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

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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)

**VERY SUBSTANTIAL DISPOSAL
DISPOSAL OF THE ENTIRE EQUITY INTEREST
IN A SUBSIDIARY
AND
NOTICE OF GENERAL MEETING**

Capitalised terms used in the lower portion of this cover page shall have the respective meanings as those defined in the section headed "DEFINITIONS" in this circular.

A letter from the Board is set out on pages 6 to 29 of this circular.

The notice convening the General Meeting to be held at Whampoa 01 & 02, 1/F, Harbour Grand Kowloon, 20 Tak Fung Street, Whampoa Garden, Hung Hom, Kowloon, Hong Kong on Thursday, 22 January 2026 at 11:00 a.m. is set out on pages GM-1 to GM-2 of this circular.

Shareholders are advised to read the notice of the General Meeting and if you are not able to attend the General Meeting or its adjournment thereof (as the case may be) in person but wish to exercise your right as a Shareholder, please complete, sign and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding the General Meeting or any adjournment thereof (as the case may be). 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 (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following words and expressions have the following meanings:

“Announcement”	the announcement dated 23 September 2025 published by the Company in relation to the Disposal
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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.)
“BVI”	the British Virgin Islands
“Company”	Continental Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 513)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement)
“Completion Date”	the 3rd Business Day after all conditions precedent under the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement) have been fulfilled, or such other date as the Vendor and the Purchaser may agree in writing
“Consideration”	RMB33,370,000 (equivalent to HK\$36,470,073), being the consideration for the Sale Shares and the Sale Loan
“Continental (Jiangmen)”	恒和珠寶(江門)有限公司 (Continental Jewellery (Jiangmen) Company Limited*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company

DEFINITIONS

“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 (as amended and supplemented by the Supplemental Agreement)
“Extension Notice”	the written notice from the Purchaser dated 12 December 2025 in respect of the postponement of the Long Stop Date to 28 February 2026
“General Meeting”	a general meeting of the Company to be convened for the purpose of seeking approval from the Shareholders in relation to the Disposal
“GH Loan”	a debt of approximately RMB28.8 million (equivalent to approximately HK\$31,475,000) owing by Henan Multi-Resources as at the Latest Practicable Date
“Golden Offer”	Golden Offer Holdings Limited (金花集團有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Target Company as at the Latest Practicable Date
“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 a direct wholly-owned subsidiary of Golden Offer as at the Latest Practicable Date
“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

DEFINITIONS

“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Jiangmen Loan”	a debt of approximately RMB6.63 million (equivalent to approximately HK\$7,245,927) owing by Henan Multi-Resources to Continental (Jiangmen) as at the Latest Practicable Date
“JORC Code”	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004 edition), as published by the Joint Ore Reserves Committee, as amended from time to time
“Latest Practicable Date”	23 December 2025, being the latest practicable date for ascertaining certain information in this circular before the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Local Consultant”	河南雨秋工程諮詢有限公司 (Henan Yuqiu Engineering Consulting Co., Ltd.*), a consultancy company incorporated in the PRC and specialized in mineral resource exploration, surveying services, mineral reserve assessment, environmental and ecological resource testing, engineering cost consulting, and technical development and advisory services in the PRC
“Local Consultant Report”	the extraction and ecological restoration plan in respect of the Hongzhuang Gold Mine prepared by the Local Consultant in May 2025
“Long Stop Date”	31 December 2025 or such other date as postponed by the Purchaser pursuant to the terms of the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement)
“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 circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan

DEFINITIONS

“PRC National Standard”	PRC National Standard – Solid Reserve and Resources Classification System (中國國家標準－固體礦產資源／儲量分類) (GB/T17766-1999)
“Purchaser”	Cubic Stone Holdings Limited (立方石控股有限公司), a company incorporated in the BVI
“Remaining Group”	the Group excluding the Target Group
“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
“Second Supplemental Announcement”	an announcement dated 12 December 2025 published by the Company in relation to the Disposal
“Share(s)”	ordinary share(s) in the Company of HK\$0.01 each
“Shareholder(s)”	holder(s) of the issued Shares
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 15 October 2025 entered into between the Vendor, the Purchaser and the Company in relation to the Disposal
“Supplemental Announcement”	an announcement dated 15 October 2025 published by the Company in relation to the Disposal

DEFINITIONS

“Tamar Investments”	Tamar Investments Group Limited, a company incorporated in the BVI with limited liability and, as at the Latest Practicable Date, 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
“Target Company”	Big Bonus Limited (大盈有限公司), a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Vendor as at the Latest Practicable Date
“Target Group”	Target Company and its subsidiaries, including Golden Offer and Henan Multi-Resources
“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”	valuation report dated 31 December 2025 in respect of the Henan Multi-Resources issued by the Valuer to the Company, the full text of which is set out in Appendix V to this circular
“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
“km ² ”	square kilometres
“%”	per cent.

