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## PLAYMATES TOYS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 869)

### ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

#### RESULTS

The directors of the Company are pleased to announce the audited consolidated results of the Group for the year ended 31 December 2025 as follows:

#### Consolidated Income Statement

For the year ended 31 December 2025

	Note	2025 US\$'000 (Note 11)	2025 HK\$'000	2024 HK\$'000
<b>Revenue</b>	3	65,668	512,211	931,334
<b>Cost of sales</b>		<b>(33,895)</b>	<b>(264,378)</b>	(430,867)
<b>Gross profit</b>		<b>31,773</b>	<b>247,833</b>	500,467
Marketing and licensing expenses		(15,709)	(122,535)	(191,470)
Selling and distribution expenses		(6,007)	(46,855)	(83,321)
Administration expenses		(16,376)	(127,729)	(131,384)
<b>Operating (loss)/profit</b>		<b>(6,319)</b>	<b>(49,286)</b>	94,292
Other net income	4	7,652	59,682	87,840
Finance costs		(286)	(2,234)	(3,760)
<b>Profit before income tax</b>	5	<b>1,047</b>	<b>8,162</b>	178,372
<b>Income tax expense</b>	6	<b>(3,015)</b>	<b>(23,515)</b>	(46,744)
<b>(Loss)/Profit for the year attributable to owners of the Company</b>		<b>(1,968)</b>	<b>(15,353)</b>	131,628
		<i>US cents</i>	<i>HK cents</i>	<i>HK cents</i>
<b>(Loss)/Earnings per share</b>	8			
Basic		(0.17)	(1.30)	11.15
Diluted		(0.17)	(1.30)	11.15

## Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	2025 US\$'000 (Note 11)	2025 HK\$'000	2024 HK\$'000
<b>(Loss)/Profit for the year</b>	<b>(1,968)</b>	<b>(15,353)</b>	131,628
<b>Other comprehensive income, including reclassification adjustments:</b>			
Items that will not be reclassified subsequently to profit or loss:			
- Remeasurement of long service payment liabilities			
- <i>Gross</i>	4	28	162
- <i>Tax impact</i>	-	-	(9)
<b>Other comprehensive income for the year</b>	<b>4</b>	<b>28</b>	153
<b>Total comprehensive income for the year attributable to owners of the Company</b>	<b>(1,964)</b>	<b>(15,325)</b>	131,781

## Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 US\$'000 (Note 11)	2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>				
Property, plant and equipment		581	4,532	666
Right-of-use assets		2,014	15,706	9,996
Deferred tax assets		2,743	21,392	32,665
		<b>5,338</b>	<b>41,630</b>	43,327
<b>Current assets</b>				
Inventories		3,515	27,419	27,654
Trade receivables	9	13,898	108,405	136,670
Deposits paid, other receivables and prepayments		6,327	49,354	64,633
Tax recoverable		2,851	22,236	22,050
Financial assets at fair value through profit or loss		12,163	94,871	87,473
Cash and deposits with banks		124,280	969,387	1,043,325
		<b>163,034</b>	<b>1,271,672</b>	1,381,805
<b>Current liabilities</b>				
Trade payables	10	4,643	36,214	19,372
Deposits received, other payables and accrued charges		13,696	106,829	122,330
Provisions		5,074	39,579	55,074
Lease liabilities		823	6,421	9,433
Taxation payable		1,302	10,154	14,547
		<b>25,538</b>	<b>199,197</b>	220,756
<b>Net current assets</b>		<b>137,496</b>	<b>1,072,475</b>	1,161,049
<b>Total assets less current liabilities</b>		<b>142,834</b>	<b>1,114,105</b>	1,204,376
<b>Non-current liabilities</b>				
Lease liabilities		1,243	9,694	1,924
Long service payment liabilities		186	1,451	1,330
		<b>1,429</b>	<b>11,145</b>	3,254
<b>Net assets</b>		<b>141,405</b>	<b>1,102,960</b>	1,201,122
<b>Equity</b>				
Share capital		1,513	11,800	11,800
Shares held for share award plan		-	-	-
Reserves		139,892	1,091,160	1,189,322
<b>Total equity</b>		<b>141,405</b>	<b>1,102,960</b>	1,201,122

Notes:

## 1. Basis of preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The financial statements have been prepared under the historical cost basis, except for financial assets at fair value through profit or loss which are stated at fair values.

