
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Matrix Holdings Limited, you should at once hand this circular and the enclosed form of election to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim 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)

FINAL SCRIP DIVIDEND ALTERNATE IN RELATION TO
THE FINAL DIVIDEND
FOR THE YEAR ENDED 31ST DECEMBER, 2010

18th May, 2011

* For identification purpose only

DEFINITIONS

In this circular the following expressions have the meanings respectively set opposite them unless the context otherwise requires:

“Board”	the board of directors 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
“Eligible Shareholders”	the Shareholders whose names appeared on the register of members of the Company on 5th May, 2011
“Final Dividend”	the final dividend of HK\$0.05 per Share for the year ended 31st December, 2010 payable to the Shareholders whose names appeared on the register of members of the Company on 5th May, 2011
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Final Scrip Dividend Alternate”	proposed by the Directors on Thursday, 17th March, 2011 in relation to the Final Dividend to offer the Shareholders a scrip alternative to elect to receive such dividend wholly or partly by allotment of new Shares credited as fully paid in lieu of cash
“Final Scrip Dividend Shares”	new Shares to be issued under the Final Scrip Dividend Alternate
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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
Tsang Chung Wa
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 12
Bermuda

Principal place of business:

Suite Nos. 223-231,
2nd Floor, Tsim Sha Tsui Centre
66 Mody Road
Tsim Sha Tsui East
Kowloon, Hong Kong

18th May, 2011

To the Shareholders of the Company

Dear Sir and Madam,

**FINAL SCRIP DIVIDEND ALTERNATE IN RELATION TO
THE FINAL DIVIDEND
FOR THE YEAR ENDED 31ST DECEMBER, 2010**

INTRODUCTION

On 17th March, 2011, the Board recommended the Final Dividend, payable to the Eligible Shareholders. At the annual general meeting of the Company held on 5th May, 2011, the Final Dividend was approved by the Shareholders. Accordingly, Eligible Shareholders may elect to receive such dividend in the form of cash or in the form of new shares or a combination of these.

* For identification purpose only

The register of members of the Company was closed from 28th April, 2011 to 5th May, 2011, both days inclusive.

The purpose of this circular is to set out the procedures which apply in relation to Final Scrip Dividend Alternate and the action which should be taken by the Eligible Shareholders in relation thereto.

PARTICULARS OF THE FINAL SCRIP DIVIDEND ALTERNATE

Each Eligible Shareholder has the following choices in respect of the Final Dividend:

- (a) to receive a cash dividend of HK\$0.05 per Share; or
- (b) to be allotted Final Scrip Dividend Shares credited as fully paid and having an aggregate market value (as described below), save for adjustment for fractions, equal to the total amount of the Final Dividend which such Eligible Shareholder would otherwise receive in cash; or
- (c) to receive the Final Dividend partly in cash and partly in Final Scrip Dividend Shares.

The Final Scrip Dividend Shares will be allotted to the Eligible Shareholders electing to receive Final Scrip Dividend Shares in lieu of cash dividend and will rank *pari passu* in all respects with the existing issued Shares except that they shall not rank for the Final Dividend.

MARKET VALUE OF THE FINAL SCRIP DIVIDEND SHARES

For the purpose of calculating the number of Final Scrip Dividend Shares to be allotted, the market value of Final Scrip Dividend Shares has been set at HK\$1.556 per Share (the “Market Value”), which is equivalent to the average closing prices of the Shares quoted on the Stock Exchange for the five consecutive trading days, from 28th April, 2011 to 5th May, 2011 (both days inclusive). An announcement dated 5th May, 2011 setting out the Market Value of Final Scrip Dividend Shares has been published.