* for identification purposes only

For the purposes of this circular, the exchange rate of RMB1= HK\$1.0929 has been used to convert RMB into HK\$. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in HK\$ or RMB has been, could have been or may be converted at such or any other rate or at all.



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
Ms. Cheng Siu Yin, Shirley
Ms. Chan Wai Kei, Vicki
Ms. Chan Mei Kei, Alice
Mr. Wong Edward Gwon-hing

Registered office:

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

Independent Non-executive Directors:

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

31 December 2025

To the Shareholders

Dear Sir or Madam,

**VERY SUBSTANTIAL DISPOSAL
DISPOSAL OF THE ENTIRE EQUITY INTEREST
IN A SUBSIDIARY**

INTRODUCTION

References are made to the Announcement, the Supplemental Announcement and the Second Supplemental Announcement whereby it was announced that 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 (as amended and supplemented by the Supplemental Agreement).

LETTER FROM THE BOARD

The purposes of this circular are to provide the Shareholders with, among other things, (i) further details of the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement) and the Disposal, (ii) other information as required to be disclosed under the Listing Rules and (iii) a notice convening the General Meeting.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement) are set out below.

Date

23 September 2025 (with the Supplemental Agreement entered into on 15 October 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 the Latest Practicable Date |
| (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 |
| (3) Vendor's guarantor: | the Company |

Assets to be disposed of

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. As at the Latest Practicable Date, the Sale Loan amounted to approximately HK\$266.6 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. Apart from their respective interests in Golden Offer and Henan Multi-Resources and minimal cash at bank, the Target Company and Golden Offer do not hold any other assets.

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 Latest Practicable Date, Henan Multi-Resources owned the Hongzhuang Gold Mine, which had 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.

LETTER FROM THE BOARD

Upon Completion, the Jiangmen Loan would be assigned to the Purchaser at the consideration of RMB6,630,000. Please refer to the sections headed “Consideration” and “Other arrangements at Completion” below for more details of the Jiangmen Loan.

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 after the 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.

The further deposit in the amount of RMB2,000,000 was paid on 24 September 2025 by the Purchaser to the Vendor.

Upon Completion, the Purchaser (or its designated third party) shall take the assignment of the benefit of the entire Jiangmen Loan 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 Continental (Jiangmen) 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 total amount payable by the Purchaser to the Group upon Completion, comprising of the Consideration for the Sale Shares and the Sale Loan and the assignment of the Jiangmen Loan, shall be RMB40 million (equivalent to approximately HK\$43,716,000). The transactions contemplated under the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement) are structured as a sale of the entire interest in the Target Group. The Purchaser made an offer for the entire package (being the aggregate of the Sale Shares, the Sale Loan and the Jiangmen Loan), factoring all the costs and risks into a single price that the Purchaser was willing to pay for the acquisition of the Target Group.

Basis of Consideration

The basis of the Consideration is set out in the section headed “BASIS OF CONSIDERATION” below.

LETTER FROM THE BOARD

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 (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder 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 the end of the month immediately preceding the Completion Date and information relating to the completion of the debt restructuring of the Target Group.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

Debt restructuring of the Target Group

Prior to the debt restructuring of the Target Group, intragroup loans of approximately HK\$116.1 million owed by Golden Offer to companies within the Group were assigned to the Target Company. The said amount, combined with an existing loan of approximately HK\$149.6 million owed by Target Group to the Vendor, constituted the Sale Loan, i.e. totaling approximately HK\$265.7 million as at 30 June 2025. Any additional intragroup loans incurred from 1 July 2025 up to the Completion Date will be further assigned to the Target Company and included as part of the debt restructuring arrangements prior to the Completion.

Long Stop Date

Pursuant to the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement), if any of the above conditions precedent is not fulfilled on or before 6:00 p.m. on the Long Stop Date, the Purchaser may by written notice to the Vendor to postpone the Long Stop Date for a period not exceeding 30 Business Days per occasion. For the avoidance of doubt, the Purchaser may elect to postpone the Long Stop Date more than once in accordance with the terms of the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement). In the event the Purchaser does not opt to postpone the Long Stop Date, either the Vendor or the Purchaser may elect to terminate the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement) by written notice to the other party.

On 12 December 2025, the Vendor received the Extension Notice to postpone the Long Stop Date to 28 February 2026, and such extension was agreed by the Vendor and the Company.