The accounting policies used in the preparation of the financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2024, except for the adoption of the amended HKFRS Accounting Standards which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1 January 2025. Details of these changes in accounting policies are set out in Note 2.

## 2. Changes in accounting policies

### *Adoption of amended HKFRS Accounting Standards*

The HKICPA has issued the following amendment to HKFRS Accounting Standards that are first effective for the current accounting period of the Group:

- Amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability*

The amendments have had no material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard, amendment or interpretation that is not yet effective for the current accounting period.

### 3. Revenue and segment information

The Group is principally engaged in the design, development, marketing and distribution of toys and family entertainment activity products. Revenue represented sales of toys and was recognised at the point in time when customers obtain the control of the goods.

Revenue recognised during the year ended 31 December 2025 from sales of toys was HK\$512,211,000 (2024: HK\$931,334,000).

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the Group's senior executive management for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. Based on the internal reports reviewed by the senior executive management of the Group that are used to make strategic decision, the only operating segment of the Group is design, development, marketing and distribution of toys and family entertainment activity products. No separate analysis of the reportable segment profit/loss before income tax, reportable segment assets and reportable segment liabilities by operating segment are presented.

#### *Geographical information*

The following table sets out information about the geographical location of (i) the Group's revenue and (ii) the Group's property, plant and equipment, prepayments and right-of-use assets ("specified non-current assets"). The geographical location of revenue is based on the country in which the customer is located. The geographical location of the specified non-current assets is based on the physical location of the property, plant and equipment and right-of-use assets, and the location of operation to which they are related in case of prepayments.

	Revenue		Specified non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong (place of domicile)	-	388	12,351	4,491
Americas				
- U.S.A.	391,994	653,360	1,709	5,572
- Others	29,569	54,441	-	-
Europe	74,802	190,287	6,178	599
Asia Pacific other than Hong Kong	15,846	32,470	-	-
Others	-	388	-	-
	<b>512,211</b>	930,946	<b>7,887</b>	6,171
	<b>512,211</b>	931,334	<b>20,238</b>	10,662

#### *Major customers*

The Group's customer base includes two (2024: two) customers with each of whom transactions have exceeded 10% of the Group's total revenue. Revenue from sales to these customers amounted to approximately HK\$161,941,000 and HK\$158,097,000 (2024: HK\$283,011,000 and HK\$215,710,000) respectively.

#### 4. Other net income

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net gain/(loss) on financial assets at fair value through profit or loss		
- unrealised	19,692	26,517
- realised	(1,026)	5,449
Interest income	40,195	55,338
Dividend income	499	507
Others	322	29
	<u>59,682</u>	<u>87,840</u>

#### 5. Profit before income tax

Profit before income tax is stated after charging/(crediting) the following:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cost of inventories sold	223,808	391,499
(Reversal of write down)/Write down of inventories	(590)	252
Product development and tooling costs	34,720	31,535
Royalties expenses	72,382	135,586
Provision for consumer returns, cooperative advertising, cancellation charges and freight allowance	44,252	65,606
Reversal of unutilised provision for consumer returns, cooperative advertising, cancellation charges and freight allowance	(4,830)	(3,276)
Depreciation		
- property, plant and equipment	642	448
- right-of-use assets	8,481	8,481
Directors' and staff remunerations	80,145	85,700
Allowance for customer concession	14,713	24,063
Reversal of allowance for customer concession	(17,757)	-
Net foreign exchange loss	27	798
Loss on disposal of property, plant and equipment	-	7
Auditors' remuneration	1,570	1,570

#### 6. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year. Overseas taxation of overseas subsidiaries is provided in accordance with the applicable tax laws.

