

[For immediate release]



PLAYMATES TOYS ANNOUNCED 2022 ANNUAL RESULTS

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Highlights

	For the year ended 31 December	
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue	504,248	625,108
Gross profit	235,707	303,524
Operating profit	34,532	37,757
Profit attributable to shareholders	9,722	42,981
	<i>HK cents</i>	<i>HK cents</i>
Basic earnings per share	0.82	3.64
Dividends per share	2.00	2.00

- Playmates Toys reported 2022 revenue of HK\$504.2 million (2021: \$625.1 million) and net profit of HK\$9.7 million (2021 net profit: HK\$43 million)
- Despite an uncertain economic climate in 2022 with increasingly cautious consumer behaviour and currency headwinds, our team was able to navigate through these challenges and delivered a profitable year
- We expect challenges and uncertainties to remain in our operating environment in 2023, but we are optimistic that major entertainment events will provide a boost to our product lines and financial performance

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(March 10, 2023 – Hong Kong) – **Playmates Toys Limited** (“Playmates Toys” or “the Group”, HKEx Stock Code: 869) announced today its results for the year ended 31 December 2022. Group worldwide turnover for the year ended 31 December 2022 was HK\$504.2 million (2021: HK\$625.1 million), a decrease of 19.3% compared to the prior year. Net profit attributable to shareholders was HK\$9.7 million (2021 Net profit attributable to shareholders: HK\$43 million). Basic earnings per share was HK cents 0.82 (2021: Basic earnings per share HK cents 3.64). [The Board declared an interim dividend of HK cents 2.00 per share (2021: HK cents 2.00).]

Group Chairman Mr. Michael Chan said: “In 2022 we faced numerous challenges in our operating environment. The year began with backlogs at various parts of the supply chain and difficulties in meeting consumer demand. Starting in Spring, as food and energy prices increased dramatically as a result of conflict in Europe, non-essential goods (including toys) began to experience a slowdown. The pull-forward in inventory purchases as a response to supply chain disruptions now became a challenge to digest. Many retailers pulled back on orders, which further compounded inventory issues. Against this backdrop, overall toy sales in the US, our largest market, declined by 4% in unit terms and was flat in dollar terms compared to 2021.”

Mr. Chan continued: “In an uncertain economic climate with increasingly cautious consumer behaviour and currency headwinds, our 2022 performance was below our original expectations. A material part of our year-over-year revenue decline is driven by lower **Godzilla vs. Kong** product sales, lapping the movie release in 2021, which we anticipated. Our **Miraculous: Tales of Ladybug & Cat Noir** toy line performed very strongly through early 2022, but moderated as macroeconomic headwinds increased throughout the year. During the year, we also took decisive steps to reduce inventory, which resulted in additional costs and margin pressure. Overall, our team was able to navigate through these challenges and delivered a profitable year.”

Mr. Chan added, “Looking forward to 2023, challenges and uncertainties remain in our operating environment, but we are optimistic that major entertainment events will provide a boost to our product lines. The **Miraculous Ladybug & Cat Noir** movie will debut later this year, and aims to create further excitement among current **Miraculous** fans, as well as introduce a brand new audience to the **Miraculous** universe. In August 2023, Paramount will release the highly anticipated animated movie: **Teenage Mutant Ninja Turtles: Mutant Mayhem**, produced by Seth Rogan, around the world. The movie will offer a fresh new take on the iconic franchise by embracing the “teenage” element of **Teenage Mutant Ninja Turtles**. Our all-new line of toys was unveiled to major retailers and distributors recently, and was met with enthusiastic and unanimous trade support.”

Mr. Chan concluded, “Our team remains motivated to tackle the challenges and capitalize on the opportunities ahead. I am grateful to my fellow shareholders and board members, my Playmates teammates, and all our business partners for their continued trust and support.”

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