CALCULATION OF THE NUMBER OF THE FINAL SCRIP DIVIDEND SHARES

The number of Final Scrip Dividend Shares that the Eligible Shareholders will receive, in respect of the existing Shares registered in their names as at Thursday, 5th May, 2011 and for which election to receive the Final Scrip Dividend Shares are lodged with Tricor Secretaries Limited, the Company's branch share registrar in Hong Kong, of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong on or before 4:00 p.m. on Tuesday, 7th June, 2011 will be calculated as below:

$$\begin{array}{rcl} \text{Number of Final} & & \text{Number of existing Shares held on} \\ \text{Scrip Dividend Shares to} & = & \text{5th May, 2011 for which election} \\ \text{be received} & & \text{is made under the Final Scrip} \\ & & \text{Dividend Alternate} \end{array} \times \frac{\text{HK\$0.05}}{\text{Market Value}} \\ \text{HK\$1.556}$$

The number of the Final Scrip Dividend Shares to be received will be rounded down to the nearest whole number thereof. No Eligible Shareholder is entitled to be issued any fraction of a Share under the Final Scrip Dividend Alternate. Fractional entitlements to the Final Scrip Dividend Shares in respect of alternatives (b) and (c) above will be aggregated and sold for the benefit of the Company.

ADVANTAGES OF THE FINAL SCRIP DIVIDEND ALTERNATE

The Final Scrip Dividend Alternate will give the Eligible Shareholders an opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. The Final Scrip Dividend Alternate will also benefit the Company because, to the extent that the Eligible Shareholders elect to receive the Final Scrip Dividend Shares in whole or in part in lieu of a cash dividend, such cash, which would otherwise have been paid to the Eligible Shareholders, will be retained for use by the Company.

EFFECT OF THE FINAL SCRIP DIVIDEND ALTERNATE

If no elections for Final Scrip Dividend Shares were received, the total cash dividend payable by the Company would be HK\$35,614,711. If all Eligible Shareholders elect to receive their entitlements in Final Scrip Dividend Shares, based on 712,294,228 Shares in issue on 5th May, 2011, not more than 22,888,632 Final Scrip Dividend Shares will be issued under the Final Scrip Dividend Alternate.

Eligible Shareholders should note that the Final Scrip Dividend Shares may give rise to notification requirements under Part XV of the SFO for those Eligible Shareholders who may have notifiable interests in the Company. Eligible Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice.

The Company has been advised that under Bermuda law, the offer of rights of election or the allotment of Shares under the Final Scrip Dividend Alternate to the Shareholders who are non-residents of Bermuda for exchange control purposes will not be rendered unlawful in the absence of a registration statement or other formalities. No order, consent, approval, licence, authorization or validation of or exemption by any government or public body or authority in Bermuda or any subdivision thereof is required to authorize or is required in connection with the offering of such rights of election or the allotment of Shares under the Final Scrip Dividend Alternate. The Final Scrip Dividend Alternate will not be subject to ad valorem stamp duty in Bermuda and no registration, documentary, recording, transfer or other similar tax, fee or charge is payable in Bermuda in connection with the offering of such rights of election or the allotment of Shares under the Final Scrip Dividend Alternate.

DEADLINE FOR RETURNING FORMS OF ELECTION

If you elect to receive the Final Dividend wholly in cash, you do not need to take any action.

If you elect to receive Final Scrip Dividend Shares, or partly in cash and partly in Final Scrip Dividend Shares, you should use the enclosed form of election. If you complete the form of election but do not specify the number of Shares in respect of which you wish to receive Final Scrip Dividend Shares, or if you elect to receive Final Scrip Dividend Shares in respect of a greater number of Shares than your registered holding on Thursday, 5th May, 2011, you will be deemed to have exercised your election to receive Final Scrip Dividend Shares in respect of all the Shares of which you were then registered as the holder.

The form of election should be completed and signed in accordance with the instructions printed thereon and returned so that it is received by Tricor Secretaries Limited, the Company's branch share registrar in Hong Kong, of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Tuesday, 7th June, 2011. No acknowledgment of receipt of the form of election will be issued.

