economy and market conditions.

Playmates Toys

Playmates Toys worldwide turnover during the first half of 2024 was HK\$445 million (same period in 2023: HK\$347 million), representing an increase of 28% compared to the prior year period. The favourable comparison was driven by the successful relaunch of our *Godzilla x Kong* product line, supported by the March 2024 release of the *Godzilla x Kong: The New Empire* movie, partially offset by lower shipment volume of our *Teenage Mutant Ninja Turtles* toy line compared to the prior year period, which included the positive impact of the *Teenage Mutant Ninja Turtles: Mutant Mayhem* animated movie release.

Gross profit ratio on toy sales was 56% (same period in 2023: 54%). Higher gross profit margin in the first half of 2024 reflected: (i) a higher percentage of overall sales generated in the US market, which carries a higher gross margin, (ii) reduced discounting of excess inventory, and (iii) lower product development and tooling costs as a percentage of sales. Operating expenses increased by 47% compared to the prior year period, reflecting higher promotional and distribution expenses in the US market. Administration expenses increased 22% compared to the prior year period but decreased slightly as a percentage of revenue.

Playmates Toys group reported an operating profit of HK\$68.4 million during the first half of 2024 (same period in 2023: HK\$56.2 million). Other net income during the current year period included a HK\$20.7 million unrealized and realized gain on Playmates Toys group's listed equities investment position (same period in 2023: HK\$15.9 million) and HK\$29.8 million in interest income (same period in 2023: HK\$15.7 million). Playmates Toys group's net profit during the first half of 2024 was HK\$91.5 million (same period in 2023: HK\$87.0 million).

Looking forward to the second half of 2024, the cumulative impact of inflation over the past few years will continue to stretch household budgets across many markets around the world and lead to increasingly value-conscious purchasing. In addition, lapping the *TMNT* movie release last year will continue to present challenging year-over-year comparisons. However, the launch of the *Tales of The Teenage Mutant Ninja Turtles* animated series on Paramount+ this summer should provide support for the *TMNT* brand. We also expect continued positive contribution from our *Godzilla x Kong* product line.

Beyond 2024, we continue to be optimistic about the long-term future of *TMNT*, as well as the new brands under development for 2025 and 2026.

Brand Overview

Teenage Mutant Ninja Turtles (“TMNT”)

Paramount Pictures and Nickelodeon Movies are developing a sequel to *Teenage Mutant Ninja Turtles: Mutant Mayhem* and a two-season series that will serve as a “bridge” between the films. The spinoff series, titled *Tales of The Teenage Mutant Ninja Turtles*, debuts on Paramount+ in August 2024. Both the movie sequel and the Paramount+ series will be produced by Seth Rogen's Point Grey Pictures. We are actively developing new products to coincide with the upcoming content.

Godzilla x Kong

In Spring 2024, Legendary Pictures released *Godzilla x Kong: The New Empire*, which delivered strong box office results around the world and continues to drive strong toy sales. As the global master licensee, we are developing extensions to our current product line of highly detailed action figures in various sizes and role play accessories.

Power Rangers

We have recently entered into a global license agreement with Hasbro, a leading toy and game company, to produce and distribute ***Power Rangers*** toys. We are developing an extensive kid-targeted ***Mighty Morphin Power Rangers*** toy line, scheduled to debut in Fall 2025.

Portfolio Investments

The Group engages in portfolio investments which involve investing in listed equity shares. The investment policy provides for a set of prudent guidance and control framework to achieve the objective of managing a portfolio that is highly liquid and offers reasonable risk-adjusted returns through capital appreciation and dividend and interest income.

As of 30 June 2024, fair market value of the Group's investment portfolio was HK\$98.4 million (31 December 2023: HK\$95.3 million) representing 1.5% of the total assets of the Group (31 December 2023: 1.4%). This comprised of HK\$29.0 million of equities listed in Hong Kong (31 December 2023: HK\$33.2 million) and HK\$69.4 million of equities listed overseas (31 December 2023: HK\$62.1 million). None of the individual securities positions held by the Group had a market value that exceeded 0.3% of the total assets of the Group. The top 10 listed securities in aggregate represented 1.3% of the total assets of the Group, and included NVIDIA Corporation (NVDA.US), Amazon.com, Inc. (AMZN.US), The Walt Disney Company (DIS.US), Alphabet Inc. (GOOG.US), Apple Inc. (AAPL.US), Microsoft Corporation (MSFT.US), Netflix, Inc. (NFLX.US), Walmart Inc. (WMT.US), Tencent Holdings Limited (700.HK) and Wharf Real Estate Investment Company Limited (1997.HK).

The Group reported a net gain from investments of HK\$18.5 million in the first half of 2024 (same period in 2023: HK\$17.4 million). During the first half of 2024, dividend and interest income generated from the portfolio were HK\$32.2 million (same period in 2023: HK\$18.9 million).

The Group will remain vigilant in monitoring and balancing the investment portfolio, taking into account developments in the major global economies and securities markets.

CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Condensed Consolidated Income Statement

For the six months ended 30 June 2024

	Note	Unaudited		
		Six months ended 30 June		
		2024	2024	2023
		US\$'000	HK\$'000	HK\$'000
		(Note 19)		
Revenue	3	67,521	526,666	427,006
Cost of sales		(25,965)	(202,529)	(167,072)
Gross profit		41,556	324,137	259,934
Marketing and licensing expenses		(11,750)	(91,651)	(59,278)
Selling and distribution expenses		(4,067)	(31,725)	(24,856)
Administration expenses		(9,270)	(72,313)	(59,704)
Net revaluation (deficit)/surplus on investment properties	9	(31,991)	(249,529)	4,123
Operating (loss)/profit		(15,522)	(121,081)	120,219
Other net income	4	6,237	48,651	33,309
Finance costs		(1,024)	(7,984)	(8,997)
(Loss)/Profit before income tax	5	(10,309)	(80,414)	144,531
Income tax expense	6	(4,421)	(34,485)	(5,492)
(Loss)/Profit for the period		(14,730)	(114,899)	139,039
(Loss)/Profit for the period attributable to:				
Owners of the Company		(20,497)	(159,880)	96,291
Non-controlling interests		5,767	44,981	42,748
		(14,730)	(114,899)	139,039
		US cents	HK cents	HK cents
(Loss)/Earnings per share	8			
Basic		(0.99)	(7.72)	4.65
Diluted		(0.99)	(7.72)	4.65

