PLAYMATES TOYS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code：869)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013
AND
PROPOSED SHARE PREMIUM REDUCTION

RESULTS

The directors of the Company are pleased to announce the audited consolidated results of the Group for the year ended 31 December 2013 as follows:

Consolidated Income Statement

For the year ended 31 December 2013

	Note	**2013** ***US$'000*** *(Note 10)*	**2013** ***HK$'000***	2012 *HK$'000*
Revenue	*3*	**214,003**	**1,658,527**	371,615
Cost of sales		**(79,586)**	**(616,793)**	(147,571)
Gross profit		**134,417**	**1,041,734**	224,044
Marketing expenses		**(37,287)**	**(288,976)**	(75,902)
Selling and distribution expenses		**(10,619)**	**(82,299)**	(19,420)
Administration expenses		**(15,989)**	**(123,917)**	(76,505)
Operating profit		**70,522**	**546,542**	52,217
Other income		**200**	**1,555**	1,568
Finance costs		**(972)**	**(7,534)**	(4,407)
Share of loss of an associated company		**(117)**	**(906)**	(5,497)

	Note	2013 US$'000 (Note 10)	2013 HK$'000	2012 HK$'000
Profit before income tax	*4*	**69,633**	**539,657**	43,881
Income tax expense	*5*	**(811)**	**(6,283)**	(486)
Profit for the year attributable to equity holders of the Company		**68,822**	**533,374**	43,395
		US cents	***HK cents***	*HK cents*
Earnings per share	*7*			
Basic		**5.90**	**45.73**	3.87
Diluted		**5.76**	**44.66**	3.85

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2013

	2013 US$'000 (Note 10)	2013 HK$'000	2012 HK$'000
Profit for the year	**68,822**	**533,374**	43,395
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of the financial statements of foreign subsidiaries	**21**	**164**	703
Total comprehensive income for the year attributable to equity holders of the Company	**68,843**	**533,538**	44,098

Consolidated Balance Sheet

As at 31 December 2013

	Note	**2013**	**2013**	2012
		US$'000	***HK$'000***	*HK$'000*
		(Note 10)		
Non-current assets				
Property, plant and equipment		**151**	**1,172**	1,274
Interest in an associated company		**1,393**	**10,795**	11,701
Deferred tax assets		**5,686**	**44,071**	136
		7,230	**56,038**	13,111
Current assets				
Inventories		**4,769**	**36,959**	21,783
Trade receivables	*8*	**53,139**	**411,831**	177,304
Deposits paid, other receivables and prepayments		**2,708**	**20,985**	6,601
Taxation recoverable		**-**	**-**	173
Cash and bank balances		**67,040**	**519,563**	161,452
		127,656	**989,338**	367,313
Current liabilities				
Trade payables	*9*	**7,608**	**58,963**	46,367
Deposits received, other payables and accrued charges		**25,437**	**197,142**	128,979
Provisions		**4,559**	**35,329**	13,330
Taxation payable		**284**	**2,199**	390
		37,888	**293,633**	189,066
Net current assets		**89,768**	**695,705**	178,247
Net assets		**96,998**	**751,743**	191,358
Equity				
Share capital		**1,522**	**11,798**	11,533
Reserves		**87,828**	**680,673**	179,825
Declared dividends	*6*	**7,648**	**59,272**	**-**
Total equity		**96,998**	**751,743**	191,358

Notes:

1. Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also include the applicable disclosure requirements of the Listing Rules.

The financial statements have been prepared under the historical cost basis.

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2012, except for the adoption of the new or amended Hong Kong Financial Reporting Standards ("new HKFRSs") which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2013. Details of these changes in accounting policies are set out in note 2.

2. Changes in accounting policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

Amendments to HKAS 1	Presentation of items of other comprehensive income
HKFRS 10	Consolidated financial statements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (1) items that will not be reclassified subsequently to profit or loss; and (2) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The Group's presentation of other comprehensive income has been modified accordingly.

HKFRS 10 Consolidated financial statements

HKFRS 10 replaces the requirements in HKAS 27, Consolidated and separate financial statements relating to the preparation of consolidated financial statements and HK-SIC 12, Consolidation – Special purpose entities. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

HKFRS 12 Disclosure of interests in other entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those required by the respective standards.

