PLAYMATES TOYS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code：869)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

MANAGEMENT DISCUSSION AND ANALYSIS

Highlights

For the six months ended 30 June	**2026** ***HK$'000***	2025 *HK$'000*
Revenue	**186,115**	185,514
Gross profit	**107,507**	79,360
Operating loss	**(26,665)**	(45,293)
Loss before income tax	**(15,816)**	(15,517)
Income tax expense	**(1,846)**	(10,093)
Loss attributable to owners of the Company	**(17,662)**	(25,610)
Loss per share	***HK cents***	*HK cents*
- Basic	**(1.51)**	(2.17)
- Diluted	**(1.51)**	(2.17)
Interim dividend per share	**-**	1.00

Playmates Toys worldwide turnover during the first half of 2026 was HK$186 million (same period in 2025: HK$186 million), approximately flat compared to the prior year period. Declines in ***Miraculous: Tales of Ladybug & Cat Noir***, ***MonsterVerse*** and ***Teenage Mutant Ninja Turtles (“TMNT”)*** product shipments were offset by the expanded distribution of our ***Power Rangers*** product line.

Gross profit ratio on toy sales was 58% (same period in 2025: 43%). Higher gross profit margin in the first half of 2026 was driven primarily by HK$12 million of U.S. tariff-related provision reversals and refunds, as well as slightly lower clearance costs of discontinuing products. Operating expenses increased by 15% compared to prior year, driven primarily by unfulfilled royalties and higher selling expenses. Administration expenses were approximately flat compared to the prior year period.

The group reported an operating loss of HK$27 million during the first half of 2026 (same period in 2025: operating loss of HK$45 million). Other net income during the current year period included a HK$3 million net unrealized and realized loss on our listed equities investment position (same period in 2025: HK$9 million gain) and HK$15 million in interest income (same period in 2025: HK$21 million). Net loss attributable to shareholders during the first half of 2026 was HK$18 million (same period in 2025: net loss of HK$26 million).

2026 is shaping up to be another transition year for us. The continued expansion in distribution of our ***Power Rangers*** product line, as well as ongoing shipments of our ***TMNT*** and ***MonsterVerse*** toy lines, have provided support to our business during the first half of the year, and will continue to do so in the second half of 2026. We expect further boosts from new brand launches in the Fall and initial shipments of products tied to the ***Godzilla x Kong: Supernova*** movie release. The stabilization in global trade dynamics so far in 2026 has also been a welcome reprieve, although we expect U.S. import tariffs to continue under different forms, and put some negative pressure on our profitability over the long term. In addition to the U.S. tariff-related refunds received during the first half, we have received a further HK$11 million in refunds since 1 July 2026.

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. Refreshed Season 2 action figures, collectibles, combinable Zords and roleplay accessories will hit shelves starting this summer. We are in active development of Season 3 products, including an expanded collector-targeted offering across more fan-favorite ***Power Rangers*** series titles.

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, with initial shipments of movie-related products beginning in late 2026. Through highly detailed figures and new toy segments, we are excited to offer new ways to collect and play for fans worldwide.

Dungeon Crawler Carl

Dungeon Crawler Carl is a bestselling Literary Role-Playing Game franchise created by author Matt Dinniman. Blending action, satire and humor, the franchise has attracted millions of readers and listeners worldwide, with all eight book titles and audio book titles reaching The New York Times bestseller lists. This Fall, we will be launching a line of action figures, collectibles, plush, role play and other collector-focused merchandise at specialty retailers in the U.S.

Paris & Pups

Paris & Pups is an original animated series inspired by global icon Paris Hilton and her beloved pets. that celebrate friendship, self-expression, kindness, and imagination for kids ages 5–8. Inspired by the series, we are launching our ***Paris & Pups*** toy line this Fall, featuring fashion dolls, playsets, interactive plush, collectibles, and wearable accessories that extend the brand's themes of creativity, friendship, music, and collectible play.

CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2026

		Unaudited		
		Six months ended 30 June		
		2026	**2026**	2025
	Note	***US$'000***	***HK$'000***	*HK$'000*
		(Note 11)		
Revenue	*3*	**23,861**	**186,115**	185,514
Cost of sales		**(10,078)**	**(78,608)**	(106,154)
Gross profit		**13,783**	**107,507**	79,360
Marketing and licensing expenses		**(7,028)**	**(54,819)**	(47,609)
Selling and distribution expenses		**(2,278)**	**(17,771)**	(15,629)
Administration expenses		**(7,895)**	**(61,582)**	(61,415)
Operating loss		**(3,418)**	**(26,665)**	(45,293)
Other net income	*4*	**1,554**	**12,124**	30,718
Finance costs		**(163)**	**(1,275)**	(942)
Loss before income tax	*5*	**(2,027)**	**(15,816)**	(15,517)
Income tax expense	*6*	**(237)**	**(1,846)**	(10,093)
Loss for the period and total comprehensive income for the period attributable to owners of the Company		**(2,264)**	**(17,662)**	(25,610)
		US cents	***HK cents***	*HK cents*
Loss per share	*8*			
Basic		**(0.19)**	**(1.51)**	(2.17)
Diluted		**(0.19)**	**(1.51)**	(2.17)

Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	Note	**Unaudited 30 June 2026** *US$'000* *(Note 11)*	**Unaudited 30 June 2026** *HK$'000*	Audited 31 December 2025 *HK$'000*
Non-current assets				
Property, plant and equipment		**534**	**4,168**	4,532
Right-of-use assets		**2,286**	**17,830**	15,706
Deferred tax assets		**3,288**	**25,644**	21,392
		6,108	**47,642**	41,630
Current assets				
Inventories		**6,372**	**49,705**	27,419
Trade receivables	*9*	**5,528**	**43,115**	108,405
Deposits paid, other receivables and prepayments		**6,407**	**49,973**	49,354
Tax recoverable		**24**	**186**	22,236
Financial assets at fair value through profit or loss		**12,324**	**96,129**	94,871
Cash and deposits with banks		**128,240**	**1,000,273**	969,387
		158,895	**1,239,381**	1,271,672
Current liabilities				
Trade payables	*10*	**7,610**	**59,355**	36,214
Deposits received, other payables and accrued charges		**12,590**	**98,206**	106,829
Provisions		**4,677**	**36,479**	39,579
Lease liabilities		**861**	**6,714**	6,421
Taxation payable		**1,125**	**8,778**	10,154
		26,863	**209,532**	199,197
Net current assets		**132,032**	**1,029,849**	1,072,475
Total assets less current liabilities		**138,140**	**1,077,491**	1,114,105
Non-current liabilities				
Lease liabilities		**1,479**	**11,537**	9,694
Long service payment liabilities		**198**	**1,542**	1,451
		1,677	**13,079**	11,145
Net assets		**136,463**	**1,064,412**	1,102,960
Equity				
Share capital		**1,472**	**11,484**	11,800
Shares held for share award plan		**-**	**-**	-
Reserves		**134,991**	**1,052,928**	1,091,160
Total equity		**136,463**	**1,064,412**	1,102,960

Notes to the Condensed Consolidated Financial Information

1. Basis of preparation and accounting policies

This condensed consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

This condensed consolidated financial information should be read in conjunction with the 2025 annual financial statements.

The accounting policies used in the preparation of this condensed consolidated financial information are consistent with those used in the annual financial statements for the year ended 31 December 2025.

2. Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. None of these amendments have had a material effect on the Group's results and financial position for the current or prior periods. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Revenue and segment reporting

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.

Revenue represented sales of toys and was recognised at the point in time when customers obtain the control of the goods.

3.1 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 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.

	Revenue		**Specified non-current assets**	
	Six months ended 30 June		**30 June**	31 December
	2026	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**54**	-	**10,286**	12,351
Americas				
- U.S.A.	**142,024**	131,459	**6,118**	1,709
- Others	**8,625**	20,217	**-**	-
Europe	**29,291**	31,351	**5,594**	6,178
Asia Pacific other than Hong Kong	**5,816**	2,487	**-**	-
Others	**305**	-	**-**	-
	186,061	185,514	**11,712**	7,887
	186,115	185,514	**21,998**	20,238

3.2 Major customers

The Group's customer base includes two (2025: three) customers with whom transactions exceeded 10% of the Group's total revenue. Revenue from sales to these customers amounted to approximately HK$76,348,000 and HK$42,572,000 (2025: HK$56,572,000, HK$51,054,000 and HK$24,014,000) respectively.

4. Other net income

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Net gain/(loss) on financial assets at fair value through profit or loss		
- unrealised	**(3,212)**	10,148
- realised	**85**	(1,139)
Interest income	**14,951**	21,149
Dividend income	**300**	237
Others	**-**	323
	12,124	30,718

5. Loss before income tax

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Cost of inventories sold	**60,332**	90,999
Product development and tooling costs	**15,563**	14,946
Royalties expenses	**27,851**	25,849
Directors' and staff remunerations	**38,482**	35,357
Depreciation		
- property, plant and equipment	**372**	294
- right-of-use assets	**4,131**	4,240
Interest expenses on lease liabilities	**382**	236
Net exchange (gain)/loss	**(146)**	398

6. Income tax expense

No Hong Kong profits tax has been provided as the Group companies which are subject to Hong Kong profits tax incurred tax losses or have tax losses brought forward to set off assessable profit for the period. Overseas taxation of overseas subsidiaries is provided in accordance with the applicable tax laws.

