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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.

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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 TO 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 Sunshine Hotel, Imperial Banquet Room IV-V, 2/F., Imperial Wing, 1 Jiabin Road, Shenzhen, China on Thursday, 27th May, 2010, at 2:30 p.m. (the “AGM”) is set out in the 2009 Annual Report of the Company sent together with this circular. A form of proxy for use at the AGM is enclosed with this circular.

Whether or not you propose to attend the AGM, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company’s Branch Share Registrar in Hong Kong, Tricor 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

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DEFINITIONS

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

| | |
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| “AGM” | the annual general meeting of the Company to be held at Sunshine Hotel, Imperial Banquet Room IV-V, 2/F., Imperial Wing, 1 Jiabin Road, Shenzhen, China on Thursday, 27th May, 2010 at 2:30 p.m. |
| “AGM Notice” | the notice convening the AGM, which is set out in the 2009 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 12th May, 2009 to allot, issue and deal with Shares not exceeding 20 per cent. of the aggregate number of Shares comprised in the share capital of the Company in issue as at 12th May, 2009 |
| “Existing Repurchase Mandate” | a general mandate granted to the Directors at the annual general meeting of the Company held on 12th May, 2009 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 12th May, 2009 |
| “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 |

DEFINITIONS

| | |
|----------------------------|---|
| “Latest Practicable Date” | 29th March, 2010, 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 |
| “Shareholder(s)” | registered holder(s) of the 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 |

LETTER FROM THE BOARD

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*)

Arnold Edward Rubin (*Vice-Chairman*)

Cheng Wing See, Nathalie

Cheung Kwok Sing

Leung Hong Tai

Tse Kam Wah

Yu Sui Chuen

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 27

Bermuda

Principal Place of Business in Hong Kong:

Suite Nos. 223-231, 2/F.

Tsim Sha Tsui Centre

66 Mody Road

Tsim Sha Tsui East

Kowloon, Hong Kong

1st April, 2010

To the Shareholders of the Company

Dear Sir or Madam,

PROPOSAL INVOLVING GENERAL MANDATES TO ISSUE SHARES AND TO 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;

* For identification purpose only

LETTER FROM THE BOARD

- (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.

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.

As at the Latest Practicable Date, the issued share capital of the Company comprised 712,294,228 Shares. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of passing the resolution approving the Share Issue Mandate, the maximum number of Shares which may be issued pursuant to the Share Issue Mandate on the date of passing the resolution approving the Share Issue Mandate will be 142,458,845 Shares.

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.

As at the Latest Practicable Date, the issued share capital of the Company comprised 712,294,228 Shares. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of passing the resolution approving the Share Repurchase Mandate, the maximum number of Shares which may be issued pursuant to the Share Repurchase Mandate on the date of passing the resolution approving the Share Repurchase Mandate will be 71,229,422 Shares.

LETTER FROM THE BOARD

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 authorise the Directors to issue new shares in an amount not exceeding the aggregate nominal amount of the Shares repurchased pursuant to the Share Repurchase Mandate.

Subject to the passing of the relevant ordinary resolutions at the AGM, the proposed Share Issue Mandate, Repurchase Share Mandate and extension to the Share Issue Mandate will continue in force for the period from the passing of such resolutions until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or any applicable law to be held; or (iii) the date on which such authority is revoked or varied by ordinary resolution of the Shareholders at a general meeting of the Company.

Shareholders are referred to the AGM Notice, set out in the 2009 Annual Report of the Company sent together with this circular, for details of all the resolutions to be proposed at the AGM. 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, Ms. Cheng Wing See, Nathalie and Dr. Loke Yu alias Loke Hoi Lam will retire by rotation at the AGM. In accordance with clause 91 of the Bye-laws of the Company, Mr. Cheung Kwok Sing, Mr. Leung Hong Tai and Mr. Tse Kam Wah will retire by rotation at the AGM. These six directors retiring, being eligible, offer themselves for re-election. The particulars of these six 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 2009 Annual Report of the Company sent together with this circular.