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

	Unaudited		
	Six months ended 30 June		
	2024	2024	2023
	US\$'000	HK\$'000	HK\$'000
	(Note 19)		
(Loss)/Profit for the period	(14,730)	(114,899)	139,039
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences arising on translation of foreign subsidiaries	<u>(1,403)</u>	<u>(10,936)</u>	<u>915</u>
Total comprehensive income for the period	<u>(16,133)</u>	<u>(125,835)</u>	<u>139,954</u>
Total comprehensive income attributable to:			
Owners of the Company	<u>(21,900)</u>	<u>(170,816)</u>	97,206
Non-controlling interests	<u>5,767</u>	<u>44,981</u>	42,748
	<u>(16,133)</u>	<u>(125,835)</u>	<u>139,954</u>

Condensed Consolidated Statement of Financial Position

As at 30 June 2024

		Unaudited 30 June 2024 <i>US\$'000</i> <i>(Note 19)</i>	Unaudited 30 June 2024 <i>HK\$'000</i>	Audited 31 December 2023 <i>HK\$'000</i>
	<i>Note</i>			
Non-current assets				
Fixed assets				
– Investment properties	9	599,405	4,675,356	4,933,614
– Other property, plant and equipment	9	17,309	135,017	139,337
		<u>616,714</u>	<u>4,810,373</u>	5,072,951
Right-of-use assets		894	6,970	8,789
Goodwill		766	5,976	5,976
Prepayments	11	1,171	9,130	–
Deferred tax assets		<u>5,910</u>	<u>46,096</u>	52,126
		<u>625,455</u>	<u>4,878,545</u>	5,139,842
Current assets				
Inventories		6,658	51,932	58,886
Trade receivables	10	17,386	135,613	330,521
Deposits paid, other receivables and prepayments	11	8,273	64,528	45,759
Taxation recoverable		1,012	7,892	12,340
Financial assets at fair value through profit or loss		12,620	98,438	95,324
Cash and deposits with banks		<u>147,423</u>	<u>1,149,898</u>	1,094,933
		<u>193,372</u>	<u>1,508,301</u>	1,637,763
Current liabilities				
Bank loans	12	22,077	172,200	217,175
Trade payables	13	7,497	58,478	91,390
Deposits received, other payables and accrued charges	14	21,712	169,353	218,908
Provisions		6,049	47,183	65,413
Lease liabilities		533	4,159	3,987
Taxation payable		<u>4,818</u>	<u>37,578</u>	53,792
		<u>62,686</u>	<u>488,951</u>	650,665
Net current assets		<u>130,686</u>	<u>1,019,350</u>	987,098
Total assets less current liabilities		<u>756,141</u>	<u>5,897,895</u>	6,126,940

		Unaudited 30 June 2024 <i>US\$'000</i> <i>(Note 19)</i>	Unaudited 30 June 2024 <i>HK\$'000</i>	Audited 31 December 2023 <i>HK\$'000</i>
Non-current liabilities				
Bank loans	12	872	6,800	10,400
Lease liabilities		528	4,117	6,250
Long service payment liabilities		268	2,087	1,938
Deferred tax liabilities		<u>5,352</u>	<u>41,746</u>	<u>42,265</u>
		<u>7,020</u>	<u>54,750</u>	<u>60,853</u>
Net assets		<u><u>749,121</u></u>	<u><u>5,843,145</u></u>	<u><u>6,066,087</u></u>
Equity				
Share capital	15	2,653	20,697	20,700
Reserves		<u>671,778</u>	<u>5,239,863</u>	<u>5,472,941</u>
Equity attributable to owners of the Company		674,431	5,260,560	5,493,641
Non-controlling interests		<u>74,690</u>	<u>582,585</u>	<u>572,446</u>
Total equity		<u><u>749,121</u></u>	<u><u>5,843,145</u></u>	<u><u>6,066,087</u></u>

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2024

	Unaudited		
	Six months ended 30 June		
	2024	2024	2023
	US\$'000	HK\$'000	HK\$'000
	(Note 19)		
Operating activities			
Cash generated from operations	27,348	213,315	45,127
Interest paid	(811)	(6,323)	(7,623)
Interest received	215	1,679	1,947
Dividends received	65	507	1,036
Overseas tax paid	(5,157)	(40,226)	–
Net cash generated from operating activities	21,660	168,952	40,487
Investing activities			
Capitalised subsequent expenditure on investment properties	(299)	(2,334)	(4,461)
Purchases of other property, plant and equipment	(66)	(513)	(558)
Prepayments for fixed assets	(1,060)	(8,270)	(2,221)
Purchases of financial assets at fair value through profit or loss	(208)	(1,621)	(1,491)
Proceeds from disposal of financial assets at fair value through profit or loss	2,182	17,022	31,643
Interest received	3,829	29,867	15,729
Dividends received	31	240	217
Increase in bank deposits and treasury notes with original maturity greater than 3 months	(3,969)	(30,962)	–
Net cash generated from investing activities	440	3,429	38,858
Financing activities			
Dividends paid to owners of the Company	(7,960)	(62,091)	(62,143)
Dividends paid to non-controlling interests	(4,467)	(34,842)	(11,600)
New bank loans	3,846	30,000	20,000
Repayment of bank loans	(10,074)	(78,575)	(28,100)
Repurchase of shares of the Company	(22)	(174)	(2,047)
Payment of lease liabilities	(283)	(2,204)	(2,140)
Net cash used in financing activities	(18,960)	(147,886)	(86,030)

	Unaudited		
	Six months ended 30 June		
	2024	2024	2023
	<i>US\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Note 19)</i>		
Net increase/(decrease) in cash and cash equivalents	3,140	24,495	(6,685)
Cash and cash equivalents at 1 January	61,476	479,515	1,083,324
Effect of foreign exchange rate changes	(63)	(492)	3,380
Cash and cash equivalents at 30 June	<u>64,553</u>	<u>503,518</u>	<u>1,080,019</u>
<i>Analysis of cash and cash equivalents:</i>			
Cash and deposits with banks per consolidated statement of financial position	147,423	1,149,898	1,080,019
Less: time deposits with original maturity greater than 3 months	(46,235)	(360,630)	–
Less: treasury notes with original maturity greater than 3 months	(36,635)	(285,750)	–
Cash and cash equivalents per consolidated cash flow statement	<u>64,553</u>	<u>503,518</u>	<u>1,080,019</u>

Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 June 2024

	Unaudited										
	Attributable to owners of the Company										
	Share capital	Share premium	Capital redemption reserve	Share repurchase reserve	Exchange reserve	Share-based compensation reserve	Property revaluation reserve	Retained profits	Total	Non- controlling interests	Total equity
<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	
At 1 January 2023	20,735	105,317	9,119	(84)	(47,986)	6,025	130,028	5,351,706	5,574,860	485,039	6,059,899
Profit for the period	-	-	-	-	-	-	-	96,291	96,291	42,748	139,039
Other comprehensive income:											
Exchange differences arising on translation of foreign subsidiaries	-	-	-	-	915	-	-	-	915	-	915
Total comprehensive income for the period	-	-	-	-	915	-	-	96,291	97,206	42,748	139,954
Repurchase of shares of the Company	(35)	(2,096)	35	84	-	-	-	(35)	(2,047)	-	(2,047)
Share option scheme - share options lapsed	-	-	-	-	-	(1,858)	-	1,858	-	-	-
2022 second interim dividend paid	-	-	-	-	-	-	-	(31,072)	(31,072)	-	(31,072)
2022 special interim dividend paid	-	-	-	-	-	-	-	(31,071)	(31,071)	-	(31,071)
Dividends paid to non- controlling interests	-	-	-	-	-	-	-	-	-	(11,600)	(11,600)
Transactions with owners	(35)	(2,096)	35	84	-	(1,858)	-	(60,320)	(64,190)	(11,600)	(75,790)
At 30 June 2023	20,700	103,221	9,154	-	(47,071)	4,167	130,028	5,387,677	5,607,876	516,187	6,124,063

Unaudited
Attributable to owners of the Company

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Capital redemption reserve <i>HK\$'000</i>	Share repurchase reserve <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Share-based compensation reserve <i>HK\$'000</i>	Property revaluation reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 January 2024	<u>20,700</u>	<u>103,221</u>	<u>9,154</u>	<u>-</u>	<u>(44,315)</u>	<u>4,040</u>	<u>130,028</u>	<u>5,270,813</u>	<u>5,493,641</u>	<u>572,446</u>	<u>6,066,087</u>
Loss for the period	-	-	-	-	-	-	-	(159,880)	(159,880)	44,981	(114,899)
Other comprehensive income:											
Exchange differences arising on translation of foreign subsidiaries	-	-	-	-	(10,936)	-	-	-	(10,936)	-	(10,936)
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,936)</u>	<u>-</u>	<u>-</u>	<u>(159,880)</u>	<u>(170,816)</u>	<u>44,981</u>	<u>(125,835)</u>
Repurchase of shares of the Company	(3)	(171)	3	-	-	-	-	(3)	(174)	-	(174)
Share option scheme – share options lapsed	-	-	-	-	-	(972)	-	972	-	-	-
2023 second interim dividend paid	-	-	-	-	-	-	-	(31,046)	(31,046)	-	(31,046)
2023 special interim dividend paid	-	-	-	-	-	-	-	(31,045)	(31,045)	-	(31,045)
Dividends paid to non- controlling interests	-	-	-	-	-	-	-	-	-	(34,842)	(34,842)
Transactions with owners	<u>(3)</u>	<u>(171)</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>(972)</u>	<u>-</u>	<u>(61,122)</u>	<u>(62,265)</u>	<u>(34,842)</u>	<u>(97,107)</u>
At 30 June 2024	<u><u>20,697</u></u>	<u><u>103,050</u></u>	<u><u>9,157</u></u>	<u><u>-</u></u>	<u><u>(55,251)</u></u>	<u><u>3,068</u></u>	<u><u>130,028</u></u>	<u><u>5,049,811</u></u>	<u><u>5,260,560</u></u>	<u><u>582,585</u></u>	<u><u>5,843,145</u></u>

Notes to the Condensed Consolidated Financial Information

1. Basis of preparation and accounting policies

This condensed consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

This condensed consolidated financial information should be read in conjunction with the 2023 annual financial statements.

The accounting policies used in the preparation of this condensed consolidated financial information are consistent with those used in the annual financial statements for the year ended 31 December 2023.

2. Changes in accounting policies

The HKICPA has issued a number of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) that are first effective for the current accounting period. None of these amendments have had a material effect on the Group’s results and financial position for the current or prior periods. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Revenue and segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the Group’s senior executive management for their decisions about resources allocation to the Group’s business components and for their review of the performance of those components. Based on the internal reports reviewed by the senior executive management of the Group that are used to make strategic decision, the Group has presented the following three reportable segments.

Property investments and management businesses: this segment invests and leases commercial, industrial and residential premises for rental income, to gain from the appreciation in properties’ values in the long term and to provide property management services for property management fee income.

Investment business: this segment invests in financial instruments including listed equities for interest income and dividend income and to gain from the appreciation in instruments’ values.

Toy business: this segment engages in the design, development, marketing and distribution of toys and family entertainment activity products.

Revenue by major products or service lines is as follows:

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from contracts with customers:		
– Sale of toys	445,141	347,231
– Property management income	10,804	10,882
	<u>455,945</u>	<u>358,113</u>
Revenue from other sources:		
– Rental income from investment properties	68,535	65,910
– Dividend income	507	1,036
– Interest income	1,679	1,947
	<u>70,721</u>	<u>68,893</u>
Total revenue	<u>526,666</u>	<u>427,006</u>

3.1 Segment results, assets and liabilities

The Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment to assess segment performance and allocate resources between segments.

Inter-segment revenue represents inter-company rental and property management fee charged on properties owned by the Group. Inter-segment transactions are conducted at arm's length.

