MEXAN LIMITED
茂盛控股有限公司*

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

FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2009

RESULTS

The board of directors (the "Board") of MEXAN LIMITED (the "Company") is pleased to announce that the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2009, together with comparative figures for the corresponding year 2008 are as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

	Notes	**2009** *HK$'000*	2008 *HK$'000*
Continuing operations			
Turnover	*3*	**75,768**	74,804
Direct costs		**(25,356)**	(24,073)
Gross profit		**50,412**	50,731
Other revenue	*3*	**17,488**	582
Administrative expenses		**(39,560)**	(42,617)
Finance costs	*4*	**(10,201)**	(20,081)
Profit/(loss) before taxation	*5*	**18,139**	(11,385)
Taxation	*6*	**(4,234)**	(24)
Profit/(loss) for the year from continuing operations		**13,905**	(11,409)
Discontinued operations			
Loss for the year from discontinued operations	*7*	**—**	(822)
Profit/(loss) for the year		**13,905**	(12,231)
Attributable to:			
Equity holders of the Company		**14,066**	(11,619)
Minority interests		**(161)**	(612)
		13,905	(12,231)
Dividends	*8*	**—**	974,531
Basic earnings/(loss) per share attributable to equity holders of the Company (HK cents)			
— from continuing and discontinued operations	*9*	**1.07**	(0.89)
— from continuing operations	*9*	**1.07**	(0.82)

* *For identification purpose only*

CONSOLIDATED BALANCE SHEET

As at 31 March 2009

	Notes	**2009**	2008
		HK$'000	*HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**613,976**	631,461
Intangible assets		**8,847**	10,014
Prepaid lease payments		**11,245**	11,547
Club debentures		**1,350**	1,350
		635,418	654,372
Current assets			
Inventories		**276**	348
Prepaid lease payments		**302**	302
Trade and other receivables, deposits and prepayments	*10*	**4,398**	3,655
Loans receivable		**125,225**	—
Cash and cash equivalents		**5,248**	8,478
		135,449	12,783
Current liabilities			
Other payables, deposits received and accrued charges		**7,354**	9,728
Amount due to a related company		**—**	607
Amount due to a minority shareholder		**6,414**	6,408
Dividend payable		**1,515**	1,522
Bank loans		**309,182**	203,625
Tax payable		**2,814**	24
		327,279	221,914
Net current liabilities		**(191,830)**	(209,131)
Total assets less current liabilities		**443,588**	445,241

CONSOLIDATED BALANCE SHEET *(Continued)*
As at 31 March 2009

	Notes	**2009** *HK$'000*	2008 *HK$'000*
Total assets less current liabilities		**443,588**	445,241
Non-current liabilities			
Bank loans		**213,271**	230,249
Deferred tax liabilities		**1,420**	—
		214,691	230,249
Net assets		**228,897**	214,992
EQUITY			
Share capital		**26,218**	131,092
Reserves		**203,452**	84,512
Equity attributable to equity holders of the Company		**229,670**	215,604
Minority interests		**(773)**	(612)
Total equity		**228,897**	214,992

Notes:

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations ("HK(IFRIC)") issued by Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The financial statements are prepared under the historical cost convention.

The Group has obtained its principal banker's renewed banking facilities letter in May 2009 which the bank will extend its banking facilities to the Group of up to HK$581,000,000 for the next coming twelve months. Drawdown from this facility will be subject to the bank's normal approval procedures. As at 31 March 2009, about HK$9,500,000 of these facilities still remain unused.

The financial statements have been prepared on a going concern basis, assuming that the Group will continue to operate as a going concern, notwithstanding the fact that the Group suffered net current liabilities of HK$191,830,000 as at 31 March 2009 (2008: HK$209,131,000). The validity of the Company's and the Group's ability to continue as a going concern depends on the success of the Group's future operations and the ability of the Group to renew or replace the banking facilities as they fall due.

