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PLAYMATES TOYS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 869)

PROFIT WARNING

This announcement is made by Playmates Toys Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (“**Board**”) wishes to inform shareholders of the Company and investors that based on a preliminary assessment of the Group’s latest unaudited consolidated management accounts and the information currently available, the Group’s revenue and profit before income tax for the year ended 31 December 2024 are expected to be HK\$931 million and HK\$178 million respectively, as compared to revenue and profit before income tax of approximately HK\$1,109 million and HK\$261 million respectively for the year ended 31 December 2023. The decrease in profit was mainly attributable to:

- (1) lower shipment volume of our *Teenage Mutant Ninja Turtles* toy line compared to prior year, which included the positive impact of the *Teenage Mutant Ninja Turtles: Mutant Mayhem* animated movie release;
- (2) more prevalent price discounting by retailers during the holiday season, in response to stretched household budgets and value-conscious consumer purchasing;
- (3) increased marketing expenses to drive revenue; and
- (4) a moderate year-over-year increase in administration expenses; partially offset by:
 - (a) positive contribution from our *Godzilla x Kong* product line, supported by the March 2024 release of the *Godzilla x Kong: The New Empire* movie; and
 - (b) a net unrealised and realised gain of approximately HK\$32 million of the Group’s treasury investment in listed equity securities and HK\$55 million in interest income for the year ended 31 December 2024, compared to a net unrealised and realised gain of HK\$18 million in treasury investment and HK\$36 million in interest income for the year ended 31 December 2023.

The Company is in the process of preparing and finalising the financial statements of the Group for the year ended 31 December 2024. The information contained in this announcement is only a preliminary assessment by the Board and is not based on any figures or information audited or reviewed by the Company's auditors. The Company aims to announce the Group's financial results for the year ended 31 December 2024 on 14 March 2025.

Shareholders of the Company and investors are advised to exercise caution in dealing in shares of the Company.

By order of the Board
Ng Ka Yan
Company Secretary

Hong Kong, 6 February 2025

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

Mr. Chan Kwong Fai, Michael (*Chairman*), Ms. Chan, Helen (*Executive Director*), Mr. Chan Kong Keung, Stephen (*Executive Director*), Mr. Ip Shu Wing, Charles (*Independent Non-executive Director*), Mr. Lam Wai Hon, Ambrose (*Independent Non-executive Director*), Mr. Tran Vi-hang William (*Executive Director*) and Mr. Yu Hon To, David (*Independent Non-executive Director*)