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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00513)

MAJOR TRANSACTION
DISPOSAL OF THE ENTIRE EQUITY INTEREST
IN A SUBSIDIARY

THE DISPOSAL

On 23 September 2025, the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the Sale Shares, representing the entire issued shares of the Target Company, and the Sale Loan, at the Consideration of RMB33,370,000 (equivalent to approximately HK\$36,470,073), upon and subject to the terms and conditions of the Sale and Purchase Agreement.

Upon Completion, the Target Group will cease to be subsidiaries of the Group, and their financial results will no longer be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company pursuant to Rule 14.06(3) of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, no Shareholder or any of their associates have any material interest in the Disposal. As such, no Shareholder would be required to abstain from voting if the Company were to convene a general meeting for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder.

As at the date of this announcement, Tamar Investments, a controlling Shareholder, holds a total of 506,339,522 Shares (or approximately 74.12% of the entire issued share capital of the Company). On the date of this announcement, the Company has obtained a written Shareholder's approval for the Disposal in accordance with Rule 14.44 of the Listing Rules from Tamar Investments. Accordingly, no Shareholders' meeting of the Company will be convened by the Company to approve the Disposal.

A circular including, among other things, (i) details of the Sale and Purchase Agreement and the transactions contemplated thereunder and (ii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders within 15 business days after publication of this announcement.

Completion of the Disposal is subject to the terms and conditions as set out in the Sale and Purchase Agreement. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

THE DISPOSAL

On 23 September 2025, the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the Sale Shares, representing the entire issued shares of the Target Company, and the Sale Loan, at the Consideration of RMB33,370,000 (equivalent to HK\$36,470,073), upon and subject to the terms and conditions of the Sale and Purchase Agreement.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below.

Date

23 September 2025

Parties

- (1) Purchaser: Cubic Stone Holdings Limited (立方石控股有限公司), a company incorporated in the BVI. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties as at the date of this announcement
- (2) Vendor: Continental Mining Holdings Limited (恒和礦業控股有限公司), a company incorporated in the BVI and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
- (3) Company: as the Vendor's guarantor

Assets to be disposed of

The Sale Shares, representing the entire issued shares of the Target Company, and the Sale Loan. As at the date of this announcement, the Sale Loan amounted to approximately HK\$265.9 million. The Target Company holds the entire equity interest in Golden Offer. Golden Offer in turn holds the entire equity interest in Henan Multi-Resources.

As detailed below, the principal asset of the Target Company is its 100% interest in Hongzhuang Gold Mine in Henan Province, the PRC. As at the date of this announcement, Henan Multi-Resources owns the Hongzhuang Gold Mine, which has two mining areas, namely "Hongzhuang Mine" and "Yuanling Mine", with site area of 1.09 km² and 4.57 km² respectively. The Hongzhuang Gold Mine has an indicated economic basic reserve (122b) of about 10.73 tonnes (gold resources) and indicated and inferred intrinsic economic resources (332 and 333) of about 5.46 tonnes and 24.66 tonnes respectively.

Consideration

The Consideration for the Disposal is RMB33,370,000, equivalent to approximately HK\$36,470,073, which shall be paid by the Purchaser to the Vendor in the following manner:

- (a) a deposit in the amount of RMB2,000,000 (equivalent to approximately HK\$2,186,000) was paid on 7 July 2025 pursuant to the terms of a non-legally binding memorandum of understanding dated 2 July 2025 entered into between the Purchaser and the Vendor in respect of the proposed disposal of the Sale Shares and the Sale Loan;
- (b) a further deposit in the amount of RMB2,000,000 (equivalent to approximately HK\$2,185,800) shall be paid within 3 Business Days signing of the Sale and Purchase Agreement; and
- (c) the balance of the Consideration in the amount of RMB29,370,000 (equivalent to approximately HK\$32,098,473) shall be paid upon Completion.

Upon Completion, the Purchaser (or its designated third party) shall take the assignment of the benefit of the entire loan of approximately RMB6,630,000 owing by Henan Multi-Resources to 恒和珠寶(江門)有限公司 (Continental Jewellery (Jiangmen) Company Limited*), an indirect wholly-owned subsidiary of the Company, at the consideration of RMB6,630,000 (equivalent to approximately HK\$7,245,927). For the avoidance of doubt, this consideration of RMB6,630,000 payable by the Purchaser (or its designated party) to 恒和珠寶(江門)有限公司 (Continental Jewellery (Jiangmen) Company Limited*) directly is separate from the Consideration for the Disposal (i.e. disposal of the Sale Shares and the Sale Loan) of RMB33,370,000.