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current taxation		
Hong Kong profits tax	35	-
Overseas taxation	12,207	29,763
Over provision in prior years – Hong Kong	-	(3)
Over provision in prior years – overseas	-	(56)
	<u>12,242</u>	<u>29,704</u>
Deferred taxation		
Origination and reversal of temporary differences	11,273	17,040
Income tax expense	<u>23,515</u>	<u>46,744</u>

## 7. Dividends

### (a) Dividends attributable to the year

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
First interim dividend of HK cent 1 per share (2024: HK cents 2 per share)	11,800	23,600
Second interim dividend of HK cents nil per share (2024: HK cents 3 per share)	-	35,400
Special interim dividend of HK cents nil per share (2024: HK cents 3 per share)	-	35,400
Less: dividend for shares held in trust under share award plan ( <i>Note(i)</i> )	<b>(30)</b>	-
	<b>11,770</b>	<b>94,400</b>

At a meeting held on 15 August 2025, the board of directors declared a first interim dividend of HK cent 1 per share, which was paid on 19 September 2025.

The board of directors do not recommend payment of a second interim dividend at the meeting held on 13 March 2026.

*Note:*

- (i) Shares acquired and held in trust by the trustee of the share award plan of the Company are recorded as “shares held for share award plan” as a reduction under equity. The dividends for shares held in trust under the share award plan were deducted from the total dividends.

### (b) Dividends attributable to previous financial year and paid during the year

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Dividends in respect of the previous financial year and paid during the year:		
Second interim dividend of HK cents 3 per share (2024: HK cents 3)	35,400	35,421
Special interim dividend of HK cents 3 per share (2024: HK cents 3)	<b>35,400</b>	<b>35,421</b>
	<b>70,800</b>	<b>70,842</b>

## 8. (Loss)/Earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to owners of the Company of HK\$15,353,000 (2024: profit of HK\$131,628,000) and the weighted average number of ordinary shares of 1,177,339,000 shares (2024: 1,180,516,000 shares) in issue during the year excluding any ordinary shares purchased by the Company held for share award plan.

Diluted loss per share for the year ended 31 December 2025 equals to the basic loss per share as (i) the potential ordinary shares on exercise of share options and (ii) the potential ordinary shares deemed to be issued under the share award plan are anti-dilutive. Therefore they were not included in the calculation of diluted loss per share.

Diluted earnings per share for the year ended 31 December 2024 equals to the basic earnings per share as (i) the potential ordinary shares on exercise of share options are anti-dilutive and (ii) there were no ordinary shares purchased by the Company held for share award scheme that would be deemed to be issued. Therefore no potential ordinary shares are included in the calculation of diluted earnings per share.

## 9. Trade receivables

The normal trade terms with customers are letters of credit at sight or usance or on open accounts with credit term in the range of 60 to 90 days (2024: 60 to 90 days). The following is an aging analysis of trade receivables based on the invoice date at the end of the reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 – 60 days	73,490	89,307
61 – 90 days	33,485	35,777
91 – 180 days	1,083	8,294
Over 180 days	347	3,292
	<hr/> <b>108,405</b>	<hr/> <b>136,670</b>

## 10. Trade payables

The following is an aging analysis of trade payables based on the invoice date at the end of the reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 – 30 days	34,455	17,955
31 – 60 days	1,363	1,389
Over 60 days	396	28
	<hr/> <b>36,214</b>	<hr/> <b>19,372</b>

## 11. US dollar equivalents

These are shown for reference only and have been arrived at based on the exchange rate of HK\$7.8 to US\$1 ruling at 31 December 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

