



PLAYMATES HOLDINGS LIMITED

彩星集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 0635)

ANNOUNCEMENT

The directors of the Company (“**Directors**”) noted recent news reports that a Hong Kong listed toy company with headquarters in Tsimshatsui was under investigation by the authorities for suspected use of pirated computer software and the Company has received enquiries whether it was involved in such investigation.

The Directors wish to clarify that none of the Company and its subsidiaries (“**Group**”) and their respective directors was the subject of such investigation. The Group respects third party intellectual property rights and maintains clear corporate policies and guidelines on the use of third party intellectual properties. All employees of the Group are regularly reminded of such policies and guidelines. In the case of the use of computer software, the Group conducts periodic internal checks to verify that installed software on the Group’s equipment are properly licenced or authorized.

As at the date hereof, the board of directors of the Company comprises the following directors:

Executive Directors: Mr. Thomas Chan Chun Hoo (*Chairman*); Mr. Sidney To Shu Sing

Independent Non-executive Directors: Mr. Allen Lee Peng Fei; Mr. Anthony Lo Kai Yiu; Mr. David Yu Hon To

Non-executive Directors: Mr. Tsim Tak Lung (*Deputy Chairman*); Mr. Charles Ip Shu Wing

By order of the board
Playmates Holdings Limited
Tracy Fong Yuk Yu
Company Secretary

Hong Kong, 18 July 2005

* *For identification purpose only*

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