

**MEXAN LTD:  
CHINESE COMPANY SUES THE CHAIRMAN FOR \$HK8.73 MILLION**

The Chairman of [Mexan Ltd \(茂盛控股有限公司\)](#) (Code: 22, Main Board, The Stock Exchange of Hongkong Ltd) has just been sued in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) for 9,075,000 renminbi (about \$HK8.73 million).

The Plaintiff in High Court Action Number 2380 is the PRC-domiciled company, 上海銀通典當有限公司.

Mr Lau Kan Shan (劉根山), the Defendant to this Action, is the majority shareholder of Mexan Ltd, owning about 73.58 percent of the Issued and Fully Paid-Up Share Capital of the company, as at March 31, 2005.

According to the Statement of Claim, attached to Writ of Summons Number 2380, there exists a purported loan agreement, dated September 16, 2004, *'made between the Defendant and Mr. Raymond Ting (丁曉) as borrower of the one part (collectively "Party A") and the Plaintiff (上海銀通典當有限公司) as lender of the other part ... the Plaintiff agreed to lend to Party A a loan of Chinese Yuan Fifteen Million (CNY15,000,000.00) (人民幣壹仟伍佰萬元).'*

The purpose of the loan, the Statement of Claim alleges, was to purchase the investments of the duo in the Macau Special Administrative Region of the PRC.

The term of the loan was said to be for the period, September 20, 2004, until March 19, 2005.

Interest on the loan is given in the Statement of Claim as being 1.50 percent per month.

Paragraph 3.(7) of the Statement of Claim alleges:

*'The Defendant and Mr. Raymond Ting shall each separately be responsible for repayment of 50% of the amount of the Loan and interest charge under this Agreement.'*

It is claimed, at Paragraph 4 of the Statement of Claim, that the 15 million renminbi was advanced by 上海銀通典當有限公司 on September 24, 2004, *'according to the instructions of the Defendant'*.

Paragraph 7 alleges that Mr Lau Kan Shan *'has failed or refused to repay 50% of the Loan in the sum of CNY7,500,000.00 or pay any interest to the Plaintiff up to the date of this Writ.'*

As at November 23, 2005, the Plaintiff alleges that Mr Lau Kan Shan owes it 50 percent of the loan amount – 7.50 million renminbi – plus interest at the rate of 1.50 percent per month in the amount of 1,575,000 renminbi.

This is the second major claim against the Chairman of Mexan Ltd in the past 5 months, according to the database of TOLFIN (泰達資訊)(The Computerised Online Financial Intelligence Service and Web-Based, Credit-Checking Provider).

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