

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Matrix Holdings Limited (the “Company”) will be held at Garden Room A & B, 2/F., Hotel Nikko Hong Kong, No. 72, Mody Road, Tsimshatsui East, Kowloon, Hong Kong on 20 April 2004 at 2:30 p.m. for the following purposes:

1. To receive and consider the audited Financial Statements for the year ended 31 December 2003 together with the Reports of the Directors and Auditors thereon.
2. To declare a Final Dividend.
3. To re-elect Directors and authorize the Board of Directors to fix their remuneration.
4. To re-appoint Auditors and authorize the Board of Directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions and Special Resolution respectively:

ORDINARY RESOLUTIONS

- A. **“THAT** the authorised share capital of the Company be and is hereby increased from HK\$70,000,000 to HK\$100,000,000 by the creation of 300,000,000 additional shares of HK\$0.10 each in the capital of the Company.”
- B. **“THAT**
 - (a) subject to paragraph (c) of this Resolution, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) of this Resolution shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

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(c) the aggregate nominal amount of share capital allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares of the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company; or (iii) the exercise of the share option scheme adopted and approved by the Company at the general meeting of the Company held on 17 December 2002; or (iv) an issue of shares in lieu of the whole or part of the dividend on shares of the Company in accordance with the Bye-laws of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution, and the said approval shall be limited accordingly; and

(d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (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 revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting;

and

“Rights Issue” means an offer of shares or offer or issue of warrants or options to subscribe for shares open for a period fixed by the Directors of the Company to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

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C. **“THAT**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and is recognized by the Securities and Future Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares of the Company which the Company is authorized to repurchase pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (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 revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

- D. **“THAT** conditional upon the passing of the Resolutions set out in paragraph 5B and 5C of the notice convening this meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares of the Company pursuant to the Resolution set out in paragraph 5B of the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with by the Directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the shares of the Company repurchased by the Company under the authority granted pursuant to the Resolution set out in paragraph 5C of the notice convening this meeting.”

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- (b) deleting the existing definition of “Clearing House”, “Statutes” and “in writing” or “written” in Bye-law 1 and substituting thereof the following definitions:

“Clearing House” means a recognized clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and any amendments thereto or re-enactments thereof for the time being in force or a clearing house or authorised shares depository recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on the Designated Stock Exchange;

“Statutes” means the Act, the Electronic Transactions Act 1999 of Bermuda, and every other act (as amended from time to time) for the time being in force of the Legislature of Bermuda applying to or affecting the Company, the Memorandum of Association and/or these Bye-laws as may be amended from time to time;

“writing” shall, unless the contrary intention appears, be construed as including printing, lithography, photography and every other mode of representing words or figures in a visible, legible and non-transitory form and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the member’s election comply with all applicable Statutes, rules and regulations;

- (c) By deleting the words “14 days” before the word “notice” in the first line of Bye-law 46.
- (d) By adding the words “Subject to the rules prescribed by the Designated Stock Exchange from time to time, at” and deleting the word “At” before the words “any general meeting” in the first line of Bye-law 69.
- (e) By adding after Bye-law 74 the following new Bye-law 74A:

74A Where any member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

- (f) By adding the following words after the words “shall be” in the sixth line of Bye-law 86(B):

“deemed to have been duly authorised without further evidence of the facts and be”

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(g) By adding the following words at the end of Bye-law 89:

“The period for lodgment of the notice required under this Bye-law shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

(h) By deleting the word “special” before the words “resolution remove any Director” at the end of the first line in Bye-law 90 and substituting therefor the word “ordinary”.

(i) By deleting the existing Bye-law 112 and substituting therefor the following new Bye-law 112:

112(A) Subject to the Act, a Director may hold any other office or place of profit with the Company (except that of Auditors) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for, by or pursuant to any other Bye-Law(s).

(B) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditors) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

(C) A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the shareholders for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

(D) A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).

