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MEXAN LIMITED

茂盛控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 22)

**VERY SUBSTANTIAL DISPOSAL
DISPOSAL OF INTEREST IN ELIZABETH HOUSE**

Reference is made to Mexan's announcement dated 29 October 2004 in relation to the Agreement which the Group entered into on 15 October 2004. Pursuant to the Agreement, the Purchaser will acquire all the issued shares of Winsworld and the Shareholder's Loan for a cash consideration of HK\$1,342,000,000 and has the option to acquire the Property directly for the same consideration. On 1 November 2004, the Purchaser notified Mexan that it has elected not to exercise the option to acquire the Property, and will, subject to the fulfillment of the conditions to the Agreement, proceed to acquire all the issued shares of Winsworld and the Shareholder's Loan.

Based on the information so far provided by Mexan, the Stock Exchange is of the view that Mexan does not comply with the requirements under Rule 14.92 in respect of the Disposal. Mexan is in the course of preparing a further submission to the Stock Exchange in this regard and intends to resolve this issue with the Stock Exchange as soon as practicable but in any event before despatch of the Circular to the Shareholders. If the Disposal does not meet the requirements under Rule 14.92 and any other requirements of the Stock Exchange, the conditions of the Disposal will not be fulfilled, and the Agreement will therefore lapse and hence the Disposal will not proceed. Mexan will issue a further announcement as and when appropriate.

As the Disposal may or may not proceed, Shareholders and the public are advised to exercise caution in dealing in the Shares.

Reference is made to the announcement of Mexan dated 29 October 2004 in relation to the Disposal ("Announcement"). Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement. On 15 October 2004, the Group and the Purchaser entered into the Agreement under which the Purchaser agreed to acquire all the issued shares of Winsworld and the Shareholder's Loan for a cash consideration of HK\$1,342,000,000. Winsworld's principal asset is the Property which is the commercial and car park complex portion of a building known as "Elizabeth House" located at numbers 250 to 254 Gloucester Road, Causeway Bay, Hong Kong.

Pursuant to the Agreement, the Group granted the Purchaser an option to acquire the Property directly instead of acquiring all the issued shares of Winsworld and the Shareholder's Loan under the same terms and conditions (including the consideration) as contained in the Agreement. Under the Agreement, the Purchaser was entitled to exercise this option within 10 working days from the date of the Agreement (i.e. by 1 November 2004) by serving a written notice on Mexan to such effect. If the option is not exercised, the transaction will proceed as an acquisition by the Purchaser of all the issued shares in Winsworld and the Shareholder's Loan. On 1 November 2004, the Purchaser notified Mexan that it has elected not to acquire the Property directly, and will proceed with the transaction as an acquisition of the entire issued shares of Winsworld and the Shareholder's Loan. Accordingly, subject to the fulfillment of the conditions to the Agreement, the Purchaser intends to acquire the issued shares of Winsworld and the Shareholder's Loan.

Based on the information so far provided by Mexan, the Stock Exchange is of the view that Mexan does not comply with the requirements under Rule 14.92 in respect of the Disposal. Mexan is in the course of preparing a further submission to the Stock Exchange in this regard and intends to resolve this issue with the Stock Exchange as soon as practicable but in any event before despatch of the Circular to the Shareholders. If the Disposal does not meet the requirements under Rule 14.92 and any other requirements of the Stock Exchange, the conditions of the Disposal will not be fulfilled, and the Agreement will therefore lapse and hence the Disposal will not proceed. Mexan will issue a further announcement as and when appropriate.

As the Disposal may or may not proceed, Shareholders and the public are advised to exercise caution in dealing in the Shares.

By Order of the Board
Yan Sheng
Chief Executive Officer

Hong Kong, 2 November 2004

As at the date of this announcement, the executive Directors are Mr. Lau Kan Shan, Mr. Yan Sheng, Mr. Yuen Hiu Kwan and Ms. Ching Yung and the independent non-executive Directors are Mr. Chan Wai Dune, Mr. Lau Wai and Mr. Cheng Chun Pong, Paul.

* For identification purposes only