LETTER FROM THE BOARD

Completion

Completion of the Disposal shall take place on the Completion Date, being the 3rd Business Day after all conditions precedent under the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement) have been fulfilled, or such other date as the Vendor and the Purchaser may agree in writing.

Other arrangements at Completion

At the request of the Purchaser, upon Completion, the Vendor shall use its best endeavours to procure the assignment of 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 assignment of the GH Loan is inter-conditional to the Disposal and such assignment shall be completed on or prior to the Completion.

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.

As at the Latest Practicable Date, the ultimate beneficial owners of Hengtuo were 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, was a key management personnel of Hengtuo. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner (on the one hand) and Hengtuo and its ultimate beneficial owners (on the other hand) were Independent Third Parties as at the Latest Practicable Date.

The Purchaser requested the assignment 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.

LETTER FROM THE BOARD

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 (as amended and supplemented by the Supplemental 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 (as amended and supplemented by the Supplemental Agreement) shall not exceed RMB20,000,000.

Upon request by the Purchaser and in consideration of the fact that the Consideration of RMB33,370,000 represents a significant discount to the appraised value of RMB379.0 million, the Company agreed to provide guarantee to the Purchaser provided that the maximum liability of the Company shall not exceed RMB20,000,000, being 50% of the total amounts receivable by the Group in connection with the Disposal (i.e. aggregate of the Consideration of RMB33,370,000 and the consideration of RMB6,630,000 for the assignment of the benefit of the entire Jiangmen Loan).

Costs and obligations to be borne or assumed by the Purchaser

Pursuant to the terms of the Sale and Purchase Agreement (as amended and supplemented by the Supplemental 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:

- (a) 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;
- (b) Compensation and relocation arrangements for villagers within Henan Multi-Resources's mining area;
- (c) 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;
- (d) Performance of obligations under contracts to which Henan Multi-Resources is a party;

LETTER FROM THE BOARD

- (e) Compensation for termination of employment of employees of Henan Multi-Resources, and matters incidental thereto; and
- (f) Matters relating to compliance with new regulations on the closing and sealing of abandoned shafts, in particular, sealing of the 155 abandoned 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 Hongzhuang Gold Mine.

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 Latest Practicable Date, the Vendor was 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 Latest Practicable Date, the Purchaser was a company incorporated in the BVI with limited liability, and was 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 were Independent Third Parties as at the Latest Practicable Date.

Information on the Target Group

As at the Latest Practicable Date, the Target Company was 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.

LETTER FROM THE BOARD

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. According to the technical report prepared by SRK Consulting China Limited in January 2010, the Hongzhuang 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, whilst the known resources at Yuanling Mine was nearly mined-out. The Board considers the aforesaid reported resources for the Hongzhuang Gold Mine remains valid and accurate as the Hongzhuang Mine has not yet commenced commercial production since the Group’s acquisition of the Target Group in 2011, while trial production activities have been conducted primarily at the Yuanling Mine. 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.

Note: The resource estimates are disclosed based on the PRC National Standard. As extracted from the PRC National Standard:

- (i) Indicated economic basic reserve (122b): The extractable part of the indicated economic basic reserve. It refers to the lot of land where more detailed investigation and feasibility study have been conducted. The result of the feasibility report is that the mining is economical and the measured quantity of reserve is relatively reliable. But that does not take into account any quantities which may be lost in the process of design and mining.
- (ii) Indicated intrinsic economic resources (332): It refers to the lot of lands where more detailed investigation has been conducted. The geological reliability is indicated. A summary research has only been done for the feasibility assessment. The economic significance is in the submarginal economic area. The reliability of the measured quantity of resources is relatively high, while the reliability of feasibility assessment is low.
- (iii) Inferred intrinsic economic resources (333): It refers to the lot of lands where only preliminary evaluation has been conducted. The geological reliability is inferred. The quantity of resources is calculated only by limited data with low reliability. A summary research has only been done for the feasibility assessment. The economic significance is in the submarginal economic area. The reliability of feasibility assessment is low.

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 2024 and 30 June 2025 is set out below:

	For the years ended 30 June	
	2024	2025
	<i>Approximate</i>	<i>Approximate</i>
	<i>Amount</i>	<i>Amount</i>
	<i>HK\$</i>	<i>HK\$</i>
Revenue	0	0
Profit/(Loss) before taxation	2,971,000	(32,845,000)
Profit/(Loss) after taxation	686,000	(26,126,000)

LETTER FROM THE BOARD

The unaudited consolidated net asset value of the Target Group as at 30 June 2024 and 30 June 2025 amounted to approximately HK\$114,341,000 and HK\$95,656,000 respectively, and the Sale Loan as at 30 June 2024 and 30 June 2025 amounted to approximately HK\$263,444,000 and HK\$265,676,000 respectively. The profits for the year ended 30 June 2024 were mainly attributable to reversal of impairment loss on mining right in relation to the Hongzhuang Gold Mine.

