

**MEXAN LTD:
THE CHAIRMAN IS SUED FOR \$HK2 MILLION**

The Chairman of Mexan Ltd () (Code: 22, Main Board, The Stock Exchange of Hongkong Ltd) has been sued for \$HK2 million.

Mexan Group Ltd, which used to be the Controlling Shareholder of Mexan Ltd, is the Plaintiff in Action, Number 1235, lodged in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

The lone Defendant in this Action is Mr Lun Chi Yim (), the man who bought control of Mexan Ltd from Mexan Group Ltd in 2007 and, as a consequence, became its Chairman.

The Endorsement of Claim, attached to Writ of Summons, Number 1235, states only:

'The Plaintiff claims against the Defendant for the sum of HK\$2,000,000.00, being the sum that the Plaintiff is entitled to be refunded from the Defendant pursuant to the Sale and Purchase Agreement dated 2 January 2007 as amended and supplemented by supplement agreements dated 6 February 2007 and 12 April 2007, and the oral agreement between the representatives of the Plaintiff and agent of the Defendant, on 12, April 2008, and the Plaintiff also claims for interest thereon pursuant to section 48 of the High Court Ordinance and costs.'

According to the database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider), Mr Lau Kan Shan () owned, beneficially, 964,548,303 Shares in the Issued and Fully Paid-Up Share Capital of Mexan Ltd, as at March 31, 2007, via Mexan Group Ltd, all of the shares of which belonged to him.

Mr Lau Kan Shan resigned as Chairman of Mexan Ltd on May 7, 2007, following the sales of his shareholdings in Mexan Ltd to Winland Wealth (BVI) Ltd.

Winland Wealth (BVI) Ltd is wholly owned by Mr Lun Chi Yim, the present Chairman of Mexan Ltd.

Today, the situation is that Winland Wealth (BVI) Ltd owns, beneficially, 54.24 percent of Mexan Ltd.

However, as is alleged in High Court Action, Number 1235, it is being claimed that Mr Lun Chi Yim, who is about 76 years old, still owes \$HK2 million to the private company from which he acquired control of Mexan Ltd.

Put another way, Mr Lun Chi Yim owes, indirectly, \$HK2 million to Mr Lau Kan Shan, the former Controlling Shareholder of Mexan Ltd, via Mexan Group Ltd.

The Principal Activity of Mexan Ltd is investment holding and the principal activities of the major subsidiaries are said to be hotel operations.

The 2010 Annual Report of Mexan Ltd lists only one hotel property at Page 76:

Hotel 2
Rambler Crest,
Number One, Tsing Yi Road,
Tsing Yi,
New Territories,
The HKSAR.

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