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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 six months ended 30 June 2016 (“**Period**”), the Group is expected to record an unaudited loss after income tax for the Period as compared to an unaudited profit after income tax for the corresponding period in 2015. The preliminary financial results reflect (i) a revaluation deficit arising from the revaluation of the Group’s investment properties for the Period. The Group expects that the revaluation deficit for the Period is approximately HK\$212 million as compared to a surplus of HK\$156 million for the corresponding period in 2015; and (ii) a decrease in unaudited revenue and unaudited profit after income tax of the Company’s major subsidiary, Playmates Toys group. The unaudited revenue of the Playmates Toys group for the Period is expected to be approximately HK\$595 million as compared to HK\$688 million for the corresponding period in 2015, and the unaudited profit after income tax of Playmates Toys group for the Period is expected to be in the range of HK\$90 million to HK\$98 million as compared to HK\$156 million for the corresponding period in 2015. The decrease in profit was attributable to lower sales due to strong competitions and increase in operating expenses.

The Company is in the process of finalizing the interim financial statements of the Group for the six months ended 30 June 2016. 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 interim results for the six months ended 30 June 2016 are expected to be announced before the end of August 2016.

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, 9 August 2016

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*)