Playmates Toys worldwide turnover for the year ended 2025 was HK\$512 million (2024: HK\$931 million), representing a decline of 45% compared to prior year. The unfavourable comparison was driven by: (i) the anticipated decline in *Godzilla x Kong* product shipments as we lapped the *Godzilla x Kong: The New Empire* movie release in 2024, (ii) moderating demand for our *Teenage Mutant Ninja Turtles* (“*TMNT*”) products in the absence of any tentpole entertainment events for the *TMNT* brand, and (iii) some disruption in shipments to the U.S. market in April amidst escalating trade tensions, partially offset by the launch of our *Power Rangers* product line in the Fall. The U.S. continued to be our biggest market in 2025, contributing 76% of revenue. Europe as a whole contributed 15%, the rest of the Americas 6% and 3% came from Asia Pacific.

Gross profit ratio on toy sales was 48% (2024: 54%). Lower gross profit margin in 2025 reflected: (i) payment of tariffs in effect for goods entering the U.S. starting in Q2 2025, partially offset by selective pricing adjustments that became effective in Q3 2025, and (ii) higher product development and tooling costs in preparation for new product launches. Operating expenses declined by 38% compared to prior year, reflecting lower variable costs, partially offset by higher marketing and licensing expenses as a percentage of sales, related to new brand launches. Administration expenses decreased 3% compared to prior year.

The group reported an operating loss of HK\$49 million in 2025 (2024: operating profit of HK\$94 million). Other net income during the current year period included a net unrealised and realised gain of approximately HK\$19 million of the Group’s treasury investment in listed equity securities and HK\$40 million in interest income. During the prior year period, we recorded a net unrealised and realised gain of HK\$32 million in treasury investment and HK\$55 million in interest income. Net loss attributable to shareholders in 2025 was HK\$15 million (2024: net profit of HK\$132 million).

2026 will be another transition year for us, without any major entertainment events to support our product lines, although comparison against 2025 will be easier. The continued expansion in distribution of our *Power Rangers* product line, as well as ongoing shipments of our *TMNT* and *MonsterVerse* toy lines will provide some support to our business. Although the U.S. Supreme Court recently held that tariffs imposed under the International Emergency Economic Powers Act (“IEEPA”) were unlawful, we expect U.S. import tariffs to continue under different forms, and put some negative pressure on our profitability. U.S. Customs and Border Protection (“CBP”) suggested in a recent filing that it could begin issuing refunds of IEEPA tariffs by late April after revamping its technology. While we expect that refund mechanisms will eventually be available, the situation remains fluid and additional guidance from the U.S. Court of International Trade (“CIT”) and/or CBP may impact amounts or timelines for any action.

### Brand Overview

#### *Power Rangers*

We launched our kid-targeted *Mighty Morphin Power Rangers: Re-Ignition* toy line last Fall, supported by new and enhanced content on YouTube, Netflix and other entertainment channels. Distribution will continue to expand in 2026, and we will be introducing refreshed action figures, collectibles, combinable Zords and roleplay accessories throughout the year. Beyond 2026, Hasbro Entertainment has announced a new streaming series in development with Disney+ to extend the *Power Rangers* story for this new generation of kids.

#### *Godzilla x Kong*

The *Godzilla x Kong MonsterVerse* franchise continues to sustain consumer engagement in a non-movie year. As the global master toy licensee, we continue to develop extensions to our product line to include characters from across the *MonsterVerse* movies and TV shows. 2027 is set to be a landmark year for the franchise with the premiere of *Godzilla x Kong: Supernova* in March. We are currently in development on our most ambitious *MonsterVerse* product line to date. Through highly detailed figures and new toy segments, we are excited to offer new ways to collect and play for fans worldwide.

## FINANCIAL ANALYSIS

The toy business is inherently seasonal in nature. As a result, a disproportionately high balance of trade receivables is typically generated during the peak selling season in the second half of the year. Consistent with usual trade practices, a significant portion of the trade receivables is collected in the final weeks of the fourth quarter and in the first quarter of the subsequent year, resulting in a seasonal demand for working capital during the peak selling season. As at 31 December 2025, trade receivables were HK\$108,405,000 (2024: HK\$136,670,000) and inventories were HK\$27,419,000 or 5.4% of revenue (2024: HK\$27,654,000 or 3.0% of revenue).

