

2015
Interim Report



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MANAGEMENT DISCUSSION AND ANALYSIS

Highlights

For the six months ended 30 June	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Group revenue	806,384	953,144
– from toy business	687,679	835,235
– from property investments and associated businesses	117,096	116,976
– from investment business	1,609	933
Gross profit	542,857	625,312
Revaluation surplus on investment properties	156,218	188,484
Operating profit	456,456	530,559
Profit before income tax	452,458	536,164
Profit attributable to equity holders of the Company	302,675	347,230
Earnings per share	<i>HK\$</i>	<i>HK\$</i>
– Basic	1.33	1.51
– Diluted	1.33	1.51
Interim dividend per share	0.075	0.075

Property Investments and Associated Businesses

The property investments and associated businesses recorded a slight growth in revenue to HK\$117.1 million (same period in 2014: HK\$117.0 million) during the first half of 2015 compared to the same period last year. Revenue from the property investments and property management businesses increased by 4.7% to HK\$104.3 million (same period in 2014: HK\$99.6 million), while revenue from the food and beverage business decreased by 26.1% to HK\$12.8 million (same period in 2014: HK\$17.4 million), caused primarily by the closure of Fandango restaurant in the period. The Group's investment properties were revalued by independent professional surveyors at the fair value of HK\$5.7 billion. A revaluation surplus of HK\$156.2 million was reported in the consolidated income statement of the Group. Segment operating profit was HK\$240.5 million including revaluation surplus, compared to HK\$260.2 million (including revaluation surplus of HK\$188.5 million) for the same period last year.

(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. Overall occupancy rate of the investment properties in Hong Kong was 96% as of 30 June 2015 and 31 December 2014. As of 30 June 2015, the Group's property portfolio also included two investment properties in the United Kingdom, one in New York City, the United States of America and one in Tokyo, Japan.

(i) *The Toy House*

Rental income generated by The Toy House increased by 4.7% to HK\$78.8 million as compared to HK\$75.3 million during the same period last year, driven mainly by rental increases on existing leases. With the recent opening of the Apple Store on the podium floors of the building, The Toy House reaffirmed its position as a landmark on the premier shopping destination that is Canton Road.

(ii) *Hillview*

Rental income generated by the residential properties at Hillview was \$7.2 million, a decrease of 9.0% as compared to HK\$7.9 million during the same period last year. The demand for luxury residential units in Mid-Levels weakened during 2014 and continued to be soft during the first half of 2015. Over the longer term, we remain optimistic that this investment will benefit from resilient demand for and limited supply of upmarket residential properties in Mid-Levels.

(iii) *Playmates Factory Building*

Rental income generated by Playmates Factory Building increased by 20.4% to HK\$9.8 million as compared to HK\$8.1 million during the same period last year, driven by rental increases from lease renewals, and a high occupancy rate of close to 100%. We believe that the investment will benefit from further developments in Tuen Mun.

(b) Property Management

The Group engaged Savills Property Management Limited 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 increased by 3.1% to HK\$8.2 million as compared to HK\$8.0 million of the same period last year.

(c) Food & Beverage Business

Revenue generated from the food and beverage business during the first half of 2015 was HK\$12.8 million, a decrease of 26.1% as compared to HK\$17.4 million during the same period last year. The decrease was caused primarily by the closure of Fandango restaurant in the period. The Group continued to operate two restaurants in The Toy House.

While we maintain a favorable long term view of our property investments and associated businesses, we will continue to adjust the balance of our property portfolio to achieve our strategic objective of seeking investment returns through capital appreciation and growth in recurring income.

Playmates Toys

Playmates Toys group worldwide turnover during the first half of 2015 was HK\$688 million (same period in 2014: HK\$835 million), a decrease of 17.7% compared to the prior year period. The decrease in turnover was driven mainly by a decline in sales outside the US market, as well as the comparison against the prior year period when there were shipments of products related to the *Teenage Mutant Ninja Turtles* (“TMNT”) movie.

Gross profit ratio on toy sales was 63.2% (same period in 2014: 62.0%). The increase in gross profit ratio was attributable to a higher percentage of overall sales generated in the US market. Recurring operating expenses decreased by 12.5% compared to the prior year period, reflecting lower selling, royalty and overhead expenses.

Playmates Toys reported an operating profit for the period of HK\$215 million (same period in 2014: HK\$267 million). Net profit attributable to shareholders during the first half of 2015 was HK\$156 million (same period in 2014: HK\$176 million).

During the period, the overall US market remained on a steady recovery path. An improving job market, low interest rates and easier access to credit continued to support consumer confidence at a high level. According to The NPD Group, the leading provider of toys point-of-sale market research data, overall US toy industry retail sales in the first six months of 2015 increased in dollar terms by 6.5% compared to the same period last year. The disruptions at the US west coast ports early in the year mostly dissipated during the second quarter. A number of major action adventure movies prompted strong competitions among boy’s action toys.

In most international markets, the continued weakness of local currencies against the US dollar had a significant negative impact on US dollar-based businesses, including Playmates Toys’.

In the second half of 2015, Playmates Toys expects competitive pressure will further intensify and ongoing currency headwinds will continue to impact international markets. In addition, comparison against prior year will be more challenging in the second half of 2015 due to the significant boost provided by the blockbuster *TMNT* movie last summer. Nevertheless, Playmates Toys remains positive in its longer term outlook, driven by the resilience of the *TMNT* franchise, the release of the second *TMNT* movie in 2016, as well as the launch of major new brands beginning in 2017.

Portfolio Investments

The Group engages in portfolio investments which involve investing in listed equity shares and managed funds. 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 at 30 June 2015, fair market value of the Group's investment portfolio was HK\$126.2 million (HK\$57.7 million as at 31 December 2014). The Group reported a net gain from investments of HK\$2.2 million during the first half of 2015, compared to a net gain of HK\$3.6 million during the same period last year. During the first half of 2015, dividend and interest income generated from portfolio investments were HK\$1.6 million (HK\$0.9 million in the first half of 2014) and have been included in the revenue of the Group.

