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PLAYMATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code：635)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

MANAGEMENT DISCUSSION AND ANALYSIS

Highlights

For the six months ended 30 June	**2026** ***HK$'000***	2025 *HK$'000*
Group revenue	**267,300**	261,116
- from toy business	**186,115**	185,514
- from property investments and management businesses	**80,803**	74,800
- from investment business	**382**	802
Gross profit	**180,929**	146,835
Net revaluation deficit on investment properties	**(125,722)**	(234,926)
Operating loss	**(94,662)**	(227,641)
Loss before income tax	**(86,492)**	(198,940)
Loss attributable to owners of the Company	**(90,955)**	(205,570)
Loss per share	***HK cents***	*HK cents*
- Basic	**(4.40)**	(9.94)
- Diluted	**(4.40)**	(9.94)
Interim dividend per share	**1.50**	1.50

Property Investments and Management

The property investments and management segment recorded a 8.0% increase in revenue to HK$80.8 million during the first half of 2026 compared to the same period last year (same period in 2025: HK$74.8 million). The Group's investment properties were revalued by independent professional surveyors at the fair value of HK$3.9 billion. A net revaluation deficit of HK$125.7 million was recorded in the consolidated income statement of the Group (same period in 2025: HK$234.9 million). Segment operating loss including property revaluation was HK$67.3 million (same period in 2025: HK$183.1 million).

The revaluation deficit in the Group's investment properties during the first half of 2026 primarily reflected continued weakness in Hong Kong's commercial and industrial property markets, amid economic uncertainty, ample supply and subdued retail market sentiment, partially offset by a modest rebound in the valuation of residential properties in Hong Kong.

(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 10.2% of the fair value of the Group's overall investment property portfolio (31 December 2025: 9.8%).

Aggregate rental income generated from the investment properties of the Group was HK$70.7 million, an increase of 8.8% from the prior year period (same period in 2025: HK$65.0 million). Overall occupancy rate of the Group's investment properties was 71.7% (31 December 2025: 61.8%).

(i) Commercial

The Group's investment in commercial properties consists of The Toy House, 100 Canton Road, Tsimshatsui, Kowloon, Hong Kong. During the first half of 2026, Hong Kong's retail leasing market stabilized and began to show signs of recovery. The commercial property market also reached an equilibrium between the supply of office space and leasing demand. The Group believes that Canton Road will retain its position as one of Hong Kong's premier shopping districts 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. During the first half of 2026, the overall residential property market showed signs of improvement, with a gradual recovery in leasing demand supporting higher occupancy and rental levels. While the residential property market continued to be influenced by prevailing economic conditions, the Group remains focused on maintaining the quality and competitiveness of its properties. The interior renovation and improvement works are expected to further enhance the value of the properties 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. 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.

During the first half of 2026, having considered the prevailing business and economic conditions, the Group decided not to proceed with the wholesale conversion project and to allow the special waiver application to lapse. The Group will continue to periodically consider the optimal use of Playmates Factory Building in light of changes in business conditions, market circumstances and relevant government policies. If future conditions allow, we may revisit this conversion project at a later date.

(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 increased by 3.1% to HK$10.1 million as compared to HK$9.8 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 2026 was HK$186 million (same period in 2025: HK$186 million), approximately flat compared to the prior year period. Declines in ***Miraculous: Tales of Ladybug & Cat Noir***, ***MonsterVerse*** and ***Teenage Mutant Ninja Turtles ("TMNT")*** product shipments were offset by the expanded distribution of our ***Power Rangers*** product line.

Gross profit ratio on toy sales was 58% (same period in 2025: 43%). Higher gross profit margin in the first half of 2026 was driven primarily by HK$12 million of U.S. tariff-related provision reversals and refunds, as well as slightly lower clearance costs of discontinuing products. Operating expenses increased by 15% compared to prior year, driven primarily by unfulfilled royalties and higher selling expenses. Administration expenses were approximately flat compared to the prior year period.