The segment results for the six months ended 30 June 2024 are as follows:

	Property investments and management businesses <i>HK\$'000</i>	Investment business <i>HK\$'000</i>	Toy business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Gross revenue from contracts with customers by timing of revenue recognition				
– Point in time	-	-	445,141	445,141
– Over time	11,192	-	-	11,192
Gross revenue from other sources	71,163	2,186	-	73,349
Inter-segment revenue	(3,016)	-	-	(3,016)
	<u>79,339</u>	<u>2,186</u>	<u>445,141</u>	<u>526,666</u>
Revenue from external customers				
Segment (loss)/profit before depreciation	(186,254)	2,161	70,284	(113,809)
Depreciation	(4,066)	-	(2,074)	(6,140)
	<u>(190,320)</u>	<u>2,161</u>	<u>68,210</u>	<u>(119,949)</u>
Segment operating (loss)/profit				
Other net income/(loss)	19	(2,227)	50,822	48,614
Finance costs	(6,336)	(21)	(1,612)	(7,969)
	<u>(6,317)</u>	<u>(2,248)</u>	<u>49,210</u>	<u>40,645</u>
Segment (loss)/profit before income tax	<u>(196,637)</u>	<u>(87)</u>	<u>117,420</u>	<u>(79,304)</u>
Unallocated corporate expenses				<u>(1,110)</u>
Loss before income tax				<u><u>(80,414)</u></u>

The segment results for the six months ended 30 June 2023 are as follows:

	Property investments and management businesses <i>HK\$'000</i>	Investment business <i>HK\$'000</i>	Toy business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Gross revenue from contracts with customers by timing of revenue recognition				
– Point in time	–	–	347,231	347,231
– Over time	11,270	–	–	11,270
Gross revenue from other sources	68,538	2,983	–	71,521
Inter-segment revenue	<u>(3,016)</u>	<u>–</u>	<u>–</u>	<u>(3,016)</u>
Revenue from external customers	<u>76,792</u>	<u>2,983</u>	<u>347,231</u>	<u>427,006</u>
Segment profit before depreciation	63,076	2,958	58,014	124,048
Depreciation	<u>(4,316)</u>	<u>–</u>	<u>(2,126)</u>	<u>(6,442)</u>
Segment operating profit	<u>58,760</u>	<u>2,958</u>	<u>55,888</u>	<u>117,606</u>
Other net income	14	1,418	31,847	33,279
Finance costs	<u>(7,637)</u>	<u>(14)</u>	<u>(1,307)</u>	<u>(8,958)</u>
	<u>(7,623)</u>	<u>1,404</u>	<u>30,540</u>	<u>24,321</u>
Segment profit before income tax	<u>51,137</u>	<u>4,362</u>	<u>86,428</u>	<u>141,927</u>
Unallocated corporate income				<u>2,604</u>
Profit before income tax				<u>144,531</u>

The segment assets and liabilities as at 30 June 2024 are as follows:

	Property investments and management businesses <i>HK\$'000</i>	Investment business <i>HK\$'000</i>	Toy business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment assets (including cash and deposits with banks)	<u>4,850,717</u>	<u>58,552</u>	<u>1,427,864</u>	6,337,133
Inter-segment elimination	(41)	-	(8,779)	(8,820)
Deferred tax assets				46,096
Taxation recoverable				7,892
Unallocated assets				<u>4,545</u>
Total assets				<u>6,386,846</u>
Reportable segment liabilities	<u>216,365</u>	<u>-</u>	<u>256,063</u>	472,428
Inter-segment elimination	(1,513)	-	(7,307)	(8,820)
Deferred tax liabilities				41,746
Taxation payable				37,578
Unallocated liabilities				<u>769</u>
Total liabilities				<u>543,701</u>

The segment assets and liabilities as at 31 December 2023 are as follows:

	Property investments and management businesses <i>HK\$'000</i>	Investment business <i>HK\$'000</i>	Toy business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment assets (including cash and deposits with banks)	<u>5,093,657</u>	<u>105,254</u>	<u>1,518,396</u>	6,717,307
Inter-segment elimination	(41)	–	(11,202)	(11,243)
Deferred tax assets				52,126
Taxation recoverable				12,340
Unallocated assets				<u>7,075</u>
Total assets				<u>6,777,605</u>
Reportable segment liabilities	<u>272,871</u>	<u>–</u>	<u>352,957</u>	625,828
Inter-segment elimination	(1,514)	–	(9,729)	(11,243)
Deferred tax liabilities				42,265
Taxation payable				53,792
Unallocated liabilities				<u>876</u>
Total liabilities				<u>711,518</u>

3.2 Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's fixed assets, prepayments, right-of-use assets and goodwill ("specified non-current assets"). The geographical location of revenue is based on the country in which the customer is located. The geographical location of the specified non-current assets is based on the physical location of the assets in case of fixed assets and right-of-use assets, and the location of operation to which they are related in case of prepayments and goodwill.

	Revenue from external customers		Specified non-current assets	
	Six months ended 30 June		30 June	31 December
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong (place of domicile)	<u>81,629</u>	<u>79,072</u>	<u>4,381,865</u>	<u>4,629,707</u>
Americas				
– U.S.A.	309,462	209,918	183,320	185,413
– Others	25,826	31,034	–	–
Europe	90,536	80,498	198,159	190,739
Asia Pacific other than Hong Kong	18,825	25,678	69,105	81,857
Others	<u>388</u>	<u>806</u>	<u>–</u>	<u>–</u>
	<u>445,037</u>	<u>347,934</u>	<u>450,584</u>	<u>458,009</u>
	<u><u>526,666</u></u>	<u><u>427,006</u></u>	<u><u>4,832,449</u></u>	<u><u>5,087,716</u></u>

3.3 Major customers

The Group's customer base includes two (2023: four) customers with each of whom transactions have exceeded 10% of the Group's total revenue. Revenue from sales to each of these customers amounted to approximately HK\$157,994,000 and HK\$102,552,000 (2023: HK\$63,012,000, HK\$51,730,000, HK\$47,600,000 and HK\$46,491,000) respectively.

4. Other net income

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net gain on financial assets at fair value through profit or loss (<i>Note</i>):		
– unrealised	14,005	10,491
– realised	4,511	6,866
From Playmates Toys' treasury:		
– Interest income	29,811	15,692
– Dividend income	240	217
Others	84	43
	<u>48,651</u>	<u>33,309</u>

Note:

In the net gain on financial assets at fair value through profit or loss, unrealised gain of HK\$17,303,000 (2023: HK\$13,875,000) and realised gain of HK\$3,439,000 (2023: HK\$2,063,000) was attributable to Playmates Toys' treasury investment.

5. (Loss)/Profit before income tax

(Loss)/Profit before income tax is stated after charging/(crediting) the following:

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cost of inventories sold	184,619	147,480
Product development and tooling costs	10,638	11,656
Royalties expenses	58,936	50,149
Directors' and staff remunerations	39,857	30,558
Depreciation		
– other property, plant and equipment	4,518	4,818
– right-of-use assets	1,818	1,818
Interest expenses		
– on bank loans	6,323	7,623
– on lease liabilities	242	329
Net foreign exchange gain	<u>(315)</u>	<u>(3,953)</u>

6. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the period. Overseas taxation of overseas subsidiaries is provided in accordance with the applicable tax laws.

