

MATRIX

MATRIX HOLDINGS LIMITED

美力時集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1005)

GENERAL DISCLOSURE UNDER LISTING RULE 13.09 LETTER OF INTENT

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

On 26th February, 2007, Matrix Holdings Limited (the “Company”) entered into a non-legally binding letter of intent (the “Letter of Intent”) in relation to the possible acquisition of a controlling equity interest in various entities involved in the business of the design and sale of a range of toy products (the “Proposed Acquisition”). The Proposed Acquisition may or may not proceed and is subject to the entering into of a formal sales and purchase agreement.

Should the Proposed Acquisition proceed, it will constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules and a further announcement will be made by the Company in compliance with the Listing Rules accordingly.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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To the best knowledge, information and belief of the directors of the Company (the “Directors”) and having made all reasonable enquiries, the potential vendors are independent third parties who are independent from the Company and are not connected persons of the Company as defined under the Listing Rules.

The Letter of Intent provides for an exclusivity period of 60 days from the date thereof for the Company to undertake due diligence on the target entities. This exercise is currently underway. The Proposed Acquisition may or may not proceed and is subject to the entering into of a formal sales and purchase agreement. Should the Proposed Acquisition proceed, it will constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules and a further announcement will be made by the Company in compliance with the Listing Rules accordingly.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

As at the date of this announcement, the board of Directors (the “Board”) comprises three executive Directors, namely Mr. Cheng Yung Pun, Mr. Yu Sui Chuen and Ms. Cheng Wing See, Nathalie; and three independent non-executive Directors, namely Dr. Loke Yu alias Loke Hoi Lam, Mr. Mak Shiu Chung, Godfrey and Mr. Wan Hing Pui.

By order of the Board
Cheng Yung Pun
Chairman

Hong Kong, 21st March, 2007

* *For identification purpose only*