Further details on the financial information of the Target Group are set out in Appendix II to this circular.

VALUATION OF THE HONGZHUANG GOLD MINE

When performing the Valuation, BMI Appraisals Limited, the independent property valuer, has used the market approach with reference to the considerations of comparable transactions. It has assessed the conditions of the selected comparable transactions which are similar to those of the Hongzhuang Gold Mine from publicly available data for valuation purpose. Please refer to (i) the section headed “A. The Valuation Report” below and (ii) the Valuation Report contained in Appendix V to this circular for more details.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group’s core business has always been focused on the designing, manufacturing, marketing and trading of fine jewellery and diamonds, complemented by property investment and development. In 2011, the Group acquired the Target Company, which held the Hongzhuang Gold Mine, with a view to supporting vertical integration of its jewellery operations. However, production at the Hongzhuang Gold Mine has been minimal 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. Over time, unfavourable market conditions and rising operating costs made exploitation of the Hongzhuang Gold Mine uneconomic, and the COVID-19 pandemic further constrained capital allocation and on-site activity. Consequently, the Hongzhuang Gold Mine has remained a non-performing asset for the Group, with on-going maintenance costs and no commensurate cash inflows.

In contrast, the Group’s other operating segments such as jewellery and property development generated significant positive contributions during the financial year ended 30 June 2025, with the jewellery segment recording a profit of approximately HK\$19.9 million and the sale of “Amber Place” residential units contributing HK\$221.3 million in revenue. The Board takes the view that the allocation of scarce resources to a non-performing segment would divert funds from higher-return activities and undermine overall corporate performance of the Group.

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Against this backdrop, the Board has determined that an orderly exit from non-core mining business aligns with the Group's strategic focus on its core and sustainable businesses. The Board also anticipates ongoing challenges arising from inflationary pressures and geopolitical uncertainties, which may dampen market demand in market segments the Group operates in. The commercial property segment continues to face significant challenges, including weak leasing activity and downward pressure on rental rates. In light of these adverse conditions, the Board has been actively implementing all available measures to maximize cash flow and strengthen the Group's financial resilience.

Consistent with this approach, the Group has explored disposal of the Hongzhuang Gold Mine since 2019. Discussions with larger mining companies slowed during the COVID-19 pandemic and resumed in 2023 with listed and sizeable private counterparties. Given the relatively small scale of the Hongzhuang Gold Mine and the funding and compliance requirements for resumption, interest was limited. The Purchaser, being a local party familiar with the regulatory environment and operating conditions, presented a viable exit pathway for the Group. The payment arrangement under the Sale and Purchase Agreement, which includes a meaningful upfront cash component, is more favourable than earlier proposals received by the Group that were primarily structured as deferred payments.

Upon Completion, the Remaining Group will cease to hold any interest in the Target Group and will not be responsible for the assets, liabilities, operations or future capital commitments relating to the Hongzhuang Gold Mine, save for the obligations of the Vendor and the Company relating to certain warranties under the Sale and Purchase Agreement.

Accordingly, the Disposal is expected to benefit the Group by (i) strengthening liquidity and supporting near-term financial commitments through an immediate cash inflow, (ii) relieving the Group from further capital commitments, ongoing holding costs and potential liabilities associated with the Hongzhuang Gold Mine, and (iii) enabling the Group to re-allocate capital and management attention to its profitable core businesses.

BASIS OF CONSIDERATION

The Consideration was arrived at after arm's length negotiations between the Company and the Purchaser on normal commercial terms, with reference to a combination of quantitative and qualitative factors, each of which is discussed in detail below, including the Valuation Report, the Local Consultant Report, the allocation of liabilities, costs and future obligations to the Purchaser, mining licence extension risk, the mine's operating and sale history, evolving regulatory requirements and the Group's strategic priorities, the liquidity benefit of an immediate cash inflow, and other quantifiable components of the transaction.

A. The Valuation Report

The Company obtained the Valuation Report, which indicates an assessed fair value of approximately RMB379.0 million for the 100% of the equity interest in Henan Multi-Resources at as at 30 June 2025, excluding the GH Loan and the intra-Group companies' loans owing by Henan Multi-Resources (such as the Jiangmen Loan amounting to approximately RMB6.63 million).