Basis of Consideration

The basis of the Consideration is set out the section headed “REASONS FOR AND BENEFITS OF THE DISPOSAL AND THE BASIS OF CONSIDERATION” below.

Conditions precedent

Completion of the Disposal is conditional upon:

- (a) the Company having obtained all necessary consents and approvals by the Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder (or a written Shareholder’s approval in relation thereto) in a manner as required under the Listing Rules; and

- (b) before the Completion Date, the Vendor having provided the management accounts of the Target Group as at 30 September 2025 and information relating to the completion of the debt restructuring of the Target Group.

On the date of this announcement, the Company has obtained a written Shareholder's approval for the Disposal in accordance with Rule 14.44 of the Listing Rules from Tamar Investments, a controlling Shareholder which holds a total of 506,339,522 Shares (or approximately 74.12% of the entire issued share capital of the Company) as at the date of this announcement.

Completion

Subject to fulfilment of all conditions precedent under the Sale and Purchase Agreement, Completion of the Disposal shall take place on the Completion Date. Under the terms of the Sale and Purchase Agreement, (a) if any of the conditions precedent under the Sale and Purchase Agreement has not been fulfilled by the Completion Date, either the Vendor or the Purchaser may terminate the Sale and Purchase Agreement by written notice to the other party, and (b) if a party to the Sale and Purchase Agreement refuses to proceed with Completion on the Completion Date despite satisfaction of all conditions precedent under the Sale and Purchase Agreement, the non-defaulting party may terminate the Sale and Purchase Agreement by written notice to the defaulting party.

Other arrangements at Completion

At the request of the Purchaser, upon Completion, the Vendor shall use its best endeavours to procure the assignment of a debt of approximately RMB28.8 million owing by Henan Multi-Resources (the "**GH Loan**") to the Purchaser at the consideration of RMB100,000 (equivalent to approximately HK\$109,290). For the avoidance of doubt, this consideration of RMB100,000 payable by the Purchaser (or its designated party) to Hengtuo directly is separate from the Consideration for the Disposal (i.e. disposal of the Sale Shares and the Sale Loan) of RMB33,370,000.

The GH Loan owing to Hengtuo was originated from the loans provided by certain companies controlled by the late Dr. Chan Sing Chuk, Charles, BBS, JP, father of Mr. Chan Wai Lap, Victor, Ms. Chan Wai Kei, Vicki and Ms. Chan Mei Kei. Alice and husband of Ms. Cheng Siu Yin, Shirley, to Henan Multi-Resources for the payment of the fees in relation to the public tender of Hongzhuang Gold Mine. The GH Loan was a financial assistance provided by Hengtuo to the Group which has been outstanding since the Group's acquisition of the Target Group.

The ultimate beneficial owners of Hengtuo are Chen Xianzhou and Chen Xiansheng, cousins of Mr. Chan Wai Lap, Victor, Ms. Chan Wai Kei, Vicki and Ms. Chan Mei Kei. Alice, who are the executive Directors. Ms. Cheng Siu Yin, Shirley, another executive Director, is a key management personnel of Hengtuo.

The Purchaser requested the settlement of the GH Loan for a consideration of RMB100,000 on or before Completion. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, taking into account (a) the aforesaid background of the GH Loan, (b) the family relationship between the ultimate beneficial owners of Hengtuo and the aforesaid executive Directors, (c) a commercial assessment by Hengtuo in respect of Henan Multi-Resources's challenging financial position, which was characterized by significant liquidity constraints and a history of ongoing operational losses that materially limited its capacity to satisfy the repayment obligation and (d) the fact that the GH Loan had remained outstanding for more than 12 years, Hengtuo determined that accepting a discounted settlement of the GH Loan from the Purchaser so as to achieve the immediate and certain recovery of a portion of the debt is a commercially prudent solution.

Guarantee by the Vendor's guarantor

The Company, as the Vendor's guarantor, agrees to indemnify the Purchaser from and against all losses, claims, damages, costs and expenses (including legal expenses) which the Purchaser may suffer through or arising from any breach by the Vendor of its agreements, obligations, undertakings, and covenants under the Sale and Purchase Agreement or any matters before the Completion Date not disclosed by the Vendor, and the maximum liability of the Company as the Vendor's guarantor under the Sale and Purchase Agreement shall not exceed RMB20,000,000.