In light of continued uncertainties in the major global economies, the Group will remain vigilant in monitoring and balancing the investment portfolio.

CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Condensed Consolidated Income Statement

For the six months ended 30 June 2015

	Note	Unaudited		
		Six months ended 30 June		
		2015	2015	2014
		US\$'000	HK\$'000	HK\$'000
		(Note 18)		
Revenue	3	104,049	806,384	953,144
Cost of sales		<u>(34,003)</u>	<u>(263,527)</u>	<u>(327,832)</u>
Gross profit		70,046	542,857	625,312
Marketing expenses		(17,053)	(132,161)	(152,057)
Selling and distribution expenses		(3,796)	(29,416)	(38,623)
Administration expenses		(10,741)	(83,244)	(96,176)
Net gain on financial assets at fair value through profit or loss		284	2,202	3,619
Revaluation surplus on investment properties		<u>20,157</u>	<u>156,218</u>	<u>188,484</u>
Operating profit		58,897	456,456	530,559
Other net income		371	2,877	15,642
Finance costs		(1,032)	(8,003)	(8,385)
Share of profit/(loss) of an associated company		<u>146</u>	<u>1,128</u>	<u>(1,652)</u>
Profit before income tax	4	58,382	452,458	536,164
Income tax expense	5	(8,787)	(68,100)	(94,439)
Profit for the period		<u>49,595</u>	<u>384,358</u>	<u>441,725</u>
Profit for the period attributable to:				
Equity holders of the Company		39,055	302,675	347,230
Non-controlling interests		<u>10,540</u>	<u>81,683</u>	<u>94,495</u>
		<u>49,595</u>	<u>384,358</u>	<u>441,725</u>
		US\$	HK\$	HK\$
Earnings per share	7			
Basic		<u>0.17</u>	<u>1.33</u>	<u>1.51</u>
Diluted		<u>0.17</u>	<u>1.33</u>	<u>1.51</u>

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2015

	Unaudited		
	Six months ended 30 June		
	2015	2015	2014
	US\$'000	HK\$'000	HK\$'000
	(Note 18)		
Profit for the period	49,595	384,358	441,725
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of the financial statements of foreign subsidiaries	(222)	(1,718)	(5,113)
Total comprehensive income for the period	49,373	382,640	436,612
Total comprehensive income attributable to:			
Equity holders of the Company	38,833	300,957	342,117
Non-controlling interests	10,540	81,683	94,495
	49,373	382,640	436,612

Condensed Consolidated Statement of Financial Position

As at 30 June 2015

		Unaudited 30 June 2015 US\$'000 (Note 18)	Unaudited 30 June 2015 HK\$'000	Audited 31 December 2014 HK\$'000
Non-current assets				
Investment properties	8	736,721	5,709,587	5,329,580
Other property, plant and equipment	8	<u>26,103</u>	<u>202,298</u>	<u>210,969</u>
		762,824	5,911,885	5,540,549
Goodwill		771	5,976	5,976
Interest in an associated company		805	6,242	5,114
Deferred tax assets		<u>7,528</u>	<u>58,342</u>	<u>49,309</u>
		<u>771,928</u>	<u>5,982,445</u>	<u>5,600,948</u>
Current assets				
Inventories		8,739	67,726	44,332
Trade receivables	9	31,382	243,215	530,530
Deposits paid, other receivables and prepayments	10	10,201	79,058	74,331
Taxation recoverable		–	–	593
Financial assets at fair value through profit or loss		20,272	157,106	57,670
Cash and bank balances		<u>169,908</u>	<u>1,316,786</u>	<u>1,233,585</u>
		<u>240,502</u>	<u>1,863,891</u>	<u>1,941,041</u>
Current liabilities				
Bank loans	11	63,380	491,200	363,800
Trade payables	12	11,624	90,091	80,596
Deposits received, other payables and accrued charges	13	19,750	153,061	245,519
Provisions		3,413	26,448	45,819
Taxation payable		<u>16,592</u>	<u>128,588</u>	<u>88,052</u>
		<u>114,759</u>	<u>889,388</u>	<u>823,786</u>
Net current assets		<u>125,743</u>	<u>974,503</u>	1,117,255
Total assets less current liabilities		<u>897,671</u>	<u>6,956,948</u>	<u>6,718,203</u>

		Unaudited 30 June 2015 <i>US\$'000</i> <i>(Note 18)</i>	Unaudited 30 June 2015 <i>HK\$'000</i>	Audited 31 December 2014 <i>HK\$'000</i>
Non-current liabilities				
Bank loans	<i>11</i>	6,323	49,000	66,400
Deferred tax liabilities		2,975	23,057	22,939
		9,298	72,057	89,339
Net assets		888,373	6,884,891	6,628,864
Equity				
Share capital	<i>14</i>	2,934	22,738	22,822
Reserves		812,515	6,296,988	6,018,593
Declared dividends	<i>6</i>	2,183	16,920	62,706
Equity attributable to the equity holders of the Company		817,632	6,336,646	6,104,121
Non-controlling interests		70,741	548,245	524,743
Total equity		888,373	6,884,891	6,628,864

