

**If you are in any doubt** as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold** all your shares in **Matrix Holdings Limited**, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---

**MATRIX**  
**MATRIX HOLDINGS LIMITED**  
**美力時集團有限公司\***  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 1005)**

**PROPOSAL INVOLVING  
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES  
AND  
RE-ELECTION OF RETIRING DIRECTORS**

---

A notice convening the Annual General Meeting of Matrix Holdings Limited (the “Company”) to be held at Kowloon Room I, Mezzanine Floor, Kowloon Shangri-La Hotel, 64 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Tuesday, 29th May, 2007, at 2:30 p.m. is set out in the 2006 Annual Report of the Company sent together with this circular.

Whether or not you propose to attend the Annual General Meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company’s Branch Share Registrar in Hong Kong, Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or the adjourned meeting (as the case may be). Completion and return of a proxy form will not preclude shareholders from attending and voting at the general meeting if they so wish.

\* For identification purpose only

27th April, 2007

---

**CONTENT**

---

	<i>Page</i>
<b>Definitions .....</b>	1
<b>Letter from the Board</b>	
Introduction .....	3
Share Issue Mandate .....	4
Share Repurchase Mandate .....	4
Extension to the Share Issue Mandate .....	4
Directors Proposed to be re-elected .....	4
Annual General Meeting .....	4
Action to be Taken .....	5
Recommendation .....	5
Responsibility Statement .....	5
<b>Appendix I — Explanatory Statement to the Share Repurchase Mandate .....</b>	6
<b>Appendix II — Biographical Details of Directors proposed to be re-elected                 at the Annual General Meeting .....</b>	9
<b>Appendix III — Procedure for Voting by Poll at General Meetings .....</b>	11

## DEFINITIONS

---

*In this circular, the following expressions have the following meanings unless the context otherwise requires.*

“AGM”	the Annual General Meeting of the Company to be held on Tuesday, 29th May, 2007 at 2:30 p.m.
“AGM Notice”	the notice convening the AGM, which is set out in the 2006 Annual Report sent together with this circular
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company
“Company”	Matrix Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Existing Issue Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 25th April, 2006 to allot, issue and deal with Shares not exceeding 10 per cent. of the aggregate number of Shares comprised in the share capital of the Company in issue as at 25th April, 2006
“Existing Repurchase Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 25th April, 2006 to repurchase Shares not exceeding 10 per cent. of the aggregate number of Shares comprised in the share capital of the Company in issue as at 25th April, 2006
“Group”	the Company and its subsidiaries from time to time
“HK\$” and “cents”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	23rd April, 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Ordinary Resolutions”	the ordinary resolutions to be proposed and passed at the AGM for the matters as set out in the AGM Notice
“Repurchase Resolution”	the proposed ordinary resolution as referred to in resolution no. 5B of the AGM Notice
“SFO”	the Securities and Futures Ordinance (Chapter 571) of the laws of Hong Kong, as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company

---

## DEFINITIONS

---

“Shareholder(s)”	holder(s) of Share(s)
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares of up to 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“Share Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the AGM to repurchase Shares not exceeding 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	The Hong Kong Code on Takeovers and Mergers

# MATRIX

## MATRIX HOLDINGS LIMITED

美力時集團有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1005)

### Directors:

#### *Executive Directors:*

Cheng Yung Pun (*Chairman*)

Yu Sui Chuen

Cheng Wing See, Nathalie

#### *Independent Non-Executive Directors:*

Loke Yu alias Loke Hoi Lam

Mak Shiu Chung, Godfrey

Wan Hing Pui

#### *Registered Office:*

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

#### *Head Office and*

#### *Principal Place of Business:*

Room 901, 9/F.

