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 (as defined under the Listing Rules) 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, it is expected that the Group would record a consolidated net loss of not less than HK$60 million for the year ended 31 March 2020 as compared to a consolidated net profit of approximately HK$1.1 million for the year ended 31 March 2019. The expected loss was mainly attributable to the social unrest in the second half of 2019 which has seriously damaged Hong Kong's inbound tourism industry, together with the outbreak of the COVID-19 coronavirus pandemic which further impacted to the hotel business. Both hotel occupancy and the average room rate have declined. In addition, an impairment on office property has been provided to reflect the unfavorable market conditions, which has further negative impact to the financial results of the Group.

For Identification purpose only

The Company is still in the course of finalizing its consolidated financial results of the Group for the year ended 31 March 2020. The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available to the Board, which was neither reviewed nor audited by the Company's auditors. The Group's audited results for the year ended 31 March 2020 are expected to be published in late June of 2020.

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, 20 May 2020

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.