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## **PLAYMATES HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 635)

### **PROFIT WARNING**

This announcement is made by Playmates Holdings 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).

Reference is made to the announcement of the Company dated 15 May 2020. 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 2020, the revenue of the Group is expected to be approximately HK\$209 million as compared to HK\$292 million for the corresponding period in 2019. It is expected that the Group will record a net loss of approximately HK\$291 million as compared to a net profit of HK\$166 million for the corresponding period in 2019.

The loss for the said period was mainly attributable to:

- (1) an unrealized revaluation deficit of approximately HK\$310 million arising from the revaluation of the Group’s investment properties as compared to a revaluation surplus of HK\$91 million for the corresponding period in 2019;
- (2) the performance of the Company’s major subsidiary, Playmates Toys group. The revenue of the Playmates Toys group is approximately HK\$84 million as compared to HK\$157 million for the corresponding period in 2019. The Playmates Toys group expects to report a net loss of approximately HK\$53 million as compared to a net loss of HK\$20 million for the corresponding period in 2019. The increase in loss was mainly attributed to underperformance of both established and new brands while global economic activities were devastated by the COVID-19 pandemic (the “**Pandemic**”); and
- (3) a decrease in the revenue of the food and beverage business by approximately 40% in the first half of 2020 as it was affected by the weakened consumer sentiment due to the Pandemic.

Notwithstanding the above, the Company will continue to prudently manage its financial and cash position to overcome the difficult operating environment in the near term. As of 31 July 2020, the Group maintains a cash position of approximately HK\$1.5 billion and the Board considers that the overall financial position of the Group continues to remain 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 2020. 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 2020 are expected to be announced on 21 August 2020.

**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, 7 August 2020

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

Mr. To Shu Sing, Sidney (*Chairman*), Ms. Chan, Helen (*Executive Director*), Mr. Cheng Bing Kin, Alain (*Executive Director*), Mr. Ip Shu Wing, Charles (*Independent Non-executive Director*), Mr. Lee Ka Sze, Carmelo (*Non-executive Director*), Mr. Lo Kai Yiu, Anthony (*Independent Non-executive Director*), Mr. Tang Wing Yung, Thomas (*Independent Non-executive Director*), Mr. Tsim Tak Lung (*Deputy Chairman and Non-executive Director*) and Mr. Yu Hon To, David (*Independent Non-executive Director*)