East Ocean Centre

98 Granville Road

Tsimshatsui East

Kowloon, Hong Kong

27th April, 2007

*To the Shareholders of the Company*

Dear Sir or Madam,

## **PROPOSAL INVOLVING GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES AND RE-ELECTION OF RETIRING DIRECTORS**

### **INTRODUCTION**

The purpose of this circular is to provide you with the information in respect of the Ordinary Resolutions to be proposed at the AGM for, amongst other things:

- (i) granting to the Directors the Share Issue Mandate;
- (ii) granting to the Directors the Share Repurchase Mandate;
- (iii) extending the Share Issue Mandate by adding to it the aggregate number of the issued Shares repurchased under the Share Repurchase Mandate; and
- (iv) the re-election of the retiring Directors.

\* For identification purpose only

### SHARE ISSUE MANDATE

An ordinary resolution will be proposed at the AGM for the purpose of renewing the Existing Issue Mandate granted to Directors to allot, issue and otherwise deal with the Shares. The Existing Issue Mandate will expire at the conclusion of the AGM. The Share Issue Mandate is subject to a limit up to 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing the resolution.

### SHARE REPURCHASE MANDATE

The Repurchase Resolution will be proposed for the purpose of renewing the Existing Repurchase Mandate granted to the Directors to repurchase Shares. The Existing Repurchase Mandate will expire at the conclusion of the AGM. The Share Repurchase Mandate is subject to a limit up to 10 per cent. of the issued share capital of the Company as at the date of passing the resolution. An explanatory statement to the Share Repurchase Mandate as required under the Listing Rule is set out in the Appendix I to this circular.

### EXTENSION TO THE SHARE ISSUE MANDATE

Subject to the passing at the AGM of the proposed resolution regarding the Share Issue Mandate and the Repurchase Resolution, an ordinary resolution will be proposed at the AGM to approve the addition of the number of Shares that may be repurchased under the Share Repurchase Mandate up to the 20 per cent. Share Issue Mandate.

Shareholders are referred to the AGM Notice, set out in the 2006 Annual Report of the Company sent together with this circular, for details of the Ordinary Resolutions. With reference to these resolutions, the Board wishes to state that it has no immediate plans to repurchase any Shares or to issue any new Shares, whether for cash or otherwise, pursuant to the relevant mandates.

### DIRECTORS PROPOSED TO BE RE-ELECTED

In accordance with clause 99 of the Bye-laws of the Company, Mr. Yu Sui Chuen and Mr. Wan Hing Pui will retire by rotation at the AGM. These two directors retiring, being eligible, offer themselves for re-election. The particulars of these two Directors which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

### ANNUAL GENERAL MEETING

The AGM Notice is set out in the 2006 Annual Report of the Company sent together with this circular.

The Register of Members of the Company will be closed from Wednesday, 23rd May, 2007 to Tuesday, 29th May, 2007, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM of the Company, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on 22nd May, 2007.

### ACTION TO BE TAKEN

A proxy form for use at the AGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). Whether or not you intend to attend the AGM, you are requested to complete the proxy form and return it to the abovementioned Branch Share Registrar of the Company in Hong Kong not less than 48 hours before the time appointed for holding of the meeting or the adjourned meeting (as the case may be). Completion and return of a proxy form will not preclude shareholders from attending and voting at the general meeting if they so wish.

### RECOMMENDATION

The Directors consider that proposals of the Share Issue Mandate, the Share Repurchase Mandate, the extension to the Share Issue Mandate and Re-election of Retiring Directors are in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend all the Shareholders should vote in favour of these resolutions as set out in the AGM Notice to be proposed at the AGM. The procedure by which the shareholders may demand a poll at the AGM pursuant to the current Bye-laws is set out in Appendix III to this circular.

Suncorp Investments Group Limited, the controlling shareholder of the Company as defined in the Listing Rules, which holds 71.02% shareholding of the Company as at the Latest Practicable Date, has indicated that they intend to vote in favour of these resolutions in respect of their holding of Shares.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other matters the omission of which would make any statement in this circular misleading.

