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**MEXAN LIMITED**

**茂盛控股有限公司\***

(Incorporated in Bermuda with limited liability)

Stock Code: 22

## **EXTENSION OF TIME FOR DESPATCH OF CIRCULAR REGARDING A CONNECTED AND MAJOR TRANSACTION**

The Company has applied for a further extension to the time limit for the despatch of a circular relating to the Acquisition announced by the Company on 1 June 2004, to 10 August 2004 as additional time is required to finalise the accountants' report on Beilun Company.

On 1 June 2004, the Company issued a press announcement (the "**Announcement**") relating to the Acquisition. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated.

The Acquisition constitutes a major and connected transaction for the Company under the Listing Rules. Details of the Acquisition and the advice of an independent financial adviser will be disclosed in a circular to shareholders ("**Circular**"), which will set out a notice of the SGM at which, among other things, a resolution will be put to the Independent Shareholders to approve the Acquisition. The Circular is required to be despatched by the Company to its shareholders within 21 days after the publication of the Announcement. On 18 June 2004 and on 12 July 2004, the Company issued announcements on the extension of time for despatch of the Circular.

On 8 June 2004, Beilun Company entered into a management services agreement (the "**Agreement**") with Shanghai Mexan Enterprise Development (Group) Limited ("**Shanghai Mexan**") (上海茂盛企業發展(集團)有限公司), a company majority-owned by Mr. Lau. The Agreement was entered into after arm's length negotiation between Beilun Company and Shanghai Mexan. Pursuant to the Agreement, Shanghai Mexan is responsible for operating and managing the Toll Road (including, among other things, preparing business development plans, setting annual operational targets, management and maintenance of the Toll Road and liaison with the Ningbo government) for 24 years. In return, Beilun Company shall pay Shanghai Mexan a management fee for 24 years in a single instalment upfront. The management fee shall cover all the routine operation and maintenance costs of Beilun Company. Under the Agreement, Shanghai Mexan is obliged to ensure that Beilun Company meets specified annual revenue targets, failing of which Shanghai Mexan is obliged to make compensation payments to Beilun Company. Shanghai Mexan currently operates 6 other toll roads (not including the Ningbo Beilun Port Expressway) in the Greater Shanghai Region. Further details of the Agreement will be set out in the Circular.

As a result of the entering into of the Agreement, additional time is required to finalise the accountants' report on Beilun Company to be included in the Circular. Accordingly, the issue of the Circular will be further delayed to no later than 10 August 2004 and an application for an extension to despatch the Circular has been made to the Stock Exchange.

By order of the Board  
**Yan Sheng**  
Chief Executive Officer

*The Board comprises Mr. Lau Kan Shan, Mr. Yan Sheng, Mr. Yuen Hiu Kwan and Ms. Ching Yung, all of whom are executive Directors, Mr. Lau Wai and Mr. Cheng Chun Pong, Paul, both of whom are independent non-executive Directors.*

Hong Kong, 28 July 2004

\* For identification purposes only