The Register of Members of the Company will be closed from Thursday, 20th May, 2010 to Thursday, 27th May, 2010, 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, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on 19th May, 2010.

LETTER FROM THE BOARD

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). 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, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, 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.

VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to vote at the AGM pursuant to the existing Bye-Law 69.

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.

Smart Forest Limited, the controlling shareholder of the Company as defined in the Listing Rules, which holds 72.15% 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.

LETTER FROM THE BOARD

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. Arnold Edward Rubin, Mr. Yu Sui Chuen, Ms. Cheng Wing See, Nathalie, Mr. Cheung Kwok Sing, Mr. Leung Hong Tai and Mr. Tse Kam Wah 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 712,294,228 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 71,229,422 Shares representing not more than 10% of the issued share capital of the Company as at the date of the Repurchase 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, 2009 (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 | Lowest |
| | <i>(HK\$)</i> | <i>(HK\$)</i> |
| 2009 | | |
| March | 0.300 | 0.260 |
| April | 0.340 | 0.260 |
| May | 0.440 | 0.315 |
| June | 0.650 | 0.390 |
| July | 0.620 | 0.410 |
| August | 0.600 | 0.530 |
| September | 1.150 | 0.540 |
| October | 1.540 | 0.960 |
| November | 1.480 | 1.120 |
| December | 1.560 | 1.230 |
| 2010 | | |
| January | 1.350 | 1.180 |
| February | 1.350 | 1.160 |
| March (up to the latest practicable date) | 1.410 | 1.230 |

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, Smart Forest Limited controlled approximately 72.15% 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 AGM, if the Repurchase Mandate is exercised in full, the controlling interests of Smart Forest Limited in the Company will increase to approximately 80.17% 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 54

Mr. Yu has been an executive Director of the Company since 2000. He holds a Higher Diploma in Business Administration majoring in Accounting. Mr. Yu has over 29 years' experience in finance management and administration of which nearly 10 years as a member of the management committee of a listed company. He holds approximately 0.80% interest in the issued share capital of the Company (beneficially interested in 668,000 ordinary shares and 5,000,000 underlying shares derived from the share option granted) as at the latest practicable date.

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. Mr. Yu will be entitled to emoluments as determined by the Board (except determining his own remuneration) and/or the remuneration committee subject to the authorization granted by the Shareholders in the general meeting of the Company from time to time, currently being HK\$1,253,070 (including salary, allowance and contribution to MPFS and other benefits) for the year 2009.

Mr. Yu is also a director of some of the Company's subsidiaries. Save as disclosed above, Mr. Yu does not (i) hold other positions with the Company and other members of the Group; (ii) have any directorship in any public listed companies of which are listed on any securities market in Hong Kong or overseas in the past three years; (iii) have other major appointments and professional qualifications; (iv) have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; and (v) have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, there is no information to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor is other matters that need to be brought to the attention of the shareholders of the Company.

Ms. Cheng Wing See, Nathalie, aged 36

Ms. Cheng, has been an executive Director of the Company since 2000. She has over 12 years' extensive experience in procurement in the plastic toys field. Ms. Cheng is a daughter of Mr. Cheng Yung Pun, Chairman of the Company. She holds approximately 0.10% interest in the issued share capital of the Company (beneficially interested in 723,230 ordinary shares) as at the latest practicable date.

There is no service agreement entered into between the Company and Ms. Cheng. The appointment of Ms. Cheng has no fixed term, but her term of office is subject to retirement by rotation and re-election at annual general meetings in accordance with the Company's Bye-Laws. Ms. Cheng will be entitled to emoluments as determined by the Board (except determining her own remuneration) and/or the remuneration committee subject to the authorization granted by the Shareholders in the general meeting of the Company from time to time, currently being HK\$545,000 (including salary and allowances and contribution to Mandatory Provident Funds Scheme) for the year 2009.