Playmates Toys group reported an operating loss of HK$27 million during the first half of 2026 (same period in 2025: operating loss of HK$45 million). Other net income during the current year period included a HK$3 million net unrealized and realized loss on Playmates Toys group's listed equities investment position (same period in 2025: HK$9 million gain) and HK$15 million in interest income (same period in 2025: HK$21 million). Playmates Toys group's net loss during the first half of 2026 was HK$18 million (same period in 2025: net loss of HK$26 million).

2026 is shaping up to be another transition year for us. The continued expansion in distribution of our ***Power Rangers*** product line, as well as ongoing shipments of our ***TMNT*** and ***MonsterVerse*** toy lines, have provided support to our business during the first half of the year, and will continue to do so in the second half of 2026. We expect further boosts from new brand launches in the Fall and initial shipments of products tied to the ***Godzilla x Kong: Supernova*** movie release. The stabilization in global trade dynamics so far in 2026 has also been a welcome reprieve, although we expect U.S. import tariffs to continue under different forms, and put some negative pressure on our profitability over the long term. In addition to the U.S. tariff-related refunds received during the first half, we have received a further HK$11 million in refunds since 1 July 2026.

Brand Overview

Power Rangers

We launched our kid-targeted ***Mighty Morphin Power Rangers: Re-Ignition*** toy line last Fall, supported by new and enhanced content on YouTube, Netflix and other entertainment channels. Refreshed Season 2 action figures, collectibles, combinable Zords and roleplay accessories will hit shelves starting this summer. We are in active development of Season 3 products, including an expanded collector-targeted offering across more fan-favorite ***Power Rangers*** series titles.

Godzilla x Kong

The ***Godzilla x Kong Monsterverse*** franchise continues to sustain consumer engagement in a non-movie year. As the global master toy licensee, we continue to develop extensions to our product line to include characters from across the ***MonsterVerse*** movies and TV shows. 2027 is set to be a landmark year for the franchise with the premiere of ***Godzilla x Kong: Supernova*** in March, with initial shipments of movie-related products beginning in late 2026. Through highly detailed figures and new toy segments, we are excited to offer new ways to collect and play for fans worldwide.

Dungeon Crawler Carl

Dungeon Crawler Carl is a bestselling Literary Role-Playing Game franchise created by author Matt Dinniman. Blending action, satire and humor, the franchise has attracted millions of readers and listeners worldwide, with all eight book titles and audio book titles reaching The New York Times bestseller lists. This Fall, we will be launching a line of action figures, collectibles, plush, role play and other collector-focused merchandise at specialty retailers in the U.S.

Paris & Pups

Paris & Pups is an original animated series inspired by global icon Paris Hilton and her beloved pets. that celebrate friendship, self-expression, kindness, and imagination for kids ages 5–8. Inspired by the series, we are launching our ***Paris & Pups*** toy line this Fall, featuring fashion dolls, playsets, interactive plush, collectibles, and wearable accessories that extend the brand's themes of creativity, friendship, music, and collectible play.

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 2026, fair market value of the Group's investment portfolio was HK$110.6 million (31 December 2025: HK$110.3 million) representing 2.1% of the total assets of the Group (31 December 2025: 2.0%). This comprised of HK$22.5 million of equities listed in Hong Kong (31 December 2025: HK$26.6 million) and HK$88.1 million of equities listed overseas (31 December 2025: HK$83.7 million). None of the individual securities positions held by the Group had a market value that exceeded 0.4% of the total assets of the Group. The top 10 listed securities in aggregate represented 1.9% of the total assets of the Group, and included NVIDIA Corporation (NVDA.US), Alphabet Inc. (GOOG.US), Amazon.com, Inc. (AMZN.US), The Walt Disney Company (DIS.US), Tencent Holdings Limited (700.HK), The Goldman Sachs Group, Inc (GS.US), Microsoft Corporation (MSFT.US), Sun Hung Kai Properties Limited (16.HK), Netflix, Inc. (NFLX.US) and Apple Inc. (AAPL.US).

