



**MEXAN LIMITED**

**茂盛控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 22)

**ANNOUNCEMENT**

The Board refers to the Company's announcement dated 6 June 2005 in relation to High Court Action No.1036 of 2005. The Board wishes to inform the shareholders and the potential investors of the Company that, by an Order of the High Court of Hong Kong Special Administrative Region dated 19 August 2005, it is ordered that High Court Action be dismissed.

Trading in the shares of the Company was suspended on 16 August 2005 at the request of the Company pending the issue of an announcement in relation to a very substantial acquisition and connected transaction.

The board of directors (the "Board") of MEXAN LIMITED (the "Company") refers to the Company's announcement dated 6 June 2005 in relation to High Court Action No.1036 of 2005 (the "High Court Action"). The Board wishes to inform the shareholders and the potential investors of the Company that, upon the Plaintiff in the High Court Action and the Company having agreed to the terms of the order set out hereunder by way of compromise and in full and final settlement of the High Court Action and all claims and/or causes of action, if any, which the Plaintiff may have against the Company in respect of or arising out of the provisional sale and purchase agreement dated 15 October 2004 as supplemented by a supplemental agreement dated 19 October 2004 (the "Agreement" as defined in the Company's said announcement dated 6 June 2005, referred to hereinafter as the "Agreement") and/or the subject matter of the action in the High Court Action, by an Order of High Court of Hong Kong Special Administrative Region dated 19 August 2005, by consent it is ordered that:—

1. The action by the Plaintiff against the Company be dismissed, and no further action or proceedings may be brought or commenced by the Plaintiff against the Defendant for any claim or cause of action in respect of or arising out of the Agreement and/or the subject matter of the High Court Action;
2. The Plaintiff do forthwith withdraw and/or cause to be withdrawn and vacated from the Land Registry the registration and/or the application for registration of the Writ of the High Court Action as a lis pendens under "Deeds Pending Registration" against the Property (as defined in paragraph 3 of the Statement of Claim in the High Court Action) by Memorial No.05060401170096;
3. The hearing on 24 August 2005 of the Company's Summons dated 7 July 2005 be vacated; and
4. There be no order as to costs of the High Court Action, including the Company's Summons dated 7 July 2005.

Trading in the shares of the Company was suspended on 16 August 2005 at the request of the Company pending the issue of an announcement in relation to a very substantial acquisition and connected transaction.

By Order of the Board  
**Tse On Kin**  
*Managing Director*

Hong Kong, 23 August 2005

*As at the date of this announcement, the executive Directors are Mr. Lau Kan Shan, Mr. Tse On Kin and Ms. Ching Yung, the non-executive Director is Mr. Leung Heung Ying and the independent non-executive Directors are Mr. Chan Wai Dune, Mr. Lau Wai and Mr. Tong Kwai Lai.*

*\* for identification purpose only*