Based on the above, the directors believe that the Group and the Company will have sufficient cash resources to satisfy their future working capital and other financing requirements. Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments that would be required should the Group and the Company fail to continue as a going concern.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all of the new and revised HKFRSs, issued by the HKICPA that are relevant to its operations and effective for the current accounting period of the Group and the Company. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies.

In particular, the adoption of HK(IFRIC) — Int 11 "HKFRS 2 — Group and treasury share transactions", HK(IFRIC) — Int 12 "Service concession arrangements", HK(IFRIC) — Int 14 "HKAS 19 — The limit on a defined benefit asset, minimum funding requirements and their interaction" and HKAS 39 & HKFRS 7 Amendments "Reclassification of financial assets" has no impact on the financial statements.

At the date of authorisation of the financial statements, the following HKFRSs, HKASs and interpretations were issue but not yet effective:

		Effective date
HKAS 1 (Revised)	Presentation of financial statements	(i)
HKAS 23 (Revised)	Borrowing costs	(i)
HKAS 32 & HKAS 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation	(i)
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate	(i)
HKFRS 8	Operating segments	(i)
HK(IFRIC) — Int 15	Agreements for the construction of real estates	(i)
HKFRS 2 (Amendments)	Vesting conditions and cancellations	(i)
HKFRS 7 (Amendments)	Improving disclosures about financial instruments	(i)
HKAS 27 (Revised)	Consolidated and separate financial statements	(ii)
HKAS 39 (Amendment)	Eligible hedged items	(ii)
HKFRS 1 (Revised)	First-time adoption of HKFRSs	(ii)
HKFRS 3 (Revised)	Business combinations	(ii)
HK(IFRIC) — Int 17	Distributions of non-cash assets to owners	(ii)
HK(IFRIC) — Int 13	Customer loyalty programmes	(iii)
HK(IFRIC) — Int 16	Hedges of a net investment in a foreign operation	(iv)
HK(IFRIC) — Int 9 & HKAS 39 (Amendments)	Embedded derivatives	(v)
HK(IFRIC) — Int 18	Transfers of assets from customers	(vi)
Various	Annual improvements to HKFRSs 2008	(vii)
Various	Annual improvements to HKFRSs 2009	(viii)

Effective date

(i) Annual periods beginning on or after 1 January 2009
(ii) Annual periods beginning on or after 1 July 2009
(iii) Annual periods beginning on or after 1 July 2008
(iv) Annual periods beginning on or after 1 October 2008
(v) Annual periods ending on or after 30 June 2009
(vi) Transfers of assets from customers received on or after 1 July 2009
(vii) Generally effective for annual periods beginning on or after 1 January 2009 unless otherwise stated in the specific HKFRSs
(viii) Generally effective for annual periods beginning on or after 1 January 2010 unless otherwise stated in the specific HKFRSs

The Group is in the process of making an assessment of what the impact of these new or revised standards or interpretations is expected to be in the period of initial application.

3. TURNOVER AND OTHER REVENUE

Turnover is the Group's revenue, which represents the service provided, net of rebates and discounts arrived from hotel operation. An analysis of the Group's turnover and other revenue are as follows:

	2009	2008
	HK$'000	*HK$'000*
From continuing operations		
Turnover		
Hotel operations and management services	**75,768**	74,804
Other revenue		
Loan interest income and arrangement fee income *(Note)*	**17,083**	—
Bank interest income	**12**	217
Other interest income	**—**	321
Other income	**393**	44
	17,488	582
Total revenues	**93,256**	75,386
From discontinued operations *(Note 7)*		
Turnover		
Toll road income	**—**	5,586
Other revenue		
Bank interest income	**—**	11
Total revenues	**—**	5,597

Note: During the year, the Group had entered into several loan agreements with individual third party borrowers.

(a) Primary reporting format — business segments

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment. The Group's operating businesses are structured and managed separately according to the nature of their operations and the services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments.

During the year, turnover, operating profit and assets of the Group are entirely derived from one business and which is the hotel operation in Hong Kong. Accordingly, no analysis by business segment is presented.

For the year ended 31 March 2008, the Group mainly organised into hotel operation and toll road operation. On 12 April 2007, the Group had disposed of its toll road operation and is detailed in Note 7.

