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PLAYMATES HOLDINGS LIMITED

彩星集團有限公司*

(incorporated in Bermuda with limited liability)

Announcement

An action has been commenced on 2 September 2003 by Waddington, a 6.08% shareholder of the Company, against Mr. Thomas Chan, TGC Investments Limited and the Company. No claim is made against the Company, which is joined as a defendant purely as a procedural necessity and accordingly the action should have no material impact on the Company. An independent board committee has been established to consider the allegations raised in the action. Full particulars of the allegations are contained in the statement of claim in the writ of summons, dated 2 September 2003, in Action No. 3291 of 2003. The writ of summons is a public document which may be inspected and copies may be obtained at the Registry of the High Court.

Further announcements will be made where appropriate.

The Company wishes to appraise shareholders of the position in relation to an action in which the Company is named as a co-defendant commenced on 2 September 2003 in the High Court of Hong Kong by Waddington Limited ("Waddington") on behalf of itself and which also purports to be on behalf of all other shareholders (including public shareholders) in the Company except Mr. Thomas Chan Chun Hoo ("Mr. Thomas Chan"), Chairman of the Company and TGC Investments Limited (formerly known as Chansam Investments Limited), a company incorporated in the British Virgin Islands, which was previously a shareholder of the Company but now holds no shares in the Company. Full particulars of the allegations are contained in the statement of claim in the writ of summons, dated 2 September 2003, in Action No. 3291 of 2003. The writ of summons is a public document which may be inspected and copies may be obtained at the Registry of the High Court. No claim is made against the Company, which is joined as a defendant purely as a procedural necessity and accordingly the action should have no material impact on the Company.

Based on the register of members of the Company, Waddington is the registered holder of 79,599,201 shares in the Company (representing approximately 6.08% of the Company's issued share capital) as at 1 September 2003, being the date immediately prior to the closure of the register of members of the Company. The Company also understands that Waddington is controlled by Mr. Albert Chan Chun Wai. Mr. Albert Chan Chun Wai is the brother of Mr. Thomas Chan.

An independent board committee comprising of Mr. Allen Lee Peng Fei, Mr. Anthony Lo Kai Yiu and Mr. David Yu Hon To have been established by the Board to consider the position of the Company in respect of the action. The Company is taking legal advice in relation to the action and will inform shareholders as appropriate through a further announcement.

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

We have noted the recent increase in the trading volume of the securities of the Company and wish to state that we are not aware of any reasons for such increase save for the matters referred to in this announcement.

We also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are disclosable under paragraph 3 of the Listing Agreement, neither is the Board aware of any matter disclosable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature save for the matters referred to in this announcement.

Made by order of the Board of Playmates Holdings Limited the directors of which individually and jointly accept responsibility for the accuracy of this statement.

By Order of the Board
Playmates Holdings Limited
Tracy Fong
Company Secretary

Hong Kong, 10 September 2003

* *For identification purpose only*

Please also refer to the published version of this announcement in South China Morning Post and Hong Kong Economic Journal.