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**PLAYMATES HOLDINGS
LIMITED**

(Incorporated in Bermuda with limited liability)
(Stock Code: 635)



**PLAYMATES TOYS
LIMITED**

(Incorporated in Bermuda with limited liability)
(Stock Code: 869)

**VOLUNTARY ANNOUNCEMENT
LITIGATION INVOLVING EMPLOYMENT DISPUTE**

This joint announcement is made by Playmates Holdings Limited (“**PHL**”) and Playmates Toys Limited (“**PTL**”) on a voluntary basis.

Playmates Toys Inc. (“**PTI**”) was served with a complaint (“**Complaint**”) on 3 July 2012 by Mr. Lou Robert Novak, a former senior executive of PTI, involving an employment dispute with PTI and allegations concerning breach of employment practices. The Complaint was filed in the Los Angeles County Superior Court for the State of California on 31 May 2012; it did not specify the amount of monetary damages being sought.

PTI is a subsidiary of PTL which in turn is a non-wholly owned subsidiary of PHL (PHL, PTL and PTI are collectively referred to as the “**Companies**” for the purpose of this announcement).

The defendants named in the Complaint were PHL, PTL, PTI and some directors and officers of the Companies, namely Mr. Chan Chun Hoo, Thomas, Mr. To Shu Sing, Sidney, Mr. Ip Shu Wing, Charles, Mr. Chan Kwong Fai, Michael and Mr. Mark Lee. The board of directors of PHL (“**PHL Board**”) and the board of directors of PTL (“**PTL Board**”) are of the view that the Complaint contains untrue and unfounded allegations and overall the case has no merits. Legal advisers have been engaged to advise on the case and the parties concerned will vigorously contest the Complaint.

The PHL Board and the PTL Board are confident that the Complaint will not cause any material disruption to the business operation of the Companies.

Appropriate insurance has been maintained to cover legal action and employment practice breach against the Companies and their respective directors and officers.

PHL and/or PTL will make further announcement(s) to inform their respective shareholders and potential investors of any material developments of the Complaint if and when appropriate.

By Order of the Board
Playmates Holdings Limited
Ng Ka Yan
Company Secretary

By Order of the Board
Playmates Toys Limited
Ng Ka Yan
Company Secretary

Hong Kong, 6 July 2012

As at the date of this joint announcement, the PHL 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*) and Mr. Yu Hon To, David (*Independent Non-executive Director*).

As at the date of this joint announcement, the PTL Board 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*).