	Continuing operations	Discontinued operations		
	Hotel operation	Toll road operation	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	74,804	5,586		80,390
Segment results	17,697	2,981		20,678
Unallocated corporate income and expenses (net)				(10,413)
				10,265
Interest income				549
Finance costs				(23,021)
Loss before taxation				(12,207)
Taxation				(24)
Loss for the year				(12,231)
Segment assets	648,254	—		648,254
Unallocated corporate assets				18,901
Consolidated total assets				667,155
Segment liabilities	440,529	—		440,529
Unallocated corporate liabilities				11,634
Consolidated total liabilities				452,163
Capital expenditure	49	—	12,000	12,049
Depreciation	17,614	209	—	17,823
Amortisation	1,167	1,737	—	2,904

(b) Secondary reporting format — geographical segments

The following is an analysis of the Group's turnover, analysed by the geographical markets:

	2009	2008
	HK$'000	*HK$'000*
From continuing operations		
Hong Kong	**75,768**	74,804
From discontinued operations		
People's Republic of China	**—**	5,586
	75,768	80,390

The following is an analysis of the carrying amount of segment assets, additions to intangible assets, property, plant and equipment, and leasehold land analysed by the geographical areas in which the assets are located:

	Carrying amount of segment assets		**Additions to intangible assets, property, plant and equipment, and leasehold land**	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
From continuing operations				
Hong Kong	**770,867**	667,155	**150**	12,049

4. FINANCE COSTS

Finance costs comprise the following:

	2009	2008
	HK$'000	*HK$'000*
From continuing operations		
Interest on bank loans		
— wholly repayable within five years	**5,149**	9,763
— not wholly repayable within five years	**5,031**	9,859
Interest on other loans wholly repayable within five years	**—**	430
Total borrowing costs incurred	**10,180**	20,052
Bank charges	**21**	29
	10,201	20,081
From discontinued operations *(Note 7)*		
Interest on bank loans and overdrafts not wholly repayable within five years	**—**	2,940

5. PROFIT/(LOSS) BEFORE TAXATION

	2009	2008
	HK$'000	*HK$'000*
Profit/(loss) before taxation (including continuing and discontinued operations) is stated after charging the following:		
Cost of services provided	**26,718**	24,073
Auditors' remuneration	**410**	410
Depreciation of property, plant and equipment		
— from continuing operations	**17,635**	17,614
— from discontinued operations	**—**	209
	17,635	17,823
Amortisation of intangible assets		
— from continuing operations	**1,167**	1,167
— from discontinued operations	**—**	1,737
	1,167	2,904
Release of prepaid lease payments to profit or loss	**302**	151
Loss on disposal of property, plant and equipment	**—**	171
Staff costs (including directors' emoluments)		
— Salaries and allowances	**23,800**	24,970
— Retirement benefit cost	**929**	881
	24,729	25,851

The MPF contributions made by the Group for the eligible employees in Hong Kong during the year amounted to HK$929,000 (2008: HK$881,000).

6. TAXATION

(a) With effect from the year of assessment 2008/09, Hong Kong profits tax is provided at the rate of 16.5% (2008: 17.5%) on the estimated accessible profits for the year.

The income tax in the consolidated income statement represents:

	2009	2008
	HK$'000	*HK$'000*
Current year tax charge	**2,814**	24
Deferred tax charge	**1,420**	—
	4,234	24

(b) The taxation charge for the year can be reconciled to the accounting profit/(loss) as follows:

	2009	2008
	HK$'000	*HK$'000*
Profit/(loss) before taxation		
— from continuing operations	**18,139**	(11,385)
— from discontinued operations	**—**	(822)
	18,139	(12,207)
Calculated at the tax rate of 16.5% (2008: 17.5%)	**2,993**	(2,136)
Tax effect of income and expenditure not subject to taxation	**282**	119
Tax effect of expenses not deductible for tax purposes	**2,318**	1,900
Tax effect of income non-taxable for tax purpose	**(272)**	(38)
Unrecognised tax losses and deductible temporary differences	**—**	179
Utilisation of tax losses previously not recognised	**(1,087)**	—
Taxation charge	**4,234**	24

7. DISCONTINUED OPERATIONS

On 12 April 2007, the Group disposed of its business of toll road operation and management by distribution in specie of shares in Inventive Limited and its subsidiaries.

