

[For immediate release]



PLAYMATES TOYS ANNOUNCED 2019 ANNUAL RESULTS

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Highlights

	For the year ended 31 December	
	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Revenue	358,739	474,182
Gross profit	184,254	250,889
Operating loss	(35,576)	(13,318)
(Loss)/Profit attributable to shareholders	(37,278)	562
	<i>HK cents</i>	<i>HK cents</i>
Basic (loss)/earnings per share	(3.16)	0.05

- Playmates Toys' 2019 turnover decrease was a result of contraction in its main continuing brands: **Teenage Mutant Ninja Turtles** ("TMNT") and **Ben 10**
- Playmates Toys continues to work closely with the ViacomCBS-Nickelodeon team on the development of new adventures of the **Turtles**
- **Ben 10** animated TV series Season 4 premieres in Spring 2020; continues to be popular in many markets; product line extensions in active development
- **Power Players** currently airs on Cartoon Network and soon to debut on Netflix. Products will launch in US in early 2020; then roll out across many major markets
- **Godzilla vs. Kong** movie will release in fall 2020. Playmates will introduce products inspired by Toho's Classic Monsters starting Spring 2020
- Playmates Toys expects supply chain would be severely affected at least in the first half of 2020 due to the ongoing viral epidemic

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(March 6, 2020 – Hong Kong) – **Playmates Toys Limited** (“Playmates Toys” or “the Group”, HKEx Stock Code: 869) announced today its results for the year ended 31 December 2019. Group worldwide turnover for the year ended 31 December 2019 was HK\$359 million (2018: HK\$474 million), a decrease of 24% compared to the prior year. Net loss attributable to shareholders was HK\$37 million (2018 Net profit: HK0.6 million). Basic loss per share was HK cents 3.16 (2018 basic earnings per share: HK Cents 0.05). The board did not recommend payment of dividend.

Group Chairman Mr. Sidney To said: “The decrease in turnover was a result of contraction in our main continuing brands: **TMNT** and **Ben 10**.

“Although sales of **Rise of the Teenage Mutant Ninja Turtles** line were below expectations in 2019, we remain confident in the brand’s long-term future as an evergreen entertainment franchise. **TMNT** will go on a planned hiatus starting in 2020 as work begins on the next reimagination of the Turtles.”

Mr. To continued: “Cartoon Network’s **Ben 10** animated TV series continues to attract a significant fan base in the US and in many international markets, with Season 4 premiering in Spring 2020. We are developing product line extensions for 2020, and expect continued positive contribution from the brand in the coming year.

“During 2019, we focused our efforts on building the pipeline of new brands and platforms to be introduced in the coming years. New licenses acquired include tie-ins to movies from major studios; new animated series; YouTube stars, and an iconic music artist. Among the exciting new brands launching in 2020 are **Power Players**, **MonsterVerse** and **Disney’s Frozen 2 Adventure Storytelling Figures**.

“As the master toy licensee for ZAG’s action-comedy animation series **Power Players**, currently airing on Cartoon Network and soon to debut on Netflix, we have introduced a robust toy line that brings the heroes of the series to life off-screen. Our products are launching in the US in early 2020, and will roll out across many major international markets throughout the year.

“Through a partnership with Legendary Entertainment and Toho, we have secured the rights to create an extensive product line for Legendary’s **MonsterVerse**, beginning with **Godzilla vs. Kong**, this Fall’s highly anticipated film from Legendary Entertainment and Warner Bros. Pictures. In addition, we will introduce products inspired by Toho’s Classic Monsters starting in Spring 2020.

“Playmates Toys is introducing **Disney’s Frozen 2 Adventure Storytelling Figures**, which sing and talk with each other. The figures have interactive technology that activates multiple phrases, songs and adventure play. With two or more figures, they talk and sing together. The first wave of figures launching in Spring 2020 includes Elsa, Anna and Olaf, with additional figures in development.”

Mr. To concluded, “the manufacturing facilities of the principal suppliers of our finished goods are based in southern China. The viral epidemic caused by the novel coronavirus COVID-19 is expected to severely impact our supply chain at least in the first half of 2020. We will monitor the risks and uncertainties in connection with the epidemic and work closely with the suppliers to mitigate the adverse impact arising therefrom.

“Against the uncertainties and challenges of our operating environment, we will continue to prudently manage operating costs and adhere to the stated strategy of nurturing our established brands while investing selectively in new opportunities.”

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