Costs and obligations to be borne or assumed by the Purchaser

Pursuant to the terms of the Sale and Purchase Agreement, the Purchaser undertakes and agrees with the Vendor that it shall bear the costs and assume the obligations relating to the matters set out hereunder:

- (1) All taxes incurred or to be incurred by Henan Multi-Resources, including but not limited to corporate income tax, land use tax, deed tax, property tax and stamp duty;
- (2) Compensation and relocation arrangements for villagers within Henan Multi-Resources's mining area;
- (3) Costs and expenses relating to resumption of operations at the Hongzhuang Gold Mine, including but not limited to mineral resource compensation fees, mining usage fees, environmental restoration fees, expenses for ensuring safe production, all relevant taxes, all equipment required and all other matters required for production;

- (4) Performance of obligations under contracts to which Henan Multi-Resources is a party;
- (5) Compensation for termination of employment of employees of Henan Multi-Resources, and matters incidental thereto; and
- (6) Matters relating to compliance with new regulations on the closing and sealing of abandoned shafts, in particular, sealing of the abandoned 155 shafts at the Hongzhuang Gold Mine, and prevention of accidents caused by illegal mining by unauthorised parties should they successfully overcome the security measures of the mines.

INFORMATION ON THE PARTIES AND THE TARGET GROUP

Information on the Company and the Vendor

The Company is incorporated in Hong Kong as a limited liability company. The Group is principally engaged in (i) the design, manufacturing, marketing and trading of fine jewellery and diamonds, (ii) property investment and development, (iii) mining operation and (iv) investment.

As at the date of this announcement, the Vendor is an indirect wholly-owned subsidiary of the Company. The Vendor is a company incorporated in the BVI with limited liability, and is principally engaged in investment holding.

Information on the Purchaser

As at the date of this announcement, the Purchaser is a company incorporated in the BVI with limited liability, and is principally engaged in investment holding. The Purchaser is wholly owned by Mr. Luo, a PRC resident. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and Mr. Luo are Independent Third Parties as at the date of this announcement.

Information on the Target Group

As at the date of this announcement, the Target Company is a direct wholly-owned subsidiary of the Vendor. The Target Company holds the entire equity interest in Golden Offer. Golden Offer in turn holds the entire equity interest in Henan Multi-Resources.

The Target Company is a company incorporated in the BVI with limited liability and is principally engaged in investment holding.

Golden Offer is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding.

Henan Multi-Resources is a wholly foreign owned enterprise established in the PRC. The principal asset of Henan Multi-Resources is its 100% interest in Hongzhuang Gold Mine. The Hongzhuang Gold Mine has two mining areas, namely “Hongzhuang Mine” and “Yuanling Mine”, with site area of 1.09 km² and 4.57 km² respectively. The Hongzhuang Gold Mine has an indicated economic basic reserve (122b) of about 10.73 tonnes (gold resources) and indicated and inferred intrinsic economic resources (332 and 333) of about 5.46 tonnes and 24.66 tonnes respectively. The existing mining licence of Hongzhuang Gold Mine issued to Henan Multi-Resources is for a period from April 2013 to September 2031 and covers a mining area of 5.6641 km² with an allowed production capacity of 120,000 tonnes (gold ore to be processed) per annum.

Financial information on the Target Group

A summary of the unaudited consolidated financial information of the Target Group for the two financial years ended 30 June 2023 and 30 June 2024 is set out below:

	For the years ended 30 June	
	2023	2024
	<i>Approximate</i>	<i>Approximate</i>
	<i>Amount</i>	<i>Amount</i>
	<i>HK\$</i>	<i>HK\$</i>
Revenue	0	0
Profit before taxation	18,726,000	2,971,000
Profit after taxation	13,111,000	686,000

The unaudited consolidated net asset value of the Target Group as at 30 June 2024 and 31 December 2024 amounted to approximately HK\$114,341,000 and HK\$106,919,000 respectively, and the Sale Loan as at 30 June 2024 and 31 December 2024 amounted to approximately HK\$263,444,000 and HK\$264,410,000 respectively. The above profits were mainly attributable to reversal of impairment loss on mining right in relation to the Hongzhuang Gold Mine.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND THE BASIS OF CONSIDERATION

The Group acquired its 100% interest in the Target Company, which holds the Hongzhuang Gold Mine, in 2011. Production at the Hongzhuang Gold Mine has been minimised since 2015 as the capacity of its tailings storage facility was exhausted and it has not generated any significant revenue for the Group since its acquisition.