The current ratio, calculated as the ratio of current assets to current liabilities, was 6.4 at 31 December 2025 and 6.3 at 31 December 2024.

The Group maintains a level of cash that is necessary and sufficient to serve recurring operations as well as further growth and developmental needs. As at 31 December 2025, the Group's cash and deposits with banks were HK\$969,387,000 (2024: HK\$1,043,325,000), of which HK\$946,889,000 (2024: HK\$990,049,000) was denominated in United States dollar and the remaining balance was mainly denominated in Hong Kong dollar.

As at 31 December 2025, the Group's treasury investment in listed equities amounted to HK\$94,871,000 (2024: HK\$87,473,000) representing 7.2% of the total assets of the Group (2024: 6.1%). This comprised HK\$11,213,000 of equities listed in Hong Kong (2024: HK\$10,728,000) and HK\$83,658,000 of equities listed overseas (2024: HK\$76,745,000). None of the individual securities positions held by the Group had a market value that exceeded 1.6% of the total assets of the Group. The top 10 listed securities in aggregate represented 7.2% of the total assets of the Group and included NVIDIA Corporation (NVDA.US), Alphabet Inc. (GOOG.US), Amazon.com, Inc. (AMZN.US), The Walt Disney Company (DIS.US), Microsoft Corporation (MSFT.US), Netflix, Inc. (NFLX.US), The Goldman Sachs Group, Inc (GS.US), Tencent Holdings Limited (700.HK), Apple Inc. (AAPL.US) and Alibaba Group Holding Ltd (9988.HK).

The Group is exposed to foreign currency risk primarily through sales that are denominated in United States dollar. The Group does not hedge its foreign currency risks, as the rate of exchange between Hong Kong dollar and the United States dollar is controlled within a tight range. Long-term changes in foreign exchange rates would have an impact on consolidated earnings.

## PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, the Trustee of the Share Award Plan purchased on The Stock Exchange of Hong Kong Limited a total of 6,000,000 Shares at a total consideration of approximately HK\$3,457,000 to satisfy the Share Awards vested in the year. Other than the aforesaid, neither the Company nor any of its subsidiaries purchased or sold any of the shares of the Company during the year and up to the date of this report. The Company did not have any treasury share during the year.

## CORPORATE GOVERNANCE

The board considers that good corporate governance of the Company is central to safeguarding the interests of the shareholders and enhancing the performance of the Group. The board is committed to maintaining and ensuring high standards of corporate governance. The Company has applied the principles and complied with all the applicable code provisions (“Code Provisions”) of Part 2 of the Corporate Governance Code (“Code”) as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) for the year ended 31 December 2025, except the followings:

Code Provision C.2.1 provides that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. The Company does not have a designated chief executive. The board oversees the management, businesses, strategy and financial performance of the Group. The day-to-day business of the Group is handled by the executive directors collectively. The executive directors supported by the senior executives are delegated with the responsibilities of running the business operations and making operational and business decisions of the Group. The board considers that this structure is adequate to ensure an effective management and control of the Group’s businesses and operations. The structure outlined above will be reviewed regularly to ensure that sound corporate governance is in place.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the risk management and internal control system, the effectiveness of the internal audit function and financial reporting matters including a review of the accounts for the year ended 31 December 2025.

On behalf of the Board  
**CHAN Kwong Fai, Michael**  
*Chairman*

Hong Kong, 13 March 2026

As at the date hereof, the board of directors of the Company comprises the following directors:

Mr. Chan Kwong Fai, Michael (*Chairman*), Ms. Chan, Helen (*Executive Director*), Mr. Chan Kong Keung, Stephen (*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*)