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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 16 September 2004 as more time is needed for the Company to finalise certain 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 25 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 compile and furnish, among other things, additional accounting information in relation to 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, and other financial information for inclusion in the Circular. As the process has taken longer than initially expected by the Company, the Company requires more time to finalise certain accounting information in relation to the Agreement and other financial information for inclusion in the circular and the despatch of the Circular will be further delayed to on or before 16 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, 10 September 2004

* For identification purposes only