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PLAYMATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 635)

PROFIT WARNING

This announcement is made by Playmates Holdings 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).

The board of directors (“**Board**”) wishes to inform shareholders of the Company and investors that based on a review of the Group’s preliminary financial results for the year ended 31 December 2014, the profit after income tax of the Group for the year is expected to record a significant decrease as compared to that of 2013. The decrease is mainly due to (i) a significantly lower revaluation surplus arising from the revaluation of the Group’s investment properties for the year. The Group expects that the revaluation surplus for the year is approximately HK\$437,000,000 as compared to HK\$766,838,000 for 2013; and (ii) a significantly higher income tax expense of the Company’s major subsidiary, Playmates Toys group. As disclosed in the 2014 Interim Report of the Company, the increase in the income tax expense reflects the impact of a normalized tax rate in 2014 as tax credits due to accumulated losses in prior years were substantially utilized during 2013.

The Company is in the process of finalizing the financial statements of the Group for the year ended 31 December 2014. 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 2014 are expected to be announced by the end of March 2015.

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 2015

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

Mr. Chan Chun Hoo, Thomas (*Chairman*); Mr. Cheng Bing Kin, Alain (*Executive Director*); Mr. Ip Shu Wing, Charles (*Independent Non-executive Director*); Mr. Lee Peng Fei, Allen (*Independent Non-executive Director*); Mr. Lo Kai Yiu, Anthony (*Independent Non-executive Director*); Mr. To Shu Sing, Sidney (*Executive Director*); Mr. Tsim Tak Lung (*Deputy Chairman and Non-executive Director*); Mr. Yu Hon To, David (*Independent Non-executive Director*)