The results of the discontinued operations for the year ended 31 March 2008 are set out below.

	Notes	*HK$'000*
Turnover	*3*	5,586
Direct costs		(1,738)
Gross profit		3,848
Other revenue	*3*	11
Administrative expenses		(1,741)
Finance costs	*4*	(2,940)
Loss before taxation		(822)
Taxation		—
Loss for the year		(822)

	HK$'000
Net cash inflow from operating activities	4,679
Net cash inflow from investing activities	—
Net cash outflow from financing activities	(1,990)
	2,689

8. DIVIDENDS

No dividend has been paid or declared by the Company during the year (2008:HK$974,531,000). Details for the paid and declared dividend for the year ended 31 March 2008 are as follows:

	2008
	HK$'000
Distribution in specie *(note (a))*	884,536
Special cash dividend, HK$0.06865 per share *(note (b))*	89,995
	974,531

Notes:

(a) Pursuant to the resolution passed by the independent shareholders in the special general meeting held on 12 April 2007, the Group distributed the net assets of its subsidiaries with a carrying amount of HK$884,536,000 to shareholders in the form of dividend in specie for the year ended 31 March 2008.

(b) On 12 April 2007, a special cash dividend was approved by shareholders at the special general meeting and declared.

9. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share from continuing and discontinued operations attributable to the equity holders of the Company is based on the following data.

Profit/(loss)

	2009	2008
	HK$'000	*HK$'000*
Profit/(loss) for the year from continuing operations	**14,066**	(10,797)
Loss for the year from discontinued operations *(note)*	**—**	(822)
Profit/(loss) for the year attributable to equity holders of the Company	**14,066**	(11,619)

Number of shares

	2009	2008
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**1,310,925,244**	1,310,925,244

No diluted earnings/(loss) per share is shown as the Company has no potential dilutive ordinary shares at 31 March 2009 and 2008.

Note:

Basic loss per share from the discontinued operations is 0.06 HK cents, which is calculated based on the loss for the year ended 31 March 2008 from discontinued operations attributable to equity holders of the Company of HK$822,000 and the weighted average number of ordinary shares as at 31 March 2008 for the purpose of basic loss per share detailed above.

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2009	2008
	HK$'000	*HK$'000*
Group		
Trade receivables *(note (a))*	**3,098**	2,609
Other receivables	**79**	132
Deposits and prepayments	**1,221**	914
	4,398	3,655
Company		
Deposits and prepayments	**72**	66

Notes:

(a) The Group allows a credit period from nil to one month to its trade customers. All the trade receivables are expected to be recovered within one year. The following is an ageing analysis of trade receivables at the balance sheet date:

	2009	2008
	HK$'000	*HK$'000*
Within 30 days	**2,797**	2,513
31 — 60 days	**301**	27
61 — 90 days	**—**	—
Over 90 days	**—**	69
	3,098	2,609

(b) No material allowance for doubtful debts was made during the year. All of the Company's trade receivable were neither past due nor impaired, which relate to a wide range of customers for whom there was no recent history of default.

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 March 2009 (2008: Nil).

BUSINESS REVIEW

Results

Turnover of the Group for the year ended 31 March 2009 amounted to approximately HK$75.8 million which solely comprised the turnover generated from the hotel operation, representing an increase of 1% when compared with the turnover of approximately HK$74.8 million generated for last year.

The Group recorded a profit attributable to equity holders of the Company of approximately HK$14.1 million for the year ended 31 March 2009, most of which were profit recorded from the non-recurring money lending business and the receivables were outstanding, as compared to a loss attributable to equity holders of the Company of approximately HK$11.6 million for last year. The change from loss to profit in this year was mainly attributable to the decrease in interest expense of the Group as a result of the declining interest rate for HKD denominated loan and the profit generated from the non-recurring money lending business.