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Current tax expense		
Hong Kong profits tax	**-**	-
Overseas taxation	**6,097**	7,578
	6,097	7,578
Deferred taxation		
Origination and reversal of temporary differences	**(4,251)**	2,515
Income tax expense	**1,846**	10,093

The Group's cumulative unrecognised tax losses as of 30 June 2026 amounted to HK$124,169,000 (31 December 2025: HK$98,256,000). These tax losses do not expire under respective tax legislation.

7. Dividends

7.1 Dividends attributable to the interim period

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Interim dividend of HK cent nil per share (2025: HK cent 1 per share)	-	11,800
Less: dividend for shares held in trust under share award plan *(Note(i))*	-	(30)
	-	11,770

The board of directors do not recommend payment of an interim dividend at the meeting held on 21 August 2026.

The Company does not hold any treasury shares (whether in its own name or which is deposited with CCASS) and no interim dividends will be received in relation thereto.

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.

7.2 Dividends attributable to the previous financial year and paid during the interim period

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Dividends in respect of the previous financial year and paid during the interim period:		
Second interim dividend of HK cents nil per share (2025: HK cents 3 per share)	-	35,400
Special interim dividend of HK cents nil per share (2025: HK cents 3 per share)	-	35,400
	-	70,800

8. Loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of HK$17,662,000 (2025: HK$25,610,000) and the weighted average number of ordinary shares of 1,169,495,000 shares (2025: 1,178,657,000 shares) in issue during the period excluding any ordinary shares purchased by the Company held for share award plan.

Diluted loss per share for the six months ended 30 June 2026 equals to the basic loss per share as the potential ordinary shares on exercise of share options are anti-dilutive. Therefore they were not included in the calculation of diluted loss per share.

Diluted loss per share for the six months ended 30 June 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.

9. Trade receivables

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
Trade receivables	**79,457**	140,842
Less: Allowance for customer concession	**(36,342)**	(32,437)
	43,115	108,405

The Group grants credits to retail customers to facilitate the sale of slow moving merchandise held by such customers. Such allowance for customer concession is arrived at by using available contemporary and historical information to evaluate the exposure.

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 (2025: 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:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
0 – 60 days	**36,828**	73,490
61 – 90 days	**5,640**	33,485
91 – 180 days	**472**	1,083
Over 180 days	**175**	347
	43,115	108,405

10. Trade payables

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

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
0 – 30 days	**59,052**	34,455
31 – 60 days	**223**	1,363
Over 60 days	**80**	396
	59,355	36,214

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 30 June 2026.

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 30 June 2026, trade receivables were HK$43,115,000 (31 December 2025: HK$108,405,000) and inventories were HK$49,705,000 (31 December 2025: HK$27,419,000).

The Group's current ratio, calculated as the ratio of current assets to current liabilities, was 5.9 at 30 June 2026 compared to 6.4 at 31 December 2025.

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 30 June 2026, the Group's cash and deposits with banks were HK$1,000,273,000 (31 December 2025: HK$969,387,000), of which HK$966,328,000 (31 December 2025: HK$946,889,000) was denominated in United States dollar and the remaining balance was mainly denominated in Hong Kong dollar.

As at 30 June 2026, the Group's treasury investment in listed equities amounted to HK$96,129,000 (31 December 2025: HK$94,871,000) representing 7.5% of the total assets of the Group (31 December 2025: 7.2%). This comprised HK$8,055,000 of equities listed in Hong Kong (31 December 2025: HK$11,213,000) and HK$88,074,000 of equities listed overseas (31 December 2025: HK$83,658,000). None of the individual securities positions held by the Group had a market value that exceeded 1.7% 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), The Goldman Sachs Group, Inc (GS.US), Microsoft Corporation (MSFT.US), Netflix, Inc. (NFLX.US), Apple Inc. (AAPL.US), Tencent Holdings Limited (700.HK) 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 period, 43,828,000 shares of HK$0.01 each were repurchased by the Company ranging from HK$0.395 to HK$0.490 per share on the Stock Exchange for a total consideration of HK$20,886,000.

Other than the aforesaid, neither the Company nor any of its subsidiaries has redeemed, purchased or sold any of the Company's shares during the period. The Company did not have any treasury share during the period.

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 as set out in Appendix C1 of the Listing Rules throughout the six months ended 30 June 2026, except the followings:

The 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.

Further information of the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for the year ending 31 December 2026. The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited condensed consolidated financial information for the six months ended 30 June 2026.

On behalf of the Board
Chan Kwong Fai, Michael
Chairman

Hong Kong, 21 August 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)*