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## **PLAYMATES HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code : 635)**

### **CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF A SUBSIDIARY**

#### **THE DISPOSAL**

The Board announces that on 9 March 2021, the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which (i) the Vendor agreed to sell and the Purchaser agreed to acquire the Sale Share being the entire issued share capital of the Disposal Company; and (ii) the Vendor agreed to sell and assign and the Purchaser agreed purchase and to take the assignment of the Sale Loan, for the total consideration of GBP5,500,000 (approximately HK\$59,427,500), subject to adjustment.

The Disposal Company is an investment holding company and its principal asset comprises a property known as Pophleys, City Road, Radnage, Buckinghamshire HP14 4DW, United Kingdom and the Furniture.

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Purchaser is interested in 1,073,030,000 shares of the Company representing approximately 51.34% of the issued share capital of the Company. As the Purchaser is a substantial shareholder of the Company, it is a connected person of the Company and therefore the Disposal constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

Since the relevant percentage ratios in respect of the Disposal is more than 0.1% but less than 5%, the Disposal is only subject to the announcement requirements and is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## **THE SALE AND PURCHASE AGREEMENT**

The principal terms of the Sale and Purchase Agreement are set out below:

Date : 9 March 2021

Parties : (1) Prestige Properties (Overseas) Limited, an indirect wholly-owned subsidiary of the Company, as the Vendor;

(2) TGC Assets Limited, a substantial shareholder of the Company, as the Purchaser

Assets to be disposed of: The Sale Share, being the entire issued share capital of the Disposal Company, and the Sale Loan outstanding and owing by the Disposal Company to the Vendor as at Completion. The Disposal Company is an investment holding company and its principal asset comprises the Property and the Furniture.

Consideration: The total consideration for the Sale Share and the Sale Loan is GBP5,500,000 (approximately HK\$59,427,500), subject to adjustment as mentioned below. Such consideration amount has been arrived at after arm's length negotiations after taking into account (1) the market value of the Property as at 28 February 2021 of GBP4,500,000 (approximately HK\$48,622,500) as set out in the valuation report issued by an independent property valuer in the United Kingdom and (2) the value of the Furniture as at 22 February 2021 of GBP222,152 (approximately HK\$2,400,352) as set out in the report issued by an independent professional appraiser in the United Kingdom, which will be adjusted by (i) adding thereto the amount of all the tangible assets (including all receivables, prepayments and deposit but excluding the Property and the Furniture) of the Disposal Company and (ii) deducting therefrom all liabilities (other than the Sale Loan) (if any) of the Disposal Company, both as at Completion as shown in the Draft Completion Accounts. As at 28 February 2021, (i) save for the receivables, prepayments and deposits in the aggregate amount of approximately GBP3,924 (approximately HK\$42,399), the Property and the Furniture, the Disposal Company does not have any other tangible assets; and (ii) save for the Sale Loan, the Disposal Company does not have any other liabilities.

The Consideration will be paid by the Purchaser to the Vendor in full at Completion.

Completion: Completion shall take place on 30 April 2021 or such other date as the parties may agree in writing.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Directors consider that the Disposal represents a good opportunity for the Company to realize the value of the Property at a reasonable price. Disposal of the Property will not affect the business operation of the Group. The net proceeds from the Disposal will be used by the Group for its future investment and/or general working capital purpose.

Having considered the above, the Directors (including the independent non-executive directors) are of the view that the Sale and Purchase Agreement are on normal commercial terms and entered into by the Group in its ordinary and usual course of business, and that the terms thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **FINANCIAL IMPACT OF THE DISPOSAL**

Upon Completion, the Disposal Company will cease to be a subsidiary of the Company and its assets, liabilities and financial results will no longer be consolidated into the financial statements of the Group.

According to the unaudited management accounts of the Disposal Company as at 28 February 2021, its unaudited net liability value was GBP6,658,658 (approximately HK\$71,946,800) as at 28 February 2021. The unaudited net loss (before and after taxation) of the Disposal Company for the financial year ended 31 December 2020 was GBP99,401 (approximately HK\$1,074,028). The unaudited net profit (before and after taxation) of the Disposal Company for the financial year ended 31 December 2019 was GBP22,312 (approximately HK\$241,081) and GBP21,352 (approximately HK\$230,708) respectively. There was no income (save for revaluation surplus in respect of the Property) contributed by the Property for the past two financial years ended 31 December 2020. The net gain on the Disposal (taking into account the relevant transaction expenses and the applicable exchange rates) can be determined after Completion which is subject to audit. The Group currently expects to record a gain of approximately HK\$900,000 as a result of the Disposal.