As at the date of hereof, the Board comprises Mr. Cheng Yung Pun, Mr. Yu Sui Chuen and Ms Cheng Wing See, Nathalie as executive Directors and Dr. Loke Yu alias Loke Hoi Lam, Mr. Mak Shiu Chung, Godfrey and Mr. Wan Hing Pui as independent non-executive Directors.

By Order of the Board  
**Cheng Yung Pun**  
*Chairman*

*This Appendix serves as an explanatory statement as required under the Listing Rules to provide you with the information necessary for your consideration of the Share Repurchase Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 577,156,967 Shares.

Exercise in full of the Repurchase Mandate, on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the approval of the Share Repurchase Mandate, the Company would be allowed under the Repurchase Resolution to repurchase a maximum of 57,715,697 Shares representing not more than 10% of the issued share capital of the Company as at the date of the Resolution.

## **2. REASONS FOR REPURCHASE**

The Directors believe that the Share Repurchase Mandate is in the best interests of the Company and its Shareholders. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or its earnings per Share and will only be made when the Directors believe that such a purchase will benefit the Company and its Shareholders.

## **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds entirely from the Company's available cashflow or working capital facilities which will be funds legally available in accordance with the provisions of the Bye-laws of the Company and the Bermuda laws for the purpose. It is envisaged that the funds required for any repurchase would be derived from those funds of the Company, legally permitted to be utilised in this connection, including capital paid up on the Shares to be repurchased, profits otherwise available for distribution and sums standing to either the share premium account or contributed surplus account of the Company.

On the basis of the consolidated financial position of the Company as at 31st December, 2006 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and the number of Shares now in issue, the Directors consider that there might be a material adverse impact on the working capital position or the gearing position of the Company in the event that purchase of all the Shares the subject of the Share Repurchase Mandate were to be carried out in full during the Share Repurchase Mandate period. No purchase would be made in circumstances that would have a material adverse impact on the working capital position or the gearing position of the Company (as compared with the position disclosed in the latest published audited financial statements).

**4. SHARE PRICES**

The highest and lowest market prices at which the Shares have traded on the Stock Exchange in each of the twelve months preceding the Latest Practicable Date are as follows:

	Shares	
	Highest (HK\$)	Lowest (HK\$)
<b>2006</b>		
April	1.990	1.880
May	2.125	1.830
June	2.125	1.950
July	2.125	1.950
August	2.050	1.880
September	1.980	1.900
October	1.950	1.920
November	2.000	1.940
December	1.980	1.890
<b>2007</b>		
January	1.990	1.930
February	2.100	1.950
March	2.200	1.950
April (up to the latest practicable date)	2.100	2.000

**5. UNDERTAKING**

The Directors have undertaken to the Stock Exchange, so far as the same may be applicable, to exercise the power of the Company to repurchases pursuant to the Repurchase Resolution and in accordance with the Listing Rules and the applicable laws of Bermuda.

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), have any present intention, if the Share Repurchase Mandate is approved, to sell any Shares to the Company or its subsidiaries.

No connected persons of the Company (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, if the Share Repurchase Mandate is approved by Shareholders.

**6. TAKEOVER CODE**

If as a result of a share repurchase a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Rule 32 of the Takeover Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeover Code) depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code as a result of such increase.

As at the Latest Practicable Date, according to the Register kept by the Company pursuant to Section 336 of the SFO, Suncorp Investments Group Limited controlled approximately 71.02% of the entire issued share capital of the Company. On the basis that the issued share capital of the Company remains unchanged up to the date of the Annual General Meeting, if the Repurchase Mandate is exercised in full, the controlling interests of Suncorp Investments Group Limited in the Company will increase to approximately 78.92% of the issued capital of the Company. The Directors are not aware of any Shareholders or group of Shareholders acting in concert who will become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code as a result of repurchase of Shares. The Directors will also have no present intention to exercise the power to repurchase shares on the Stock Exchange pursuant to the repurchase Mandate to such an extent as to result in the number of Shares held by the public falling below 25%.