The Group reported a net loss from investments of HK$4.1 million in the first half of 2026 (same period in 2025: net gain of HK$11.5 million). During the first half of 2026, dividend and interest income generated from the portfolio were HK$15.6 million (same period in 2025: HK$22.2 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 2026

		Unaudited		
		Six months ended 30 June		
		2026	**2026**	2025
	Note	***US$'000***	***HK$'000***	*HK$'000*
		(Note 11)		
Revenue	*3*	**34,269**	**267,300**	261,116
Cost of sales		**(11,073)**	**(86,371)**	(114,281)
Gross profit		**23,196**	**180,929**	146,835
Marketing and licensing expenses		**(7,028)**	**(54,819)**	(47,609)
Selling and distribution expenses		**(2,278)**	**(17,771)**	(15,629)
Administration expenses		**(9,908)**	**(77,279)**	(76,312)
Net revaluation deficit on investment properties		**(16,118)**	**(125,722)**	(234,926)
Operating loss		**(12,136)**	**(94,662)**	(227,641)
Other net income	*4*	**1,432**	**11,166**	33,242
Finance costs		**(384)**	**(2,996)**	(4,541)
Loss before income tax	*5*	**(11,088)**	**(86,492)**	(198,940)
Income tax expense	*6*	**(1,654)**	**(12,898)**	(19,218)
Loss for the period		**(12,742)**	**(99,390)**	(218,158)
Loss for the period attributable to:				
Owners of the Company		**(11,661)**	**(90,955)**	(205,570)
Non-controlling interests		**(1,081)**	**(8,435)**	(12,588)
		(12,742)	**(99,390)**	(218,158)
		US cents	***HK cents***	*HK cents*
Loss per share	*8*			
Basic		**(0.56)**	**(4.40)**	(9.94)
Diluted		**(0.56)**	**(4.40)**	(9.94)

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2026

	Unaudited		
	Six months ended 30 June		
	2026	**2026**	2025
	US$'000	***HK$'000***	*HK$'000*
	(Note 11)		
Loss for the period	**(12,742)**	**(99,390)**	(218,158)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
- Exchange differences arising on translation of foreign subsidiaries	**(486)**	**(3,788)**	26,710
Total comprehensive income for the period	**(13,228)**	**(103,178)**	(191,448)
Total comprehensive income attributable to:			
Owners of the Company	**(12,147)**	**(94,743)**	(178,860)
Non-controlling interests	**(1,081)**	**(8,435)**	(12,588)
	(13,228)	**(103,178)**	(191,448)

Condensed Consolidated Statement of Financial Position
As at 30 June 2026

	Note	**Unaudited 30 June 2026** *US$'000* *(Note 11)*	**Unaudited 30 June 2026** *HK$'000*	Audited 31 December 2025 *HK$'000*
Non-current assets				
Fixed assets				
- Investment properties		**496,660**	**3,873,944**	3,996,028
- Other property, plant and equipment		**16,386**	**127,812**	132,035
		513,046	**4,001,756**	4,128,063
Right-of-use assets		**770**	**6,005**	1,515
Goodwill		**766**	**5,976**	5,976
Prepayments		**96**	**749**	608
Deferred tax assets		**4,136**	**32,262**	27,643
		518,814	**4,046,748**	4,163,805
Current assets				
Inventories		**6,372**	**49,705**	27,419
Trade receivables	*9*	**5,722**	**44,629**	109,195
Deposits paid, other receivables and prepayments		**6,607**	**51,534**	51,153
Taxation recoverable		**24**	**186**	23,041
Financial assets at fair value through profit or loss		**14,181**	**110,613**	110,334
Cash and deposits with banks		**132,739**	**1,035,364**	1,004,744
		165,645	**1,292,031**	1,325,886
Current liabilities				
Bank loans		**15,385**	**120,000**	113,200
Trade payables	*10*	**7,702**	**60,074**	36,359
Deposits received, other payables and accrued charges		**17,550**	**136,904**	142,750
Provisions		**4,677**	**36,479**	39,579
Lease liabilities		**270**	**2,105**	1,924
Taxation payable		**2,665**	**20,786**	12,092
		48,249	**376,348**	345,904
Net current assets		**117,396**	**915,683**	979,982
Total assets less current liabilities		**636,210**	**4,962,431**	5,143,787

