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## **PLAYMATES HOLDINGS LIMITED**

**彩星集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 0635)

### **DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY**

On 9th November 2005, the Purchaser submitted the Tender to the First Vendor for the acquisition of the First Property at an aggregate consideration of HK\$209,000,000. The Tender was accepted by the First Vendor on 15th November 2005. Pursuant to the terms of the Conditions of Sale by Tender, such acceptance constituted a formal agreement between the First Vendor and the Purchaser on the date of acceptance in relation to the sale and purchase of the First Property.

On 16th November 2005, the Purchaser and the Second Vendor entered into the Provisional Agreement for the acquisition of the Second Property at a consideration of HK\$9,350,000. The parties are expected to enter into a formal agreement for sale and purchase of the Second Property on or before 21st November 2005.

The Acquisition of both the First Property and the Second Property is scheduled to be completed on or before 20th January 2006.

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular in connection with the Acquisition will be despatched to the shareholders and warrant holders of the Company as soon as practicable.

#### **DETAILS OF THE ACQUISITION OF THE FIRST PROPERTY**

Contract date: 15th November 2005

First Vendor: Shiu Wing Limited, an Independent Third Party

Purchaser: City Style Properties Limited, a wholly-owned subsidiary of the Company

**First Property:** a number of properties being (a) the property situate at Nos. 21 and 21A, MacDonnell Road, Hong Kong; (b) the Ground Floor Garage of No. 23 MacDonnell Road, Hong Kong; (c) the First Floor and the Second Floor, No. 23A MacDonnell Road, Hong Kong; (d) the twelve chauffeur rooms or servants quarters situate on the three floors below the Garage of No. 23 MacDonnell Road, Hong Kong; and (e) the machine room and the watchman's room on the roof of No. 23 and No. 23A MacDonnell Road, Hong Kong. The gross area of the residential units of the First Property is approximately 30,400 square feet.

**Acceptance of Tender:** On 9th November 2005, the Purchaser submitted the Tender for the acquisition of the First Property. The Purchaser received an acceptance of offer from the First Vendor on 15th November 2005. Pursuant to the terms of the Conditions of Sale by Tender, such acceptance constituted a formal agreement between the First Vendor and the Purchaser on the date of acceptance in relation to the sale and purchase of the First Property.

**Consideration:** The aggregate consideration is HK\$209,000,000, which was determined by the Group by reference to prevailing market conditions and prices of similar properties located in the nearby area. No independent valuation has been conducted on the First Property.

An initial deposit of HK\$10,000,000 was paid by the Purchaser upon the submission of the Tender. Under the Conditions of Sale by Tender, a further deposit of HK\$10,900,000 shall be payable by the Purchaser on or before 21st November 2005 upon signing of the Memorandum of Agreement and the balance of the consideration of HK\$188,100,000 shall be payable by the Purchaser upon completion, which is scheduled to take place on or before 20th January 2006.

The First Property is subject to existing tenancy agreements in relation to (i) 15 out of 19 residential units (occupying an aggregate gross area of approximately 24,000 square feet); (ii) a roof top of the First Property; (iii) 8 out of 11 carparking spaces; and (iv) 6 out of 24 chauffeur rooms or servants quarters, with an aggregate monthly rental of approximately HK\$437,750. The expiry dates of the respective terms of these existing tenancy agreements range from 30th November 2005 to 15th May 2007.

The acquisition of the First Property is currently expected to be funded through a combination of internal resources of the Group and bank financing, in the ratio of approximately 50% and 50%.

**Condition:** Completion of the sale and purchase of the First Property is conditional upon the First Vendor being able to show, prove and give good title to the First Property at its own expense to the satisfaction of the Purchaser not later than 14 days before the Date of Completion. Such condition shall not be waived.

If the First Vendor is unable to show and prove good title within the time period aforesaid, the initial deposit and further deposit paid pursuant to the Conditions of Sale by Tender and the Memorandum of Agreement shall be returned to the Purchaser in full forthwith whereupon the Tender and the Memorandum of Agreement shall become null and void and neither party shall have any further claim against the other in respect thereof.

## **DETAILS OF THE ACQUISITION OF THE SECOND PROPERTY**

Contract date: 16th November 2005

Second Vendor: Lucky Smart Investment Limited, an Independent Third Party

Purchaser: City Style Properties Limited, a wholly-owned subsidiary of the Company

Second Property: A residential property situate at Flat 302, Sixth Floor of No. 23A MacDonnell Road, Hong Kong. The gross area of the Second Property is approximately 1,600 square feet. The Second Property is currently vacant.

Summary: On 16th November 2005, the Purchaser and the Second Vendor entered into the Provisional Agreement for the acquisition of the Second Property. The parties are expected to enter into the Formal Agreement on or before 21st November 2005.

Consideration: The consideration is HK\$9,350,000 which was determined by the Group by reference to prevailing market conditions and prices of similar properties located in the nearby area. No independent valuation has been conducted on the Second Property.