## **CHAPTER 14A OF THE LISTING RULES**

As at the date of this announcement, the Purchaser is interested in 1,073,030,000 shares of the Company representing 51.34% of the issued share capital of the Company. As the Purchaser is a substantial shareholder of the Company, it is a connected person of the Company and therefore the Disposal constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

Since the relevant percentage ratios in respect of the Disposal is more than 0.1% but less than

5%, the Disposal is only subject to the announcement requirements and is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Chan Chun Hoo, Thomas (“**Mr. Chan**”), being a substantial shareholder of the Company who is interested in and deemed to be interested in 64.36% of the issued share capital of the Company, is the beneficial owner of all the issued share capital of the Purchaser. Ms. Helen Chan being the daughter of Mr. Chan may be regarded as having a material interest in the transaction, and has therefore abstained from voting on the relevant resolutions at the Board meeting for approving the Disposal.

## **INFORMATION OF THE PARTIES**

The Company is an investment holding company with its principal subsidiaries engaged in property investments, property management business, securities and other investments, and in the design, development, marketing and distribution of toys and family entertainment activity products, and related investment activities.

The Vendor, an indirect wholly-owned subsidiary of the Company, is engaged in property investment.

The Purchaser is a substantial shareholder of the Company who is interested in 51.34% of the issued share capital of the Company, and its principal business activity is investment holding.

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Board”	the board of Directors;
“Company”	Playmates Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock code: 635);
“Completion”	completion of the Disposal;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the consideration of GBP5,500,000 (approximately HK\$59,427,500), subject to adjustment, to be paid by the Purchaser to the Vendor pursuant to the terms of the Sale and Purchase Agreement;
“Directors”	the directors of the Company;
“Disposal”	the disposal of the Sale Share and the Sale Loan by the Vendor to the Purchaser pursuant to the Sale and Purchase

	Agreement;
“Disposal Company”	Pophleys Limited, a company incorporated in the British Virgin Islands, being an indirect wholly-owned subsidiary of the Company;
“Draft Completion Accounts”	the draft unaudited balance sheet of the Disposal Company as at the date of Completion and the draft unaudited profit and loss account of the Disposal Company in respect of the period from 1 January 2021 up to and including the date of Completion, to be prepared by the Vendor for delivery to the Purchaser prior to Completion pursuant to the Sale and Purchase Agreement;
“Furniture”	the art and furniture items acquired exclusively for furnishing the Property;
“GBP”	British Pound Sterling, the lawful currency of the United Kingdom;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Property”	a residential property known as Pophleys, City Road, Radnage, Buckinghamshire HP14 4DW, United Kingdom having buildings of approximately 971 square meters and the site area of the property is approximately 5.305 hectares;
“Purchaser”	TGC Assets Limited, a substantial shareholder of the Company;
“Sale and Purchase Agreement”	the Sale and Purchase Agreement dated 9 March 2021 between the Vendor and the Purchaser relating to the Disposal;
“Sale Loan”	the aggregate amount then outstanding and owing by the Disposal Company to the Vendor as at Completion, and for reference purpose, the Sale Loan was in the amount of GBP11,540,775 (approximately HK\$124,698,074) as at 28 February 2021;
“Sale Share”	1 ordinary share of the Disposal Company, being the entire issued share capital of the Disposal Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock

	Exchange;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Prestige Properties (Overseas) Limited, a company incorporated in the British Virgin Islands, being an indirect wholly-owned subsidiary of the Company; and
“%”	per cent.

*In this announcement, amounts in GBP are translated to HK\$ on the basis of GBP1=HK\$10.805. The conversions are for illustration purpose only and should not be taken as a representation that GBP could actually be converted into HK\$ at that rate or at other rates or at all.*

By order of the Board  
**Ng Ka Yan**  
*Company Secretary*

Hong Kong, 9 March 2021

As at the date hereof, the Board comprises the following directors:

Mr. To Shu Sing, Sidney (*Chairman*), Ms. Chan, Helen (*Executive Director*), Mr. Cheng Bing Kin, Alain (*Executive Director*), Mr. Ip Shu Wing, Charles (*Independent Non-executive Director*), Mr. Lee Ka Sze, Carmelo (*Non-executive Director*), Mr. Lo Kai Yiu, Anthony (*Independent Non-executive Director*), Mr. Tang Wing Yung, Thomas (*Independent Non-executive Director*), Mr. Tsim Tak Lung (*Deputy Chairman and Non-executive Director*) and Mr. Yu Hon To, David (*Independent Non-executive Director*)