
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Continental Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



CONTINENTAL HOLDINGS LIMITED

恒和珠寶集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00513)

PROPOSED SHARE CONSOLIDATION AND NOTICE OF GENERAL MEETING

Terms used on this cover shall have the same meaning as defined in this circular.

A notice convening the General Meeting to be held at Function Rooms 2 & 3, 3/F, The Mira Hong Kong, 118 Nathan Road, Tsimshatsui, Kowloon, Hong Kong, on Thursday, 27 May 2021 at 11:00 a.m. is set out on pages GM-1 to GM-3 of this circular. A form of proxy for use at the General Meeting is enclosed with this circular.

Whether or not the Shareholders are able to attend and vote at the General Meeting in person, they are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible and in any event no less than 48 hours before the time appointed for holding the General Meeting (i.e. Tuesday, 25 May 2021 at 11:00 a.m. (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy shall not preclude Shareholders from attending and voting in person at the General Meeting or any adjournment thereof should they so wish and, in such event, the instrument appointing the proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE GENERAL MEETING

To protect the attendees from the risk of infection of the COVID-19, please refer to the paragraph named "Precautionary measures for the General Meeting" of this circular for the measures to be implemented at the General Meeting by the Company, including:

- compulsory body temperature check
- compulsory wearing of surgical face mask
- no distribution of corporate gifts and no serving of drinks or refreshments
- seats will be limited to ensure appropriate social distancing and will be available on a first-come-first-served basis

Any person who does not comply with the precautionary measures may be denied entry into the venue of the General Meeting. The Company encourages shareholders NOT to attend the General Meeting in person and strongly recommends shareholders to appoint the chairman of the General Meeting as their proxy to vote on the resolutions at the General Meeting as an alternative to attending the General Meeting in person.

7 May 2021

CONTENTS

| | <i>Page</i> |
|---|-------------|
| PRECAUTIONARY MEASURES FOR THE GENERAL MEETING | 1 |
| DEFINITIONS | 2 |
| EXPECTED TIMETABLE | 4 |
| LETTER FROM THE BOARD | 6 |
| NOTICE OF GENERAL MEETING | GM-1 |

PRECAUTIONARY MEASURES FOR THE GENERAL MEETING

In view of the ongoing COVID-19 pandemic and recent requirements for prevention and control of its spread (as per guidelines issued by the Hong Kong Government at <https://www.chp.gov.hk/en/features/102742.html>), the Company will implement necessary preventive measures at the General Meeting to protect attending Shareholders, proxy and other attendees from the risk of infection, including:

- (i) Compulsory body temperature check will be conducted on every Shareholder, proxy and other attendees at the entrance of the venue of the General Meeting. Any person with a body temperature of over 37.3 degrees Celsius, or who exhibits flu-like symptoms or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the venue of the General Meeting or be required to leave the venue of the General Meeting.
- (ii) Attendees are required to prepare their own surgical face masks and wear the same inside the venue of the General Meeting at all times, and to maintain an appropriate social distance with others (including queuing for registration). Please note that no mask will be provided.
- (iii) No distribution of corporate gifts and no serving of drinks or refreshments.
- (iv) Seats at the venue of the General Meeting will be arranged to ensure appropriate social distancing. As a result, there will be limited capacity for attendees. Seats will be limited at the General Meeting and will be available on a first-come-first-served basis.

To the extent permitted under law, the Company reserves the right to deny entry into the venue of the General Meeting or require any person to leave the venue of the General Meeting in order to ensure the safety of the attendees at the General Meeting.

In the interest of all attendees' health and safety, the Company wishes to advise all Shareholders that physical attendance in person at the General Meeting is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions duly completed, Shareholders may appoint the chairman of the General Meeting as their proxy to vote on the resolutions at the General Meeting instead of attending the General Meeting in person.

