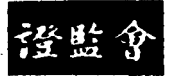




SECURITIES & FUTURES COMMISSION
證券及期貨事務監察委員會



Special announcement of SFC to Mandarin Resources Corporation Limited's shareholders

1. The SFC has become aware that certain shareholders of Mandarin Resources Corporation Limited have been or may be approached to sell their shares at a price of \$5 per share.
2. The SFC advises shareholders to exercise extreme caution before agreeing to sell at such a price, because:—
 - (1) shareholders may not be fully apprised of recent developments affecting the company; and
 - (2) the price of \$5 per share may represent a serious undervaluation of the share price.
3. Shareholders should be aware that on 25 June 1996 the SFC filed a petition in the Supreme Court of Hong Kong seeking, amongst other things, the winding up of the company, on the grounds that its affairs have been and continue to be conducted in a manner which SFC believes is prejudicial to the interests of shareholders.
4. Copies of the petition are available for inspection or purchase by shareholders at the company's registered offices at 18th Floor, Chuang's Tower, 30-32 Connaught Road, Hong Kong. The SFC has asked the company to summarize the contents of the petition in a circular to shareholders, but the company had not yet done so.
5. Shareholders are advised to read the petition, and if in doubt as to any aspect of the document should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

24 July 1996