	Six months ended 30 June	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current taxation		
Hong Kong profits tax	15,565	9,377
Overseas taxation	12,897	5,716
Under provision in prior years – overseas	–	243
	<u>28,462</u>	<u>15,336</u>
Deferred taxation		
Origination and reversal of temporary differences	6,023	(9,844)
	<u>6,023</u>	<u>(9,844)</u>
Income tax expense	<u><u>34,485</u></u>	<u><u>5,492</u></u>

The Group's cumulative unrecognised tax losses as of 30 June 2024 amounted to HK\$4,368,000 (31 December 2023: HK\$6,869,000). These tax losses do not expire under respective tax legislation.

7. Dividends

7.1 Dividends attributable to the interim period

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim dividend of HK cents 1.5 per share (2023: HK cents 1.5 per share)	31,045	31,050

At a meeting held on 23 August 2024, the board of directors has resolved to pay an interim dividend of HK cents 1.5 per share to be paid on 27 September 2024 to shareholders whose names appear on the Company's Register of Members on 10 September 2024.

The interim dividends declared after the end of the reporting period have not been recognised as liabilities in this condensed consolidated financial information for the six months ended 30 June 2024.

The Company does not hold any treasury shares (whether in its own name or which is deposited with CCASS) and no interim dividends will be received in relation thereto.

7.2 Dividends attributable to the previous financial year and paid during the interim period

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividends in respect of the previous financial year and paid during the interim period:		
Second interim dividend of HK cents 1.5 per share (2023: HK cents 1.5 per share)	31,046	31,072
Special interim dividend of HK cents 1.5 per share (2023: HK cents 1.5 per share)	31,045	31,071
	62,091	62,143

8. (Loss)/Earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to owners of the Company of HK\$159,880,000 (2023: profit of HK\$96,291,000) and the weighted average number of ordinary shares of 2,069,760,000 shares (2023: 2,071,486,000 shares) in issue during the period.

Diluted (loss)/earnings per share for the six months ended 30 June 2024 and 2023 equals to the basic (loss)/earnings per share as there were no potential ordinary shares.

The dilutive effect of the share options issued by the Group's listed subsidiary, Playmates Toys Limited was insignificant for the six months ended 30 June 2024 and 2023.

9. Investment properties and other property, plant and equipment

	Investment properties HK\$'000	Other property, plant and equipment HK\$'000
Opening net book amount as at 1 January 2024	4,933,614	139,337
Exchange fluctuation	(11,063)	(309)
Additions	–	513
Disposals	–	(6)
Capitalised subsequent expenditure	2,334	–
Net revaluation deficit	(249,529)	–
Depreciation	–	(4,518)
Closing net book amount as at 30 June 2024	4,675,356	135,017
Opening net book amount as at 1 January 2023	5,096,744	145,171
Exchange fluctuation	(138)	1,050
Additions	–	558
Capitalised subsequent expenditure	5,037	–
Net revaluation surplus	4,123	–
Depreciation	–	(4,818)
Closing net book amount as at 30 June 2023	5,105,766	141,961
Exchange fluctuation	2,637	176
Additions	–	1,775
Disposals	–	(15)
Capitalised subsequent expenditure	13,463	–
Net revaluation deficit	(188,252)	–
Depreciation	–	(4,560)
Closing net book amount as at 31 December 2023	4,933,614	139,337

10. Trade receivables

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Trade receivables	165,398	353,732
Less: Allowance for customer concession	(29,785)	(23,211)
	135,613	330,521

The Group grants credits to retail customers of the toy business to facilitate the sale of slow moving merchandise held by such customers. Such allowance for customer concession is arrived at by using available contemporary and historical information to evaluate the exposure.

The normal trade terms with toy business customers are letters of credit at sight or usance or on open accounts with credit term in the range of 60 to 90 days (2023: 60 to 90 days). For property investments and management business, no credit term is granted to tenants and customers. The following is an aging analysis of trade receivables based on the invoice date at the end of the reporting period:

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
0 – 60 days	105,528	254,223
61 – 90 days	29,057	71,745
91 – 180 days	525	4,250
Over 180 days	503	303
	135,613	330,521

11. Deposits paid, other receivables and prepayments

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Non-current portion		
Prepayments for fixed assets	<u>9,130</u>	<u>–</u>
Current portion		
Advanced royalties (<i>Note(i)</i>)	46,523	32,256
Prepaid mold and line tooling expenses	5,947	3,393
Deferred rental income (<i>Note(ii)</i>)	949	86
Miscellaneous prepaid expenses, deposits paid and receivables	<u>11,109</u>	<u>10,024</u>
	<u>64,528</u>	<u>45,759</u>

Notes:

- (i) These advanced royalties are recoupable by the Group against future royalties payable to toy licensors for future sales of licensed toy products.
- (ii) Deferred rental income are related to rent free periods and rental concessions given to tenants, which are amortised over the respective lease terms.

12. Bank loans

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Secured bank loans repayable		
Within one year	172,200	217,175
In the second year	6,800	7,200
In the third to fifth years	–	3,200
	179,000	227,575
Current portion included in current liabilities	(172,200)	(217,175)
Non-current portion included in non-current liabilities	6,800	10,400

As at 30 June 2024 and 31 December 2023, all bank loans were denominated in HK dollar. All bank loans were on a floating interest rate basis and their effective interest rate at the end of the reporting period was 5.55% p.a. (31 December 2023: 6.54% p.a.).

As at 30 June 2024, the Group has banking facilities amounting to HK\$764,800,000 (31 December 2023: HK\$843,375,000), of which HK\$179,000,000 (31 December 2023: HK\$227,575,000) were utilised.

The banking facilities of certain subsidiaries are secured by investment properties and land and buildings of the Group with net book value of HK\$4,102,400,000 and HK\$85,078,000 respectively at 30 June 2024 (31 December 2023: HK\$4,334,900,000 and HK\$88,053,000).

