MEXAN LIMITED
茂盛控股有限公司 *

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

PROFIT WARNING

This announcement is made by Mexan Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review and assessment of information currently available to the Board, the Group is expected to record a consolidated net loss for the six months ended 30 September 2019 (the "**Period**") as compared to a consolidated net profit recorded for the corresponding period last year. Such expected loss was mainly attributable to the social unrest occurring in Hong Kong since June 2019 which has seriously damaged Hong Kong's inbound tourism industry and has impacted the Group's profit from hotel room sales. In order to maintain sales and market share, promotional campaigns on hotel room rate have been launched and as a result, the profit margin was negatively affected. On the other hand, operational costs including labour cost had been rising during the Period. Further, an impairment on office property has been provided to reflect the unfavourable market conditions. The provision for asset impairment has further negative impact to the profitability of the Group for the Period.

* *For identification purposes only*

As the Company is still in the course of finalizing the unaudited consolidated results of the Group for the Period, the information contained in this announcement is only a preliminary assessment by the Board based on the information currently available to the Board, and is not based on any data or information finalized or reviewed by the audit committee of the Company. The Company expected to publish the interim results announcement for the Period after the Board meeting to be held on Monday, 18 November 2019.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

By Order of the Board
MEXAN LIMITED
Lun Yiu Kay Edwin
Chairman

Hong Kong, 31 October 2019

As at the date of this announcement, the Executive Directors are Mr. Lun Yiu Kay Edwin (Chairman) and Mr. Ng Tze Ho Joseph and the Independent Non-Executive Directors are Dr. Tse Kwing Chuen, Mr. Ng Hung Sui Kenneth and Mr. Lau Shu Kan.