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2015

	Unaudited		
	Six months ended 30 June		
	2015	2015	2014
	US\$'000	HK\$'000	HK\$'000
	(Note 18)		
Operating activities			
Cash generated from operations	50,584	392,027	344,456
Overseas tax paid	(4,583)	(35,518)	(46,165)
Other cash flows arising from operating activities	(410)	(3,178)	(3,537)
Net cash generated from operating activities	<u>45,591</u>	<u>353,331</u>	<u>294,754</u>
Investing activities			
Acquisition of investment properties	(24,910)	(193,054)	–
Purchases of other property, plant and equipment	(2,953)	(22,886)	(7,306)
Purchases of financial assets at fair value through profit or loss	(6,715)	(52,039)	–
Proceeds from disposal of financial assets at fair value through profit or loss	2,241	17,366	–
Other cash flows arising from investing activities	(362)	(2,805)	(11,029)
Net cash used in investing activities	<u>(32,699)</u>	<u>(253,418)</u>	<u>(18,335)</u>
Financing activities			
Dividends paid to equity holders of the Company	(8,091)	(62,706)	(102,960)
Dividends paid to non-controlling interests	(7,902)	(61,242)	(90,549)
New bank loans	24,800	192,200	15,000
Repayment of bank loans	(10,374)	(80,400)	(27,900)
Disposal of shares of a listed subsidiary	–	–	288,957
Other cash flows arising from financing activities	(593)	(4,595)	(16,543)
Net cash (used in)/generated from financing activities	<u>(2,160)</u>	<u>(16,743)</u>	<u>66,005</u>
Net increase in cash and cash equivalents	10,732	83,170	342,424
Cash and cash equivalents at 1 January	159,172	1,233,585	739,098
Effect of foreign exchange rate changes	<u>4</u>	<u>31</u>	<u>768</u>
Cash and cash equivalents at 30 June	<u><u>169,908</u></u>	<u><u>1,316,786</u></u>	<u><u>1,082,290</u></u>
<i>Analysis of cash and cash equivalents</i>			
Cash and bank balances	<u><u>169,908</u></u>	<u><u>1,316,786</u></u>	<u><u>1,082,290</u></u>

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Unaudited										
	Attributable to equity holders of the Company										
	Share capital	Share premium	Capital redemption reserve	Share repurchase reserve	Reserve on consolidation	Exchange reserve	Share-based compensation reserve	Retained profits	Total	Non-controlling interests	Total equity
HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
At 1 January 2014	23,200	1,196,115	4,499	(5,106)	(46,038)	(5,228)	18,033	4,053,837	5,239,312	320,031	5,559,343
Profit for the period	-	-	-	-	-	-	-	347,230	347,230	94,495	441,725
Other comprehensive income:											
Exchange differences arising on translation of the financial statements of foreign subsidiaries	-	-	-	-	-	(5,113)	-	-	(5,113)	-	(5,113)
Total comprehensive income for the period	-	-	-	-	-	(5,113)	-	347,230	342,117	94,495	436,612
Repurchase of shares of the Company	(321)	(33,999)	321	5,106	-	-	-	(321)	(29,214)	-	(29,214)
Disposal of shares of a listed subsidiary	-	-	-	-	-	-	-	236,673	236,673	52,284	288,957
Share option scheme											
- value of services	-	-	-	-	-	-	1,903	-	1,903	1,927	3,830
- shares issued	1	126	-	-	11,002	-	(4,782)	-	6,347	6,324	12,671
- share options lapsed	-	-	-	-	-	-	(261)	261	-	-	-
Share premium reduction	-	(1,160,386)	-	-	1,160,386	-	-	-	-	-	-
2013 second interim dividend paid	-	-	-	-	(11,440)	-	-	-	(11,440)	-	(11,440)
2013 special dividend paid	-	-	-	-	(91,520)	-	-	-	(91,520)	-	(91,520)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(90,549)	(90,549)
Tax benefits arising from share option scheme in overseas tax jurisdiction	-	-	-	-	6,863	-	-	-	6,863	6,953	13,816
Transactions with owners	(320)	(1,194,259)	321	5,106	1,075,291	-	(3,140)	236,613	119,612	(23,061)	96,551
At 30 June 2014	22,880	1,856	4,820	-	1,029,253	(10,341)	14,893	4,637,680	5,701,041	391,465	6,092,506

	Unaudited										
	Attributable to equity holders of the Company										
	Share capital	Share premium	Capital redemption reserve	Share repurchase reserve	Reserve on consolidation	Exchange reserve	Share-based compensation 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 2015	22,822	1,856	4,878	(1,555)	1,010,316	3,488	14,259	5,048,057	6,104,121	524,743	6,628,864
Profit for the period	-	-	-	-	-	-	-	302,675	302,675	81,683	384,358
Other comprehensive income:											
Exchange differences arising on translation of the financial statements of foreign subsidiaries	-	-	-	-	-	(1,718)	-	-	(1,718)	-	(1,718)
Total comprehensive income for the period	-	-	-	-	-	(1,718)	-	302,675	300,957	81,683	382,640
Repurchase of shares of the Company	(84)	-	84	(2,104)	(6,499)	-	-	(84)	(8,687)	-	(8,687)
Share option scheme											
- value of services	-	-	-	-	-	-	777	-	777	804	1,581
- shares issued	-	-	-	-	3,437	-	(1,425)	-	2,012	2,080	4,092
- share options lapsed	-	-	-	-	-	-	(18)	18	-	-	-
2014 second interim dividend paid	-	-	-	-	(17,102)	-	-	-	(17,102)	-	(17,102)
2014 special interim dividend paid	-	-	-	-	(45,604)	-	-	-	(45,604)	-	(45,604)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(61,242)	(61,242)
Tax benefits arising from share option scheme in overseas tax jurisdiction	-	-	-	-	172	-	-	-	172	177	349
Transactions with owners	(84)	-	84	(2,104)	(65,596)	-	(666)	(66)	(68,432)	(58,181)	(126,613)
At 30 June 2015	22,738	1,856	4,962	(3,659)	944,720	1,770	13,593	5,350,666	6,336,646	548,245	6,884,891

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 2014 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 2014, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements. Details of any changes in accounting policies are set out in note 2.

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 of the Group and the Company. None of these developments are relevant to the Group’s results and financial position. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Segment information

3.1 Segment results, assets and liabilities

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 associated 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, and operates restaurants.

Investment business: this segment invests in financial instruments including listed equity and managed funds 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.