	Note	Unaudited 30 June 2026 US$'000 (Note 11)	Unaudited 30 June 2026 HK$'000	Audited 31 December 2025 HK$'000
Non-current liabilities				
Lease liabilities		**536**	**4,177**	-
Long service payment liabilities		**297**	**2,313**	2,173
Deferred tax liabilities		**4,656**	**36,317**	35,886
		5,489	**42,807**	38,059
Net assets		**630,721**	**4,919,624**	5,105,728
Equity				
Share capital		**2,651**	**20,680**	20,680
Reserves		**562,903**	**4,390,642**	4,542,915
Equity attributable to owners of the Company		**565,554**	**4,411,322**	4,563,595
Non-controlling interests		**65,167**	**508,302**	542,133
Total equity		**630,721**	**4,919,624**	5,105,728

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 2025 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 2025.

2. Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRS Accounting Standards 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	
	2026	2025
	HK$'000	*HK$'000*
Revenue from contracts with customers:		
- Sale of toys	**186,115**	185,514
- Property management income	**10,052**	9,754
	196,167	195,268
Revenue from other sources:		
- Rental income from investment properties	**70,751**	65,046
- Dividend income	**206**	188
- Interest income	**176**	614
	71,133	65,848
Total revenue	**267,300**	261,116

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 2026 are as follows:

	Property investments and management businesses *HK$'000*	**Investment business** *HK$'000*	**Toy business** *HK$'000*	**Total** *HK$'000*
Gross revenue from contracts with customers by timing of revenue recognition				
- Point in time	**-**	**-**	**186,115**	**186,115**
- Over time	**10,440**	**-**	**-**	**10,440**
Gross revenue from other sources	**73,299**	**382**	**-**	**73,681**
Inter-segment revenue	**(2,936)**	**-**	**-**	**(2,936)**
Revenue from external customers	**80,803**	**382**	**186,115**	**267,300**
Segment (loss)/profit before depreciation	**(63,738)**	**357**	**(24,860)**	**(88,241)**
Depreciation	**(3,532)**	**-**	**(2,138)**	**(5,670)**
Segment operating (loss)/profit	**(67,270)**	**357**	**(26,998)**	**(93,911)**
Other net income/(loss)	**7**	**(980)**	**12,124**	**11,151**
Finance costs	**(2,021)**	**(15)**	**(942)**	**(2,978)**
	(2,014)	**(995)**	**11,182**	**8,173**
Segment loss before income tax	**(69,284)**	**(638)**	**(15,816)**	**(85,738)**
Unallocated corporate expenses				**(754)**
Loss before income tax				**(86,492)**

The segment results for the six months ended 30 June 2025 are as follows:

	Property investments and management businesses *HK$'000*	Investment business *HK$'000*	Toy business *HK$'000*	Total *HK$'000*
Gross revenue from contracts with customers by timing of revenue recognition				
- Point in time	-	-	185,514	185,514
- Over time	10,142	-	-	10,142
Gross revenue from other sources	67,705	802	-	68,507
Inter-segment revenue	(3,047)	-	-	(3,047)
Revenue from external customers	74,800	802	185,514	261,116
Segment (loss)/profit before depreciation	(179,175)	777	(43,283)	(221,681)
Depreciation	(3,910)	-	(2,112)	(6,022)
Segment operating (loss)/profit	(183,085)	777	(45,395)	(227,703)
Other net income	30	2,472	30,718	33,220
Finance costs	(3,665)	(19)	(840)	(4,524)
	(3,635)	2,453	29,878	28,696
Segment (loss)/profit before income tax	(186,720)	3,230	(15,517)	(199,007)
Unallocated corporate income				67
Loss before income tax				(198,940)

The segment assets and liabilities as at 30 June 2026 are as follows:

	Property investments and management businesses *HK$'000*	**Investment business** *HK$'000*	**Toy business** *HK$'000*	**Total** *HK$'000*
Reportable segment assets (including cash and deposits with banks)	**4,011,751**	**43,536**	**1,261,193**	**5,316,480**
Inter-segment elimination	**(43)**	**-**	**(13,298)**	**(13,341)**
Deferred tax assets				**32,262**
Taxation recoverable				**186**
Unallocated assets				**3,192**
Total assets				**5,338,779**
Reportable segment liabilities	**160,838**	**-**	**213,730**	**374,568**
Inter-segment elimination	**(1,473)**	**-**	**(11,868)**	**(13,341)**
Deferred tax liabilities				**36,317**
Taxation payable				**20,786**
Unallocated liabilities				**825**
Total liabilities				**419,155**

The segment assets and liabilities as at 31 December 2025 are as follows:

	Property investments and management businesses	Investment business	Toy business	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment assets (including cash and deposits with banks)	4,136,612	44,415	1,269,674	5,450,701
Inter-segment elimination	(47)	-	(15,713)	(15,760)
Deferred tax assets				27,643
Taxation recoverable				23,041
Unallocated assets				4,066
Total assets				5,489,691
Reportable segment liabilities	150,703	-	200,231	350,934
Inter-segment elimination	(1,523)	-	(14,237)	(15,760)
Deferred tax liabilities				35,886
Taxation payable				12,092
Unallocated liabilities				811
Total liabilities				383,963

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
	2026	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**81,239**	75,602	**3,561,455**	3,686,634
Americas				
- U.S.A.	**142,024**	131,459	**182,219**	177,871
- Others	**8,625**	20,217	**-**	-
Europe	**29,291**	31,351	**193,960**	196,000
Asia Pacific other than Hong Kong	**5,816**	2,487	**76,852**	75,657
Others	**305**	-	**-**	-
	186,061	185,514	**453,031**	449,528
	267,300	261,116	**4,014,486**	4,136,162

3.3 Major customers

The Group's customer base includes three (2025: 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$76,348,000, HK$51,439,000 and HK$42,572,000 (2025: HK$56,572,000, HK$51,054,000 and HK$50,122,000) respectively.

4. Other net income

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Net gain/(loss) on financial assets at fair value through profit or loss *(Note)*:		
- unrealised	**(4,191)**	12,325
- realised	**85**	(845)
From Playmates Toys' treasury:		
- Interest income	**14,951**	21,149
- Dividend income	**300**	237
Others	**21**	376
	11,166	33,242

Note:

In the net gain/(loss) on financial assets at fair value through profit or loss, unrealised loss of HK$3,212,000 (2025: unrealised gain of HK$10,148,000) and realised gain of HK$85,000 (2025 : realised loss of HK$1,139,000) was attributable to Playmates Toys' treasury investment.

5. Loss before income tax

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Cost of inventories sold	**60,332**	90,999
Product development and tooling costs	**15,563**	14,946
Royalties expenses	**27,851**	25,849
Directors' and staff remunerations	**45,410**	41,926
Depreciation		
- other property, plant and equipment	**4,085**	4,384
- right-of-use assets	**1,766**	1,818
Interest expenses		
- on bank loans	**2,008**	3,632
- on lease liabilities	**50**	134
Net foreign exchange gain	**(173)**	(1,075)

6. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 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	
	2026	2025
	HK$'000	*HK$'000*
Current taxation		
Hong Kong profits tax	**10,875**	11,273
Overseas taxation	**6,097**	7,578
	16,972	18,851
Deferred taxation		
Origination and reversal of temporary differences	**(4,074)**	367
Income tax expense	**12,898**	19,218

The Group's cumulative unrecognised tax losses as of 30 June 2026 amounted to HK$124,169,000 (31 December 2025: HK$98,256,000). 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	
	2026	2025
	HK$'000	*HK$'000*
Interim dividend of HK cents 1.5 per share (2025: HK cents 1.5 per share)	**31,020**	31,020

At a meeting held on 21 August 2026, the board of directors has resolved to pay an interim dividend of HK cents 1.5 per share to be paid on 25 September 2026 to shareholders whose names appear on the Company's Register of Members on 9 September 2026.

