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**MEXAN LIMITED**  
**茂盛控股有限公司\***  
*(Incorporated in Bermuda with limited liability)*

Stock Code: 22

## **DELAY IN DESPATCH OF CIRCULAR REGARDING A CONNECTED AND MAJOR TRANSACTION**

The Company expects that the despatch of a circular relating to the Acquisition as announced by the Company on 1 June 2004 will be delayed as additional time is required to finalise certain amendments in such circular to reflect and disclose final updates to the accountants' report.

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.

On 28 July 2004, the Company announced that as a result of the entering into of a management services agreement with Shanghai Mexan Enterprise Development (Group) Limited ("Shanghai Mexan") (上海茂盛企業發展(集團)有限公司), additional time was required to finalise the accountants' report on Beilun Company to be included in a circular to the shareholders of the Company ("Circular"). The accountants' report has been finalised together with the reports of the professional advisers to the Company. However, the Company requires more time to finalise the relevant amendments in the Circular to appropriately reflect and disclose the final updates to the accountants' report. The Company therefore expects that the despatch of the Circular will be further delayed to on or before 25 August 2004.

A further announcement by the Company will be issued as soon as possible before the despatch of the Circular, which announcement will set out reasons for and details of the management services agreement between Beilun Company and Shanghai Mexan and the effect of such transaction upon the Acquisition.

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, 10 August 2004

\* For identification purposes only