The Group has recorded a loss attributable to equity holders of the Company in recent years. For the year ended 31 March 2006 and the year ended 31 March 2007, the Group recorded a loss attributable to equity holders of the Company of approximately HK$108.9 million and HK$92.3 million respectively. Since the completion of the group reorganisation and Winland Wealth (BVI) Limited became the substantial shareholder in April 2007, the Group has been striving for improving the Group's operation to minimize the loss. The loss attributable to equity holders of the Company for the year ended 31 March 2008 was reduced to HK$11.6 million.

Review of operation

Hotel operation

The Group operates the Mexan Harbour Hotel, a 800-room hotel in Tsing Yi, maintained an average occupancy rate of approximately 91% for the year under review, while according to the figure provided by the Census and Statistics Department, the average hotel accommodation occupancy rate was approximately 85% in the year 2008.

The Group has generated steady revenue from the hotel operation. Turnover from the hotel operation for the year ended 31 March 2009 amounted to approximately HK$75.8 million, as compared with approximately HK$74.8 million for last year.

Others

Approximately HK$17.1 million of other income generated for the year ended 31 March 2009 which represented the loan interest income and loan arrangement fee income generated from money lending business, most of which were outstanding receivables. The loan interest income and loan arrangement fee income was substantially generated from a loan to a third party amounted to HK$104 million and this loan will be expired on 7 July 2009. The income generated from money lending business was non-recurring. According to the loans documents, the Group shall be entitled to receive overdue interest accrued on the outstanding interest receivables.

Proposed acquisition during the year

On 31 August 2008 and 12 September 2008, the Company entered into agreements with related companies of Winland Wealth (BVI) Limited (substantial shareholder of the Company) in respect of acquisition of companies which main activities are holding of two commercial properties located in Central. The acquisition constituted a connected transaction under the Listing Rules. Details of the transaction have been set out in the Company's circular dated 2 October 2008. The acquisition was not passed by independent shareholders in the Special General Meeting held on 24 October 2008, and the results were published on the Company's announcement dated 24 October 2008.

Prospects

The adverse effects to the overall economy caused by the global financial crisis are unprecedented. The hotel business in Hong Kong was unavoidably be affected and even worsened by the outbreak of the swine flu. The financial crisis coupled with the spread of the swine flu, should they continue, may further hinder the recovery of the global economy, which would have further impact to the hotel business. The Group may suffer a loss in the coming year should the interest rate rise.

The management will regularly conduct review of the Group's financial position and business activities in order to formulate its business and strategic development plans and continue to explore further suitable investment opportunities for the Group.

Liquidity and Financial Information

During the year under review, cashflow of the Group was mainly generated from business operations. As at 31 March 2009, the Group's total borrowings amounted to approximately HK$522 million compared with approximately HK$434 million as at 31 March 2008. The increase of the Group's total borrowings was due to the financing for the money lending business.

As at 31 March 2009, cash and bank balances amounted to approximately HK$5 million compared with cash and bank balances of approximately HK$8 million last year. The Group's net assets as at 31 March 2009 amounted to approximately HK$229 million compared with approximately HK$215 million last year.

Gearing ratio of the Group which is expressed as a percentage of total borrowings to total equity was approximately 228% as at 31 March 2009 compared to approximately 202% as at 31 March 2008. Net gearing ratio of the Group which is expressed as a percentage of net borrowings (total borrowings less cash and bank balance) to total equity was approximately 226% compared with approximately 198% last year.

Of the Group's total borrowings as at 31 March 2009, approximately HK$309 million (59%) would be due within one year, approximately HK$17 million (3%) would be due in more than one year but not exceeding two years, approximately HK$51 million (10%) would be due in more than two years but not exceeding five years and the remaining balance of approximately HK$145 million (28%) would be due after five years.

The total borrowings were denominated in HKD and bear a variable interest rate.

The above borrowings were secured by the hotel property, corporate guarantee from the Company and guarantees from directors and their related companies.