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 2015 are as follows:

	Property investments and associated businesses HK\$'000	Investment business HK\$'000	Toy business HK\$'000	Total HK\$'000
Gross segment revenue	123,059	1,609	687,679	812,347
Inter-segment revenue	(5,963)	–	–	(5,963)
Revenue from external customers	<u>117,096</u>	<u>1,609</u>	<u>687,679</u>	<u>806,384</u>
Segment profit before depreciation	246,643	3,459	215,932	466,034
Depreciation	(6,143)	–	(852)	(6,995)
Segment operating profit	<u>240,500</u>	<u>3,459</u>	<u>215,080</u>	<u>459,039</u>
Other net income/(loss)	1,800	–	(2,806)	(1,006)
Finance costs	(5,067)	(37)	(2,857)	(7,961)
Share of profit of an associated company	–	–	1,128	1,128
	<u>(3,267)</u>	<u>(37)</u>	<u>(4,535)</u>	<u>(7,839)</u>
Segment profit before income tax	<u>237,233</u>	<u>3,422</u>	<u>210,545</u>	451,200
Unallocated corporate income				<u>1,258</u>
Profit before income tax				<u>452,458</u>

The segment results for the six months ended 30 June 2014 are as follows:

	Property investments and associated businesses <i>HK\$ '000</i>	Investment business <i>HK\$ '000</i>	Toy business <i>HK\$ '000</i>	Total <i>HK\$ '000</i>
Gross segment revenue	122,923	933	835,235	959,091
Inter-segment revenue	(5,947)	–	–	(5,947)
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue from external customers	<u>116,976</u>	<u>933</u>	<u>835,235</u>	<u>953,144</u>
Segment profit before depreciation	265,687	4,552	267,252	537,491
Depreciation	(5,486)	–	(370)	(5,856)
	<hr/>	<hr/>	<hr/>	<hr/>
Segment operating profit	<u>260,201</u>	<u>4,552</u>	<u>266,882</u>	<u>531,635</u>
Other net income	–	–	2,081	2,081
Finance costs	(4,852)	(29)	(3,397)	(8,278)
Share of loss of an associated company	–	–	(1,652)	(1,652)
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>(4,852)</u>	<u>(29)</u>	<u>(2,968)</u>	<u>(7,849)</u>
Segment profit before income tax	<u>255,349</u>	<u>4,523</u>	<u>263,914</u>	523,786
Unallocated corporate income				<hr/> 12,378
Profit before income tax				<hr/> <u>536,164</u>

The segment assets and liabilities as at 30 June 2015 are as follows:

	Property investments and associated 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 bank balances)	5,982,452	446,968	1,352,510	7,781,930
Interest in an associated company	–	–	6,242	6,242
	<hr/>	<hr/>	<hr/>	<hr/>
Total reportable segment assets	<u>5,982,452</u>	<u>446,968</u>	<u>1,358,752</u>	7,788,172
Inter-segment elimination	(55)	–	(1,578)	(1,633)
Deferred tax assets				58,342
Unallocated assets				<hr/> 1,455
Total assets				<u>7,846,336</u>
Reportable segment liabilities	<u>582,687</u>	<u>–</u>	<u>226,974</u>	809,661
Inter-segment elimination	(1,578)	–	(55)	(1,633)
Deferred tax liabilities				23,057
Taxation payable				128,588
Unallocated liabilities				<hr/> 1,772
Total liabilities				<u>961,445</u>

The segment assets and liabilities as at 31 December 2014 are as follows:

	Property investments and associated 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 bank balances)	5,613,181	489,835	1,383,582	7,486,598
Interest in an associated company	–	–	5,114	5,114
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total reportable segment assets	<u>5,613,181</u>	<u>489,835</u>	<u>1,388,696</u>	7,491,712
Inter-segment elimination	(2)	–	(1,570)	(1,572)
Deferred tax assets				49,309
Taxation recoverable				593
Unallocated assets				<u>1,947</u>
Total assets				<u>7,541,989</u>
Reportable segment liabilities	<u>483,392</u>	<u>–</u>	<u>316,776</u>	800,168
Inter-segment elimination	(1,570)	–	(2)	(1,572)
Deferred tax liabilities				22,939
Taxation payable				88,052
Unallocated liabilities				<u>3,538</u>
Total liabilities				<u>913,125</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 investment properties, other property, plant and equipment, goodwill and interest in an associated company ("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 investment properties and other property, plant and equipment, the location of operation to which they are allocated in case of goodwill, and the location of operation in case of interest in an associated company.

	Revenue from external customers		Specified non-current assets	
	Six months ended 30 June 2015 HK\$'000	2014 HK\$'000	30 June 2015 HK\$'000	31 December 2014 HK\$'000
Hong Kong (place of domicile)	118,232	119,155	5,444,796	5,282,709
Americas				
– U.S.A.	534,378	561,944	175,964	2,645
– Others	29,224	65,006	–	–
Europe	78,445	151,341	265,840	266,285
Asia Pacific other than Hong Kong	41,610	51,873	37,503	–
Others	4,495	3,825	–	–
	688,152	833,989	479,307	268,930
	806,384	953,144	5,924,103	5,551,639

3.3 Major customers

The Group's customer base is diversified and includes three (2014: three) 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\$236.7 million, HK\$142.7 million and HK\$87.3 million (2014: HK\$254.6 million, HK\$131.8 million and HK\$95.4 million) respectively.

4. Profit before income tax

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

	Six months ended 30 June	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cost of inventories sold	237,703	301,851
Product development costs	4,694	3,466
Royalties paid	89,140	113,961
Directors' and staff remunerations	42,139	53,666
Depreciation of other property, plant and equipment	7,195	6,064
Interest on borrowings	4,769	4,470
Net foreign exchange gain	(5,463)	(14,099)

5. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits for the period. Overseas taxation is provided on the estimated assessable profits of the overseas subsidiaries in accordance with the tax laws of the countries in which these entities operate.