OVERSEAS SHAREHOLDERS

Based on the register of members of the Company as at Thursday, 5th May, 2011 (being the record date for the purpose of determining the Eligible Shareholders entitlement to the Final Dividend), all Eligible Shareholders have registered addresses in Hong Kong save that various overseas Eligible Shareholders with registered addresses in three jurisdictions, namely Australia, Macau and Singapore.

The Directors advised by legal advisers in the relevant jurisdictions and having taken into account the legal requirements under the laws of the relevant jurisdictions decided that all Eligible Shareholders including Eligible Shareholders residing overseas, will be offered the right to elect to receive the Final Dividend wholly or partly in Final Scrip Dividend Shares.

All Eligible Shareholders resident outside Hong Kong should consult their professional advisers as to whether or not they are permitted to receive the Final Dividend in scrip form or whether any government or other consents are required or other formalities need to be observed. No Eligible Shareholder receiving a copy of this circular and/or a form of election in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to him without the Company having to obtain any registration or comply with other legal requirements, governmental or regulatory procedures or any similar formalities. It is the responsibility of any persons outside Hong Kong who wishes to receive Final Scrip Dividend Shares to comply with the laws of the relevant jurisdictions including obtaining any registration or complying with other legal requirements, governmental or regulatory procedures or any similar formalities. Persons who receive Final Scrip Dividend Shares in lieu of the cash dividend must also comply with any restrictions on the resale of the Shares which may apply outside Hong Kong.

For the avoidance of doubt, the Final Scrip Dividend Shares are not offered to the public (other than the Eligible Shareholders) and the forms of election are non-transferable.

LISTING AND DEALINGS AND DESPATCH OF DIVIDEND CHEQUES AND/OR SHARE CERTIFICATES

Application will be made to the Stock Exchange for the grant of listing of, and permission to deal in, the Final Scrip Dividend Shares. It is expected that the cheques for cash entitlement in relation to the Final Dividend and/or share certificates for new shares with respect to the Final Scrip Dividend Shares will be despatched at the risk of those entitled thereto at their respective registered addresses on or about Friday, 17th June, 2011. On this basis, dealings in the Final Scrip Dividend Shares are expected to commence after the due despatch of the share certificates with respect to the Final Scrip Dividend Shares to the relevant Eligible Shareholders, which is expected to be not later than 21st June, 2011.

Subject to the granting of approval for listing of and permission to deal in the Final Scrip Dividend Shares on the Stock Exchange, such Final Scrip Dividend Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the Central Clearing and Settlement System (“CCASS”) with effect from the commencement date of dealings in the Final Scrip Dividend Shares on the Stock Exchange or such other date as determined by Hong Kong Securities Clearing Company Limited. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Eligible Shareholders should seek the advice of their licensed securities dealer or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

No equity or debt securities of the Company are listed on or dealt in on any other stock exchange and no listing or permission to deal in on any other stock exchange is being or is proposed to be sought.

CONDITIONS OF THE FINAL SCRIP DIVIDEND ALTERNATE

The Final Scrip Dividend Alternate is conditional upon (a) the issue price of a Final Scrip Dividend Share being not less than the nominal value of a Share; and (b) the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the Final Scrip Dividend Shares. In the unlikely event that any of the aforementioned conditions are not satisfied, Eligible Shareholders will receive the Final Dividend wholly in cash.

RECOMMENDATION AND ADVICE

Whether or not it is to your advantage to receive cash or the Final Scrip Dividend Shares, in whole or in part, depends upon your own individual circumstance, and the decision in this regard and all effects resulting therefrom are the responsibility of each Eligible Shareholder. **If you are in any doubt as to what to do, you should consult your professional advisers as to whether or not you are permitted to receive the Final Dividend in scrip form or if any governmental or other consent is required.** Eligible Shareholders who are trustees are recommended to take professional advice as to whether the choice of the Final Scrip Dividend Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

By Order of the Board
Cheng Yung Pun
Chairman