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MEXAN LIMITED

茂盛控股有限公司*

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

ANNOUNCEMENT
relating to concentration of public float in
the hands of a limited number of shareholders

The Stock Exchange has indicated that based on information it had received from the SFC, there was a high concentration of the Company's public float in the hands of a limited number of shareholders as at 3 March 2004. As at 3 March 2004 (i) the Directors noted that a total of 973,548,303 of the Company's shares were held by its controlling shareholder and senior management, representing approximately 74.27% of the Company's total issued share capital and (ii) the Company has been advised by the Stock Exchange that the Stock Exchange had received information from the SFC that approximately 255.2 million shares, representing approximately 19.46% of the Company's total issued share capital were held by 15 other shareholders of the Company. Accordingly, an aggregate of approximately 93.73% of the total issued share capital of the Company were held by the controlling shareholder, senior management and the 15 other shareholders of the Company, leaving only 6.27% of the total issued share capital of the Company in the hands of other investors.

The Directors note that (i) during the period from 2 July 2003 to 22 September 2003, the shares of the Company were traded at a price range between HK\$0.79 and HK\$0.95 and the average daily turnover of shares was approximately 1.9 million shares; and (ii) during the period from 23 September 2003 to 6 October 2003, the shares of the Company were traded at a price range between HK\$0.90 and HK\$2.75 and the average daily turnover of shares was approximately 29.2 million shares. During the period from 22 September 2003 to 6 October 2003, the closing share price increased from a low of HK\$0.86 on 22 September 2003 to a high of HK\$2.675 on 6 October 2003, an increase of approximately 211%. As of 3 March 2004, the Company's shares closed at HK\$2.55 with a trading volume of approximately 9.9 million shares. The closing prices of the Company's shares has increased by approximately 193% from HK\$0.87 on 2 July 2003 to HK\$2.55 on 3 March 2004.

In light of the notification from the Stock Exchange, the Directors will prepare the necessary documents to conduct an investigation by issuing relevant notification to the relevant persons under section 329 of the SFO to establish the identity of the shareholders and of their respective shareholdings in the Company. Further announcement on the findings of the investigation will be made by the Company upon completion of such investigation.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is issued at the request of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") to provide information to the public in respect of possible concentration of public float in the hands of a limited number of shareholders.

On 30 March 2004, MEXAN LIMITED (the "Company") was informed by the Stock Exchange that, according to information provided by the Securities and Futures Commission ("SFC"), there appeared to be a high concentration of the Company's public float in the hands of a limited number of shareholders as at 3 March 2004. As at 3 March 2004 (i) the Directors noted that a total of 973,548,303 shares were held by its controlling shareholder and senior management, representing approximately 74.27% of the Company's total issued share capital and (ii) the Company has been advised by the Stock

Exchange that the Stock Exchange had received information from the SFC that approximately 255.2 million shares, representing approximately 19.46% of the total issued share capital of the Company were held by 15 other shareholders of the Company. Accordingly, an aggregate of approximately 93.73% of the total issued share capital of the Company were held by the controlling shareholder, senior management and the 15 other shareholders of the Company, leaving only 6.27% of the total issued share capital of the Company in the hands of other investors.

According to the notifications received by the Company in respect of disclosure of interests under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), Mexan Group Limited, a company wholly owned by a director of the Company (the "Director"), Mr. Lau Kan Shan, being a controlling shareholder of the Company and another Director, Mr. Yan Sheng, are interested in approximately 73.58% and approximately 0.69% of the issued share capital of the Company respectively, representing in aggregate approximately 74.27% of the Company's issued share capital. Save as disclosed herein and according to the information available to the Company, no other Directors or any of their respective associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) is interested in the share capital of the Company and no other shareholder is entitled to exercise more than 10% of the voting rights at general meetings of the Company. The remaining 25.73% of the total issued share capital of the Company are in public hands. Accordingly, the Company is in compliance with the public float requirement under Rule 8.08(1) of the Listing Rules.

The Directors note that (i) during the period from 2 July 2003 to 22 September 2003, the shares of the Company were traded at a price range between HK\$0.79 and HK\$0.95 and the average daily turnover of shares was approximately 1.9 million shares; and (ii) during the period from 23 September 2003 to 6 October 2003, the shares of the Company were traded at a price range between HK\$0.90 and HK\$2.75 and the average daily turnover of shares was approximately 29.2 million shares. During the period from 22 September 2003 to 6 October 2003, the closing share price increased from a low of HK\$0.86 on 22 September 2003 to a high of HK\$2.675 on 6 October 2003, an increase of approximately 211%. As of 3 March 2004, the Company's shares closed at HK\$2.55 with a trading volume of approximately 9.9 million shares. The closing prices of the Company's shares has increased approximately by 193% from HK\$0.87 on 2 July 2003 to HK\$2.55 on 3 March 2004.

In light of the notification from the Stock Exchange, the Directors will prepare the necessary documents to conduct an investigation by issuing relevant notification to the relevant persons under section 329 of the SFO to establish the identity of the shareholders and of their respective shareholdings in the Company. Further announcement on the findings of the investigation will be made by the Company upon completion of such investigation.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

The board of Directors as of the date of this announcement comprises of Mr. Lau Kan Shan, Mr. Yan Sheng, Mr. Yuen Hiu Kwan and Ms. Ching Yung, all of whom are executive Directors, Mr. Lau Wai and Mr. Cheng Chun Pong, Paul, both of whom are the independent non-executive Directors.

By Order of the Board
Lau Kan Shan
Chairman

Hong Kong, 8 April 2004

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 and belief 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

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