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The Board has reviewed the Valuation Report, discussed with the Valuer the scope of work, methodology, key assumptions and limitations, and used the Valuation Report as one of the principal points of reference in determining the Consideration.

Valuation Approach and Methodology

According to the Valuation Report, a market approach – using the comparable transactions method – was adopted. In view of the Hongzhuang Gold Mine's non-operational status and the absence of reliable cash-flow projections, the Valuer considered that an income approach was not viable, and that a cost approach would not adequately reflect the asset's economic potential or the significant commercial impediments. On this basis, the Valuer concludes that the market approach is the most appropriate approach in the circumstances. The Board considers that the methodology and approach of the Valuation is appropriate and reasonable, and that the Valuation represents a fair assessment of the value of the Hongzhuang Gold Mine.

Key Assumptions of the Valuation

The assumptions below are those set out in the Valuation Report and are customary for market-based valuations:

- (a) The products and/or services of Henan Multi-Resources or similar products and/or services are marketable and liquid that there are active markets for the exchange of the products and/or services of Henan Multi-Resources or similar products and/or services;
- (b) All licenses, permits, certificates and consents issued by any local, provincial or national government or other authorized entity or organization that will affect the operation of Henan Multi-Resources have been obtained or can be obtained upon request with an immaterial cost;
- (c) Henan Multi-Resources currently has, or will have, adequate human capital and capacity required for the production and/or provision of the products and/or services of Henan Multi-Resources, and the required human capital and capacity will be acquired in a timely manner that will not affect the operation of Henan Multi-Resources;
- (d) Henan Multi-Resources has acquired, or will acquire, adequate financial capital for the investments in projected capital expenditure and working capital from time to time, and any scheduled interest or repayment of loan and payable will be paid on time;
- (e) The senior management of Henan Multi-Resources has sufficient knowledge and experience in respect of the operation of Henan Multi-Resources, and the turnover of any director, management or key person will not affect the operation of Henan Multi-Resources; and

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- (f) The senior management of Henan Multi-Resources has adopted reasonable and appropriate contingency measures against any human disruption and natural disaster.

The Valuation Report was prepared on a market value basis, defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

Based on discussions with the Valuer, the Board considers the above assumptions are fair, reasonable and appropriate and it is reasonable to rely on the Valuation Report as one of the points of reference for determining the Consideration.

Selection of Comparable Transactions

The Valuation 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 Valuation Report 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.

Details of the Comparables are as follows:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name of company	Hengxing Gold Holding Company Limited	Mangshi Huasheng Gold Mine Development Co., Ltd	Zhaojin Mining Industry Co Ltd	Yantai City Mujin Mining Co Ltd
Acquired interest	100%	60%	20%	28%
Consideration	RMB2,177,639,000	RMB1,037,000,000	RMB4,062,632,714	RMB81,900,000
Completion date	29 January 2021	14 September 2021	10 November 2022	24 February 2025
Gold metal contained	63,302 Kilograms	50,620 Kilograms	439,110 Kilograms	8,100 Kilograms

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The Valuer has assessed the details of the underlying mines of the Comparables including the locations, nature of resources and status of operation based on publicly available information. The mining operation of the Comparables are principally suspended or not operating as at the relevant transaction dates. The Valuer was not aware of any conditions that are substantially different from those of Hongzhuang Gold Mine. Given the abovementioned selection criteria and the Valuer's assessment that the Comparables are fit for valuation purpose as they were transactions of gold mine with gold resources in the PRC, the Valuer considered that the Comparables were fair, representative and reasonable.

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 RMB 44.14/gram was derived by taking the P/Resource multiple of each Comparable 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 Valuation Report explains that the consideration observed at each transaction date reflects the gold price prevailing at that time. Therefore, normalising for gold price fluctuations to a common valuation date is a reasonable and necessary step to provide a more relevant benchmark.

Details of the P/Resource multiples of the Comparables are as follows:

Comparable No.	Completion Date	As at Completion Date		As at 30 June 2025	
		SGEX Gold Price (RMB/Gram)	P/Resource Multiple (RMB/Gram)	SGEX Gold Price (RMB/Gram)	P/Resource Multiple (RMB/Gram)
1	29 January 2021	351.03	34.40	469.34	46.00
2	14 September 2021	411.95	34.14	469.34	38.90
3	10 November 2022	378.01	46.26	469.34	57.44
4	24 February 2025	495.19	36.11	469.34	34.23
Average adjusted P/Resource Multiple					44.14

A discount of 30% and 60% was applied to resource categories 122b and 332, respectively, based on the Valuer's professional judgment and experience in valuing similar transactions. These discounts reflect the adjustment required when converting gold resource estimates from the PRC National Standard to the JORC Code. The Valuer has excluded resource category 333 as the inferred resources were not permitted under Rule 18.30(3) of the Listing Rules. Accordingly, the valuation of the equity interest in Henan Multi-Resources is calculated as follows:

- Gold Resources of Category 122b: 10.73 million grams x RMB44.14/gram x (1-30%)= RMB331.53 million
- Gold Resources of Category 332: 5.46 million grams x RMB44.14/gram x (1-60%) = RMB96.40 million

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Subtotal (pre-adjustment value): RMB331.53 million + RMB96.40 million = RMB427.93 million.

