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Playmates[®]

PLAYMATES INTERACTIVE ENTERTAINMENT LIMITED

彩星互動科娛有限公司*

(incorporated in Bermuda with limited liability)

RIGHTS ISSUE ALLOTMENT RESULTS

The Directors are pleased to announce that the Rights Issue has become unconditional today and, in relation to the Rights Issue, 195 valid acceptances of provisional allotments made under the Rights Issue have been received for a total of 163,960,725 Rights Shares, representing approximately 48.7% of the total number of Rights Shares, and 109 valid applications for excess Rights Shares have been received for a total of 147,979,240 Rights Shares, representing approximately 44% of the total number of Rights Shares. Accordingly, approximately 93% of the Rights Shares were applied for under the provisional allotments and valid excess applications of the Rights Issue. Pursuant to the Underwriting Agreement, the Underwriter has procured subscribers for, or itself to subscribe, 24,411,871 Rights Shares, representing approximately 2.42% of the entire issued share capital of the Company as enlarged by the Rights Issue, which have not been taken up under the provisional allotments or excess applications of the Rights Issue.

All Rights Shares provisionally allotted to Chansam, the controlling shareholder of the Company, being 150,553,786 Rights Shares, have been taken up by Chansam in full. Amongst the 147,979,240 Rights Shares applied for under the valid excess applications, 48,338,642 Rights Shares, representing approximately 14.37% of the total number of Rights Shares, were applied for by Chansam. As a result of the Rights Issue, Chansam's interest in the issued share capital of the Company as enlarged by the Rights Issue will increase from approximately 44.76% to approximately 49.55%.

It is expected that dealings in the Rights Shares in fully-paid form will commence at 10:00 a.m. on 21st March, 2001.

The Directors would also like to update the Shareholders on the matters disclosed in the Company's announcement of 12th March, 2001.

Capitalised terms used herein shall have the same meanings as defined in the prospectus of the Company dated 26th February, 2001 (the "Prospectus").

RESULTS OF THE RIGHTS ISSUE

The Directors are pleased to announce that the Rights Issue has today become unconditional.

In relation to the Rights Issue, 195 valid acceptances of provisional allotments made under the Rights Issue have been received for a total of 163,960,725 Rights Shares (representing approximately 48.7% of the total number of Rights Shares) and 109 valid applications for excess Rights Shares have been received for a total of 147,979,240 Rights Shares (representing approximately 44.0% of the total number of Rights Shares) by 4:00 p.m. on 13th March, 2001 (being the latest time for acceptance of and payment for Rights Shares). Accordingly, approximately 93% of the Rights Shares were applied for under the provisional allotments and valid excess applications of the Rights Issue, and all Rights Shares applied for under the valid excess applications were issued and allotted to the respective applicants for the excess Rights Shares.

All Rights Shares provisionally allotted to Chansam, the controlling shareholder of the Company, being 150,553,786 Rights Shares, have been taken up by Chansam in full. Amongst the 147,979,240 Rights Shares applied for under the valid excess applications, 48,338,642 Rights Shares, representing approximately 14.37% of the total number of Rights Shares, were applied for by Chansam. As a result of the Rights Issue, Chansam's interest in the issued share capital of the Company as enlarged by the Rights Issue will increase from approximately 44.76% to approximately 49.55%.

Pursuant to the terms of the Underwriting Agreement, Tai Fook Securities Company Limited, being the Underwriter which is an independent third party not connected with the directors, chief executive and substantial shareholders of the Company or any of its Subsidiaries or their respective associates, has procured subscribers for, or itself to subscribe, 24,411,871 Rights Shares, representing approximately 2.42% of the entire issued share capital of the Company as enlarged by the Rights Issue, which have not been taken up under the provisional allotments or excess applications of the Rights Issue.

The Directors, to the best of their knowledge, are not aware of any person becoming a substantial shareholder (as such term is defined in the Listing Rules) solely as a result of the

Rights Issue. The Directors are of the view that the Company continue to have sufficient public float as required under Rule 8.08 of the Listing Rules.

As the Rights Issue has become unconditional on today, certificates in respect of the Rights Shares will be despatched to those entitled thereto at their own risk by ordinary post to their addresses on the register of Shareholders on or before 19th March, 2001.

It is expected that dealings in the Rights Shares in fully-paid form will commence at 10:00 a.m. on 21st March, 2001.

LETTER FROM WADDINGTON LIMITED AND MR. ALBERT CHAN

Reference is also made to the announcement of the Company dated 12th March, 2001 in relation to the letter ("Letter") from a firm of solicitors representing Waddington Limited, a substantial shareholder of the Company, and Mr. Albert Chan Chun Wai making various allegations against the Company with a view to setting aside the Rights Issue.

The Directors would like to inform the Shareholders that the Company has taken necessary legal advice and a formal reply to the Letter by the legal advisers of the Company has been made on 15th March, 2001. The Company has not received any further communication or notification of further action from Waddington Limited and/or Mr. Albert Chan Chun Wai since the receipt of the Letter. If there will be any significantly adverse development to the Company in this matter, further announcement will be made as the Directors consider appropriate.

By Order of the Board
Playmates Interactive Entertainment Limited
Tracy Fong
Secretary

Hong Kong, 16th March, 2001

** for identification purpose only*