

[For immediate release]



PLAYMATES ANNOUNCED 2011 INTERIM RESULTS

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Highlights

For the six months ended 30 June	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i> <i>(Restated)</i>
Group revenue	75,552	130,879
- from property investments & associated businesses	55,109	53,552
- from investment business	2,725	3,863
- from toy business	17,718	73,464
Gross profit	53,502	77,619
Revaluation surplus on investment properties	363,208	115,589
Operating profit	349,438	81,960
Profit attributable to shareholders	365,053	90,353
	<i>HK\$</i>	<i>HK\$</i> <i>(Restated)</i>
Earnings per share		
- Basic	1.43	0.38
- Diluted	1.43	0.36
Interim dividend per share	0.05	0.05

(August 31, 2011 – Hong Kong) – **Playmates Holdings Limited** (“Playmates” or “the Group”, HKEx Stock Code: 635) announced today its interim results for the six months ended 30 June 2011. Group revenue decreased by 42.3% compared to the same period in 2010. Operating profit increased by 326% and profit attributable to shareholders increased by 304%. Basic and diluted earnings per share increased by 276% and 297% respectively. An interim dividend of HK\$0.05 (2010 interim dividend: HK\$0.05) per share was declared by the Board.

Turnover for the property investments and associated businesses for the period under review increased by 2.9% to about HK\$55.1 million (same period in 2010: HK\$53.6 million). A revaluation surplus of HK\$363.2 million was reported in the consolidated income statement of the Group. Segment operating profit was HK\$395.2 million including revaluation surplus, compared to HK\$143.1 million (including revaluation surplus of HK\$115.6 million) during the same period last year.

Group Chairman Mr. Thomas Chan said, “As consumer sentiments remain buoyant in our region, we anticipate continued growth for the property investments and associated businesses. We will maintain our strategic objective of seeking investment returns through capital appreciation and growth in recurring income.”

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Playmates Toys worldwide sales during the first half of 2011 were HK\$17.7 million, a decrease of 75.9% over the same period last year. Segment operating loss was HK\$43.7 million (2010 interim: operating loss of HK\$36.4 million).

According to the Company, U.S. sales decreased by 74.7% and international (worldwide except U.S.) sales were down 77.3% over the same period last year. Sales comparison versus prior year reflected the combined result of continuing brands performing at a lower level and new brands being planned for launch later in the year.

Gross profit ratio on toy sales was 26.9% (38.8% during the same period in 2010). The lower gross profit ratio was mainly the result of the recognition of expenses incurred during the period on the development of new **Teenage Mutant Ninja Turtles** products for 2012. Consistent with Playmates Toys' stated operating priority to continue with the efforts to control and reduce costs, operating expenses were lower by 25.4% when compared to the same period last year.

Mr. Chan observed, "We expect the difficult environment to persist in the second half of 2011. Economic uncertainties worldwide deepened as the downgrade of U.S. debt rating threatened to derail the fragile economic recovery. While our business in the second half of the year is expected to benefit from the launching of new brands, including **Hearts for Hearts Girls**, we do not currently expect the market to provide for a level of sales for the full year comparable to last year. We will continue to prudently invest in and manage the portfolio of new and continuing brands."

Playmates reported a net loss from portfolio investments of approximately HK\$8.3 million (same period in 2010: net loss of HK\$24.7 million). Fair market value of the Group's investment portfolio on 30 June 2011 was HK\$226.3 million (31 December 2010: HK\$198.5 million).

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