Assessment of the Specific Deduction for Tailings Facility

The Valuation Report specifically includes 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 deduction reflects that the existing facility’s capacity has been exhausted and that constructing a new facility is a prerequisite for any potential resumption of mining operations. After this deduction, the valuation of the 100% equity interest in Henan Multi-Resources is at approximately RMB379.0 million (being RMB427.93 million minus RMB49 million).

B. The Local Consultant Report

While the Board has relied on the Valuation Report as a point-in-time fair value of the Hongzhuang Gold Mine based on the Comparables, the Board also considers it prudent to quantify the resumption obligations and costs to be borne by the Purchaser upon Completion. Indications from former prospective purchasers suggest that these costs are substantial and materially influence deal executability. Resumption of mining operations will require significant new capital to meet current regulatory standards and achieve operational viability. Accordingly, the Board regards expected resumption expenditure as a key pricing factor that must be reflected in the Consideration.

For this purpose, the Group engaged the Local Consultant to quantify the resumption costs of the Hongzhuang Gold Mine under the PRC standards, so that the Board could assess, on a practical basis, the scale of expenditure likely to be borne by the Purchaser.

The Local Consultant and its qualifications

The Board has reviewed the Local Consultant Report and discussed with the Local Consultant regarding their qualifications and experiences in assessing the extraction and restoration of mines.

The Local Consultant Report was prepared by a team of professional engineers, led by a chief engineer certified as a mining engineer by the Ministry of Human Resources and Social Security in China in 2015. The other team members also hold relevant professional qualifications issued by recognized authorities, including senior engineers accredited by Department of Human Resources and Social Security of Henan Province (河南省人力資源和社會保障廳), mining and surveying engineer accredited by the Ministry of Human Resources and Social Security (人力資源社會保障部), geological engineer accredited by Chongqing Bureau of Geology and Mineral Resources (重慶市地質礦產勘查開發局) and technical engineer accredited by State Administration of Work Safety.

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Assessment of resumption costs

Based on the Local Consultant Report which was prepared in accordance with applicable laws, regulations, policy documents, technical standards and geological and mining data relating to the Hongzhuang Gold Mine in May 2025, the estimated total capital outlay required to resume compliant operations is approximately RMB232.9 million. This estimate includes the expected cost of a new tailings storage facility and comprises:

- (i) RMB202.5 million in fixed asset investment, comprising:
 - (A) engineering costs of RMB189.29 million, including but not limited to costs for mining engineering, mineral processing plant, tailings facility (which includes the expected cost of a new tailings storage facility), infrastructure engineering for electricity and drainage, roads and administrative facilities, technical reports (safety, environmental, forestry, land use, social stability, occupational health, water conservation), engineering survey, construction management, supervision, insurance and joint trial operation; and
 - (B) contingency reserve of RMB13.25 million; and
- (ii) RMB30.4 million in working capital.

Basis and Assumptions

To the best of the Directors' knowledge, information and belief, the Local Consultant Report was prepared on the following basis and assumptions:

- **Resource Reserves:** The resource reserves, designed utilization reserves, and recoverable reserves remain unchanged with “河南省國土資源廳備案的儲量為參考寫的報告” issued in 2011, a report in respect of the Hongzhuang Gold Mine prepared by 中化地質礦山總局河南地質勘察院 (Zhonghua Geology Mine General Bureau Henan Geology Investigation & Exploration Institute*), then reviewed by 河南省礦產資源儲量評審中心 (Henan Provincial Mineral Resources Reserve Evaluation Center*) and subsequently filed to 河南省國土資源廳 (Henan Provincial Department of Land and Resources*).
- **Construction Scale:** The production capacity of Hongzhuang Gold Mine is assumed to be 120,000 tons per year, as stated in the existing mining license.

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- **Service Life:** The total service life of the Hongzhuang Gold Mine is 22.8 years, including the average production service life of 20.8 years and estimated 2-year infrastructure construction period, which are determined based on the existing mining license and the reserves and production scale of the Hongzhuang Gold Mine at that time of conducting the aforesaid “河南省國土資源廳備案的儲量為參考寫的報告”.
- **Work System:** The work schedule consists of 300 working days per year, with 3 shifts per day, each shift lasting 8 hours.