13. Trade payables

The following is an aging analysis of trade payables based on the invoice date at the end of the reporting period:

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
0 – 30 days	57,407	91,315
31 – 60 days	259	66
Over 60 days	812	9
	<u>58,478</u>	<u>91,390</u>

14. Deposits received, other payables and accrued charges

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Contract liabilities		
– Purchase commitment guarantee deposits from toy distributors	8,900	11,593
– Sales deposits received in advance	18,435	10,439
Security deposits and advance receipts from tenants	26,871	26,574
Accrued product development, sales, marketing, licensing and distribution expenses	13,664	30,005
Accrued royalties	71,837	93,295
Accrued directors' and staff remunerations	4,474	19,985
Withholding tax payable	13,572	9,652
Accrued administrative expenses and professional fees	11,600	17,365
	<u>169,353</u>	<u>218,908</u>

15. Share capital

	Authorised Ordinary shares of HK\$0.01 each	
	<i>No. of shares</i>	<i>HK\$'000</i>
At 31 December 2023 and 30 June 2024	<u>30,000,000,000</u>	<u>300,000</u>
	Issued and fully paid Ordinary shares of HK\$0.01 each	
	<i>No. of shares</i>	<i>HK\$'000</i>
At 1 January 2023	2,073,490,000	20,735
Cancellation of repurchased shares	(3,490,000)	(35)
At 31 December 2023 and 1 January 2024	2,070,000,000	20,700
Cancellation of repurchased shares (<i>Note</i>)	(310,000)	(3)
At 30 June 2024	<u>2,069,690,000</u>	<u>20,697</u>

Note:

During the six months ended 30 June 2024, the Company repurchased a total of 310,000 shares of the Company on the Stock Exchange as follows:

Month/year	Par value per share	Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate price paid
	<i>HK\$</i>		<i>HK\$</i>	<i>HK\$</i>	<i>HK\$'000</i>
February 2024	0.01	310,000	0.56	0.56	174

All of the above repurchased shares were cancelled during the period. The issued capital of the Company was accordingly diminished by the nominal value of these shares. The premium paid on repurchase was charged against the share premium account. An amount equivalent to the nominal value of the shares cancelled was transferred from retained profits to capital redemption reserve.

During the period, no repurchased shares was held or sold as treasury shares by the Company.

16. Fair value measurement of financial instruments

16.1 Financial assets and liabilities measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

	At 30 June 2024			
	Level 1	Level 2	Level 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Recurring fair value measurement				
Financial assets at fair value through profit or loss:				
Equity investments listed in Hong Kong	29,002	–	–	29,002
Equity investments listed outside Hong Kong	69,436	–	–	69,436
	<u>98,438</u>	<u>–</u>	<u>–</u>	<u>98,438</u>

At 31 December 2023

	Level 1	Level 2	Level 3	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Recurring fair value measurement				
Financial assets at fair value through profit or loss:				
Equity investments listed in Hong Kong	33,192	–	–	33,192
Equity investments listed outside Hong Kong	<u>62,132</u>	<u>–</u>	<u>–</u>	<u>62,132</u>
	<u><u>95,324</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>95,324</u></u>

During the six months ended 30 June 2024 and 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

16.2 Financial assets and liabilities not reported at fair value

The carrying amounts of the Group's financial assets and liabilities (comprising trade receivables, deposits paid and other receivables, cash and deposits with banks, bank loans, trade payables, other payables and accrued charges and lease liabilities carried at amortised cost) approximate their fair values as at 30 June 2024 and 31 December 2023.

17. Commitments

17.1 Licensing commitments

In the normal course of business, the Group enters into contractual licensing agreements to secure its rights to design, develop, market and distribute certain toys and family entertainment activity products for future sales. Certain licensing agreements contain financial commitments by the Group to the licensors to be fulfilled during the terms of the contracts. The amounts of financial commitments contracted but not provided for at 30 June 2024 were payable as follows:

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Within one year	41,379	74,100
In the second to fifth years	130,923	74,100
	172,302	148,200

17.2 Lease commitments

The Group acts as lessee and lessor under leases.

17.2.1 As lessee

As at 30 June 2024 and 31 December 2023, all of the Group's committed leases had already commenced and recognised as lease liabilities under HKFRS 16, *Leases*.

17.2.2 As lessor

At 30 June 2024, the future aggregate minimum lease payments under non-cancellable leases for commercial, industrial and residential premises receivable by the Group were as follows:

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Within 1 year	126,558	116,864
After 1 year but within 2 years	112,538	96,481
After 2 years but within 3 years	100,188	93,086
After 3 years but within 4 years	46,596	93,192
	385,880	399,623

17.3 Capital commitments

Capital commitments outstanding at 30 June 2024 not provided for at the end of the reporting period were as follows:

	30 June 2024 <i>HK\$'000</i>	31 December 2023 <i>HK\$'000</i>
Contracted for	<u>16,119</u>	<u>1,460</u>

18. Related party transactions

During the six months ended 30 June 2024 and 2023, the Group did not enter into significant transactions with related parties.

No transactions have been entered with the directors of the Company (being the key management personnel) during the period other than the emoluments paid to them (being the key management personnel compensation).

19. US dollar equivalents

These are shown for reference only and have been arrived at based on the exchange rate of HK\$7.8 to US\$1 ruling at 30 June 2024.

INFORMATION PROVIDED IN ACCORDANCE WITH THE LISTING RULES

Liquidity and Financial Resources

The property investments and management businesses generated a relatively steady income stream throughout the period. Overall occupancy rate was 68% as at 30 June 2024 (31 December 2023: 74%).

Financial assets at fair value through profit or loss include investment in listed equities. As at 30 June 2024, the Group's financial assets at fair value through profit or loss amounted to HK\$98,438,000 (31 December 2023: HK\$95,324,000).

The toy business is inherently seasonal in nature. As a result, a disproportionately high balance of trade receivables is typically generated during the peak selling season in the second half of the year. Consistent with usual trade practices, a significant portion of the trade receivables is collected in the final weeks of the fourth quarter and in the first quarter of the subsequent year, resulting in a seasonal demand for working capital during the peak selling season. As at 30 June 2024, trade receivables related to toy business were HK\$133,954,000 (31 December 2023: HK\$328,827,000) and inventories were HK\$51,932,000 (31 December 2023: HK\$58,886,000).

The Group's gearing ratio, defined as total bank borrowings expressed as a percentage of total tangible assets, at 30 June 2024 was 2.8% compared to 3.4% at 31 December 2023. The current ratio, calculated as the ratio of current assets to current liabilities, was 3.1 at 30 June 2024 (31 December 2023: 2.5).

