

[For immediate release]



## PLAYMATES TOYS ANNOUNCED 2016 ANNUAL RESULTS

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### Highlights

	For the year ended 31 December	
	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Revenue	992,933	1,551,464
Gross profit	595,720	956,002
Operating profit	175,256	396,054
Profit attributable to shareholders	110,206	276,245
	<i>HK cents</i>	<i>HK cents</i>
Basic earnings per share	9.09	22.84
Full year cash dividends per share	10.00	10.00

- Playmates Toys' 2016 turnover decreased mainly due to very strong competition in the boys action categories.
- In Fall 2018, Nickelodeon<sup>®</sup> will re-imagine the **TMNT** franchise in an all-new animated series, **Rise of the Teenage Mutant Ninja Turtles<sup>®</sup>**.
- Season 1 of the DreamWorks Animation<sup>®</sup> series **Voltron: Legendary Defender<sup>®</sup>** garnered positive reviews; Playmates launched **Voltron<sup>®</sup>** toys this Spring.
- Cartoon Network's<sup>TM & ©</sup> new **Ben 10<sup>TM & ©</sup>** animated TV series premiered in selected International markets in October 2016; will debut across North America in April 2017. Playmates is gearing up for the global launch of **Ben 10<sup>TM & ©</sup>** toy line this Fall.
- Playmates Toys will be global master toy partner for **Mysticons<sup>®</sup>**, a brand new animated action TV series developed by Nelvana Studio<sup>®</sup> to debut globally in 2017.

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(March 24, 2017 – Hong Kong) – **Playmates Toys Limited** (“Playmates Toys” or “the Group”, HKEx Stock Code: 869) announced today its results for the year ended 31 December 2016. The Group worldwide turnover for the year ended 31 December 2016 was HK\$993 million (2015: HK\$1,551 million), a decrease of 36% compared to the prior year. The Group reported an operating profit for 2016 of HK\$175 million, a decrease of 56% compared to prior year (2015: HK\$396 million). Net profit attributable to shareholders was HK\$110 million (2015: HK\$276 million). Basic earnings per share was HK Cents 9.09 (2015: HK Cents 22.84). The Board declared a second interim dividend of HK Cents 5 per share, making full year cash dividends of HK Cents 10 per share for the year (2015: HK Cents 10 per share).

Driven by the popular TV show and the 2016 **TMNT** Movie Sequel provided a meaningful boost to the brand, Playmates’ **TMNT** toys continued to perform well at retail in the US, despite strong competitions from a number of major action adventure movies. According to NPD and trade reports, **TMNT** continued to rank among the top selling boy’s action toy brands in the US and key international markets during 2016. Group Chairman Mr. Thomas Chan commented: “In 2017, we expect competitive pressures to further intensify, with a full schedule of kid-friendly movies to be released throughout the year. Without the marketing boost provided by a theatrical release, sales of our **TMNT** toys will likely decrease compared to 2016.

“In 2018, Nickelodeon<sup>®</sup> will re-imagine the **TMNT** franchise in an all-new animated series, **Rise of the Teenage Mutant Ninja Turtles<sup>®</sup>**. The new series, launching Fall 2018, will take the characters in a different direction with more humor, a younger and lighter feel and all-new dimensions to explore. We are developing a whole new line of **TMNT** products to be introduced in tandem with the launch of the new series.”

Mr. Chan continued, “We are very excited to sign on as the global master toy partner for several new properties. Netflix<sup>®</sup> released Season 1 of the DreamWorks Animation<sup>®</sup> series **Voltron: Legendary Defender<sup>®</sup>** in June 2016. Since then, the show has garnered positive reviews, and Netflix<sup>®</sup> followed up with the release of Season 2 in January 2017. We launched our line of **Voltron<sup>®</sup>** toys this Spring, and are actively developing product extensions for Fall 2017.

“Cartoon Network’s<sup>™ & ©</sup> new **Ben 10<sup>™ & ©</sup>** animated TV series premiered in selected International markets in October 2016, and will debut across North America in April 2017. We are gearing up for the global launch of our **Ben 10<sup>™ & ©</sup>** toy line this Fall.

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“Playmates Toys will be the global master toy partner for **Mysticons**<sup>®</sup>, a brand new animated action TV series targeting the girls audience developed by Nelvana Studio<sup>®</sup> in partnership with Nickelodeon<sup>®</sup> and The Topps Company<sup>®</sup>. **Mysticons**<sup>®</sup>, which tells the epic tale of four girls who transform into legendary warriors, will debut globally in 2017.”

Mr. Chan concluded, “We remain committed to the proven strategy of focusing our resources and efforts to manage our established brands for long term profitability, while actively pursuing selective new opportunities that are good fits for our core competence.”

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