The Board has determined that the Disposal, while at a significant discount to the appraised market value of the equity interest in Henan Multi-Resources, is the optimal and most realistic outcome for the Company and its Shareholders. This decision is based on the Group management's assessment of the Hongzhuang Gold Mine's substantial operational challenges, significant future capital outlay for resumption, the substantial costs and obligations to be borne or assumed by the Purchaser, and the outcomes of the Group's extensive efforts to market the asset and the Group's strategic priorities. For details of the substantial costs and obligations to be borne or assumed by the Purchaser, please refer to the sub-section headed "Costs and obligations to be borne or assumed by the Purchaser" above.

A. The Board's Assessment of the Valuation

The Company obtained a draft Valuation Report from the Valuer, which assessed the fair value of 100% equity interest in Henan Multi-Resources (excluding the GH Loan and the intra-Group companies' loans owing by Henan Multi-Resources) at approximately RMB379.0 million as at 30 June 2025. The Board's assessment is as follows:

Valuation Approach and Methodology: The Valuation Report adopted a market approach, using the comparable transactions method. An income approach was not viable as the Hongzhuang Gold Mine has been non-operational for years and lacks a reliable basis for projecting future cash flows. A cost approach would not adequately reflect the economic potential or the significant commercial impediments of the asset. Accordingly, the Board concurs that this market approach is the most appropriate given the circumstances. The Board's assessment of the key inputs and assumptions within the market approach is as follows:

- (i) ***Selection of Comparable Transactions:*** The Valuation of Henan Multi-Resources was based on four comparable transactions (the "**Comparables**") involving gold mines in the PRC between 2021 and 2025, being all transactions identified by the Valuer based on the following selection criteria: (a) targets located in the PRC; (b) targets principally engaged in gold mining; and (c) transactions with publicly available information. The Board concurs with the Valuer's selection criteria and notes that other potential transactions were excluded because the target mines contained other significant precious metals, making them unsuitable for a direct comparison. They involve different scales of operation, resource certainty, and operational readiness. Therefore, while those transactions provide a suitable starting point for valuation, they do not represent a direct like-for-like comparison to the non-operational and capital-intensive nature of the Hongzhuang Gold Mine in this particular case. The Board considers this filtering process to be diligent and appropriate.

- (ii) *Assessment of Valuation Multiple and Adjustments:* The Valuation is based on a Price-to-Resource (“**P/Resource**”) multiple. An average adjusted P/Resource multiple of RMB44.14/gram was derived by taking the P/Resource multiple of each comparable transaction at its completion date and adjusting it for the change in the gold price of Shanghai Gold Exchange up to the valuation date. The gold price of Shanghai Gold Exchange is calculated by historical change from the valuation date and the respective transaction date of the Comparables. The Board considers that the relevant consideration at the transaction date of each Comparable only represents the gold prices at that time and therefore the adjustment for gold price fluctuations is a reasonable and necessary step to normalize the historical transaction data to a common valuation date, thereby providing a more relevant benchmark.
- (iii) *Assessment of the Specific Deduction for Tailings Facility:* The Board specifically notes that there is an adjustment of RMB49 million to the Valuation, representing the “expected cost for a new tailings storage facility”. This cost estimate covers mining equipment, rail infrastructure, power and information systems, tailings engineering, transportation works and land use fees. The Board concurs with this deduction, as the existing tailings facility’s capacity was exhausted, and constructing a new one is an absolute and immediate prerequisite for any potential resumption of mining operations. This represents a direct and unavoidable capital cost for any potential acquirer, and hence a necessary capital cost that diminishes the asset’s value.

B. Factors Not Fully Reflected in the Valuation Report but Critical to the Consideration

While the Valuation provides an essential reference point, it does not fully capture the significant possible costs and risks associated the operational and regulatory framework of the mining operations at Hongzhuang Gold Mine. Essentially:

- (i) The RMB49 million deduction for the tailings facility (which is considered in the Valuation Report) represents only one component of the necessary investment. The Board considered that it is also relevant to consider the significant future expenditure expected for the overall development, construction, and ecological restoration of the mining areas to bring it back into a productive state after years of inactivity.
- (ii) The Purchaser shall undertake the substantial expenditures associated with the mining operations in respect of the Hongzhuang Gold Mine.

