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**MEXAN LIMITED**

**茂盛控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

*(Stock Code: 22)*

**ANNOUNCEMENT PURSUANT TO RULE 3.7  
OF THE TAKEOVERS CODE**

On 17 November 2006, the Board announced that the Company was advised by its controlling shareholder, Mexan Group Limited, that it was in negotiations with an independent third party on a possible disposal of its shareholding in the Company, comprised of 964,548,303 Shares, representing approximately 73.58% of the issued share capital of the Company. The Negotiations also involved a possible disposal of assets of the Company. Capitalised terms used herein shall have the same meanings as those defined in the announcement of the Company dated 17 November 2006, unless specified otherwise.

The Company is advised that as at the date hereof, the Negotiations are at an advanced stage but no agreement has been reached for any particular transaction involving the Company. Final agreement(s) may or may not be successfully reached between the parties. However, if the agreement(s) are finally reached, they may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules and may lead to a change in control of the Company. Further announcement will be made as and when appropriate.

**Shareholders of the Company and investors should exercise caution when dealing in the Shares.**

By Order of the Board  
**MEXAN LIMITED**  
**Tse On Kin**  
*Managing Director*

Hong Kong, 18 December 2006

*As at the date hereof, the executive Directors are Mr. Lau Kan Shan, Mr. Tse On Kin and Ms. Ching Yung and the independent non-executive Directors are Mr. Chan Wai Dune, Mr. Lau Wai and Mr. Tong Kwai Lai.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*\* For identification purposes only*