MATRIX

MATRIX HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

PLACING OF EXISTING SHARES AND PROPOSED CONVERSION OF THE CONVERTIBLE LOAN STOCK BY THE CONTROLLING SHAREHOLDER RESUMPTION OF TRADING OF THE SHARES

Arranged by

Quam www.quamlimited.com 華富嘉洛證券有限公司 Quam Securities Company Limited

中國光大證券(香港)有限公司 China Everbright Securities (HK) Limited

PLACEMENT OF EXISTING SHARES

The Company has been informed by Suncorp, the controlling shareholder of the Company, that it has placed 80,000,000 existing Shares to independent investors at HK$1.80 per Share. Completion of the Placing is expected to take place on 13 February 2004.

PROPOSED CONVERSION OF THE CONVERTIBLE LOAN STOCK

On 10 February 2004, Suncorp informed the Company that it will serve a notice to the Company on or before 13 February 2004 for the full conversion of the outstanding Convertible Loan Stock held by Suncorp into new Shares.

SUSPENSION AND RESUMPTION OF TRADING OF THE SHARES

Trading in the Shares was suspended at the request of the Company with effect from 9:30 a.m. on 10 February 2004 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 11 February 2004.

PLACEMENT OF EXISTING SHARES

The Company has been informed by Suncorp, the controlling shareholder of the Company, that it has placed 80,000,000 existing Shares to independent investors through a private placement arranged by Quam Securities Company Limited and China Everbright Securities (HK) Limited.

The placement of 80,000,000 existing Shares representing about 17.29% of the existing issued share capital of the Company was made to the investors at HK$1.80 per Share. The Placing price represents a discount of about 8.63% to the closing price of HK$1.97 per Share as quoted on the Stock Exchange on 9 February 2004, the last trading day prior to the Placing, and a discount of about 5.41% to the average closing price of HK$1.903 per Share over the last ten trading days up to 9 February 2004.

The 80,000,000 Shares were placed to more than six investors who are not connected persons (as defined in the Listing Rules) of the Company. None of the investors will become a substantial shareholder of the Company immediately after the Placing.

Completion of the Placing is expected to take place on 13 February 2004.

Suncorp has confirmed that it has no present intention to further dispose its shareholding interest in the Company following completion of the Placing.

PROPOSED CONVERSION OF THE CONVERTIBLE LOAN STOCK

On 10 February 2004, Suncorp informed the Company in writing that it will serve a notice to the Company on or before 13 February 2004 to fully convert the outstanding Convertible Loan Stock held by it into new Shares. Upon full conversion of the Convertible Loan Stock, 122,000,000 new Shares will be issued to Suncorp, representing about 26.37% of the existing issued share capital of the Company.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is a table showing the existing shareholding structure and the shareholding structure upon completion of the Placing and full conversion of the Convertible Loan Stock by Suncorp.

	Existing shareholding structure as at the date of this announcement		**Upon completion of Placing and full conversion of the Convertible Loan Stock by Suncorp**	
	Number of Shares		*Number of Shares*	
Suncorp	318,494,800	68.83%	360,494,800	61.65%
Directors:				
– Cheng Wing See, Nathalie	700,000	0.15%	700,000	0.12%
– Yu Sui Chuen	604,000	0.13%	604,000	0.10%
Public	142,921,200	30.89%	222,921,200	38.13%
Total	462,720,000	100.00%	584,720,000	100.00%

Note: Save for the Convertible Loan Stock held by Suncorp, there is no outstanding options, warrants or securities convertible into Shares as at the date of this announcement.

SUSPENSION AND RESUMPTION OF TRADING OF THE SHARES

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DEFINITIONS

"Company"	Matrix Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"Convertible Loan Stock"	the 5-year, 5% unsecured, transferable, irredeemable convertible loan stock issued by the Company on 30 April 2000
"Director(s)"	the director(s) of the Company
"HK$"	Hong Kong dollar(s)
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Placing"	the private placement of 80,000,000 existing Shares held by Suncorp to the independent investors at HK$1.80 per Share
"Share(s)"	share(s) of HK$0.10 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Suncorp"	Suncorp Investments Group Limited, the controlling shareholder of the Company
"%"	per cent

By Order of the Board
Cheng Yung Pun
Chairman

Hong Kong, 10 February 2004

"Please also refer to the published version of this announcement in The Standard"