#### **7. REPURCHASES OF SHARES MADE BY THE COMPANY**

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

*This Appendix set out the details of directors who will retire at the conclusion of the AGM and will be proposed to be re-elected at AGM of the Company*

**Mr. Yu Sui Chuen, aged 51**

Mr. Yu is the executive director of the Company since the year 2000. He is responsible for overseeing the finance and administration of the Group and assisting the Chairman in the strategic planning. Mr. Yu holds a Higher Diploma in Business Administration majoring in Accounting. Mr. Yu has over 26 years' experience in finance management and administration of which nearly 10 years as a member of the management committee of a listed company. Mr. Yu holds approximately 0.62% interest in the issued share capital of the Company as at the latest practicable date. He is also an executive Director of Wah Nam International Holdings Limited, a company listed on the Stock Exchange.

There is a service contract entered into between the Company and of Mr. Yu commencing from 8th September, 2000, which will continue thereafter unless terminated by not less than six months' notice in writing served by either party on the other. He is entitled to emoluments being HK\$1,515,000 including salary, allowance, contribution to MPFs and other benefits, for the year 2006. The director's remuneration will be subject to the authorization granted by Shareholders to the Board for determination from time to time based on market rate.

Mr. Yu does not have any relationship with any other directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company. Save as disclosed above, Mr. Yu has no interest or deemed interest in the shares of the Company within the meaning of Part XV of the SFO as at the latest practicable date and there is no information which is disclosable nor is/was he involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under the Listing Rule 13.51 (2)(h) to 13.51(2)(w).

There are no other matters concerning Mr. Yu that need to be brought to the attention of the Shareholders.

**Mr Wan Hing Pui, aged 76**

Mr. Wan was appointed to the board as an independent non-executive director and a member of the audit committee and remuneration committee of the Company. Mr. Wan has over 48 years of experiences in auditing, taxation and financial management consultancy services. He is an Associate Member of The Institute of Chartered Accountants in England and Wales, a Fellow of Hong Kong Institute of Certified Public Accountants, The Taxation Institute of Hong Kong and The Association of Chartered Certified Accountants in the United Kingdom. He is a sole proprietor of H.P. Wan & Co., a firm of Certified Public Accountants (Practising). He joined the Company in the year 2004. He does not hold any directorship in any other listed companies in the past three years.

There is no service agreement entered into between the Company and of Mr. Wan. The appointment of Mr. Wan has no fixed term, but his term of office is subject to retirement by rotation and re-election in accordance with the Company's Bye-laws. Mr. Wan will be entitled to emolument based on the market rate as determined by the Board (except determining his own remuneration) subject to the authorization granted by the Shareholders in the general meeting of the Company, currently being HK\$66,000 as director fee, per annum.

Save as disclosed above, Mr. Wan does not hold any position in any subsidiaries of the Company and does not have any relationship with any other directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company. As at the latest practicable date, Mr. Wan has no interest or deemed interest in the shares of the Company within the meaning of Part XV of the SFO and there is no information which is disclosable nor is/was he involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under the Listing Rule 13.51(2)(h) to 13.51(2)(w).

There are no other matters concerning Mr. Wan that need to be brought to the attention of the Shareholders.

*The following paragraphs set out the procedure by which the Shareholders may demand a poll at a general meeting of the Company (including the Annual General Meeting) pursuant to the current Bye-Laws.*

According to clause 69 of the current Bye-Laws, subject to the rules prescribed by the Designated Stock Exchange from time to time, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

- (i) the chairman;
- (ii) at least 3 members present in person or by proxy or authorized corporate representative for the time being entitled to vote at the meeting;
- (iii) the member or members present in person or by proxy or authorized representative and holding between them not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (vi) any member or members present in person or by proxy or authorized representative and holding shares in the Company conferring a right to attend and vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.