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Thursday 4th September 2008

Dear Shareholder,

Initial Interim Dividend

In the Prospectus issued on 9th November 2007, the company forecasted an interim unfranked dividend of 2 cents per share to be paid in the second half of 2008.

The directors are delighted to confirm that an unfranked interim dividend of **two cents (\$0.02)** per share will be paid as per the Prospectus forecast. The record date for the interim 2008 dividend (that is, the date for determining eligibility of shareholders to receive the dividend) is the **19th day of September 2008** and it is anticipated that the dividend will be paid to shareholders on the **13th day of October 2008**. For Australian Taxation purposes, the whole of the dividend will be treated as Conduit Foreign Income (CFI) which means that there will be no dividend withholding tax in Australia for foreign shareholders.

Tax File Number ("TFN")

If you have not advised your TFN to Computershare Investor Services Pty Limited, a form is enclosed for you to do so. If you are an Australian Securityholder or subject to Australian tax laws, it is in your interest to provide your TFN or Australian Business Number to ensure that withholding tax is not deducted at the full marginal rate from your distributions

Direct Crediting of Dividends

Mesbon encourages its shareholders to receive their dividend payments by direct credit to an Australian bank, credit union or building society account rather than by cheque. A form is enclosed for you to do so. The advantages of direct credit payments include:

- More secure (cheque fraud is becoming more prevalent)
- Faster
- More certainty (not subject to mailing, wrong address etc)
- "Cleared" funds available immediately

For personal use only

Dividend Reinvestment Plan.

The directors of Mesbon have also resolved to activate the Company's Dividend Re-investment Plan (**DRP**). The **DRP** has been established for those shareholders who wish to invest their dividend in additional Mesbon ordinary shares. The **DRP** enables you to increase your shareholding in Mesbon China Nylon Limited by reinvesting all or part of your dividend in additional shares, at a 5% discount to the average market price, free of brokerage, commission and other costs. The **DRP** is available to shareholders with respect to the interim dividend announced by the directors.

Under the **DRP**, shareholders have two alternatives when a dividend is declared:

- You may elect to participate in the **DRP** by completing the election notice attached to this letter, in which case this dividend will automatically be converted to shares for the proportion that you nominate; or
- If you do not wish to participate in the **DRP**, you may disregard the attached election form.

Participation in the **DRP** is entirely voluntary. You can join, leave or alter the proportion of shares covered by the **DRP** at any stage. If you wish to participate in the **DRP**, the Notice of Election which is included in this package **must be submitted to Computershare Investor Services Pty Limited by Friday 19th September 2008 before 5.00pm (CST)**.

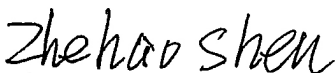
As stated in the Prospectus, the company's largest shareholder, which is associated with Managing Director Mr Shen, has agreed to take up a minimum of 50% of the available dividend in the form of **DRP** shares. Mr Shen has confirmed that this shareholder is committed to participating in the **DRP**. The other directors have also expressed confidence in the company's future, and intend to reinvest their dividends in **DRP** shares.

A copy of the terms and conditions of the **DRP** is available from the company's registered office should you wish the company to post it to you or they can be viewed on the Company's web site at www.mesbon.com.au.

Contact the company secretary **Graham Seppelt on +61 (0)419 035 297** for further information.

On behalf of your directors, I thank you for your continued support as a shareholder in Mesbon.

Yours sincerely,



Zhehao Shen
Chairman