	Six months ended 30 June	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current taxation		
Hong Kong profits tax	41,224	54,569
Overseas taxation	28,986	31,554
Under provision in prior years – overseas	6,455	2,585
	<u>76,665</u>	<u>88,708</u>
Deferred taxation		
Origination and reversal of temporary differences	(8,565)	5,731
	<u>(8,565)</u>	<u>5,731</u>
Income tax expense	<u>68,100</u>	<u>94,439</u>

6. Dividends

6.1 Dividends attributable to the interim period

	Six months ended 30 June	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim dividend declared after the interim period of HK\$0.075 (2014: HK\$0.075) per share	<u>16,920</u>	<u>17,160</u>

At a meeting held on 21 August 2015, the board of directors declared an interim dividend of HK\$0.075 per share to be paid on 30 September 2015 to shareholders on the Company's Register of Members on 16 September 2015. This interim dividend declared after the end of the reporting period has not been recognised as liabilities in this condensed consolidated financial information for the six months ended 30 June 2015.

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

	Six months ended 30 June	
	2015	2014
	<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\$0.075 (2014: HK\$0.05) per share	17,102	11,440
Special interim dividend of HK\$0.20 (2014: HK\$nil) per share	45,604	–
Special dividend of HK\$nil (2014: HK\$0.40) per share	–	91,520
	<u>62,706</u>	<u>102,960</u>

7. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of HK\$302,675,000 (2014: HK\$347,230,000) and the weighted average number of ordinary shares of 227,672,000 shares (2014: 229,686,000 shares) in issue during the period.

Diluted earnings per share for the period ended 30 June 2015 equals to the basic earnings per share as the potential ordinary shares on exercise of share options were not included in the calculation of diluted earnings per share because they are anti-dilutive.

The calculation of diluted earnings per share for the period ended 30 June 2014 is based on the profit attributable to equity holders of the Company of HK\$347,230,000 and the weighted average number of ordinary shares of 229,760,000 shares in issue during the period, adjusted for the effects of 74,000 dilutive potential shares on exercise of share options.

8. Investment properties and other property, plant and equipment

	Investment properties <i>HK\$'000</i>	Other property, plant and equipment <i>HK\$'000</i>
Opening net book amount as at 1 January 2015	5,329,580	210,969
Exchange fluctuation	2,142	485
Additions	193,054	22,886
Capitalised subsequent expenditure	3,746	–
Revaluation surplus	156,218	–
Reclassification	24,847	(24,847)
Depreciation	–	(7,195)
	<hr/>	<hr/>
Closing net book amount as at 30 June 2015	<u>5,709,587</u>	<u>202,298</u>
Opening net book amount as at 1 January 2014	4,889,650	192,668
Exchange fluctuation	7,175	852
Additions	–	7,306
Capitalised subsequent expenditure	13,111	–
Revaluation surplus	188,484	–
Depreciation	–	(6,064)
	<hr/>	<hr/>
Closing net book amount as at 30 June 2014	5,098,420	194,762
Exchange fluctuation	(19,775)	(2,348)
Additions	–	25,039
Capitalised subsequent expenditure	3,036	–
Revaluation surplus	248,481	–
Reclassification	(582)	582
Disposals	–	(311)
Depreciation	–	(6,755)
	<hr/>	<hr/>
Closing net book amount as at 31 December 2014	<u>5,329,580</u>	<u>210,969</u>

The additions to investment properties represent one investment property in New York City, the United States of America and one investment property in Tokyo, Japan. All these two properties are freehold.

9. Trade receivables

	30 June 2015 HK\$'000	31 December 2014 HK\$'000
Trade receivables	245,994	532,534
Less: Allowance for customer concession	(775)	–
Less: Allowance for impairment	(2,004)	(2,004)
	<u>243,215</u>	<u>530,530</u>

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. For property investments and management business, and restaurant operations, 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 2015 HK\$'000	31 December 2014 HK\$'000
0 – 30 days	233,650	516,210
31 – 60 days	2,208	4,834
Over 60 days	7,357	9,486
	<u>243,215</u>	<u>530,530</u>

10. Deposits paid, other receivables and prepayments

Deposits paid, other receivables and prepayments include receivables related to rent free periods given to tenants of HK\$50,696,000 (31 December 2014: HK\$54,259,000), which are amortised over the respective lease terms.

11. Bank loans

	30 June 2015	31 December 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Secured bank loans repayable		
Within one year	491,200	363,800
In the second year	28,800	31,800
In the third to fifth years	20,200	34,600
	540,200	430,200
Current portion included in current liabilities	(491,200)	(363,800)
Non-current portion	49,000	66,400

Except for a bank loan amounted to HK\$63,400,000 denominated in Japanese Yen, 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 1.96% p.a. (31 December 2014: 1.96% p.a.).

As at 30 June 2015, the Group has banking facilities amounting to HK\$880 million (31 December 2014: HK\$780 million), of which HK\$540 million (31 December 2014: HK\$430 million) were utilised.

The banking facilities of certain subsidiaries are secured by investment properties and land and buildings with net book value of HK\$5,120 million and HK\$124 million (31 December 2014: HK\$4,936 million and HK\$152 million) respectively of the Group at 30 June 2015.

