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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 Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) wishes to inform shareholders of the Company and investors that based on a review of the Group’s preliminary unaudited financial results for the six months ended 30 June 2022, the Group’s revenue and operating profit are expected to be HK\$267 million and HK\$18.7 million respectively, as compared to revenue and operating profit of approximately HK\$214 million and HK\$15.5 million respectively, for the corresponding period in 2021. However, the Group is expected to report a net loss of HK\$1.4 million for the six months ended 30 June 2022, as compared to a net profit of HK\$14.5 million during the prior year period. Net loss for the current year period was mainly attributable to a net unrealised loss of HK\$26 million of the Group’s investment in listed equity securities for the six months ended 30 June 2022 as compared to a net unrealised loss of HK\$0.2 million recorded for the corresponding period in 2021. The values of the Group’s treasury investment were negatively affected by global financial market volatilities during the period.

Notwithstanding the above, the Company continues to prudently manage its financial and cash position. As of 30 June 2022, the Group’s investment in listed equity securities accounted for 6% of its overall cash and bank balances and financial assets of HK\$973 million. The Board considers that the overall financial position of the Group remains sound and solid.

The Company is in the process of finalizing the interim financial statements of the Group for the six months ended 30 June 2022. 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 Group’s interim results for the six months ended 30 June 2022 are expected to be announced on 19 August 2022.

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, 9 August 2022

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

Mr. Chan Kwong Fai, Michael (*Chairman*); Mr. Chan Kong Keung, Stephen (*Executive Director*); Mr. Chow Yu Chun, Alexander (*Independent Non-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*)