



MEXAN LIMITED

茂盛控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 22)

ANNOUNCEMENT DISCLOSEABLE TRANSACTION

On 24 December 2004, the Purchaser entered into the Agreement with the Vendor for the sale and purchase of the Property. The consideration for the acquisition of the Property by the Purchaser is RMB124,021,104 (equivalent to approximately of HK\$117,001,042).

The transaction contemplated under the Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

A circular in connection with the acquisition of the Property will be despatched to the shareholders of the Company as soon as practicable.

THE PROPERTY

Date of the Agreement: 24 December 2004

Vendor: Shanghai Shengtang Properties Limited (上海盛唐置業有限公司)

Purchaser: Sharpstate Limited, an indirect wholly-owned subsidiary of the Company

Property: A property known as "Datang Shengshi Villa II" Shop Nos 805, 811, 815, 819, 823, 827, 831, 833, 837, 839 and 841, Block 13, located at No.801 Yinghualu, Pudong, Shanghai, PRC (上海市浦東新區櫻花路801號大唐盛世花園二期第13幢商舖805、811、815、819、823、827、831、833、837、839及841號)

Consideration: RMB124,021,104 (equivalent to approximately of HK\$117,001,042)

The Agreement was entered into between the Purchaser and the Vendor, which is also the developer of the Property, pursuant to which the parties have agreed on the sale and purchase of the Property, which is a shopping complex and has a gross floor area of approximately 2,565.60 square meters with construction work completed in late September 2004. The Property was completed in late September 2004 is now vacant and has not yet put to use.

The Company has obtained PRC legal opinion which confirmed that the Vendor has obtained good title on the Property (including its underlying land). The Property (including its underlying land) will be assigned to the Purchaser without any legal impediments.

The consideration for the purchase of the Property was settled in cash on 29 December 2004. The Property is to be transferred to the Purchaser on or before 31 January 2005 and the commercial property title certificate is expected to be received on or before 17 March 2005.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and the ultimate beneficial owners of the Vendor are third parties independent of the Company and its connected persons (as defined in the Listing Rules) save that the controlling shareholder of the Company, namely Mr. Lau Kan Shan, is indirectly interested in 0.56% in the Vendor through his 15% interest in 上海廣和投資有限公司 which holds 5% interest in the Vendor.

REASONS FOR AND BENEFITS OF THE ACQUISITION OF THE PROPERTY

The Directors consider that the acquisition of the Property will enable the Company to expand its property business in the PRC and thereby diversify the Group's revenue base. The property is located in the Pudong district and adjacent to the "Shanghai New International Expo Centre" attracting high volume of travellers. With the presence of the Shanghai New International Expo Centre, which is expected to be expanded, it is likely to attract more visitors and thereby fosters the development of the retail business close to it. The Directors are of the view that the acquisition of the Property is in the interest of the Company and the terms of the Agreement are on normal commercial terms, which are fair and reasonable as far as the shareholders of the Company are concerned.

Depending on the market situation, the Property will first be rented out and then may be resold at a profit and thereby generating revenue for the Group. The acquisition of the Property was settled through internal resources.

GENERAL

The Group engages in the businesses of toll-road investment, securities investment, hotel ownership, and property investment. As regards property investment, it is currently holding investments in commercial complex principally namely Elizabeth House Commercial Podium, and hotel ownership currently holds property namely The Mexan Harbour Hotel at Rambler Crest, Tsing Yi in which the Group has made full payment and has commenced business in December 2004. The toll-road investment currently comprises the 44.9% equity interest in Ningbo Beilun Port Expressway Company Limited. The Purchaser is one of the subsidiaries in the Group which pursues the business of property investment.

The Vendor engages in the business of property development in PRC.

The transaction contemplated under the Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and to the best of the Directors' knowledge, information and belief having made all reasonable enquiry the transaction contemplated under the Agreement does not constitute a connected transaction.

The Directors confirm that the consideration for the Property have been determined after arm's length negotiations between the parties by reference to the market value of the property. The market value of RMB129,510,000 represented the value of the Property as at 20 November 2004 according to a valuation report issued by an independent valuer namely "Shanghai Jilian Assets Appraisal Co. Ltd" (上海集聯資產評估有限公司) with "Asset Valuation Qualification Certificate" #010047 approved by Ministry of Finance of People's Republic of China on 15 October 2003. Under this license, the valuer is eligible to value all assets other than securities.

A circular in connection with the acquisition of the Property will be despatched to the shareholders of the Company as soon as practicable.

DEFINITIONS

In this announcement, the following terms have the following meanings:

"Agreement"	the agreement dated 24 December 2004 between the Vendor and the Purchaser for the sale and purchase of the Property
"Company"	Mexan Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed in the Stock Exchange
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	The People's Republic of China which for the purposes of this announcement excludes the Hong Kong Special Administrative Region and the Macau Special Administrative Region and Taiwan
"Purchaser"	Sharpstate Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company and engages in the business of investment holding and is incorporated solely for the purpose of holding the Property
"RMB"	Renminbi, the lawful currency of mainland PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor"	Shangstate Shengtang Properties Limited (上海盛唐置業有限公司), a company (limited by shares) established in the PRC and engages in the business of property development and real estate management

In this announcement, an exchange rate of HK\$1 to RMB1.06 has been used.

By Order of the Board of Directors
Lau Kan Shan
Chairman

Hong Kong, 18 January 2005

As at the date of this announcement, the executive Directors are Mr. Lau Kan Shan, Mr. Yuen Hiu Kwan and Ms. Ching Yung, the non-executive Director is Mr. Leung Heung Ying and the independent non-executive Directors are Mr. Chan Wai Dune, Mr. Lau Wai and Mr. Tong Kwai Lai.

* For identification purpose only