12. 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 2015	31 December 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 – 30 days	85,187	78,760
31 – 60 days	4,546	547
Over 60 days	358	1,289
	90,091	80,596

13. Deposits received, other payables and accrued charges

	30 June 2015 HK\$'000	31 December 2014 HK\$'000
Deposits from customers, distributors and tenants	62,003	62,433
Accrued product development, sales, marketing and distribution expenses	13,515	19,148
Accrued royalties	49,364	90,326
Accrued directors' and staff remunerations	5,705	49,722
Withholding tax payable	15,293	11,525
Other accrued expenses	7,181	12,365
	153,061	245,519

14. Share capital

	Authorised Ordinary shares of HK\$0.10 each	
	<i>No. of shares</i>	<i>HK\$'000</i>
At 31 December 2014 and 30 June 2015	3,000,000,000	300,000
	Issued and fully paid Ordinary shares of HK\$0.10 each	
	<i>No. of shares</i>	<i>HK\$'000</i>
At 1 January 2014	232,004,500	23,200
Exercise of share options	11,450	1
Repurchase of shares	(3,795,950)	(379)
At 31 December 2014 and 1 January 2015	228,220,000	22,822
Repurchase of shares (<i>Note</i>)	(842,000)	(84)
At 30 June 2015	227,378,000	22,738

Note:

During the six months ended 30 June 2015, the Company repurchased a total of 1,020,000 shares of the Company on the Stock Exchange as follows:

Month/year	Number of shares repurchased	Highest price paid per share <i>HK\$</i>	Lowest price paid per share <i>HK\$</i>	Aggregate price paid <i>HK\$ '000</i>
March 2015	636,000	7.90	7.76	4,980
April 2015	6,000	7.90	7.90	47
June 2015	378,000	9.70	9.61	3,660

Save and except the 378,000 shares repurchased in June 2015 which were cancelled on 15 July 2015, all the above repurchased shares were cancelled during the period. The 200,000 shares repurchased in December 2014 were also 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 either the share premium account or the contributed surplus account. An amount equivalent to the nominal value of the shares cancelled was transferred from retained profits to capital redemption reserve.

15. Fair value measurement of financial instruments

15.1 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 2015

	Level 1 <i>HK\$'000</i>	Level 2 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
Recurring fair value measurement				
Financial assets at fair value through profit or loss:				
Listed equity investment in Hong Kong	63,214	–	–	63,214
Listed equity investment outside Hong Kong	84,371	–	–	84,371
Unlisted managed funds	–	9,521	–	9,521
	<u>147,585</u>	<u>9,521</u>	<u>–</u>	<u>157,106</u>

At 31 December 2014

	Level 1 <i>HK\$'000</i>	Level 2 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
Recurring fair value measurement				
Financial assets at fair value through profit or loss:				
Listed equity investment in Hong Kong	43,163	–	–	43,163
Listed equity investment outside Hong Kong	4,927	–	–	4,927
Unlisted managed funds	–	9,580	–	9,580
	<u>48,090</u>	<u>9,580</u>	<u>–</u>	<u>57,670</u>

The fair values of unlisted managed funds in Level 2 have been determined by reference to the market prices at the end of the reporting period.

During the six months ended 30 June 2015 and 2014, 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.

15.2 Financial assets and liabilities not reported at fair values

The carrying amounts of the Group's financial assets and liabilities (comprising trade receivables, deposits paid and other receivables, bank loans, trade payables, and other payables and accrued charges carried at amortised cost) approximate their fair values as at 30 June 2015 and 31 December 2014.

16. Commitments

16.1 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 2015 were payable as follows:

	30 June 2015 HK\$'000	31 December 2014 HK\$'000
Within one year	26,153	21,968
In the second to fifth years	114,777	29,062
After five years	11,625	–
	152,555	51,030

16.2 Operating lease commitments

The Group acts as lessee and lessor under operating leases. Details of the Group's commitments under non-cancellable operating leases are set out as follows:

16.2.1 As lessee

At 30 June 2015, the future aggregate minimum lease payments under non-cancellable operating leases for office and warehouse facilities payable by the Group were as follows:

	30 June 2015 HK\$'000	31 December 2014 HK\$'000
Within one year	1,480	1,403
In the second to fifth years	10,982	–
After five years	1,474	–
	<u>13,936</u>	<u>1,403</u>

16.2.2 As lessor

At 30 June 2015, the future aggregate minimum lease payments under non-cancellable operating leases for office, industrial and residential premises receivable by the Group were as follows:

	30 June 2015 HK\$'000	31 December 2014 HK\$'000
Within one year	190,313	184,566
In the second to fifth years	665,400	647,683
After five years	430,175	513,191
	<u>1,285,888</u>	<u>1,345,440</u>

16.3 Capital commitments

Capital commitments outstanding at 30 June 2015 not provided for in the condensed consolidated financial information were as follows:

	30 June 2015 HK\$'000	31 December 2014 HK\$'000
Contracted for	<u>27,136</u>	<u>–</u>

17. Related party transactions

During the six months ended 30 June 2015 and 2014, 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).

18. US dollar equivalents

These are shown for reference only and have been arrived at based on the exchange rate of HK\$7.75 to US\$1 ruling at 30 June 2015.

INFORMATION PROVIDED IN ACCORDANCE WITH THE LISTING RULES

Liquidity and Financial Resources

The property investments and associated businesses generated a relatively steady income stream throughout the period. Approximately 96% of the total gross floor area of the Group's investment properties in Hong Kong were leased out as at 30 June 2015. Accounts receivables were minimal as at the period end.

Financial assets at fair value through profit or loss include listed equity and managed funds. As at 30 June 2015, the Group's financial assets at fair value through profit or loss amounted to HK\$157,106,000 (31 December 2014: HK\$57,670,000) of which HK\$30,926,000 was held by Playmates Toys for treasury investments (nil as at 31 December 2014).

The toy business is inherently seasonal in nature. In general, sales in the second half-year are higher than those in the first half. As a result, a disproportionately high balance of trade receivables is 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 2015, trade receivables related to toy business were HK\$242,703,000 (31 December 2014: HK\$529,727,000) and inventories were HK\$67,569,000 (31 December 2014: HK\$44,165,000). The higher inventories at interim period end reflected the seasonal build-up of inventories to fulfil existing and expected customer orders.

The Group's gearing ratio, defined as total bank borrowings expressed as a percentage of total tangible assets, at 30 June 2015 was 6.9% compared to 5.7% at 31 December 2014. The current ratio, calculated as the ratio of current assets to current liabilities, was 2.1 at 30 June 2015 compared to 2.4 at 31 December 2014.