These factors are detailed below and they are considered relevant and essential to understanding the difference between the appraised value and the final Consideration, as attributable to the following commercial realities which were central to the arm's length negotiations:

Significant Capital Expenditure Required to Resume Operations Beyond the Tailings Facility: Production at Hongzhuang Gold Mine has been minimised since 2015 as the existing tailings storage facility was exhausted. A resumption of operations requires substantial new capital investment to meet current regulatory standards and achieve operational viability. The Group estimates total future capital outlays to be approximately RMB232.9 million. The future capital outlay estimations include RMB202.5 million in fixed asset investment (for infrastructure, equipment, and development) and RMB30.4 million in working capital. The estimations are primarily based on a combination of (i) state or industrial budgetary norms (ding'é or 定額) for the cost of labour and machinery for construction tasks; (ii) indicative pricing guidance for the cost of materials and labor rates, sourced from regulatory information circulars; (iii) market-based pricing for the acquisition of specific machinery and equipment from suppliers and (iv) prescribed percentage-based fees for administrative, design, and supervision costs as stipulated by national standards and regulations, and tailored to the Hongzhuang Gold Mine's actual circumstances.

This required capital outlay is substantially greater than the RMB49 million cost for the tailings storage facility already deducted in the Valuation Report. The Board considers this entire amount a necessary investment that any prudent buyer would factor into their offer price. The Group, given its existing financial leverage, is not in a position to fund such a significant capital program for a non-core asset with no guaranteed return.

The Group, with bank and other borrowings of approximately HK\$1,023.4 million and net current liabilities of approximately HK\$372.5 million as at 31 December 2024, is already highly leveraged and is not in a position to commit to such a significant capital outlay for a non-core, non-revenue-generating asset with highly uncertain returns.

Purchaser's Assumption of Substantial Expenditure: A critical component of the Disposal is that the Group would be relieved from a wide range of future costs and potential liabilities associated with Henan Multi-Resources after the Disposal. The Purchaser is willing to undertake the relevant costs and potential liabilities for:

- *Tax:* All taxes incurred or to be incurred by Henan Multi-Resources, including corporate income tax, land use tax, and property tax.
- *Villager Compensation:* Costs related to compensation and relocation arrangements for villagers within the mine's operational area.

- *Resumption Costs:* All expenses related to resuming operations, including mineral resource compensation fees, environmental restoration fees, and ensuring compliance with evolving safety and production standards.
- *Abandoned Shafts Sealing:* Costs for complying with relevant regulations on the closing and sealing of 155 abandoned shafts to prevent accidents and illegal mining.
- *Employee Liabilities:* Compensation for the termination of employment contracts for Henan Multi-Resources's employees.

The Board views the assumption of these expenditures and obligations by the Purchaser as a significant component of the overall value proposition of the deal, which is directly reflected in the Consideration.

Prolonged History of Unprofitability and Unsuccessful Sales Efforts: Since its acquisition in 2011, other than the HK\$63.5 million revenue recorded during the trial production, the Hongzhuang Gold Mine has not generated any significant revenue for the Group. It is uncertain whether the Hongzhuang Gold Mine has the potential for positive returns to the Group in the long run. As disclosed in the annual reports of the Group in 2012 to 2015, Hongzhuang Gold Mine had been in a trial production state since its acquisition and production operation has become minimal. Nevertheless, the Group made continued efforts to re-assess the viability of the Hongzhuang Gold Mine by re-visiting some of the old shafts and conducting feasibility study of developing new shafts, including exploration works at the north eastern part of the “Yuanling Mine”, which is a part of the Hongzhuang Gold Mine, since 2014. Despite the aforementioned efforts, a minimal level of operations was maintained at the Hongzhuang Gold Mine since 2015. Furthermore, the Group has provided over HK\$38 million in funding merely to maintain the asset in a suspended state, representing a continuous financial drain for the Group. Given the track record of the operation of Hongzhuang Gold Mine, there is no certainty on the net profit to be generated to the Group in the long term.

