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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 IN RELATION TO ENTERING INTO THE SUBCONTRACTING AGREEMENTS**

### **SUBCONTRACTING AGREEMENTS**

The Board is pleased to announce that, on 22 August 2022 and 2 September 2022, Winland Firmstone, an indirect non-wholly-owned subsidiary of the Company entered into the Subcontracting Agreements with Mobili, pursuant to which Mobili agreed to engage Winland Firmstone, and Winland Firmstone agreed to be the subcontractor of Mobili to provide the design, supply and installation of kitchen cabinets in the Projects for an aggregate consideration of approximately HK\$6.6 million.

### **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Mr. Woo, is a director of and indirectly owns 49% shareholding in Winland Firmstone (a non-wholly-owned subsidiary of the Company). He also indirectly owns the entire issued share capital of Mobili. As such, Mobili is an associate of Mr. Woo for the purpose of the Listing Rules and is hence a connected person of the Company at subsidiary level. Accordingly, the entering into of the Subcontracting Agreements and the transactions contemplated thereunder constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since the transactions contemplated under the Subcontracting Agreements were entered into with the same party within a 12-month period, the transactions contemplated thereunder are required to be aggregated pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules.

\* For identification purposes only

As (1) Mobili is a connected person of the Company at the subsidiary level; (2) the Board has approved the Subcontracting Agreements and the transactions contemplated thereunder; and (3) the independent non-executive Directors have confirmed that the terms of the Subcontracting Agreements are fair and reasonable and the Subcontracting Agreements and the transactions contemplated thereunder are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, by virtue of Rule 14A.101 of the Listing Rules, the Subcontracting Agreements and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board is pleased to announce that on 22 August 2022 and 2 September 2022, Winland Firmstone, an indirect non-wholly-owned subsidiary of the Company, entered into the Subcontracting Agreements with Mobili, pursuant to which Mobili agreed to engage Winland Firmstone, and Winland Firmstone agreed to be the subcontractor of Mobili to provide the design, supply and installation of kitchen cabinets in the Projects for an aggregate consideration of approximately HK\$6.6 million.

The principal terms of the Subcontracting Agreements are set out below:–

## **SUBCONTRACTING AGREEMENT A**

Date: 22 August 2022

Parties: (i) Winland Firmstone  
(ii) Mobili

Subject Matter: Winland Firmstone, as a subcontractor of Mobili, shall provide the design, supply and installation of kitchen cabinets for Project A

Consideration: Approximately HK\$0.85 million. The consideration under Subcontracting Agreement A shall be paid to Winland Firmstone within 14 days of the receipt of the consideration by Main Contractor A from the employer of Project A, less part of the consideration which shall be retained as retention money by the employer of Project A. The remaining retention money shall be paid to Winland Firmstone within 14 days of receipt by Main Contractor A of the payment from the employer of Project A which includes the retention money.

The consideration under the Subcontracting Agreement A is determined and agreed between the parties on an arm's length basis based on the costs of the works under Subcontracting Agreement A with reference to the fee agreed between Mobili and Main Contractor A.

## **SUBCONTRACTING AGREEMENT B**

Date: 2 September 2022

Parties: (i) Winland Firmstone  
(ii) Mobili

Subject Matter: Winland Firmstone, as a subcontractor of Mobili, shall provide the design, supply and installation of kitchen cabinets for Project B

Consideration: Approximately HK\$5.7 million. The consideration under Subcontracting Agreement B shall be paid to Winland Firmstone within 14 days of the receipt of the consideration by Main Contractor B from the employer of Project B, less part of the consideration which shall be retained as retention money by the employer of Project B. The remaining retention money shall be paid to Winland Firmstone within 14 days of receipt by Main Contractor B of the payment from the employer of Project B which includes the retention money.

The consideration under the Subcontracting Agreement B is determined and agreed between the parties on an arm's length basis based on the costs of the works under Subcontracting Agreement B with reference to the fee agreed between Mobili and Main Contractor B.

