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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 2016, the Group is expected to record a loss after income tax as compared to a profit after income tax in 2015. The preliminary financial results reflect (i) a revaluation deficit arising from the revaluation of the Group’s investment properties for the year ended 31 December 2016. The Group expects that the revaluation deficit for the year is approximately HK\$303 million as compared to a surplus of HK\$172 million in 2015; and (ii) a decrease in revenue and profit after income tax of the Company’s major subsidiary, Playmates Toys group. The unaudited revenue of the Playmates Toys group for the year ended 31 December 2016 is expected to be approximately HK\$993 million as compared to the audited revenue of HK\$1,551 million in 2015, and the unaudited profit after income tax of Playmates Toys group for the year ended 31 December 2016 is expected to be in the range of HK\$100 million to HK\$115 million as compared to the audited profit after income tax of HK\$276 million in 2015. The decrease in profit was mainly attributable to lower sales in 2016 due to strong competition.

The Company is in the process of finalizing the financial statements of the Group for the year ended 31 December 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 annual results for the year ended 31 December 2016 are expected to be announced before the end of March 2017.

**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, 21 February 2017

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*)