The Group maintains a level of cash that is necessary and sufficient to serve recurring operations as well as further growth and developmental needs. As at 30 June 2024, the Group's cash and deposits with banks were HK\$1,149,898,000 (31 December 2023: HK\$1,094,933,000), of which HK\$1,068,200,000 (31 December 2023: HK\$1,000,777,000) was denominated in United States dollar, HK\$41,116,000 (31 December 2023: HK\$51,871,000) in British pound, HK\$4,368,000 (31 December 2023: HK\$4,297,000) in Euro and the remaining balance was mainly denominated in Hong Kong dollar.

Charges on Group Assets

Details of charges on Group assets are set out in note 12 to the condensed consolidated financial information.

Employees

As at 30 June 2024, the Group had a total of 84 employees in Hong Kong, the United States of America and the United Kingdom.

There was no material change in remuneration policies compared to those disclosed in the most recently published annual report.

Share Award Plan

Share award plan of the Company

The Company has not adopted any share award plan during the period.

Share award plan of Playmates Toys Limited (“PTL”)

PTL, an indirect non-wholly owned subsidiary of the Company, adopted a share award plan (“Share Award Plan”) on 19 May 2023 (“Adoption Date”). The purpose of the Share Award Plan is to (a) recognise and reward the contributions of certain eligible participants (including employee participants, related entity participants and service provider participants) to the growth and development of PTL group and to give incentives thereto in order to retain them for the continual operation and development of the PTL group, and (b) to attract suitable personnel for further development of the PTL group. Subject to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and the terms and conditions of the Rules of the Share Award Plan, the board of PTL has a discretion to determine the terms of the award, including the vesting conditions and the date on which the award will vest.

The Share Award Plan will remain in force for a period of 10 years until 18 May 2033.

The maximum number of the shares of PTL (“PTL Shares”) which may be issued in respect of all awards and options to be granted under the Share Award Plan and other share schemes of PTL is 10% of the total number of PTL Shares in issue as at the Adoption Date (i.e. no more than 118,000,000 PTL Shares, representing 9.99% of the total number of PTL Shares in issue as at the date of this interim report) (“Plan Mandate Limit”). Out of such Plan Mandate Limit, the maximum number of PTL Shares which may be issued in respect of all awards granted to PTL service provider participants under the Share Award Plan (i.e. the service providers sublimit) is 5% of the total number of PTL Shares in issue as at the Adoption Date (i.e. no more than 59,000,000 PTL Shares, representing 4.99% of the total number of PTL Shares in issue as at the date of this interim report). The maximum number of PTL Shares which may be awarded under the Share Award Plan together with PTL Shares which may be issued under options granted to a selected participant, in a 12-month period, shall not (i) in aggregate exceed 1% of the issued share capital of PTL in issue; and (ii) exceed any limits applicable to such PTL selected participant under the Listing Rules.

No share award was granted to any eligible participant by PTL under the Share Award Plan since its adoption and no PTL Share was allotted and issued under the Share Award Plan during the period. No PTL Share was vested, cancelled or lapsed under the Share Award Plan during the period. There was no unvested award at the beginning and at the end of the period and no PTL Share was held in trust under the Share Award Plan. The number of PTL Shares available for award under the Share Award Plan at the beginning and the end of the period are also 118,000,000 PTL Shares (out of which, 59,000,000 PTL Shares are available for award to service provider participants at the beginning and the end of the period).

Share Options

The following shows the particulars of the share options of a subsidiary of the Company that are required to be disclosed under Rule 17.07 of Chapter 17 and Paragraph 10 of Appendix D2 of the Listing Rules:

Share options of the Company

The Company has not adopted any share option scheme during the period.

Share options of PTL

Particulars of the share options of PTL granted to directors of the Company, directors of PTL, employees of PTL group and other participants pursuant to the Share Option Scheme adopted on 21 May 2018 (“2018 PTL Scheme”) were as follows:

Participant	Date of grant	Exercise Price /HK\$	Number of share options				Balance at 30 June 2024	Vesting/ Exercise Period and Remarks (Note)
			Balance at 1 January 2024	Granted during the period	Exercised during the period	Lapsed during the period		
2018 PTL Scheme								
CHAN Kwong Fai, Michael <i>Chairman and Director of the Company and PTL</i>	29 June 2018	0.826	2,000,000	-	-	-	2,000,000	(1)
CHAN, Helen <i>Director of the Company and PTL</i>	29 June 2018	0.826	1,000,000	-	-	-	1,000,000	(1)
CHAN Kong Keung, Stephen <i>Director of the Company and PTL</i>	29 June 2018	0.826	1,000,000	-	-	-	1,000,000	(1)
<i>Directors of PTL</i>								
TRAN Vi-hang William	29 June 2018	0.826	1,000,000	-	-	-	1,000,000	(1)
<i>Continuous Contract Employee Participants of PTL Group, excluding directors of PTL</i>	29 June 2018	0.826	10,516,000	-	-	100,000	10,416,000	(1)
<i>Other Participants including consultants and a licensor of PTL</i>	29 June 2018	0.826	4,780,000	-	-	-	4,780,000	(1)
	12 April 2019	0.792	20,000,000	-	-	20,000,000	-	(2)

Notes:

- (1) Divided into 4 tranches (with each tranche covering one-fourth of the relevant share options) exercisable from 29 June 2018, 29 June 2019, 29 June 2020 and 29 June 2021 respectively to 28 June 2028.
- (2) Divided into 2 tranches: (i) 10,000,000 share options are exercisable from 12 April 2019 to 31 December 2023; and (ii) 10,000,000 share options are exercisable from 31 December 2020 to 31 December 2023.

No options were granted, exercised or cancelled during the period.

The number of PTL Shares available for issue under the 2018 PTL Scheme as at 30 June 2024 was 20,196,000. No PTL Shares was available for grant under the 2018 PTL Scheme at the beginning and the end of the period. Following the adoption of Share Award Plan, 2018 PTL Scheme was terminated on 19 May 2023 and no further options will be granted thereunder. In other respects, the provisions of the 2018 PTL Scheme remain in full force and effect to the extent necessary to give effect to the exercise of options granted prior to its termination or otherwise as may be required in accordance with the rules of the 2018 PTL Scheme. The above outstanding options already granted under the 2018 PTL Scheme shall continue to be valid and exercisable in accordance with the provisions of the 2018 PTL Scheme and their terms of issue.