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- (E) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director together with any of his associates owns 5 per cent. or more of the issued shares of any class of the equity share capital of such company or of the voting rights of any class of shares of such company;
- (F) Subject to the Act and to the next paragraph of this Bye-Law, no Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the shareholders for any remuneration, profit or other benefits realised by any such contract or arrangement, by reason only of such Director holding that office or the fiduciary relationship thereby established.
- (G) A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Bye-Law, a general notice to the Board by a Director to the effect that (a) he is a shareholder of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm or (b) he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him, shall be deemed to be a sufficient declaration of interest under this Bye-Law in relation to any such contract or arrangement; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

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- (H) A Director shall not vote (nor shall he be counted in the quorum for such resolution) on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his associate(s) has/have a material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for such resolution), but this prohibition shall not apply to any of the following matters:
- (i) the giving of any guarantee, security or indemnity either:
 - (a) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
 - (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
 - (iii) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associate(s) is derived) or of the voting rights;
 - (iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or

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- (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.
- (vi) any contract for the benefit of employees of the Company or of any of its subsidiaries under which the Director or any of his associates benefits in a similar manner to the employees and which does not accord to any Director or any of his associates as such any privilege or advantage not accorded to the employees to whom the contract relates; and
- (vii) any contract for the purchase or maintenance for any Director or Directors of insurance against any liability.

For the purpose of this Bye-law 112 (H), “subsidiary” shall have the meaning as defined in the Listing Rules.

- (I) A company shall be deemed to be a company in which a Director together with any of his associates owns five (5) per cent. or more of the issued shares of any class of the equity share capital of such company or of the voting rights of any class of shares of such company if and so long as (but only if and so long as) he together with his associates is (either directly or indirectly) the holder of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company (or of any third company through which the interest of the Director or that of his associates is derived) or of the voting rights of any class of shares available to shareholders of the company. For the purpose of this paragraph there shall be disregarded any shares held by a Director as bare or any of his associates or custodian trustee and in which he and his associates have no beneficial interest, any shares comprised in a trust in which the interest of the Director or that of his associates is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or any of his associates is interested only as a unit holder.

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158C Subject to Section 88 of the Act, the Company shall send the full financial statements to a member within seven days of receipt of the member's election to receive the full financial statements.

158D The requirement to send to a person referred to in Bye-law 158A the full financial statements or the summarized financial statements in accordance with Bye-law 158B shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations (including, without limitation, the rules of the Designated Stock Exchange), the Company publishes copies of the full financial statements or the summarized financial statements complying with Bye-laws 158A & 158B, as the case may be, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a printed copy of the full financial statements or the summarized financial statements complying with Bye-laws 158A and 158B and all applicable statutes, rules and regulations, as the case may be.

(I) By deleting the existing Bye-Law 163 and substituting therefor the following new Bye-Laws 163A and 163B:

163A(1) Except where otherwise expressly stated, any notice to be given to or by any members pursuant to these Bye-laws shall be in writing or, to the extent permitted by the Statutes and any applicable rules and regulations prescribed by the Designated Stock Exchange from time to time and subject to this Bye-law, contained in an electronic communication.

163A(2) Any notice or document (including any Corporate Communication or a share certificate) may be served on or delivered to any member of the Company either (1) personally or (2) by sending it through the post in a prepaid envelope or wrapper addressed to such member at his registered address as appearing in the register or by leaving it at that address addressed to the member or (3) as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for giving of notice or document to him or which the person transmitting the notice or document reasonably and bona fide believes at the relevant time will result in such notice or document being duly received by the member (4) or by publishing it by way of advertisement in appointed newspapers (as defined in the Act) or the newspapers in accordance with the requirements of the Designated Stock Exchange or (5) by any other means authorised in writing by the member concerned. In case of joint

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holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders. Without limiting the generality of the foregoing but subject to the Statutes and any rules and regulations prescribed by the Designated Stock Exchange from time to time, a notice or document may be served or delivered by the Company to any member by electronic means to such address as may from time to time be authorised by the member concerned or by publishing it on a computer network and notifying the member concerned (a “notice of availability”), in such manner as he may from time to time authorise, that it has been so published.

