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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 30 September 2004 as more time is still 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 10 September 2004, the Company announced that it required more time to finalise certain 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 to the shareholders of the Company in relation to the Acquisition (the “**Circular**”). As the process has taken longer than initially expected by the Company, the Company still requires more time to finalise such accounting information and other financial information, the despatch of the Circular will be further delayed to on or before 30 September 2004.

As the despatch of the Circular has been delayed on several occasions, the Stock Exchange has indicated to the Company that no further waiver from the requirement under rules 14.38 and 14A.49 of the Listing Rules, both of which provide that a circular must be despatched to the Company’s shareholders within 21 days of the publication of the Announcement, will be granted. In such circumstances, the Board regrets that such delay in the despatch of the Circular amounts to a breach of the Listing Rules.

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, 16 September 2004

\* *For identification purposes only*