

*Notes:*

- (1) The closing price of the ordinary shares of the Company immediately before the date on which the options were exercised by Mr. Allen Lee Peng Fei, Mr. Anthony Lo Kai Yiu and Mr. David Yu Hon To during the period were HK\$1.69, HK\$1.72 and HK\$1.72 respectively.
- (2) The weighted average closing price of the ordinary shares of the Company immediately before the dates on which the options were exercised by continuous contract employees, excluding directors, during the period was HK\$1.683.

The above share options are exercisable in stages in accordance with the terms of the Plan and the Scheme within ten years after the date of grant. No options were granted or cancelled during the period.

## **DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION**

As at 30 June 2005, the interests of each director and chief executive of the Company in the shares, underlying shares of equity derivatives and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (“SFO”)) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (“Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) were as follows:

### **Long position in shares**

<b>Name of director</b>	<b>Name of company</b>	<b>Capacity/nature of interest</b>	<b>Number of shares held</b>	<b>Percentage interests held</b>
Thomas CHAN Chun Hoo	Playmates Holdings Limited	Corporate ( <i>Note (a)</i> )	732,000,000 ordinary shares	39.21%
Sidney TO Shu Sing	Playmates Holdings Limited	Personal	8,760,000 ordinary shares	0.47%
Charles IP Shu Wing	Playmates Holdings Limited	Personal	18,400,000 ordinary shares	0.99%
	Nippon Toys Limited	Personal ( <i>Note (b)</i> )	1 share	50%
Allen LEE Peng Fei	Playmates Holdings Limited	Personal	250,000 ordinary shares	0.01%

Name of director	Name of company	Capacity/nature of interest	Number of shares held	Percentage interests held
Anthony LO Kai Yiu	Playmates Holdings Limited	Personal	2,390,000 ordinary shares	0.13%
TSIM Tak Lung	Playmates Holdings Limited	Personal	1,114,000 ordinary shares	0.06%
David YU Hon To	Playmates Holdings Limited	Corporate & Personal (Note (c))	5,050,000 ordinary shares	0.27%

### Long position in underlying shares of the Company

Name of director	Capacity/nature of interest	Number of equity derivatives held	Number of underlying shares (ordinary share)	Percentage interests held
Thomas CHAN Chun Hoo	Corporate (Note (a))	146,400,000 warrants	146,400,000 shares	7.84%
Sidney TO Shu Sing	Personal	1,752,000 warrants	1,752,000 shares	0.09%
	Personal	6,893,000 share options	6,893,000 shares	0.37%
Charles IP Shu Wing	Personal	3,680,000 warrants	3,680,000 shares	0.20%
Allen LEE Peng Fei	Personal	50,000 warrants	50,000 shares	0.003%
		250,000 share options	250,000 shares	0.01%
Anthony LO Kai Yiu	Personal	478,000 warrants	478,000 shares	0.03%
	Personal	250,000 share options	250,000 shares	0.01%
TSIM Tak Lung	Personal	222,800 warrants	222,800 shares	0.01%
	Personal	250,000 share options	250,000 shares	0.01%
David YU Hon To	Corporate & Personal (Note (c))	1,010,000 warrants	1,010,000 shares	0.05%
	Personal	250,000 share options	250,000 shares	0.01%

*Notes:*

- (a) 732,000,000 ordinary shares and 146,400,000 warrants of the Company were beneficially owned by Angers Investments Limited (“AIL”). All the issued share capital of AIL is beneficially owned by a private company which is in turn wholly-owned by Mr. Thomas Chan Chun Hoo.
- (b) Mr. Charles Ip Shu Wing has a personal interest of one share in Nippon Toys Limited, an associated company of the Group.
- (c) 4,200,000 ordinary shares and 840,000 warrants of the Company were held by a private company which is 50% owned by Mr. David Yu Hon To and 50% owned by a member of his family.

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 as at 30 June 2005.

The warrants are exercisable at any time from 24 May 2005 to 23 May 2006, both dates inclusive, at an initial subscription price of HK\$2.03 per share (subject to adjustment) and subject to the terms and conditions under the Warrant Instrument dated 20 May 2005.

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

As at 30 June 2005, none of the directors and chief executive of the Company was interested or deemed to be interested in short positions in the shares, underlying shares of equity derivatives and debentures of the Company or any associated corporation.

## **SHAREHOLDERS’ INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY REQUIRED TO BE RECORDED UNDER SECTION 336 OF THE SFO**

Apart from the interests disclosed above in respect of directors and chief executive of the Company, as at 30 June 2005, no other party had an interest or a short position in the shares and underlying shares of the Company, being 5% or more of the Company’s issued share capital, as recorded in the register required to be kept under section 336 of the SFO.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company’s shares during the period.

## **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintaining high standards of corporate governance. The Company has complied with the Code on Corporate Governance Practices (“Code on Corporate Governance”) as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2005 except for the deviation from A.2.1 of the Code on Corporate Governance in respect of segregation of the roles of chairman and chief executive officer.