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 2026.

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	
	2026	2025
	HK$'000	*HK$'000*
Dividends in respect of the previous financial year and paid during the interim period:		
Second interim dividend of HK cents 1.5 per share (2025: HK cents 1.5 per share)	**31,020**	31,020
Special interim dividend of HK cents 1.5 per share (2025: HK cents 1.5 per share)	**31,020**	31,020
	62,040	62,040

8. Loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of HK$90,955,000 (2025: HK$205,570,000) and the weighted average number of ordinary shares of 2,068,000,000 shares (2025: 2,068,000,000 shares) in issue during the period.

Diluted loss per share for the six months ended 30 June 2026 and 2025 equals to the basic loss per share as there were no potential ordinary shares.

The dilutive effect of the share options and share awards issued by the Group's listed subsidiary, Playmates Toys Limited was anti-dilutive for the six months ended 30 June 2026 and 2025.

9. Trade receivables

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Trade receivables	**80,971**	141,632
Less: Allowance for customer concession	**(36,342)**	(32,437)
	44,629	109,195

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 (2025: 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 2026 *HK$'000*	31 December 2025 *HK$'000*
0 – 60 days	**38,063**	74,162
61 – 90 days	**5,738**	33,543
91 – 180 days	**649**	1,089
Over 180 days	**179**	401
	44,629	109,195

10. 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 2026 *HK$'000*	31 December 2025 *HK$'000*
0 – 30 days	**59,765**	34,594
31 – 60 days	**223**	1,363
Over 60 days	**86**	402
	60,074	36,359

11. 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 2026.

FINANCIAL ANALYSIS

The property investments and management businesses generated a relatively steady income stream throughout the period. Overall occupancy rate was 71.7% as at 30 June 2026 (31 December 2025: 61.8%).

Financial assets at fair value through profit or loss include investment in listed equities. As at 30 June 2026, the Group's financial assets at fair value through profit or loss amounted to HK$110,613,000 (31 December 2025: HK$110,334,000).

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 2026, trade receivables related to toy business were HK$43,115,000 (31 December 2025: HK$108,405,000) and inventories were HK$49,705,000 (31 December 2025: HK$27,419,000).

The Group's gearing ratio, defined as total bank borrowings expressed as a percentage of total tangible assets, at 30 June 2026 was 2.3% compared to 2.1% at 31 December 2025. The current ratio, calculated as the ratio of current assets to current liabilities, was 3.4 at 30 June 2026 (31 December 2025: 3.8).

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 2026, the Group's cash and deposits with banks were HK$1,035,364,000 (31 December 2025: HK$1,004,744,000), of which HK$966,725,000 (31 December 2025: HK$947,174,000) was denominated in United States dollar, HK$3,764,000 (31 December 2025: HK$12,493,000) in British pound, HK$4,774,000 (31 December 2025: HK$4,745,000) in Euro and the remaining balance was mainly denominated in Hong Kong dollar.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had redeemed, purchased or sold any of the Company's shares during the period. The Company did not have any treasury shares during the period.

CORPORATE GOVERNANCE

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 2026, 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 2026. 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 2026.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 8 September 2026 to 9 September 2026, 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 registrar, Tricor Investor Services Limited ("**Share Registrar**") at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 7 September 2026. The interim dividend will be paid on 25 September 2026 to the shareholders on the Register of Members of the Company on 9 September 2026.

On behalf of the Board
Chan Kwong Fai, Michael
Chairman

Hong Kong, 21 August 2026

As at the date hereof, the board of directors of the Company comprises the following directors:

Mr. Chan Kwong Fai, Michael *(Chairman)*, Ms. Chan, Helen *(Executive Director)*, Mr. Chan Kong Keung, Stephen *(Executive Director)*, Mr. Lee Ka Sze, Carmelo *(Non-executive Director)*, Mr. Lo Kai Yiu, Anthony *(Independent Non-executive Director)*, Dr. Or Ching Fai, Raymond *(Independent Non-executive Director)* and Mr. Tsim Tak Chee *(Independent Non-executive Director)*