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 2015, the Group's cash and bank balances were HK\$1,316,786,000 (31 December 2014: HK\$1,233,585,000), of which HK\$1,147,516,000 (31 December 2014: HK\$1,030,617,000) was denominated in United States dollar, HK\$19,127,000 (31 December 2014: HK\$nil) in Japanese yen, HK\$5,863,000 (31 December 2014: HK\$4,549,000) in British pound 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 11 to the condensed consolidated financial information.

Employees

As at 30 June 2015, the Group had a total of 116 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 Options

The following shows the particulars of the share options of the Company and of its subsidiary that are required to be disclosed under Rule 17.07 of Chapter 17 and Rule 41(2) of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”).

Share options of the Company

Particulars of the share options of the Company granted to directors of the Company and employees of the Group pursuant to the Share Option Scheme (“Scheme”) adopted on 28 June 2002 were as follows:

Participant	Date of grant	Exercise Price HK\$	Number of share options			
			Balance at 1 January 2015	Exercised during the period	Lapsed during the period	Balance at 30 June 2015
CHENG Bing Kin, Alain <i>Director</i>	22 September 2005 4 May 2006	12.06 9.10	62,500 37,500	– –	– –	62,500 37,500
IP Shu Wing, Charles <i>Director</i>	22 September 2005 4 May 2006	12.06 9.10	100,000 37,600	– –	– –	100,000 37,600
LEE Peng Fei, Allen <i>Director</i>	22 September 2005 4 May 2006	12.06 9.10	100,000 75,000	– –	– –	100,000 75,000
LO Kai Yiu, Anthony <i>Director</i>	22 September 2005 4 May 2006	12.06 9.10	100,000 75,000	– –	– –	100,000 75,000
TO Shu Sing, Sidney <i>Director</i>	22 September 2005 4 May 2006	12.06 9.10	150,000 37,500	– –	– –	150,000 37,500
TSIM Tak Lung <i>Director</i>	22 September 2005 4 May 2006	12.06 9.10	100,000 75,000	– –	– –	100,000 75,000
YU Hon To, David <i>Director</i>	22 September 2005 4 May 2006	12.06 9.10	100,000 75,000	– –	– –	100,000 75,000
<i>Continuous Contract</i> <i>Employees,</i> <i>excluding Directors</i>	22 September 2005 4 May 2006	12.06 9.10	271,620 118,750	– –	– –	271,620 118,750

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

Share options of Playmates Toys Limited (“PTL”)

Particulars of the share options of PTL, an indirect non-wholly owned subsidiary of the Company, granted to directors of the Company, directors of PTL, employees of PTL group and other participants pursuant to its Share Option Scheme (“PTL Scheme”) adopted on 25 January 2008 were as follows:

Participant	Date of grant	Exercise Price HK\$	Number of share options			
			Balance at 1 January 2015	Exercised during the period (Notes (1) & (2))	Lapsed during the period	Balance at 30 June 2015
CHENG Bing Kin, Alain <i>Director of the Company and PTL</i>	13 April 2012	0.415	250,000	250,000	–	–
	15 May 2013	0.930	900,000	450,000	–	450,000
TO Shu Sing, Sidney <i>Director of the Company and PTL</i>	13 April 2012	0.415	300,000	300,000	–	–
	15 May 2013	0.930	971,000	480,000	–	491,000
<i>Other directors of PTL</i>	13 April 2012	0.415	625,000	–	–	625,000
	15 May 2013	0.930	1,575,000	–	–	1,575,000
<i>Continuous Contract Employees of PTL Group, excluding directors of PTL</i>	31 March 2008	0.316	27,000	–	–	27,000
	20 January 2010	0.828	1,098,000	51,000	–	1,047,000
	18 April 2011	0.315	582,000	6,000	–	576,000
	13 April 2012	0.415	3,538,000	1,384,500	–	2,153,500
	15 May 2013	0.930	8,552,500	1,764,000	–	6,788,500
<i>Other Participants</i>	20 January 2010	0.828	443,000	–	–	443,000
	30 March 2010	0.673	1,110,000	–	–	1,110,000
	18 April 2011	0.315	950,000	200,000	–	750,000
	13 April 2012	0.415	2,737,000	588,000	–	2,149,000
	15 May 2013	0.930	3,992,000	465,000	60,000	3,467,000

Notes:

- (1) The weighted average closing prices of the ordinary shares of PTL immediately before the dates on which the share options were exercised by continuous contract employees of PTL group (excluding directors of PTL) and other participants during the period were HK\$1.89 and HK\$1.92 respectively.
- (2) The weighted average closing price of the ordinary shares of PTL immediately before the dates on which the share options were exercised by the directors of PTL, namely Mr. Cheng Bing Kin, Alain and Mr. To Shu Sing, Sidney during the period was HK\$1.90.

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

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation

As at 30 June 2015, 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 of the Listing Rules were as follows:

Long positions in shares of the Company

Name of Director	Nature of interest	Number of shares held	Percentage interest held
CHAN Chun Hoo, Thomas	Personal	12,000,000 ordinary shares	5.28%
	Corporate (<i>Note (a)</i>)	92,000,000 ordinary shares	40.46%
	Associate (<i>Note (e)</i>)	11,000,000 ordinary shares	4.84%
CHENG Bing Kin, Alain	Personal	228,000 ordinary shares	0.10%
IP Shu Wing, Charles	Personal	294,480 ordinary shares	0.13%
LEE Peng Fei, Allen	Personal	72,000 ordinary shares	0.03%
LO Kai Yiu, Anthony	Personal	369,160 ordinary shares	0.16%
TO Shu Sing, Sidney	Personal	2,000,000 ordinary shares	0.88%
TSIM Tak Lung	Personal	110,016 ordinary shares	0.05%
YU Hon To, David	Personal	132,000 ordinary shares	0.06%
	Corporate (<i>Note (b)</i>)	547,200 ordinary shares	0.24%