HKFRS 13 Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

Amendments to HKFRS 7 Disclosure – Offsetting financial assets and financial liabilities

The amendments introduce new disclosures in respect of offsetting financial assets and liabilities. Those new disclosures are required for all recognised financial instruments that are set off under HKAS 32, Financial instruments: Presentation and those that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments and transactions, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The adoption of the amendments does not have an impact on the Group's consolidated financial statements because the Group has not offset financial instruments, nor has it entered into master netting arrangement or similar agreement which is subject to the disclosures of HKFRS 7 during the periods presented.

3. Revenue and segment information

The Group is principally engaged in the design, development, marketing and distribution of toys and family entertainment activity products. Turnover of the Group is the revenue from these activities.

Revenue recognised during the year ended 31 December 2013 from sales of toys was HK$1,658,527,000 (2012: HK$371,615,000).

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.

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 interest in an associated company ("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 assets in case of property, plant and equipment, and the location of operation in case of interest in an associated company.

	Revenue		**Specified non-current assets**	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**1,064**	41	**11,332**	12,167
Americas				
- U.S.A.	**1,114,966**	302,528	**635**	808
- Others	**84,505**	19,945	**-**	-
Europe	**356,293**	36,381	**-**	-
Asia Pacific other than Hong Kong	**95,864**	12,698	**-**	-
Others	**5,835**	22	**-**	-
	1,657,463	371,574	**635**	808
	1,658,527	371,615	**11,967**	12,975

Major customers

The Group's customer base is diversified and includes four (2012: three) customers with each of whom transactions have exceeded 10% of the Group's total revenue. Revenue from sales to each of these customers amounted to approximately HK$466.0 million, HK$295.7 million, HK$216.1 million and HK$215.8 million (2012: HK$108.2 million, HK$83.3 million and HK$74.0 million) respectively.

4. Profit before income tax

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

	2013	2012
	HK$'000	*HK$'000*
Cost of inventories sold	**589,930**	126,566
Write-down of inventories	**21**	130
Product development costs	**8,005**	4,377
Royalties paid	**212,077**	45,997
Provision for customer concession	**-**	1,319
Provision for consumer returns, cooperative advertising and cancellation charges	**56,656**	13,671
Reversal of unutilised provision for consumer returns, cooperative advertising and cancellation charges	**(451)**	(1,854)
Depreciation of property, plant and equipment	**723**	668
Employee benefit expense, including directors' remuneration	**84,115**	42,131
Operating leases expense on office and warehouse facilities	**3,725**	3,693
Net foreign exchange (gain) / loss	**(136)**	1,696
Interest on convertible bond	**-**	883
Bank interest income	**(1,555)**	(1,568)

5. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits for the year. Overseas, mainly the U.S., taxation is provided on the estimated assessable profits of the overseas subsidiaries in accordance with the tax laws of the countries in which these entities operate. Subsidiaries operating in the U.S. are subject to U.S. federal and state tax on its assessable profits. The tax rate for federal tax is 35% (2012: 34%) whilst the tax rate for state tax of California, the principal place of business of the Company's major subsidiary is 8.84% (2012: 8.84%).

	2013	2012
	HK$'000	*HK$'000*
Current taxation		
Hong Kong profits tax	**519**	119
Overseas taxation	**49,709**	390
Over provision in prior years – Hong Kong	**(10)**	(12)
	50,218	497
Deferred taxation		
Origination and reversal of temporary differences	**(43,935)**	(11)
Income tax expense	**6,283**	486

6. Dividends

Dividends attributable to the year

	2013	2012
	HK$'000	*HK$'000*
Interim dividend of HK$0.05 (2012: HK$nil) per Share	**59,272**	-
Special dividend of HK$0.10 (2012: HK$nil) per Share	**118,543**	-
	177,815	-

At a meeting held on 26 March 2014, the Board:

(i) declared an interim dividend of HK$0.05 per Share to be paid on or around 6 June 2014 to Shareholders whose names appear on the Company's register of members on 26 May 2014; and

(ii) proposed to declare and distribute a special dividend of HK$0.10 per Share subject to the approval of Shareholders at the AGM and is conditional upon the approval of the Share Premium Reduction. The special dividend, if approved at the AGM, will be payable on or around 6 June 2014 to Shareholders whose names appear on the Company's register of members on 26 May 2014. Details of the special dividend and the Share Premium Reduction are set out in the section headed "Share Premium Reduction and Special Dividend" of this announcement.

The above interim dividend declared and the special dividend proposed after the balance sheet date have not been recognised as liabilities in the financial statements for the year ended 31 December 2013.

7. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of HK$533,374,000 (2012: HK$43,395,000) and the weighted average number of ordinary shares of 1,166,329,000 (2012: 1,121,800,000) in issue during the year.

The calculation of diluted earnings per share for the year ended 31 December 2013 is based on the profit attributable to equity holders of the Company of HK$533,374,000 (2012: HK$43,395,000) and the weighted average number of ordinary shares of 1,194,206,000 (2012: 1,127,379,000) in issue during the year, adjusted for the effects of 27,877,000 (2012: 5,579,000) dilutive potential shares on exercise of share options.

8. Trade receivables

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. The following is an aging analysis of trade receivables at the balance sheet date:

	2013	2012
	HK$'000	*HK$'000*
0 – 30 days	**406,089**	175,472
31 – 60 days	**3,407**	1,523
Over 60 days	**2,335**	309
	411,831	177,304

9. Trade payables

The following is an aging analysis of trade payables at the balance sheet date:

	2013	2012
	HK$'000	*HK$'000*
0 – 30 days	**55,998**	37,368
31 – 60 days	**2,682**	7,525
Over 60 days	**283**	1,474
	58,963	46,367

10. US dollar equivalents

These are shown for reference only and have been arrived at based on the exchange rate of HK$7.75 to US$1 ruling at 31 December 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

Playmates Toys group worldwide turnover for the year ended 31 December 2013 was HK$1,659 million (2012: HK$372 million), an increase of 346.3% compared to the prior year. The significant increase in revenue was mainly attributed to strong sales of ***Teenage Mutant Ninja Turtles***© ("***TMNT***" or "***Turtles***") products throughout the whole year as well as expanded distribution in additional markets in 2013, compared to the late launch of the ***Turtles*** program in the third quarter of 2012 only in the US and Canada. Sales of ***TMNT*** products contributed over 90% of our revenue in 2013.

The US continued to be our biggest market in 2013, contributing 67% of revenue. Europe as a whole contributed 22%, the rest of the Americas 5% and 4% came from Australasia. During the year, the key markets in North America and Europe reported clearer signs of recovery from the 2008 economic recession, prompting the US Federal Reserve to start trimming down its market intervention program. At the end of the year, consumer confidence in the US was at the highest year-end level since 2007 as job market improved and home values rebounded. However, according to NPD, the leading provider of toys point-of-sale market research data, 2013 US retail dollar sales of toys were down by about 1% year-on-year apparently due to a shorter holiday shopping season.[1]

Gross profit ratio on toy sales was 62.8% (2012: 60.3%). The increase in gross profit ratio was attributable to more efficient utilization of investments in product design, development and tooling at higher sales volume, partially offset by a higher portion of sales to markets with lower gross margin structure. Recurring operating expenses were higher than last year by 188.2%, reflecting increases in selling and distribution, marketing and administrative expenses to support the significantly higher sales volume. Recognition of tax credits due to accumulated losses in prior years resulted in non-recurring reductions in tax liabilities for the year 2013.

The group reported an operating profit for 2013 of HK$547 million (2012: HK$52 million). Net profit attributable to shareholders was HK$533 million (2012: HK$43 million) and basic earnings per share was HK Cents 45.73 (2012: HK Cents 3.87).

Brand Overview

Teenage Mutant Ninja Turtles©

Throughout 2013, Nickelodeon's© ***TMNT*** TV show recorded consistent growth in its top ratings with the core boys' audience in the US. With the launch of Season 2 in October 2013, every new episode so far has been ranked the number one boys show in its premiere time period with further growth in ratings. The TV series has also reached all markets around the world where Nickelodeon© has presence and where necessary local broadcast partners were engaged to ensure broad coverage of the target audience.

---

[1] *Source: The NPD Group/Retail Tracking Services; Dollars, 52 weeks vs. YAG (1/6/2013-1/4/2014 vs. 1/8/2012-1/5/2013)*

In tandem with the global rollout of the TV show, distribution of our ***Turtles*** toys has reached over 70 countries/territories by the end of 2013 including all key markets in the Americas, Europe, the Middle East and Australasia. According to reports from distribution partners, ***TMNT*** was the top selling brand in the action figure category in Australia, Canada, France, Germany, Italy, Russia, Spain and the UK. In many of these markets, ***Turtles*** products were among the top sellers in the subcategories of figures, vehicles and accessories, and role-play toys. In the US, NPD reported ***Turtles*** was not only the top selling property in the action figure subclass, but also the third ranked license and the number one dollar growth property in the entire toy industry in 2013.[2] Retail sell-through ratio of our ***Turtles*** toys in the US at the end of the year was over 90%, setting the stage for even stronger retail support for the brand in 2014.

