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MEXAN LIMITED

茂盛控股有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 22)

CONNECTED TRANSACTION

The board of directors of the Company announces that on 26 March, 2004, Winsworld, an indirect wholly-owned subsidiary of the Company, as landlord has entered into the Agreement with Kind City as tenant whereby Winsworld has agreed to let the Premises to Kind City at the monthly rent of HK\$800,000.00 and to grant a licence for use of the Signage at a monthly licence fee of HK\$1.00, both for a term of six (6) years.

Kind City is wholly-owned by Mr. Chan, a connected person. Accordingly, the Lease constitutes a connected transaction for the Company under the Listing Rules. As the total annual rent and licence fee receivable by Winsworld under the Lease does not exceed 3% of the consolidated net asset value of the Company, the Lease falls within the de minimus provisions under Rule 14.25(1) of the Listing Rules and is subject to the disclosure requirement under the Listing Rules. The relevant details of the Lease will be included in the Company's next published annual report and accounts in accordance with Rule 14.25(1)(A) to (D) of the Listing Rules.

1. LEASE

1.1 Details of the Agreement

Date:	26 March, 2004
Parties:	Winsworld as landlord Kind City as tenant
Premises:	Whole of 5th Floor of the Podium, Elizabeth House, Nos. 250-254 Gloucester Road, Causeway Bay, Hong Kong
Term:	Six (6) years commencing from 1 June, 2004 to 31 May, 2010 (both days inclusive)
Rent:	HK\$800,000.00 per month (Kind City is responsible to pay the rates and service charges)
Rental Deposit:	HK\$800,000.00 as rental deposit will be paid upon the signing of the formal tenancy agreement on or before 1 June, 2004
Signage:	Winsworld has also agreed to grant a licence to Kind City to use the Signage (with a size of approximately 266 sq.m.) for identification purpose at a licence fee of HK\$1.00 per month (Kind City is responsible to pay the rates and service charges). The licence will terminate upon the termination or early termination of the Lease

1.2 Condition

The Lease is subject to and conditional upon the necessary consent and approval for the leasing of the Premises being obtained by Winsworld.

1.3 Reason for the Lease

The rent and the licence fee for the Lease have been arrived at on an arm's length basis and on the terms no less favourable to the Company than those available to or from independent third parties and after negotiation between the parties to the Agreement and are on normal commercial terms with reference to the prevailing market condition and the current rentals and licence fees of the premises in the same building. As the Lease provides a stable income to Winsworld, the directors, including the independent non-executive directors, of the Company believe that the Lease is fair and reasonable and is in the best interest of the Company and its shareholders as a whole.

2. CONNECTION BETWEEN THE PARTIES TO THE LEASE

Winsworld is an indirect wholly-owned subsidiary of the Company. Kind City is an associate of Mr. Chan, a connected person of the Company. Accordingly, the Lease constitutes a connected transaction for the Company under the Listing Rules. The total annual amount under the Lease does not exceed 3% of the consolidated net asset value of the Company and falls within the de minimus provisions under Rule 14.25(1) of the Listing Rules. Details of the Lease will be included in the next published annual report and accounts of the Company in accordance with Rule 14.25(1)(A) to (D) of the Listing Rules.

3. INFORMATION RELATING TO THE COMPANY

The Company is principally engaged in the business of property development and investment, securities investment and trading and investment holding.

4. DEFINITIONS

"Agreement"	the agreement in respect of the Lease dated 26 March, 2004 made between Winsworld as landlord and Kind City as tenant
"associate"	has the same meaning ascribed to it under the Listing Rules
"Company"	MEXAN LIMITED, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
"connected person"	has the same meaning ascribed to it under the Listing Rules
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Kind City"	Kind City Limited, a company incorporated in Hong Kong and is wholly-owned by Mr. Chan
"Lease"	the lease of the Premises and the licence granted for use of the Signage by Winsworld to Kind City pursuant to the terms of the Agreement
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Chan"	Mr. Chan Boon Ho, Peter, a connected person to the Company by virtue of having been the chairman and an executive director of the Company in the preceding 12 months (who has resigned as the chairman and an executive director of the Company on 21 July, 2003)
"Premises"	whole of 5th Floor of the Podium, Elizabeth House, Nos. 250-254 Gloucester Road, Causeway Bay, Hong Kong
"Signage"	the banner and the signages and/or the signage spaces at the external wall of the Elizabeth House, Nos. 250-254 Gloucester Road, Causeway Bay, Hong Kong as shown on the plans annexed to the Agreement
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Winsworld"	Winsworld Properties Limited, a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company

By Order of the Board
MEXAN LIMITED
Lau Kan Shan
Chairman

Hong Kong, 30 March, 2004

* For identification purposes only