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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 to no later than 10 September 2004 as more time is needed for the Company and the reporting accountants to compile and furnish, among other things, additional accounting information in relation to the Agreement and other financial information for inclusion in the Circular.

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 10 August 2004, the Company announced that additional time was required to despatch the circular to the shareholders of the Company in relation to the Acquisition (the “**Circular**”) to finalise the relevant amendments in the Circular to appropriately reflect and disclose the final updates to the accountant’s report as a result of the entering into of 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) by Beilun Company. The information required for such amendments in the Circular have been gathered but more time is required to compile and furnish, among other things, such additional accounting information in relation to the Agreement and other financial information for inclusion in the Circular. In such circumstances the Company expects that the despatch of the Circular will be further delayed to on or before 10 September 2004. An application for an extension of time 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, 25 August 2004

\* For identification purposes only