The estimations are primarily based on a combination of (i) state or industrial budgetary norms (ding'é or 定額) for the cost of machinery for construction tasks; (ii) indicative pricing guidance for the cost of materials, 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.

The Board considers the estimated total capital outlay of approximately RMB232.9 million (which includes the expected cost of a new tailings storage facility) a necessary investment that any prudent purchaser would factor into their offer price. The Group considered various funding options to resume mining operations of the Hongzhuang Gold Mine including equity financing. However, with bank and other borrowings of approximately HK\$957.8 million and net current liabilities of approximately HK\$388.5 million as at 30 June 2025, the Group was highly leveraged and was not in a position to commit to such capital outlay of significant amount for a non-core, non-revenue-generating asset with highly uncertain returns.

C. Purchaser's Assumption of Substantial Unquantified Liabilities

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. Under the Sale and Purchase Agreement, the Purchaser will assume the relevant costs and potential liabilities, including:

- **Tax arrears:** 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 Hongzhuang Gold Mine's operational area.

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- 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. Please refer to the section headed “B. The Local Consultant Report” above for details of the resumption costs.
- 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: Liabilities relating to human resources and compensation for the termination of employment contracts for Henan Multi-Resources’ employees.

In particular:

- (i) based on the information available, the Board estimated that the future costs for villager compensation for land and resettlement are approximately RMB12 million to RMB15 million. There are approximately 30 households in Hongzhuang village which are located within the anticipated rock movement and collapse zone. Their relocation has to be completed before any meaningful mining activities can proceed in the affected area, entailing complex logistical coordination and significant financial burden;
- (ii) the Board estimated that the resumption costs are approximately RMB232.9 million (which includes the expected cost of a new tailings storage facility) based on the Local Consultant Report;
- (iii) the Board estimated that the future labour costs associated with the carrying out of the resumption work are approximately RMB20.2 million, based on the Local Consultant Report which stipulated that the duration of the resumption work will be 2 years with a workforce of up to 270 mining personnel. The total labour cost was derived by applying the prevailing market wage of RMB5,000 per month per worker and is in addition to the total capital outlay of approximately RMB232.9 million.
- (iv) Henan Multi-Resources was requested by county governmental authority to seal all the abandoned shafts of the Hongzhuang Gold Mine in May 2025 and approximately RMB180,000 has been incurred by the Target Group for the sealing. As at the Latest Practicable Date, sealing of all abandoned shafts of the Hongzhuang Gold Mine was completed.

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- (v) as at the Latest Practicable Date, Henan Multi-Resources had a workforce of 34 employees, with total annual wages and social insurance expenses amounting to approximately RMB1.68 million. Despite the fact that the Hongzhuang Gold Mine maintains only minimal operations, these employees have been retained for critical functions such as management, mining fields security and supporting and office administration, accounting and others. Upon Completion, the Purchaser (through Henan Multi-Resources) shall assume all the obligations and liabilities under these employment contracts, including any statutory severance payments due in the event of termination. The statutory severance payment was estimated at approximately RMB2.2 million as at the Latest Practicable Date based on the length of employments of relevant employees and the applicable laws and regulations in the PRC.
- (vi) Henan Multi-Resources is and may be subject to property tax, land use tax, value added tax, resource tax, stamp duty and corporate income tax in the PRC. Pursuant to the Sale and Purchase Agreement, it was expressly agreed between the Vendor and the Purchaser that any tax incurred by Henan Multi-Resources, whether before or after Completion, should be borne by the Purchaser solely and the Vendor has not provided any warranty or indemnity to the Purchaser in this regard. While the quantum of such tax could not be ascertained as at the Latest Practicable Date, the Board was of the view that this arrangement will absolve the Vendor and the Company of any tax liability relating to the Target Group that would otherwise exist in an ordinary disposal transaction.

The Board considers that the above transfer of risks and assumption of expenditures, costs, liabilities and future obligations forms an important part of the overall commercial value of the Disposal and would be reflected in a reasonable purchaser's pricing.

The aforesaid estimated potential future capital outlay reflects the Company's estimation and projection, encompassing a wide range of development, operational, and contingency expenditures beyond the aforementioned tailings facility itself. This includes potential estimated future costs for resumption and other potential future liabilities. It differs from the RMB49 million specific deduction for tailings facility under the Valuation Report as detailed under the section headed "Assessment of the Specific Deduction for Tailings Facility" above, which is a mandatory component of the mining operation and forms part of the Valuer's technical assessment. Given this distinction, the Board is of the view that the Valuation is appropriate, reasonable, and a fair representation of the value of the Hongzhuang Gold Mine. The Valuer's approach is consistent with industry standards and resource-based valuation metrics.