In 2014 we expect the strong entertainment program from the Viacom group, the expansion of distribution coverage to the major Asian markets and the introduction of new product segments to be the key growth drivers of our ***TMNT*** business. The 2014 ***TMNT*** entertainment program will not only benefit from the continuing top-rated Nickelodeon© TV show, but also be given a powerful boost by the summer blockbuster movie from Paramount Pictures™ & ©. We have appointed a leading toy marketing and animation company in China with national distribution capabilities as our distributor for the China market. Another distribution partner with track record of successful marketing of ***TMNT*** products has been appointed for Japan. ***Turtles*** toys are expected to be available at retail in those markets beginning in the first half of 2014. In addition to refreshing and extending the established core product line, we are introducing new segments to the ***Turtles*** brand including a separate line of products developed specifically for younger boys.

We are also working closely with Nickelodeon© in the planning and development of the 2015 ***TMNT*** program in conjunction with the preparation for Season 3 of the TV show. The core line will be driven by new themes from the show and innovative new product segments currently in development.

Girls Brands

Our two girls' brands performed to expectation in 2013 and will continue in 2014.

Hearts For Hearts Girls®, the line of award-winning dolls with a philanthropic theme, continued to steadily build upon its base of consumers and social media supporters with positive messages of empowerment. In 2014, the brand will have broader distribution support from major retailers. With the planned introduction in 2014 of ***Nyesha***, a mixed-race American in Harlem, and ***Surjan*** from Nepal, there will be a total of 12 ***Hearts For Hearts Girls***®, representing different cultures and ethnicities from different parts of the world, advocating their individual good causes.

Waterbabies® will return in 2014 with continuing distribution support from all major US retailers. Planned expansions to the line include further extensions to the classic ***Dream to Be*** baby doll assortment and the series of collectible ***Wee Waterbabies***.

[2] *Source: The NPD Group/Retail Tracking Services; Dollars, 52 weeks vs. YAG (1/6/2013-1/4/2014 vs. 1/8/2012-1/5/2013)*

FINANCIAL ANALYSIS

The toy business is inherently seasonal in nature. In general, sales in the second half-year are much higher than those in the first half. As a result, a disproportionately high balance of trade receivables is 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 31 December 2013, trade receivables were HK$411,831,000 (2012: HK$177,304,000) and inventories were at a seasonal low level of HK$36,959,000 or 2.2% of turnover (2012: HK$21,783,000 or 5.9% of turnover).

The current ratio, calculated as the ratio of current assets to current liabilities, was 3.4 at 31 December 2013 compared to 1.9 at 31 December 2012.

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 31 December 2013, the Group's cash and bank balances were HK$519,563,000 (2012: HK$161,452,000), of which HK$476,126,000 (2012: HK$148,134,000) was denominated in United States dollar and the remaining balance was denominated in Hong Kong dollar.

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

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

CORPORATE GOVERNANCE

The Company has applied the principles and complied with all the applicable code provisions ("Code Provisions") of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2013, except in respect of one Code Provision providing for the roles of the chairman and the chief executive officer to be performed by different individuals.

In respect of the segregation of the roles of the chairman and chief executive officer, the Group's practice is that the Chairman also acts as chief executive officer. This allows him to focus on Group strategy and at the same time ensure that all key issues are considered by the board in a timely manner. 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 suitable and effective in facilitating the operations and business development of the Company and maintaining the checks and balances between the board and the management of the business of the Group. The structure outlined above will be reviewed regularly to ensure that sound corporate governance is in place.

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 consolidated financial information for the year ended 31 December 2013.

SHARE PREMIUM REDUCTION AND SPECIAL DIVIDEND

The Board intends to make a proposal to the Shareholders at the AGM for a reduction of the Share Premium Account. The audited amount standing to the credit of the Share Premium Account as at 31 December 2013 was approximately HK$328.5 million. Subject to the conditions set out in the sub-section headed "Conditions" below, it is proposed that:

(a) the entire amount standing to the credit of the Share Premium Account as at the date of the AGM be reduced to nil pursuant to Section 46 of the Companies Act and Bye-law 6 of the Bye-laws; and

(b) the credit arising from the Share Premium Reduction be transferred to the Contributed Surplus Account of the Company.