## **REASONS FOR AND BENEFITS OF THE SUBCONTRACTING AGREEMENTS**

Mobili has undertaken the Projects as a subcontractor and Winland Firmstone has the necessary qualifications and capabilities required to carry out the relevant works as specified under the Subcontracting Agreements. The Directors believe that the engagement of Winland Firmstone by Mobili to carry out the works under the Subcontracting Agreements for the Projects is a step forward in expanding Winland Firmstone's presence in the building materials and the design and fit-out construction service industry and will be beneficial to the further expansion of the scale of operations of Winland Firmstone, improve its ability to undertake business and enhance the profitability of Winland Firmstone. The entering into of the Subcontracting Agreements will be in the ordinary course of business of Winland Firmstone and will contribute to the profits of Winland Firmstone, and hence the Group as a whole.

The Directors (including the independent non-executive Directors) consider that the Subcontracting Agreements have been entered into on normal commercial terms or better, and the terms and conditions therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE GROUP AND THE PARTIES**

The Company is an investment holding company and the Group is principally engaged in the operation of Winland 800 Hotel, an 800-room hotel in Tsing Yi, New Territories, Hong Kong.

Winland Firmstone is an indirect non-wholly-owned subsidiary of the Company which is indirectly owned as to 51% by the Company and 49% indirectly by Mr. Woo. Winland Firmstone is principally engaged in the supply of furniture and building materials and provision of the design and fit-out construction service.

Mobili is a company incorporated in Hong Kong with limited liability and is principally engaged in the supply of furniture and building materials and provision of the design and fit-out construction service. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, as at the date of this announcement, Mr. Woo indirectly owns the entire issued share capital of Mobili.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Mr. Woo is a director of and indirectly owns 49% shareholding in Winland Firmstone and is beneficially interest in the entire issued share capital of Mobili. As such, Mobili, being an associate of Mr. Woo, is hence a connected person of the Company at subsidiary level. Accordingly, the entering into of the Subcontracting Agreements and the transactions under contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since the transactions contemplated under the Subcontracting Agreements were entered into with the same party within a 12-month period, the transactions contemplated thereunder are required to be aggregated pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules.

As (1) Mobili is a connected person of the Company at the subsidiary level; (2) the Board has approved the Subcontracting Agreements and the transactions contemplated thereunder; and (3) the independent non-executive Directors have confirmed that the terms of the Subcontracting Agreements are fair and reasonable and the Subcontracting Agreements and the transactions contemplated thereunder are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, by virtue of Rule 14A.101 of the Listing Rules, the Subcontracting Agreements and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **APPROVAL OF THE BOARD**

The Board has approved the Subcontracting Agreements and the transactions contemplated thereunder. None of the Directors had any material interest in the transactions contemplated under the Subcontracting Agreements. Therefore, no Director is required to abstain from voting on the resolutions of the Board in approving the Subcontracting Agreements and the transactions contemplated thereunder.

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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 of Hong Kong Limited (Stock Code: 22)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Contractor A”	the main contractor in respect of Project A, and to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, is not a connected person of the Company

“Main Contractor B”	the main contractor in respect of Project B, and to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, is not a connected person of the Company
“Mobili”	Firmstone Mobili Limited, a company incorporated in Hong Kong with limited liability
“Mr. Woo”	Mr. Woo Chun Yu Adolf, a director of Winland Firmstone and a director of Mobili
“Project A”	a residential property development project situated in Eastern Kowloon, Hong Kong
“Project B”	a residential property development project situated in New Territories, Hong Kong
“Projects”	Project A and Project B
“Shareholder(s)”	the holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subcontracting Agreement A”	the subcontracting agreement dated 22 August 2022 entered into between Winland Firmstone and Mobili in relation to Project A
“Subcontracting Agreement B”	the subcontracting agreement dated 2 September 2022 entered into between Winland Firmstone and Mobili in relation to Project B
“Subcontracting Agreements”	Subcontracting Agreement A and Subcontracting Agreement B

“Winland Firmstone”

Winland Firmstone Limited, a company incorporated in Hong Kong with limited liability and an indirect non-wholly-owned subsidiary of the Company

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

Hong Kong, 2 September 2022

*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.*