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PLAYMATES HOLDINGS LIMITED

彩星集團有限公司*

(incorporated in Bermuda with limited liability)

Stock Code : 635

DESPATCH OF CIRCULAR IN RELATION TO THE PROPOSED ISSUE OF BONUS WARRANTS, PROPOSED AMENDMENTS TO THE BYE-LAWS AND GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

Reference is made to the announcement of the annual results of the Company dated 27 February, 2004, in which the Directors announced that they had resolved, inter alia, to recommend the issue of the Bonus Warrants and to propose certain amendments to the Bye-laws, which will be put forward to the Shareholders for their approval at the forthcoming Annual General Meeting.

The Circular incorporating details relating to, inter alia, the issue of the Bonus Warrants and the proposed amendments to the Bye-laws, are despatched today to, inter alia, the Shareholders and holders of 2002 Warrants.

Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as defined in the announcement of the annual results of the Company dated 27 February, 2004 (“**Results Announcement**”).

Bonus Warrants and Amendments to Bye-laws

In the Results Announcement, the Directors announced that they had resolved, inter alia, to recommend the issue of the Bonus Warrants on the basis of one Bonus Warrant for every 5 Shares held by the Shareholders (except the Overseas Shareholders) on the Record Date, and to propose certain amendments to the Bye-laws, which will be put forward to the Shareholders for their approval at the forthcoming Annual General Meeting to be held at Centenary Room III, G/F., The Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Kowloon, Hong Kong on 14 May, 2004 at 9:00 a.m.

Despatch of the Circular

The Circular incorporating details relating to, inter alia, the issue of the Bonus Warrants and the proposed amendments to the Bye-laws, are despatched today to, inter alia, the Shareholders and holders of 2002 Warrants.

Timetable for the proposed issue of Bonus Warrants

Shareholders and investors are referred to the timetables for the proposed issue of the Bonus Warrants set out in the Results Announcement and the Circular respectively.

Exercise of 2002 Warrants (Stock Code: 1119) to qualify for the Bonus Warrants

Pursuant to the relevant terms of the 2002 Warrant Instrument, Shares falling to be issued upon exercise of the subscription rights attaching to the 2002 Warrants would be allotted and issued not later than 21 business days (or such shorter period as may from time to time be required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or the applicable laws and regulations) after the date on which such subscription rights are duly exercised. Holders of the 2002

Warrants and transferees of 2002 Warrants are therefore reminded that if they wish to be entitled to the Bonus Warrants, they should allow sufficient time for Shares to be issued upon exercise of the subscription rights attaching to their 2002 Warrants as it may take up to 21 business days according to the terms of the 2002 Warrant Instrument. In order to qualify for the entitlement of the issue of the Bonus Warrants, holders and transferees of 2002 Warrants are recommended to lodge completed 2002 Warrant subscription forms, together with the relevant 2002 Warrant certificates, and in the case of the transferees of 2002 Warrants, the relevant transfer documents, with the office of Abacus Share Registrars Limited, the branch share registrars of the Company in Hong Kong at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:00 p.m. on Wednesday, 7 April 2004. Holders and transferees of 2002 Warrants should note that, in case the relevant completed 2002 Warrant subscription forms and other relevant documents are not lodged at or before 4:00 p.m. on Wednesday, 7 April 2004, they may not be entitled to the Bonus Warrants.

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

Hong Kong, 19 March, 2004

* *For identification purposes only*

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