The proxy form, which can also be downloaded from the Company's website (<http://www.continental.com.hk>), is enclosed with this circular. If you are not a registered Shareholder (i.e., if your Shares are held via banks, brokers, custodians or Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

Subject to the development of the novel coronavirus in Hong Kong, the Company may implement further precautionary measures, and issue further announcement(s) on such measures as and when appropriate.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the meanings as set out below:

| | |
|--------------------------------|--|
| “Board” | the board of Directors |
| “Business Day(s)” | a day (other than Saturday, Sunday or public holiday and any day on which a tropical cyclone warning no.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which banks in Hong Kong are generally open for business and the Stock Exchange is open for business of dealing in securities |
| “CCASS” | the Central Clearing and Settlement System established and operated by HKSCC |
| “CCASS Operational Procedures” | the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time |
| “Company” | Continental Holdings Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 513) |
| “Consolidated Share(s)” | the ordinary share(s) of the Company immediately after the Share Consolidation becoming effective |
| “Director” | the director(s) of the Company |
| “Existing Share(s)” | the ordinary share(s) of the Company before the Share Consolidation becoming effective |

DEFINITIONS

| | |
|---------------------------|---|
| “General Meeting” | the general meeting of the Company to be held at Function Rooms 2 & 3, 3/F, The Mira Hong Kong, 118 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 27 May 2021 at 11:00 a.m. for the Shareholders to consider and, if thought fit, approve the Share Consolidation |
| “General Rules of CCASS” | the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures |
| “Group” | the Company and its subsidiaries |
| “HKSCC” | Hong Kong Securities Clearing Company Limited |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Latest Practicable Date” | 3 May 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Share(s)” | the Existing Share(s) and/or Consolidated Share(s), as the case may be |
| “Share Consolidation” | the proposed share consolidation on the basis that every ten (10) issued Existing Shares be consolidated into one (1) Consolidated Share |
| “Shareholder(s)” | holder(s) of the Shares |
| “Stock Exchange” | the Stock Exchange of Hong Kong Limited |
| “%” | per cent |

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation is set out below.

| | |
|--------------|-------------|
| Event | 2021 |
|--------------|-------------|

| | |
|---|--------------------------------|
| Latest date and time for lodging transfer documents in order to qualify for attending and voting at the General Meeting | 4:30 p.m. on Friday, 21 May |
|---|--------------------------------|

| | |
|---|---------------------------------------|
| Closure of register of members for the entitlement to attend and vote at the General Meeting (both days inclusive) | Monday, 24 May to Thursday, 27 May |
|---|---------------------------------------|

| | |
|--|----------------------------------|
| Latest date and time for lodging forms of proxy for the General Meeting | 11:00 a.m. on Tuesday, 25 May |
|--|----------------------------------|

| | |
|---|-----------------------------------|
| Expected date and time of the General Meeting | 11:00 a.m. on Thursday, 27 May |
|---|-----------------------------------|

| | |
|---|------------------|
| Publication of announcement of voting results of the General Meeting | Thursday, 27 May |
|---|------------------|

The following events are conditional upon satisfaction of the conditions for the implementation of the Share Consolidation:

| | |
|---|----------------|
| Effective date of the Share Consolidation | Monday, 31 May |
|---|----------------|

| | |
|--|----------------|
| First day for free exchange of existing share certificates into new share certificates for the Consolidated Shares commences | Monday, 31 May |
|--|----------------|

| | |
|---|--------------------------------|
| Dealings in the Consolidated Shares commences | 9:00 a.m. on Monday, 31 May |
|---|--------------------------------|

| | |
|---|--------------------------------|
| Original counter for trading in the Existing Shares in board lots of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes | 9:00 a.m. on Monday, 31 May |
|---|--------------------------------|

| | |
|--|--------------------------------|
| Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) opens | 9:00 a.m. on Monday, 31 May |
|--|--------------------------------|

EXPECTED TIMETABLE

| Event | 2021 |
|---|----------------------------------|
| Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates) re-opens | 9:00 a.m. on Tuesday, 15 June |
| Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences | 9:00 a.m. on Tuesday, 15 June |
| Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares | 9:00 a.m. on Tuesday, 15 June |
| Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares | 4:00 p.m. on Tuesday, 6 July |
| Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) closes | 4:10 p.m. on Tuesday, 6 July |
| Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends | 4:10 p.m. on Tuesday, 6 July |
| Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares. | Thursday, 8 July |

All times and dates in this circular refer to Hong Kong local times and dates. The expected timetable set out above is indicative only and may be subject to amendment. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

LETTER FROM THE BOARD



CONTINENTAL HOLDINGS LIMITED 恒和珠寶集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00513)

Executive Directors:

Mr. Chan Wai Lap, Victor
Dr. Chan Sing Chuk, Charles, *BBS, JP*
Ms. Cheng Siu Yin, Shirley
Ms. Chan Wai Kei, Vicki
Mr. Wong Edward Gwon-hing

Registered Office:

Flats M and N, 1/F
Kaiser Estate, Phase III
11 Hok Yuen Street
Hung Hom, Kowloon
Hong Kong

Non-executive Director:

Mr. Yam Tat Wing

Independent Non-executive Directors:

Mr. Yu Shiu Tin, Paul, *BBS, MBE, JP*
Mr. Chan Ping Kuen, Derek
Mr. Sze Irons, *BBS, JP*
Mr. Cheung Chi Fai, Frank

7 May 2021

To the Shareholders

Dear Sir or Madam,

PROPOSED SHARE CONSOLIDATION AND NOTICE OF GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 16 April 2021 in respect of the proposed Share Consolidation. The purpose of this circular is to provide you with details of the proposed Share Consolidation as well as to give you the notice of the General Meeting to be convened.

LETTER FROM THE BOARD

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued Existing Shares be consolidated into one (1) Consolidated Share.

Effects of the Share Consolidation

As at the Latest Practicable Date, there are 6,831,182,580 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no Shares will be issued or repurchased from the Latest Practicable Date and up to the effective date of the Share Consolidation, upon the Share Consolidation becoming effective, there will be 683,118,258 Consolidated Shares in issue which are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may otherwise be entitled.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the General Meeting;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the Hong Kong laws (where applicable) and the Listing Rules to effect the Share Consolidation.

The Share Consolidation is expected to become effective on 31 May 2021, being the second Business Day after the General Meeting, subject to the fulfilment of the above conditions.

LETTER FROM THE BOARD

Listing application

An application has been made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by the HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by the HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any stock exchange other than the Stock Exchange and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought. Other than the Stock Exchange, no equity or debt securities of the Company are listed or dealt in on any other stock exchange on which listing or permission to deal is being or is proposed to be sought.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Shareholders who are concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

LETTER FROM THE BOARD

Odd lots trading arrangement

To facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a designated broker as an agent to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares.

Shareholders who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or top up to a full board lot may, directly or through their brokers, contact Mr. Kelvin Li or Mr. Adrian Lin of Lego Securities Limited at Room 301, 3/F, China Building, 29 Queen's Road Central, Hong Kong or by phone at (852) 3188 8055 or (852) 3188 8052 during office hours.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots trading arrangement are recommended to consult their own professional advisers.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is currently expected to be on 31 May 2021, Shareholders may, on or after 31 May 2021 and until 8 July 2021 (both days inclusive) and during business hours, submit their existing share certificates in red colour for the Existing Shares to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, in exchange for new share certificates in yellow colour for the Consolidated Shares at the expenses of the Company.

Thereafter, share certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates cancelled/issued is higher.

After 4:10 p.m. on 6 July 2021, trading will only be in Consolidated Shares which share certificates will be issued in yellow colour and existing share certificates in red colour for the Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for the Consolidated Shares on the basis of ten (10) Shares for one (1) Consolidated Share at any time but will cease to be valid for delivery, trading, registration and settlement purposes.

LETTER FROM THE BOARD

ADJUSTMENTS IN RELATION TO OTHER SECURITIES OF THE COMPANY

As at the Latest Practicable Date, there are outstanding share options entitling the holders thereof to subscribe for up to an aggregate of 122,000,000 Existing Shares under the share option scheme adopted by the Company on 13 July 2010 (the “**2010 Share Option Scheme**”). The 2010 Share Option Scheme was expired on 12 July 2020. Therefore, the Company has adopted a new share option scheme on 22 December 2020 (the “**2020 Share Option Scheme**”). No share option has been granted under the 2020 Share Option Scheme since it has been adopted. Details of such share options are set out as follows:

| Name of grantee | Date of grant | Before Adjustment | | After Adjustment | |
|---------------------------|-----------------|---|---|---|---|
| | | Exercise price per Existing Share (HK\$) | Number of Existing Shares to be issued upon full exercise of the share options | Adjusted exercise price per Consolidated Share (HK\$) | Adjusted number of Consolidated Shares to be issued upon full exercise of the share options |
| Directors | | | | | |
| Mr. Chan Wai Lap, Victor | 19 June 2014 | 0.138 | 10,000,000 | 1.38 | 1,000,000 |
| | 7 July 2015 | 0.245 | 10,000,000 | 2.45 | 1,000,000 |
| | 3 November 2016 | 0.149 | 10,000,000 | 1.49 | 1,000,000 |
| Ms. Chan Wai Kei, Vicki | 19 June 2014 | 0.138 | 10,000,000 | 1.38 | 1,000,000 |
| | 7 July 2015 | 0.245 | 10,000,000 | 2.45 | 1,000,000 |
| | 3 November 2016 | 0.149 | 10,000,000 | 1.49 | 1,000,000 |
| Mr. Yam Tat Wing | 7 July 2015 | 0.245 | 10,000,000 | 2.45 | 1,000,000 |
| | 3 November 2016 | 0.149 | 10,000,000 | 1.49 | 1,000,000 |
| Mr. Wong Edward Gwon-hing | 25 July 2014 | 0.121 | 10,000,000 | 1.21 | 1,000,000 |
| | 7 July 2015 | 0.245 | 10,000,000 | 2.45 | 1,000,000 |
| | 3 November 2016 | 0.149 | 10,000,000 | 1.49 | 1,000,000 |
| Other employees | 22 June 2020 | 0.052 | 12,000,000 | 0.52 | 1,200,000 |
| Total | | | 122,000,000 | | 12,200,000 |

Save as disclosed above, as at the Latest Practicable Date, the Company has no other outstanding derivatives, options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

LETTER FROM THE BOARD

NO CHANGE IN BOARD LOT SIZE

The Existing Shares are currently traded on the Stock Exchange in board lot size of 10,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 10,000 Consolidated Shares per board lot.

Based on the closing price of HK\$0.048 per Existing Share (equivalent to the theoretical closing price of HK\$0.48 per Consolidated Share) as at the Latest Practicable Date, (i) the value per board lot of 10,000 Existing Shares is HK\$480; and (ii) the value per board lot of 10,000 Consolidated Shares would be HK\$4,800 on the assumption that the Share Consolidation becomes effective.

REASONS FOR THE SHARE CONSOLIDATION

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the Existing Shares approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the Company to either change the trading method or to proceed with a consolidation or splitting of the Existing Shares. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 (and updated on 1 October 2020) has further stated that (i) market price of the Existing Shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account that the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

Over the past 12 months, the existing board lot value of the Company has been constantly less than HK\$2,000 and the Existing Shares has been trading at a closing price below HK\$0.1. The Board considers that the proposed Share Consolidation, resulting in a theoretical value of HK\$0.48 per Consolidated Share (based on the closing price of HK\$0.048 per Existing Share as at the Latest Practicable Date), would enable the Company to avoid the occurrence of non-compliance with the trading requirements under the Listing Rules. The Share Consolidation will bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange, which will reduce the overall transaction and handling costs of dealings in the Consolidated Shares. As a result, the Share Consolidation would not only enable the Company to comply with the trading requirements under the Listing Rules, but would also attract more investors and hence broaden the Shareholder base.

LETTER FROM THE BOARD

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may otherwise be entitled.

In view of the above considerations, the Board is of the view that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any concrete plan to conduct any fundraising activities in the next 12 months.

GENERAL MEETING

A notice convening the General Meeting to be held at Function Rooms 2 & 3, 3/F, The Mira Hong Kong, 118 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 27 May 2021 at 11:00 a.m. at which ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, approve the Share Consolidation, details of which are set out on pages GM-1 to GM-3 of this circular. Pursuant to Rule 13.39(4) of the Listing Rules, the resolution at the General Meeting shall be taken by way of poll and an announcement will be made by the Company on the results of the General Meeting.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution(s) proposed to consider and approve the Share Consolidation at the General Meeting.

A form of proxy for use at the General Meeting is also enclosed. Whether or not you intend to attend the General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the General Meeting (i.e. 25 May 2021 at 11:00 a.m. (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the General Meeting or any adjournment thereof in person if you so wish, and in such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the list of shareholders who are entitled to attend and vote at the General Meeting, the register of members of the Company will be closed from 24 May 2021 to 27 May 2021 (both dates inclusive). No transfer of shares of the Company will be registered during these days. In order to be eligible to attend and vote at the General Meeting, all transfers of shares, accompanied by the relevant share certificate(s), must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. (Hong Kong time) on 21 May 2021.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the Share Consolidation is in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the relevant resolution at the General Meeting.