An initial deposit of HK\$400,000 was paid by the Purchaser upon signing of the Provisional Agreement. Under the Provisional Agreement, a further deposit of HK\$535,000 will be payable by the Purchaser on or before 21st November 2005 and the balance of the consideration of HK\$8,415,000 will be payable by the Purchaser upon completion which is scheduled to take place on or before 20th January 2006.

The acquisition of the Second Property is currently expected to be funded by internal resources of the Group.

Condition: Completion of the sale and purchase of the Second Property is conditional upon the completion of the sale and purchase of the First Property. Such condition shall not be waived.

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

The Directors consider that the Acquisition provides a good investment opportunity for the Group to enlarge its property investment portfolio with high quality assets, and believe that the First Property and the Second Property will generate a steady income stream and provide significant value enhancement prospects due to its redevelopment potential in a prime residential location. Both the First Property and the Second Property are expected to be used by the Group for investment purpose.

The Directors also consider that the Acquisition will not cause any adverse impact on the working capital or gearing ratio of the Group.

The Directors are therefore of the view that the Acquisition is in the best interests of the Company, and the Acquisition are on normal commercial terms, which are fair and reasonable and in the best interests of the Company and its shareholders as a whole.

## **INFORMATION OF THE VENDORS**

So far as the Directors are aware, the First Vendor is a limited company incorporated in the Isle of Man and one of its businesses is investment holding. The Second Vendor is a limited company incorporated in Hong Kong and one of its businesses is investment holding.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, both the First Vendor and the Second Vendor (together with their respective beneficial owners) are Independent Third Parties.

## **GENERAL**

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

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular in connection with the Acquisition will be despatched to the shareholders and warrant holders of the Company as soon as practicable. Further announcement(s) will be made in the event that the Acquisition is not completed on or before 20th January 2006.

## **DEFINITIONS**

In this announcement, the following terms have the following meanings:—

“Acquisition”	acquisition of the First Property and the Second Property by the Purchaser pursuant to the terms of the Conditions of Sale by Tender and the Provisional Agreement respectively;
“Company”	Playmates Holdings Limited, a company incorporated in Bermuda and the shares and warrants of which are listed on the Stock Exchange;

“Conditions of Sale by Tender”	the Particulars and Conditions of Sale By Public Tender in respect of the First Property which constituted a formal agreement between the First Vendor and the Purchaser upon the acceptance of the Tender by the First Vendor;
“Date of Completion”	20th January 2006;
“Directors”	the directors of the Company;
“First Property”	a number of properties being (a) the property situate at Nos. 21 and 21A, MacDonnell Road, Hong Kong; (b) the Ground Floor Garage of No. 23 MacDonnell Road, Hong Kong; (c) the First Floor and the Second Floor, No. 23A MacDonnell Road, Hong Kong; (d) the twelve chauffeur rooms or servants quarters situate on the three floors below the Garage of No. 23 MacDonnell Road, Hong Kong; and (e) the machine room and the watchman’s room on the roof of No. 23 and No. 23A MacDonnell Road, Hong Kong;
“Formal Agreement”	the Formal Agreement for Sale and Purchase to be entered into between the Purchaser and the Second Vendor on or before 21st November 2005 in relation to the Second Property;
“First Vendor”	Shiu Wing Limited which, so far as the Directors are aware, is a company incorporated in the Isle of Man;
“Group”	the Company and its subsidiaries;
“Independent Third Party(ies)”	to the best knowledge, information and belief of the Directors, third party(ies) independent of the Company and connected persons of the Company as defined in the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Memorandum of Agreement”	the Memorandum of Agreement for Sale and Purchase to be entered into between the Purchaser and the First Vendor on or before 21st November 2005 in relation to the First Property;
“Provisional Agreement”	the provisional agreement for sale and purchase dated 16th November 2005 entered into between the Purchaser and the Second Vendor in relation to the Second Property;

“Purchaser”	City Style Properties Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company;
“Second Property”	Flat 302, Sixth Floor of No. 23A MacDonnell Road, Hong Kong;
“Second Vendor”	Lucky Smart Investment Limited, so far as the Directors are aware, is a company incorporated in Hong Kong;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Tender”	the Form of Tender dated 9th November 2005 submitted by the Purchaser for the purchase of the First Property.

By Order of the Board  
**Playmates Holdings Limited**  
**Tracy Fong**  
*Company Secretary*

Hong Kong, 16th November 2005

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

*Executive Directors:* Mr. Chan Chun Hoo, Thomas (*Chairman*); Mr. To Shu Sing, Sidney

*Independent Non-executive Directors:* Mr. Lee Peng Fei, Allen; Mr. Lo Kai Yiu, Anthony; Mr. Yu Hon To, David

*Non-executive Directors:* Mr. Tsim Tak Lung (*Deputy Chairman*); Mr. Ip Shu Wing, Charles

\* *For identification purpose only*

*Please also refer to the published version of this announcement in South China Morning Post, and Hong Kong Economic Journal.*