Product Review and Prospects

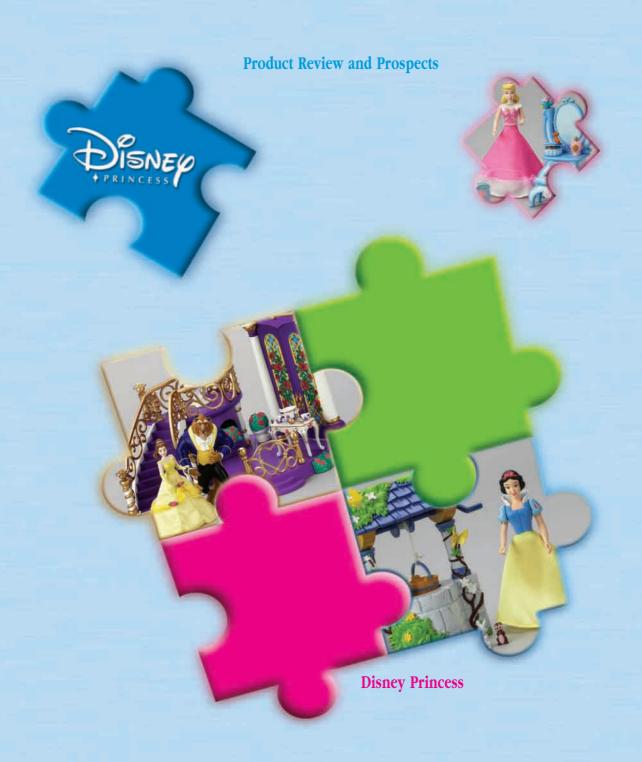


The Group focuses on three broad toy product categories: action figures; dolls and novelty toys with unique play features. Each product is designed with specific aspirations of kids and collectors in mind.

In 2002, the Group will introduce new products featuring **Disney Princesses** and other classic characters to build upon its line of **Disney** products launched last year to immediate popularity. Following the successful debut in 2001 of *My Interactive Princess Cinderella*, *My Interactive Princess Belle* (inspired by **Disney's** *Beauty and the Beast*) will be telling her own interactive story. The new *Before Once Upon A Time* doll collection features the first ever assortment of large companion dolls in the likeness of the **Disney Princesses** as toddlers. This first series features the ever-popular *Cinderella*, *Ariel* and *Belle*. A new line of **Disney** *Magic Talk* **Princess** playsets feature the **Disney Princesses** as small dolls who come to life for the first time in their own character voices in highly detailed, interactive playsets. More *Disney Waterbabies* will join the highly popular collection that combines the unique, warm and wiggly feel of *Waterbabies* with the lovable personalities of the classic **Disney** characters.

The series of *World of Springfield* figures and their interactive environments featuring *The Simpsons* characters, under license from *20th Century Fox*, continues to be eagerly sought after by collectors and fans alike. All new series of figures and environments will be released at various times during the year. The many celebrity talents who had played cameo parts in the shows over the years will be featured in a new *All Star Voices Celebrity* series. A number of other innovative extensions will be introduced throughout the year. They include new extendable platforms designed to expand the world of *The Simpsons* line of collectible merchandise. By Holiday 2002, new products will be available with the premier of *The Two Towers*, the second movie of box office hit *The Lord of the Rings* trilogy from *New Line Cinema*.









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In addition, the Group has showcased a number of new and extended product lines at major trade fairs in early 2002. These new product offerings appeal to a wide range of consumers. Little girls everywhere will be introduced to the *Little Cousins*, an adorable family of trendy collectible dolls at highly attractive prices. New entries will be added to the brands of the ever-so-popular *Waterbabies* and the *Amazing* family of interactive dolls. As the newest chapter in the US\$100 million *Amazing* brand, the *Amazing Little Friends* focuses on what is important — technology with a purpose and simple, fun play patterns that

are truly amazing to little girls. Each *Amazing Little Friend* embodies her own distinct personality and involves little girls to engage in imaginative open-ended play that emphasizes sharing, learning and the building of friendship.

The **Z-Keez** and **Whirl Top Wonders** are the coolest-looking, 21st century spinners that literally give new twists to the timeless tops at affordable mass market prices. The **P.O.D.Z.** (*Planetary Orbs of Downright Zaniness*) are "Asteriods with Attitudes". These unique characters are programmed with state-of-the-art voice recognition technology to accurately identify speech of any human user and respond appropriately with a variety of outrageous rejoinders tempered by their individual oddball personalities. The **Real Heroes** honor the true heroes in everyday life: policemen, firefighters, and other members of rescue and civil peacekeeping services in a line of authentically detailed, collectible quality action figures.

The Group works closely and continually with the multimedia entertainment industry and professional toy inventors to identify new trends, applications of cutting-edge technologies and innovative product concepts. Development efforts are on going for new concepts and expansions to established product lines to be launched in 2003 and beyond. The Group is actively planning for a full-scale re-launch of the *Teenage Mutant Ninja Turtles* in the near future. Although a decade has passed since the peak of the last *Turtles* phenomenon, many still have fond recollections of the must-have toys for boys all over the world for many years. The

Teenage Mutant Ninja Turtles is one of the most successful toy brands of all times. With the all new TMNT comic book series recently launched by Mirage Studios and original creator Peter Laird, and

plans for a multitude of new entertainment on the horizon, the market and a new generation of kids are ready to be re-introduced to the green heroes.