Apart from the aforesaid, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors and chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

During the period, neither PTL nor the trustee of Share Award Plan held or transferred any treasury shares of PTL for the purpose of satisfying share options or awards granted or to be granted under the Share Award Plan and 2018 PTL Scheme.

Directors' Interests and Short Positions in Shares and Underlying Shares of the Company or Any Associated Corporation

As at 30 June 2024, the interests of each director of the Company in the shares, underlying shares of equity derivatives and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange under the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (“Model Code”) were as follows:

Long positions in shares of the Company

Name of director	Nature of interest	Number of shares held	Percentage interest held
CHAN Kwong Fai, Michael	Personal	104,000,000 ordinary shares	5.02%
CHAN, Helen	Personal	28,000,000 ordinary shares	1.35%
CHAN Kong Keung, Stephen	Personal	2,600,000 ordinary shares	0.13%
LO Kai Yiu, Anthony	Personal	250,000 ordinary shares	0.01%

Long positions in shares of PTL

Name of director	Nature of interest	Number of shares held	Percentage interest held
CHAN Kwong Fai, Michael	Personal	3,274,000 ordinary shares	0.28%
LO Kai Yiu, Anthony	Personal	376,000 ordinary shares	0.03%

Long positions in underlying shares of PTL

Name of director	Nature of interest	Number of equity derivatives held	Number of underlying shares (ordinary shares)	Percentage interest held
CHAN Kwong Fai, Michael	Personal	2,000,000 share options	2,000,000 shares	0.17%
CHAN, Helen	Personal	1,000,000 share options	1,000,000 shares	0.08%
CHAN Kong Keung, Stephen	Personal	1,000,000 share options	1,000,000 shares	0.08%

Unless stated otherwise, all the aforesaid shares and equity derivatives were beneficially owned by the directors concerned. The percentage shown was the number of shares or underlying shares the relevant director was interested expressed as a percentage of the number of issued shares of the relevant companies as at 30 June 2024.

Details of the share options held by the directors of the Company are disclosed in the above section headed “Share Options”.

Save as disclosed above, as at 30 June 2024, none of the directors of the Company were interested or deemed to be interested in short positions in the shares and underlying shares of equity derivatives of the Company or any associated corporation as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange under the Model Code.

Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company Required to be Recorded under Section 336 of the SFO

As at 30 June 2024, persons (other than the directors of the Company) who had interests or short positions in the shares and underlying shares of the Company, being 5% or more of the Company's issued share capital, were recorded in the register required to be kept under section 336 of the SFO were as follows:

Name	Nature of interest	Number of shares held	Percentage interest held
Chan Chun Hoo, Thomas	Personal, Associate and Corporation (Note (i))	1,350,400,000 ordinary shares	65.25%
TGC Assets Limited	Beneficial Owner (Note (ii))	1,078,400,000 ordinary shares	52.10%

Notes:

- (i) Mr. Chan Chun Hoo, Thomas ("Mr. Chan") was interested in and deemed to be interested in 1,350,400,000 shares of the Company of which 142,000,000 shares were held by Mr. Chan directly, 130,000,000 shares were held by his wife and 1,078,400,000 shares were held by TGC Assets Limited ("TGC").
- (ii) Mr. Chan is the beneficial owner of all of the issued share capital of TGC and he was deemed to be interested in those shares.

Save as disclosed above, as at 30 June 2024, none of the person (other than the directors of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the registered required to be kept under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

Purchase, Sale or Redemption of Shares

During the period, 310,000 shares of HK\$0.01 each were repurchased by the Company at a price of HK\$0.56 per share through the Stock Exchange. The particulars of the repurchases are set out in note 15 to the condensed consolidated financial information. The Company did not have any treasury share during the period ended 30 June 2024.

Compliance with the Corporate Governance Code

The Company has applied the principles and complied with all the applicable code provisions (“Code Provisions”) of Part 2 of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules throughout the six months ended 30 June 2024, except the followings:

The Code Provision C.2.1 provides that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. The Company does not have a designated chief executive. The board oversees the management, businesses, strategy and financial performance of the Group. The day-to-day business of the Group is handled by the executive directors collectively. The executive directors supported by the senior executives are delegated with the responsibilities of running the business operations and making operational and business decisions of the Group. The board considers that this structure is adequate to ensure an effective management and control of the Group’s businesses and operations. The structure outlined above will be reviewed regularly to ensure that sound corporate governance is in place.

Further information of the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for the year ending 31 December 2024. The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited condensed consolidated financial information for the six months ended 30 June 2024.

Compliance with the Model Code

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules for securities transactions by directors of the Company. All the members of the Board have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the period ended 30 June 2024.

Update on Director’s Information pursuant to Rule 13.51B(1) of the Listing Rules

No information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the period.

Closure of Register of Members

The Register of Members of the Company will be closed from 9 September 2024 to 10 September 2024, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be qualified for the declared dividends, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrars, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 6 September 2024. The interim dividend will be paid on 27 September 2024 to the shareholders on the Register of Members of the Company on 10 September 2024.

On behalf of the Board
Chan Kwong Fai, Michael
Chairman

Hong Kong, 23 August 2024

CORPORATE INFORMATION

Directors

CHAN Kwong Fai, Michael
(Chairman and Executive Director)
CHAN, Helen *(Executive Director)*
CHAN Kong Keung, Stephen
(Executive Director)
LEE Ka Sze, Carmelo
(Non-executive Director)
LO Kai Yiu, Anthony
(Independent Non-executive Director)
OR Ching Fai, Raymond
(Independent Non-executive Director)
TANG Wing Yung, Thomas
(Independent Non-executive Director)

Company Secretary

NG Ka Yan

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Office

23/F., The Toy House
100 Canton Road
Tsimshatsui
Kowloon, Hong Kong

Auditors

Grant Thornton Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

Legal Advisors

Conyers Dill & Pearman
Deacons

Principal Bankers

The Bank of East Asia, Limited
Hang Seng Bank Limited
UBS AG
Merrill Lynch, Pierce, Fenner & Smith Inc.

Principal Share Registrars

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Branch Share Registrars

Tricor Abacus Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Stock Code

The shares of Playmates Holdings
Limited are listed for trading on
The Stock Exchange of Hong Kong
Limited
(Stock Code: 635)

Website

www.playmates.net



Playmates Holdings Limited
(Incorporated in Bermuda with limited liability)
(Stock code 635)
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