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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 Rule 13.09(1) of the Listing Rules.

The Board wishes to inform shareholders of the Company and investors that a preliminary assessment of the management accounts indicated that the turnover of the Group in the first half of 2011 was significantly lower than that of the same period last year and the Group is expected to record a loss for the six months ended 30 June 2011.

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 Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company (the "Board") wishes to inform shareholders of the Company and investors that a preliminary assessment of the management accounts indicated that the turnover of the Group in the first half of 2011 was significantly lower than that of the same period last year and the Group is expected to record a loss for the six months ended 30 June 2011. The lower sales reflected continuing weakness in consumer confidence in key markets, resulting in carried-over brands performing at a lower level and new brands being planned to be launched later in the year. 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 2011.

The Board anticipates that the challenging operating environment in key markets will continue in the balance of 2011.

The Company is in the process of preparing the interim results of the Group for the six months ended 30 June 2011. 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 2011 interim results on 31 August 2011.

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, 5 August 2011

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. 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*)