Ms. Cheng is also a director of some of the Company's subsidiaries. Save as disclosed above, Ms. Cheng does not (i) hold other positions with the Company and other members of the Group; (ii) have any directorship in any public listed companies of which are listed on any securities market in Hong Kong or overseas in the past three years; (iii) have other major appointments and professional qualifications; (iv) have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; and (v) have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, there is no information to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor is other matters that need to be brought to the attention of the shareholders of the Company.

Mr. Cheung Kwok Sing, aged 51

Mr. Cheung was appointed as an executive director of the Company on 25 November 2009. He holds a Master Degree in Business Administration from University of Wales, UK. He has an extensive experience in the operation and production management of toy business. His experience ranges from managing sales operation activities of the corporations in the base outside Hong Kong, improvement of the operation system to business development. Mr. Cheung holds approximately 0.59% interest in the issued share capital of the Company (beneficially interested in 1,230,000 ordinary shares and 3,000,000 underlying shares derived from the share option granted) as at the latest practicable date.

There was no service agreement between the Company and Mr. Cheung in respect of his appointment as executive director of the Company. Mr. Cheung will have no fixed term of service with the Company for being as executive director of the Company but will be subject to retirement by rotation and re-election at annual general meetings in accordance with the bye-laws of the Company. Mr. Cheung is entitled to receive the annual remuneration of an aggregated amount of HK\$923,000 plus other discretionary bonus (if any) under his current employment contracts with the Company's overseas subsidiaries for being operation-in-charge. The amount of his salary and allowances and other benefits for the period from 25 November 2009 to 31 December 2009 was in a total amount of HK\$94,780. His emolument would be determined by the Board (except determining his own remuneration) and/or the remuneration committee subject to the authorization granted by the Shareholders in the general meeting of the Company from time to time.

Save as disclosed above, Mr. Cheung does not (i) hold other positions with the Company and other members of the Group; (ii) have any directorship in any public listed companies of which are listed on any securities market in Hong Kong or overseas in the past three years; (iii) have other major appointments and professional qualifications; (iv) have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; and (v) have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, there is no information to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor is other matters that need to be brought to the attention of the shareholders of the Company.

Mr. Leung Hong Tai, aged 53

Mr. Leung (former name known as Leung Mang Pong) was appointed as an executive Director of the Company on 25 November 2009. He holds a Bachelor of Science degree in Electronics and a Master of Science degree in Digital Communication from University of Kent, England. He is a full member of Hong Kong Computer Society and a member of Australian Computer Society. He has over 20 years of experience in electronic and computing related subjects such as electronic hardware design, electronic printed circuit board development and production, LED and semi-conductor assembling machinery, information system development and implementation, computer networking, information security, equipment dimensioning and communication. His experience ranges from design, development to production of the electronic or toy related products. Mr. Leung holds approximately 1.31% interest in the issued share capital of the Company (He beneficially interested in 694,000 ordinary shares and 5,000,000 underlying shares derived from the share option granted; his wife, Mrs. Leung Ip Yi Mei beneficially interested in 3,648,000 ordinary shares) as at the latest practicable date.

There was no service agreement between the Company and Mr. Leung in respect of his appointment as executive director of the Company. Mr. Leung will have no fixed term of service with the Company for being as executive director of the Company but will be subject to retirement by rotation and re-election at annual general meetings in accordance with the bye-laws of the Company. Mr. Leung is entitled to receive the annual remuneration of an aggregated amount of HK\$975,000 plus other discretionary bonus (if any) under his current employment contracts with the Company's overseas subsidiaries for being technology-in-charge. The amount of his salary and allowances and other benefits for the period from 25 November 2009 to 31 December 2009 was in a total amount of HK\$100,052. His emolument would be determined by the Board (except determining his own remuneration) and/or the remuneration committee subject to the authorization granted by the Shareholders in the general meeting of the Company from time to time.