Long positions in underlying shares of the Company

Name of Director	Nature of interest	Number of equity derivatives held	Number of underlying shares (ordinary shares)	Percentage interest held
CHENG Bing Kin, Alain	Personal	100,000 share options	100,000 shares	0.04%
IP Shu Wing, Charles	Personal	137,600 share options	137,600 shares	0.06%
LEE Peng Fei, Allen	Personal	175,000 share options	175,000 shares	0.08%
LO Kai Yiu, Anthony	Personal	175,000 share options	175,000 shares	0.08%
TO Shu Sing, Sidney	Personal	187,500 share options	187,500 shares	0.08%
TSIM Tak Lung	Personal	175,000 share options	175,000 shares	0.08%
YU Hon To, David	Personal	175,000 share options	175,000 shares	0.08%

Long positions in shares of PTL

Name of Director	Nature of interest	Number of shares held	Percentage interest held
CHAN Chun Hoo, Thomas	Corporate <i>(Note (c))</i>	596,000,000 ordinary shares	49.17%
CHENG Bing Kin, Alain	Personal	1,207,000 ordinary shares	0.10%
IP Shu Wing, Charles	Personal	2,487,026 ordinary shares	0.21%
LEE Peng Fei, Allen	Personal	244,000 ordinary shares	0.02%
LO Kai Yiu, Anthony	Personal	376,000 ordinary shares	0.03%
TO Shu Sing, Sidney	Personal	9,380,000 ordinary shares	0.77%
TSIM Tak Lung	Personal	587,632 ordinary shares	0.05%
YU Hon To, David	Personal	176,000 ordinary shares	0.01%
	Corporate <i>(Note (d))</i>	1,065,600 ordinary shares	0.09%

Long positions in underlying shares and debentures of PTL

Name of Director	Nature of interest	Number of equity derivatives held	Number of underlying shares (ordinary shares)	Percentage interest held
CHENG Bing Kin, Alain	Personal	450,000 share options	450,000 shares	0.04%
TO Shu Sing, Sidney	Personal	491,000 share options	491,000 shares	0.04%

Notes:

- (a) 92,000,000 ordinary shares of the Company were beneficially owned by TGC Assets Limited (“TGC”). All the issued share capital of TGC is wholly-owned by Mr. Chan Chun Hoo, Thomas (“Mr. Chan”).
- (b) 547,200 ordinary shares of the Company were held by a private company which is 50% owned by Mr. Yu Hon To, David and 50% owned by a member of his family.
- (c) Mr. Chan is the beneficial owner of all of the issued share capital of TGC. Since TGC directly owns approximately 40.46% of the shareholding of the Company and is deemed to be interested in the 596,000,000 shares of PTL in aggregate which the Company is interested in, Mr. Chan is also deemed to be interested in the 596,000,000 shares of PTL in aggregate which the Company is interested in.
- (d) 1,065,600 ordinary shares of PTL were held by a private company which is 50% owned by Mr. Yu Hon To, David and 50% owned by a member of his family.
- (e) 11,000,000 shares of the Company were owned by Mr. Chan’s wife and Mr. Chan is therefore deemed to be interested in those shares.

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 2015.

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 2015, none of the directors and chief executive of the Company were 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 Shares and Underlying Shares of the Company Required to be Recorded under Section 336 of the SFO

As at 30 June 2015, no person (other than the directors and chief executive 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, as recorded in the register required to be kept under section 336 of the SFO.

Purchase, Sale or Redemption of Shares

During the period, 1,020,000 shares of HK\$0.10 each were repurchased by the Company at prices ranging from HK\$7.76 to HK\$9.70 per share through the Stock Exchange. The particulars of the repurchases are set out in note 14 to the condensed consolidated financial information.

Compliance with the Corporate Governance Code

The Company has applied the principles and complied with all the applicable code provisions ("Code Provisions") of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2015, except in respect of one Code Provision providing for the roles of the chairman and the chief executive officer to be performed by different individuals.

In respect of the segregation of the roles of the chairman and chief executive officer, the Group's practice is that the Chairman also acts as chief executive officer. This allows him to focus on Group strategy and at the same time ensure that all key issues are considered by the board in a timely manner. 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 suitable and effective in facilitating the operations and business development of the Company and maintaining the checks and balances between the board and the management of the business of the Group. The structure outlined above will be reviewed regularly to ensure that sound corporate governance is in place.

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 2015.

Compliance with the Model Code

The Company has adopted the Model Code as set out in Appendix 10 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 2015.

Closure of Register of Members

The Register of Members of the Company will be closed from 15 September 2015 to 16 September 2015, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be qualified for the declared dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrars, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 14 September 2015. The interim dividend will be paid on 30 September 2015 to the shareholders on the Register of Members of the Company on 16 September 2015.

On behalf of the Board
CHAN Chun Hoo, Thomas
Chairman

Hong Kong, 21 August 2015

CORPORATE INFORMATION

Directors

CHAN Chun Hoo, Thomas (*Chairman*)
CHENG Bing Kin, Alain
(*Executive Director*)
IP Shu Wing, Charles
(*Independent Non-executive Director*)
LEE Peng Fei, Allen
(*Independent Non-executive Director*)
LO Kai Yiu, Anthony
(*Independent Non-executive Director*)
TO Shu Sing, Sidney (*Executive Director*)
TSIM Tak Lung
(*Deputy Chairman and
Non-executive Director*)
YU Hon To, David
(*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

Legal Advisors

Conyers Dill & Pearman
Deacons

Principal Bankers

The Bank of East Asia, Limited
Citigroup
Hang Seng Bank Limited
UBS AG

Principal Share Registrars

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

Branch Share Registrars

Tricor Abacus Limited
Level 22
Hopewell Centre
183 Queen's Road East
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)
www.playmates.net