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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 22 October 2004 as more time is needed for the Company to prepare further working capital information relating to the effect of the Acquisition on the Company as well as financial information of Beilun Company relating to the month ended 30 April 2004 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 16 September 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 the Acquisition for inclusion in the Circular. As part of the process, the Company will prepare further working capital information relating to the effect of the Acquisition on the Company as well as financial information of Beilun Company relating to the month ended 30 April 2004 for inclusion in the circular. As the Company requires more time to finalize such information for inclusion in the circular, the despatch of the Circular will be further delayed to on or before 22 October 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, 30 September 2004

* For identification purposes only