Mr. Leung is also a director of subsidiaries of the Company. Save as disclosed above, Mr. Leung does not (i) hold other positions with the Company and other members of the Group; (ii) have any directorship in any public listed companies of which are listed on any securities market in Hong Kong or overseas in the past three years; (iii) have other major appointments and professional qualifications; (iv) have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; and (v) have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, there is no information to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor is other matters that need to be brought to the attention of the shareholders of the Company.

Mr. Tse Kam Wah, aged 59

Mr. Tse was appointed as an executive Director of the Company since 25 November 2009. He obtained a higher certificate in mechanical engineering from The Hong Kong Polytechnic University. He has an extensive experience in toy factory management. His experience ranges from managing all manufacturing activities of the corporations in the base outside Hong Kong, monitoring manufacturing process to product development. Mr. Tse holds approximately 0.60% interest in the issued share capital of the Company (beneficially interested in 1,280,000 ordinary shares and 3,000,000 underlying shares derived from the share option granted) as at the latest practicable date.

There was no service agreement between the Company and Mr. Tse in respect of his appointment as executive director of the Company. Mr. Tse will have no fixed term of service with the Company for being as executive director of the Company but will be subject to retirement by rotation and re-election at annual general meetings in accordance with the bye-laws of the Company. Mr. Tse is entitled to receive the annual remuneration of an aggregated amount of HK\$975,000 plus other discretionary bonus (if any) under his current employment contracts with the Company's overseas subsidiaries for being manufacturing-in-charge and marketing manager (2 year term's contract). The amount of his salary and allowances and other benefits for the period from 25 November 2009 to 31 December 2009 was in a total amount of HK\$100,052. His emolument would be determined by the Board (except determining his own remuneration) and/or the remuneration committee subject to the authorization granted by the Shareholders in the general meeting of the Company from time to time.

Save as disclosed above, Mr. Tse does not (i) hold other positions with the Company and other members of the Group; (ii) have any directorship in any public listed companies of which are listed on any securities market in Hong Kong or overseas in the past three years; (iii) have other major appointments and professional qualifications; (iv) have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; and (v) have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, there is no information to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor is other matters that need to be brought to the attention of the shareholders of the Company.

Dr. Loke Yu alias Loke Hoi Lam, aged 60

Dr. Loke was appointed an independent non-executive director and the chairman of the audit committee and remuneration committee of the Company. He has over 37 years of experience in accounting and auditing for private and public companies; financial consultancy; and corporate management. He holds a Master of Business Administration Degree from Universiti Teknologi Malaysia and a Doctor of Business Administration Degree from University of South Australia. Dr. Loke is a fellow of The Institute of Chartered Accountants in England and Wales; Hong Kong Institute of Certified Public Accountants; and The Hong Kong Institute of Directors. He is also an Associate member of The Institute of Chartered Secretaries and Administrators and a member of Malaysian Institute of Accountants. He is currently the Chairman of MHL Consulting Limited and serves as an independent non-executive director of Bio-Dynamic Group Limited, China Fire Safety Enterprise Group Holdings Limited, Scud Group Limited, Vodone Limited, Winfair Investment Company Limited and Zhong An Real Estate Limited, companies listed on the Stock Exchange of Hong Kong. He joined the Company in the year 2004.

There is no service agreement entered into between the Company and Dr. Loke. The appointment of Dr. Loke has no fixed term, but his term of office is subject to retirement by rotation and re-election at annual general meetings in accordance with the Company's Bye-Laws. Dr. Loke will be entitled to emoluments as determined by the Board (except determining his own remuneration) and/or the remuneration committee subject to the authorization granted by the Shareholders in the general meeting of the Company from time to time, currently being HK\$72,000 as director's fee for the year 2009.

Save as disclosed above, Dr. Loke does not (i) hold other positions with the Company and other members of the Group; (ii) have any directorship in any public listed companies of which are listed on any securities market in Hong Kong or overseas in the past three years; (iii) have other major appointments and professional qualifications; (iv) have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; and (v) have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, there is no information to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor is other matters that need to be brought to the attention of the shareholders of the Company.