Recognizing these challenges, the Group has made extensive and prolonged efforts since 2019 to find a suitable buyer. These efforts included:

- **Direct Negotiations:** Proactively identifying and holding exploratory discussions with at least 5 potential purchasers, mostly PRC-based mineral companies, between 2021 and 2024.
- **Agent Engagement:** Appointing at least 4 professional agents and consultancy firms between 2022 and 2024 to market the asset and identify potential buyers.
- **Site Visits:** Arranging multiple physical site visits for interested parties.

No viable offers were received from these extensive marketing efforts, primarily due to potential buyers' concerns over the substantial capital investment and liabilities required. The current transaction is the only one to have materialized.

Increasing Regulatory Risks and Strategic Realignment: The mining industry in the PRC is subject to increasingly stringent environmental and safety regulations. Mining activities are required to be managed to adhere to the comprehensive framework of the environmental laws and regulations in the PRC, including the national laws such as 《中華人民共和國環境保護法》 (Environmental Protection Law of the PRC*) and 《中華人民共和國水土保持法》 (Water and Soil Conservation Law of the PRC*), and national regulations and standards such as 《土地復墾條例》 (Regulations on Land Reclamation*) and 《礦山地質環境保護規定》 (Provisions on the Protection of the Geologic Environment of Mines*), and Henan provincial regulations such as 《河南省地質環境保護條例》 (Henan Provincial Regulations on Geological Environment Protection*) and 《河南省礦山地質環境治理恢復基金管理辦法》 (Henan Provincial Administrative Measures for the Funds for the Restoration and Management of the Geological Environment of Mines*).

In view of the above, the Board anticipates that maintaining or developing the Hongzhuang Gold Mine would entail possible exposure of the Group to greater operational, compliance, and financial risks and uncertainties in the future. The Disposal allows the Group to steer away from these risks and streamline its operations to focus capital and management resources on its core businesses of fine jewellery, diamonds, and property investment and development.

C. Basis of Consideration

The Board has concluded that the Consideration of RMB33,370,000, while at a discount to the RMB379.0 million appraised value, is fair and reasonable. This conclusion is based not on the Valuation in isolation, but on a holistic commercial assessment of the Hongzhuang Gold Mine actual circumstances. After factoring in (i) the estimated total future capital outlays of approximately RMB232.9 million required for resumption, (ii) the significant and potential costs and obligations (including but not limited to the significant potential costs relating to compensation for employees and villagers and the sealing of abandoned shafts) assumed by the Purchaser, and (iii) the possible costs and expenses for compliance with the increasingly stringent environmental and safety regulations, the Board concluded that the Consideration is fair and reasonable.

The Disposal provides an immediate cash inflow, and a relief of a long-standing financial burden on the Group, mitigates significant future risks, and is the culmination of over a prolonged period of unsuccessful efforts to monetize this non-core asset. The decision to dispose of the mining operation and concentrate resources on the core businesses aligns with the Group's strategic objectives. Therefore, the Directors (including the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreement are on normal commercial terms, and they are fair and reasonable and in the best interests of the Company and its Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, the Target Group will cease to be subsidiaries of the Group and their financial results will no longer be consolidated into the financial statements of the Group.

The Board intends to apply the net proceeds from the Disposal and the sum of RMB6.6 million to be received by a wholly-owned subsidiary of the Group in relation to the Disposal for repaying part of the bank borrowings and general working capital of the Group .

It is estimated that the loss on Disposal calculated in accordance with the HKFRSs would be approximately HK\$390 million comprising the Consideration less the unaudited net asset value of the Target Group as at 31 December 2024. The above estimation of the loss of Disposal has not been reviewed or audited. The actual financial impact to the Group arising from the Disposal to be recorded in the Group's consolidated financial statements will be determined with reference to the financial status of the Target Group as at the Completion Date.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company pursuant to Rule 14.06(3) of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, no Shareholder or any of their associates have any material interest in the Disposal. As such, no Shareholder would be required to abstain from voting if the Company were to convene a general meeting for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder.

As at the date of this announcement, Tamar Investments, a controlling Shareholder, holds a total of 506,339,522 Shares (or approximately 74.12% of the entire issued share capital of the Company). On the date of this announcement, the Company has obtained a written Shareholder's approval for the Disposal in accordance with Rule 14.44 of the Listing Rules from Tamar Investments. Accordingly, no Shareholders' meeting of the Company will be convened by the Company to approve the Disposal.

A circular including, among other things, (i) details of the Sale and Purchase Agreement and the transactions contemplated thereunder and (ii) other information as required under the Listing Rules is expected to be despatched to the Shareholders within 15 business days after publication of this announcement.