Treasury Policies

The Group generally financed its operations with internally generated resources and credit facilities. Bank deposits are denominated in HKD.

Foreign Exchange Exposure

The Group has limited exposure to foreign exchange fluctuations as the Group's transactions including the borrowings are mainly recorded in the currency most connected with the Group's businesses in the countries concerned and the borrowings were balanced by assets in the same currencies.

In addition, the Group had not implemented major hedging or other alternative measures during the year ended 31 March 2009 as the foreign currency risk exposure was considered to be minimal. As at 31 March 2009, the Group had no significant exposure under foreign exchange contracts, interest or currency swaps or other financial derivatives.

Equity

Total equity of the Group as at 31 March 2009 was approximately HK$229 million compared with approximately HK$215 million last year. Total equity attributable to equity holders of the Company as at 31 March 2009 was approximately HK$230 million compared with approximately HK$216 million last year. The increase was resulted from the profit recorded for the year under review.

Employee Information and Emolument Policy

As at 31 March 2009, the total number of employees of the Group was 135 (2008: 134). Remuneration packages are generally structured by reference to market terms and individual qualifications. The emoluments of the Directors are determined having regard to the comparable market statistics. No director of the Company, or any of his associates, and executive is involved in dealing his own remuneration. The remuneration policies of the Group are normally reviewed on periodic basis. The Group participates in pension schemes which cover all the eligible employees of the Group.

Contingent Liability

As at 31 March 2009, the Company had provided guarantees to banks in respect of loans granted to its subsidiaries amounting to approximately HK$522 million.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors of the Company, the Company has complied with all the applicable code provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year under review, except for the deviation from code provision A.4.2 of the CG Code as follows:

Under the code provision A.4.2 of the CG Code, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, in accordance with the Bye-laws, the Chairman and Managing Director are not subject to retirement by rotation or taken into account on determining the number of Directors to retire. This constitutes a deviation from code provision of A.4.2 of the CG Code. As continuation is a key factor to the successful implementation of business plans, the Board believes that the roles of the Chairman and Managing Director provide the Group with strong and consistent leadership and are beneficial to the Company especially in planning and execution of business strategies and also believes that the present arrangement is beneficial to the Company and the shareholders of the Company as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in Appendix 10 of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules. Having made specific enquiry to all directors, all directors confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transaction throughout the year.

REVIEW BY AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee comprises of three members, including Mr. Lam Yiu Pang Albert, Dr. Tse Kwing Chuen and Mr. Ng Hung Sui Kenneth. The Audit Committee has reviewed with BDO Limited, the new auditor *(note)*, the audited financial statements for the year ended 31 March 2009 and has also discussed auditing, internal control and financial reporting matters of the Group.

Note:

Shu Lun Pan Horwath Hong Kong CPA Limited, the auditors of the Company for the financial year ended 31 March 2008, changed their name to Shu Lun Pan Hong Kong CPA Limited and merged their business with BDO Limited on 1 May 2009, and that as a result, Shu Lun Pan Hong Kong CPA Limited have resigned as auditors of the Company with effect from 19 May 2009.

The Board considers that it is in the best interest of the Company if the auditors are able to continue to serve the Company under the more internationally renowned name of BDO Limited and has therefore appointed BDO Limited to fill the casual vacancy caused by the resignation of Shu Lun Pan Hong Kong CPA Limited as auditors of the Company on 25 May 2009. BDO Limited will hold office as auditors of the Company until the conclusion of the forthcoming annual general meeting.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its listed securities during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year.

By Order of the Board
MEXAN LIMITED
Lun Chi Yim
Chairman

Hong Kong, 3 July 2009

As at the date of this announcement, the Executive Directors are Mr. Lun Chi Yim, Mr. Lun Yiu Kay Edwin and Mr. Ng Tze Ho Joseph and the Independent Non-Executive Directors are Dr. Tse Kwing Chuen, Mr. Ng Hung Sui Kenneth and Mr. Lam Yiu Pang Albert.