- 163A(3) Any such notice or document (including any Corporate Communication or a share certificate) may be served or delivered by the Company by reference to the register as it stands at any time not more than fifteen days before the date of service or delivery. No change in the register after that time shall invalidate that service or delivery. Where any notice or document is served or delivered to any person in respect of a share in accordance with these Bye-laws, no person deriving any title or interest in that share shall be entitled to any further service or delivery of that notice or document. The notice of availability may be given to the member by any of the means set out above.
- 163B(1) Any notice or document (including any Corporate Communication or a share certificate) required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or sending it through the post in a prepaid envelope or wrapper addressed to the Company or to such officer at the Company's office or principal place of business as specified from time to time;
- 163B(2) The Directors may from time to time specify the form and manner in which a notice may be given to the Company by electronic means, including one or more addresses for the receipt of an electronic communication, and may prescribe such procedures as they think fit for verifying the authenticity or integrity of any such electronic communication. Any notice may be given to the Company by electronic means only if it is given in accordance with the requirements specified by the Directors.

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- (m) By deleting the existing Bye-law 164 and substituting thereof the following new Bye-law 164:

164 Any notice or other document (including any Corporate Communication or a share certificate), if sent by mail, postage prepaid, shall be deemed to have been served or delivered on the day following that on which the letter, envelope, or wrapper containing the same is put into the post. In proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice or document was properly addressed and put into the post as prepaid mail. Any notice or document not sent by post but left by the Company at a registered address shall be deemed to have been served or delivered on the day it was so left. Any notice or document, if sent by electronic means (including through any relevant system), shall be deemed to have been given on the day following that on which the electronic communication was sent by or on behalf of the Company. Any notice or document served or delivered by the Company by any other means authorised in writing by the member concerned shall be deemed to have been served when the Company has carried out the action it has been authorised to take for that purpose. Any notice or other document published by way of advertisement shall be deemed to have been served or delivered on the day it was so published. Any notice or other document published on a computer network shall be deemed to have been served or delivered to a member on a day following that on which a notice of availability is deemed to have been given to the member."

- (n) By adding in Bye-law 170 the words "by means of facsimile or where relevant, by electronic signature" after the word "printed".

By Order of the Board
Ho Kit Man, Emily
Company Secretary

Hong Kong, 24 March 2004

Notes:

1. A member entitled to attend and vote at the above meeting (or at any adjournment thereof) is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting (or at any adjournment thereof), either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at the above meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

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3. In order to be valid, the forms of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practise in Hong Kong), must be deposited with the branch share registrars of the Company in Hong Kong, Secretaries Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding the above meeting or any adjournment thereof.
4. The register of members of the Company will be closed from 16 April 2004 (Friday) to 20 April 2004 (Tuesday), both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the proposed final dividends and attending and voting at the above meeting or any adjournment thereof, all share transfers, accompanied by the relevant share certificates, must be lodged with the branch share registrars of the Company in Hong Kong, Secretaries Limited at the above address for registration not later than 4:00 p.m. on 15 April 2004.
5. An explanatory statement containing further details regarding the proposed Resolutions set out in the notice (except Resolutions 1 to 4) convening the above meeting will be sent to members of the Company together with the annual report 2003.
6. The Directors wish to state that the above proposed Special Resolution is mainly to facilitate the flexibility under the recent amendments of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
7. The translation into Chinese language of this notice (including the Special Resolution) which contains the proposed new Bye-laws) is for reference only. In case of any inconsistency, the English version shall prevail.
8. For the sake of good corporate governance practice, the Chairman intends to demand poll voting for all the resolutions set out in the notice of the annual general meeting.