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PLAYMATES TOYS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 869)

PROFIT WARNING

This announcement is made by the Company pursuant to Rules 13.09(1) of the Listing Rules.

The Board wishes to inform shareholders of the Company and investors that, based on preliminary review of management accounts, the sales performance of the Group in the first half of 2010 were substantially lower than last year and the Group is expected to record a loss for the six months ended 30 June 2010.

Shareholders of the Company and investors are advised to exercise caution in dealing in shares of the Company.

This announcement is made by Playmates Toys Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rules 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “Board”) wishes to inform shareholders of the Company and investors that, based on preliminary review of management accounts, the sales of the Group in the first half of 2010 were substantially lower than last year, reflecting continued weakness in consumer demands and retailers limiting product selections and inventory levels, especially in the key US market. Significant cost savings in Group operating expenses were achieved during the period but they were insufficient to prevent a loss for the six months ended 30 June 2010.

The Board anticipates that the challenging operating environment in key markets will continue in the balance of 2010. While business for the second half of the year may benefit from the introduction of new brands, it is doubtful that the market will be able to support a level of sales comparable to last year.

The Company is in the process of preparing the interim results of the Group for the six months ended 30 June 2010. The information contained in this announcement is only a preliminary assessment by the Board and is not based on any figures or information which has been audited or reviewed by the Company’s auditors. The Company is planning to announce the 2010 interim results on 27 August 2010.

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 2010

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

Mr. Chan Chun Hoo, Thomas (*Chairman and Executive Director*); 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*)