Yours faithfully,
For and on behalf of the Board
Chan Wai Lap, Victor
Chairman

NOTICE OF GENERAL MEETING



CONTINENTAL HOLDINGS LIMITED 恒和珠寶集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00513)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that the general meeting (the “**General Meeting**”) of Continental Holdings Limited (the “**Company**”) will be held at Function Rooms 2 & 3, 3/F, The Mira Hong Kong, 118 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 27 May 2021 at 11:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon, among other things, the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the Consolidated Shares (as defined below) in issue, with effect from the second business day immediately following the day of passing of this resolution, being a day on which the shares of the Company are traded on the Stock Exchange:

- (a) every ten (10) issued shares of the Company be consolidated into one (1) share (each a “**Consolidated Share**”), and such Consolidated Share(s) shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the memorandum of association and bye-laws of the Company (the “**Share Consolidation**”);
- (b) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the directors (the “**Directors**”) of the Company may think fit; and

NOTICE OF GENERAL MEETING

- (c) the Directors be and are hereby authorised to do all such acts, deeds and things and to effect all necessary actions as they may consider necessary or desirable in order to effect, implement and complete any and all of the foregoing.”

By Order of the Board
Chan Wai Lap, Victor
Chairman

Hong Kong, 7 May 2021

Registered Office:

Flats M & N, 1st Floor
Kaiser Estate, Phase III
11 Hok Yuen Street
Hung Hom, Kowloon
Hong Kong

Notes:

1. Any member entitled to attend and vote at the meeting convened (or any adjournment thereof) is entitled to appoint another person as his proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy, must be deposited together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority, at the offices of the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether present in person or by proxy, will be accepted to the exclusion of the vote(s) of other joint holder(s), and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
4. For determining the entitlement to attend and vote at the General Meeting, the register of members of the Company will be closed from 24 May 2021 to 27 May 2021, both dates inclusive, during which period no transfer of Shares will be effected. In order to qualify for attending the General Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration no later than 4:30 p.m. on 21 May 2021.

NOTICE OF GENERAL MEETING

5. Completion and delivery of the form of proxy will not preclude members from attending and voting in person at the General Meeting and in such event, the relevant form of proxy shall be deemed to be revoked.
6. In compliance with the Listing Rules and the articles of association of the Company, all resolutions set out in this notice of the General Meeting will be voted on by way of poll.
7. In compliance with the Hong Kong Government's directive on social distancing, personal and environmental hygiene, and the guidelines issued by the Centre for Health Protection of the Department of Health on the prevention of the COVID-19 epidemic, the Company will implement additional precautionary measures at the General Meeting including, without limitation:
 - compulsory body temperature check
 - compulsory wearing of surgical face mask
 - no distribution of corporate gifts and no serving of drinks or refreshments
 - seats will be limited to ensure appropriate social distancing and will be available on a first-come-first-served basis

Any person who does not comply with the precautionary measures may be denied entry into the venue of the General Meeting. The Company encourages shareholders NOT to attend the General Meeting in person and strongly recommends shareholders to appoint the chairman of the General Meeting as their proxy to vote on the resolutions at the General Meeting as an alternative to attending the General Meeting in person.

Any person who does not comply with the precautionary measures or is subject to any Hong Kong government prescribed quarantine may be denied entry into the venue of the General Meeting. The Company also encourages its shareholders to consider appointing the chairman of the meeting as its/his/her proxy to vote on the relevant resolutions at the General Meeting as an alternative to attending the meeting in person. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.

As at the date of this notice, Mr. Chan Wai Lap, Victor, Dr. Chan Sing Chuk, Charles, BBS, JP, Ms. Cheng Siu Yin, Shirley, Ms. Chan Wai Kei, Vicki and Mr. Wong Edward Gwon-hing are Executive Directors, Mr. Yam Tat Wing is a Non-executive Director and Mr. Yu Shiu Tin, Paul, BBS, MBE, JP, Mr. Chan Ping Kuen, Derek, Mr. Sze Irons, BBS, JP and Mr. Cheung Chi Fai, Frank are Independent Non-executive Directors.