

[For immediate release]



PLAYMATES ANNOUNCED 2023 ANNUAL RESULTS

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Highlights

	For the year ended 31 December	
	2023 HK\$'000	2022 HK\$'000
Revenue	1,271,590	719,629
- from toy business	1,109,399	504,248
- from property investments & management businesses	155,305	210,764
- from portfolio investments	6,886	4,617
Gross profit	784,084	438,055
Net revaluation deficit on investment properties	(184,129)	(330,246)
Operating profit / (loss)	140,589	(127,603)
Profit / (loss) attributable to shareholders	10,340	(212,779)
	HK cents	HK cents
Earnings / (loss) per share		
- Basic	0.50	(10.24)
- Diluted	0.50	(10.24)
Full year dividends per share	4.5	4.5

- In 2023, Playmates' property investments and management reported a 26.3% decrease in revenue compared to 2022, which was expected as a result of the renewal of the significant lease on the commercial podium floors of The Toy House at a reduced rent, as previously announced. Operating profit before net revaluation deficit was HK\$108.4 million (2022: HK\$173.3 million)
- Playmates Toys reported 2023 revenue of HK\$1,109 million (2022: \$504 million) and net profit of HK\$224 million (2022 net profit: HK\$9.7 million). The year-over-year increase was driven by the relaunch of our *Teenage Mutant Ninja Turtles* ("TMNT") toy line to coincide with the release of Paramount's *Teenage Mutant Ninja Turtles: Mutant Mayhem* animated movie during the summer
- In 2024, we expect our rental income from investment properties to remain stable. For Playmates Toys, lapping the *Teenage Mutant Ninja Turtles* movie release will present more challenging year-over-year comparisons. However, the launch of the *Tales of The Teenage Mutant Ninja Turtles* animated series on Paramount+ should provide support for the TMNT brand. The March 2024 release of the *Godzilla x Kong: The New Empire* movie will also boost the relaunch of our *Godzilla x Kong* product line.

(March 15, 2024 – Hong Kong) – **Playmates Holdings Limited** (“Playmates” or “the Group”, HKEx Stock Code: 635) announced today its results for the year ended 31 December 2023. Group global revenue for the year ended 31 December 2023 was HK\$1,271.6 million (2022: HK\$719.6 million); representing an increase of 76.7% compared to the prior year. Before taking into account revaluation deficit on investment properties, the Group’s operating profit was HK\$324.7 million (2022: HK\$202.6 million).

The Group recorded a net revaluation deficit on investment properties of HK\$184.1 million (2022: HK\$330.2 million). Net profit attributable to shareholders was HK\$10.3 million (2022: Net loss attributable to shareholders HK\$212.8 million). Basic earnings per share was HK cents 0.50 (2022: Basic loss per share of HK cents 10.24). Net asset value per share was HK\$2.93 as at 31 December 2023 (2022: HK\$2.92).

The Board declared a second interim dividend of HK cents 1.5 per share and a special interim dividend of HK cents 1.5 per share, making total 2023 dividends of HK cents 4.5 per share (2022: total dividends - HK cents 4.5 per share).

Group chairman, Mr. Michael Chan said, “our operating environment was once again challenging in 2023. The muted post-COVID recovery in cross-border travel between China and Hong Kong, coupled with a significant rise in interest rates, led to continued weakness in the retail and real estate sectors in Hong Kong. For the global toy industry, inflationary pressures dampened demand for discretionary goods. Overall toy sales in the U.S., our largest market, declined by 8% in both unit and dollar terms compared to 2022. Against this backdrop, we delivered strong overall results with a 77% increase in revenue and 60% increase in operating profit before property revaluation.”

Mr. Chan continued “our property investments and property management businesses recorded a 26% decrease in revenue in 2023, which was expected as a result of the renewal of the significant lease on the commercial podium floors of The Toy House at a reduced rent, as previously announced. Playmates Toys’ revenue increased 120% and operating profit increased 508% compared to 2022, driven by the relaunch of the TMNT toy line to coincide with the release of Paramount’s Teenage Mutant Ninja Turtles: Mutant Mayhem animated movie during the summer. Our toys were well received by TMNT fans of all ages around the world, and we planned sufficient inventory to maximize sales throughout the year without significant excess inventory carryover at year end.

“Looking forward to 2024, we expect our rental income from investment properties to remain stable, amidst a difficult real estate environment in Hong Kong. For Playmates Toys, lapping the Teenage Mutant Ninja Turtles movie release will present more challenging year-over-year comparisons. However, the launch of the Tales of The Teenage Mutant Ninja Turtles animated

series on Paramount+ should provide support for the TMNT brand. The March 2024 release of the Godzilla x Kong: The New Empire movie will also boost the relaunch of our Godzilla x Kong product line. Our competitive landscape is expected to be less crowded in 2024, since a number of family-friendly movies were delayed to 2025 as a result of the Hollywood writers and actors strikes.”

Mr. Chan concluded: “I am grateful for our team’s dedication in delivering a strong 2023 and setting up significant opportunities for 2024 and beyond. I must also thank my fellow shareholders and board members, and all our business partners for their continued trust and support.”

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