Reasons for the Share Premium Reduction

The Board considers that the Share Premium Reduction will give the Company greater flexibility in relation to its dividend distributions in the future if and when the Board considers appropriate. The Board considers that it is in the best interest of the Company and its Shareholders as a whole to implement the Share Premium Reduction.

Effects of the Share Premium Reduction

The Share Premium Reduction does not involve any reduction in the authorized or issued share capital of the Company, nor does it involve any reduction in the nominal value of the Shares or trading arrangements concerning the Shares. Save for the expenses to be incurred in relation to the Share Premium Reduction, the Board considers that the implementation of the Share Premium Reduction will not, in itself, have any material adverse effect on the underlying assets, liabilities, business operations, management or financial position of the Company and its subsidiaries or the proportionate interests of the Shareholders in the underlying assets of the Company. There are no reasonable grounds for believing that the Company is, or after the Share Premium Reduction would be, unable to pay its liabilities as they become due.

Conditions

The Share Premium Reduction is conditional upon:

(a) the passing of the necessary special resolution by the Shareholders at the AGM to approve the Share Premium Reduction; and

(b) the due compliance with the relevant procedures and requirement under Bermuda laws to effect the Share Premium Reduction, including but not limited to the publication of a notice in an appointed newspaper in Bermuda in respect of the Share Premium Reduction.

In the event that the above conditions are fulfilled, it is expected that the Share Premium Reduction will become effective on the date of the AGM.

General

A circular containing, inter alia, details of the Share Premium Reduction together with a notice convening the AGM will be despatched to the Shareholders on or before 11 April 2014 in accordance with the Listing Rules.

Special Dividend

(a) As mentioned in note 6 to the financial statements in this announcement, the Board proposed to declare and distribute a special dividend for the year ended 31 December 2013 of HK$0.10 per Share.

(b) The declaration of the said special dividend is

  (i) subject to the approval of Shareholders at the AGM; and

  (ii) conditional upon the approval of the Share Premium Reduction at the AGM as mentioned in the above sub-section headed "Conditions".

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the entitlements of the Shareholders to the declared interim dividend and proposed special dividend, the register of members of the Company will be closed from 23 May 2014 to 26 May 2014, both days inclusive, during which period no transfer of Shares will be registered. In order to be qualified for the said dividends, all transfers of Shares accompanied by the relevant share certificates must be lodged with Branch Share Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 22 May 2014. The special dividend, if approved at the AGM, and the interim dividend will be payable on or around 6 June 2014 to Shareholders whose names appear on the Company's register of members on 26 May 2014.

CHANGE OF ADDRESS OF BRANCH SHARE REGISTRAR

With effect from 31 March 2014, the Branch Share Registrar will change its address from 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

All telephone and facsimile numbers of the Branch Share Registrar will remain unchanged.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

"AGM"	the annual general meeting of the Company to be held on 19 May 2014;

"Board"	the board of Directors;
"Branch Share Registrar"	Tricor Abacus Limited, the Hong Kong branch share registrar and transfer office of the Company;
"Bye-laws"	the bye-laws of the Company;
"Companies Act"	the Companies Act 1981 of Bermuda (as amended from time to time);
"Company"	Playmates Toys Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
"Contributed Surplus Account"	the contributed surplus account of the Company;
"Directors"	the directors of the Company;
"Group"	the Company and its subsidiaries;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Share Premium Account"	the share premium account of the Company;
"Share Premium Reduction"	the proposed reduction of the entire amount standing to the credit of the Share Premium Account as at the date of the AGM;
"Shareholders"	shareholders of the Company;
"Shares"	ordinary shares of par value of HK$0.01 each in the capital of the Company; and
"Stock Exchange"	The Stock Exchange of Hong Kong Limited.

On behalf of the Board
CHAN Chun Hoo, Thomas
Chairman

Hong Kong, 26 March 2014

As at the date hereof, the board of directors of the Company comprises the following directors:

Mr. Chan Chun Hoo, Thomas *(Chairman)*, Mr. Cheng Bing Kin, Alain *(Executive Director)*, Mr. Chow Yu Chun, Alexander *(Independent Non-executive Director)*, Mr. Lee Ching Kwok, Rin *(Independent Non-executive Director)*, Mr. To Shu Sing, Sidney *(Executive Director)* and Mr. Yang, Victor *(Independent Non-executive Director)*