WARNING

Completion of the Disposal is subject to the terms and conditions as set out in the Sale and Purchase Agreement. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Business Day”	a day on which banks in Hong Kong, PRC and BVI are generally open for business (other than a Saturday, Sunday, public holiday of Hong Kong, PRC or BVI, or a day on which typhoon signal No. 8 or above or the black rainstorm signal is hoisted in Hong Kong at any time between 9:00 a.m. to 5:00 p.m.)
“Company”	Continental Holdings Limited (Stock Code: 513), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	15 October 2025
“Consideration”	RMB33,370,000 (equivalent to HK\$36,470,073), being the consideration of the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Loan by the Vendor to the Purchaser pursuant to the terms of the Sale and Purchase Agreement
“Golden Offer”	Golden Offer Holdings Limited (金花集團有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement

“Group”	the Company and its subsidiaries
“Henan Multi-Resources”	河南八方礦業有限公司 (Henan Multi-Resources Mining Co., Ltd.*), a wholly foreign owned enterprise established in the PRC and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Hengtuo”	廣州市恒拓投資諮詢有限公司 (Guangzhou Hengtuo Investment Consultancy Co. Ltd*), a company established in the PRC
“HKFRSs”	Hong Kong Financial Reporting Standards
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hongzhuang Gold Mine”	the two mining areas, namely “Hongzhuang Mine” and “Yuanling Mine” both located at the Luanchuan County, Henan Province, the PRC, and are owned by Henan Multi-Resources
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Luo”	羅智輝 (Luo Zhihui*), a PRC resident and the legal and beneficial owner of the Purchaser
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	Cubic Stone Holdings Limited (立方石控股有限公司), a company incorporated in the BVI
“RMB”	Renminbi, the lawful currency of the PRC

“Sale and Purchase Agreement”	the sale and purchase agreement dated 23 September 2025 and entered into between the Vendor as vendor, the Company as Vendor’s guarantor, and the Purchaser as purchaser in relation to the Disposal
“Sale Loan”	the entire loan owing by the Target Company to the Vendor as at the Completion Date, which is unsecured and interest free
“Sale Shares”	2 shares in the share capital of the Target Company, representing the entire issued and fully paid-up shares of the Target Company
“Share(s)”	ordinary share(s) in the Company of HK\$0.01 each
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tamar Investments”	Tamar Investments Group Limited, a company incorporated in the British Virgin Islands with limited liability and owned as to 70% by Ms. Cheng Siu Yin, Shirley, 16% by Mr. Chan Wai Lap, Victor, 7% by Ms. Chan Wai Kei, Vicki, and 7% by Ms. Chan Mei Kei, Alice, all of them are executive Directors of the Company
“Target Company”	Big Bonus Limited (大盈有限公司), a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Target Group”	Target Company and its subsidiaries, including Golden Offer and Henan Multi-Resources as at the date of this announcement
“Valuation”	the valuation of the Henan Multi-Resources (excluding the GH Loan and the intra-Group companies’ loans owing by Henan Multi-Resources) based on the Valuation Report

“Valuation Report”	the draft independent valuation report from the Valuer, which assessed the fair value of 100% equity interest in Henan Multi-Resources (excluding the GH Loan and the intra-Group companies’ loans owing by Henan Multi-Resources)
“Valuer”	BMI Appraisals Limited
“Vendor”	Continental Mining Holdings Limited (恒和礦業控股有限公司), a company incorporated in the BVI and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“km ² ”	square kilometres
“%”	per cent.

* *for identification purposes only*

For illustration purposes, the exchange rate of RMB1 = HK\$1.0929 has been used to convert RMB into HK\$ in this announcement.

By order of the Board
Continental Holdings Limited
Chan Wai Lap, Victor
Chairman

Hong Kong, 23 September 2025

As at the date of this announcement, Mr. Chan Wai Lap, Victor, Ms. Cheng Siu Yin, Shirley, Ms. Chan Wai Kei, Vicki, Ms. Chan Mei Kei, Alice and Mr. Wong Edward Gwon-hing are executive Directors of the Company; and Mr. Yu Shiu Tin, Paul, BBS, MBE, JP, Mr. Chan Ping Kuen, Derek, Mr. Sze Irons, GBS, BBS, JP, Mr. Cheung Chi Fai, Frank and Mr. Yam Tat Wing are independent non-executive Directors of the Company.