

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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 (“**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 8 November 2019 in relation to the profit warning of the Group for the year ended 31 December 2019. The board of directors (“**Board**”) wishes to inform shareholders of the Company (“**Shareholders**”) and investors that based on a review of the Group’s preliminary financial results for the year ended 31 December 2019, the revenue of the Group for the year is expected to be approximately HK\$359 million as compared to the revenue of HK\$474 million in 2018, and the loss before income tax of the Group for the year ended 31 December 2019 is expected to be approximately HK\$16 million as compared to the profit before income tax of HK\$4 million in 2018.

The Board also wishes to inform the Shareholders and the investors that the Group is expected to record a net loss of approximately HK\$37 million for the year ended 31 December 2019 as compared to the net profit of HK\$562,000 in 2018. The tax expense for the year of 2019 is estimated to be approximately HK\$21 million, mainly comprised of a U.S. tax provision and a write down of deferred tax assets due to the uncertainties in global business environment and the potential adverse impact on the China-based supply chain of the Group in light of the ongoing viral epidemic.

The Company is in the process of finalizing the financial statements of the Group for the year ended 31 December 2019. 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 annual results for the year ended 31 December 2019 are expected to be announced on 6 March 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, 27 February 2020

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

Mr. To Shu Sing, Sidney (*Chairman*); Mr. Chan Kong Keung, Stephen (*Executive Director*); Mr. Cheng Bing Kin, Alain (*Executive Director*); Mr. Chow Yu Chun, Alexander (*Independent Non-executive Director*); Mr. Lam Wai Hon (*Independent Non-executive Director*); Mr. Lee Ching Kwok, Rin (*Independent Non-executive Director*) and Mr. Tran Vi-hang William (*Executive Director*)