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D. Mining Licence Expiry and Extension Risk

The current mining licence for the Hongzhuang Gold Mine is set to expire in approximately six (6) years (i.e. September 2031). While mining licences are generally eligible for extension under the prevailing PRC legal and regulatory framework, which is also noted in the Valuation Report, in practice any extension remains subject to the discretion of the competent authorities, local policy implementation and potential changes in applicable laws, regulations and regulatory requirements, and may involve additional procedures, time and costs.

As at the Latest Practicable Date, the Target Group had not yet initiated any formal discussion with the relevant authorities regarding the extension of its mining licence. Accordingly, uncertainty remains as to the timing, outcome and cost of the extension. In addition, any resumption of operations of the Hongzhuang Gold Mine would require substantial upfront future investment and successful execution within a constrained timeframe. These factors constitute material regulatory and operational risks that may adversely affect the market's assessment of the asset's value and the consideration to be realized through arm's-length negotiations.

E. 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 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. Based on the financial information for the period from 1 July 2024 to 30 June 2025, if the Disposal does not materialise, the estimated annual expenses of the Group relating to maintaining the Hongzhuang Gold Mine in a suspended state will be approximately RMB2.3 million. 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.

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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. While these parties expressed initial interest and some conducted site visits and preliminary due diligence on Henan Multi-Resources, none of the discussions progressed to a binding offer or transaction.
- Agent engagement: Appointing at least 4 professional agents and consultancy firms between 2022 and 2024 to market the asset and identify potential buyers. The Company and its agents had used their networks within the mining and natural resources sectors to identify parties with known interest in gold mine in PRC.
- Site visits: Arranging multiple physical site visits for interested parties.

The unsuccessful sales efforts as detailed above were attributable to a combination of financial, commercial and market-related factors, capital funding requirements and operational risk factors including potential purchasers' concerns over the substantial capital investment and liabilities required. Crucially, none of these potential purchasers was able to demonstrate credible sources of funding sufficient to support the acquisition. The current transaction is the only one that has progressed to execution. The limited level of concrete interest has constrained the Vendor's bargaining power in the current market. Given the lack of alternative executable offers despite sustained market outreach for more than five years, the Consideration of RMB33.37 million represents the only viable exit price achieved through arm's-length negotiation.

F. Increasing Regulatory Risks and Strategic Re-alignment

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.

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G. Immediate cash flow to address the liquidity pressure of the Group

The Board's decision to divest the Hongzhuang Gold Mine at this time is a key part of its strategy to optimize capital allocation and strengthen the Remaining Group's financial position. As disclosed in the Company's annual report for the year ended 30 June 2025, (i) the Group's current liabilities exceeded its current assets by approximately HK\$388,543,000 as at 30 June 2025 and (ii) the Group had bank loans of approximately HK\$796,081,000 that were all classified as current liabilities. In particular, the Group, with cash and cash equivalents amounting to approximately HK\$36,358,000 as at 30 June 2025, is required to repay certain bank loan principal and interest for an amount exceeding such cash and cash equivalents in the next 12 months.

Thus, the receipt of the Consideration of RMB33.37 million and proceeds of RMB6.63 million from the assignment of the Jiangmen Loan will provide the Remaining Group with significant and immediate liquidity support towards strengthening its balance sheet and supporting the operational needs of its core and revenue-generating businesses. The immediate cash inflow from the Consideration and the associated loan assignment will improve the Remaining Group's liquidity profile and enhance its ability to manage its financial commitments without being burdened by the non-productive mining asset.

H. Other Quantifiable Components

When determining the aggregate value attributable to the Sale Shares and the Sale Loan, the Board also considered, among other things, the following quantifiable items and transaction features:

- (i) The Jiangmen Loan in the amount of RMB6,630,000 will be assigned to the Purchaser on a dollar-for-dollar basis.
- (ii) The GH Loan will be assigned to the Purchaser.
- (iii) Apart from the Jiangmen Loan and the GH Loan which will be assigned to the Purchaser upon Completion, Henan Multi-Resources has no other intra-Group or related party loans.
- (iv) The Target Company and Golden Offer are purely holding companies and have no liabilities other than the Sale Loan which constitutes part of the Disposal.

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Having considered the above qualitative and quantitative factors as a whole, the Board considers that the Consideration of RMB33,370,000, although at a discount to the appraised value of RMB379.0 million, represents the most realistic and achievable outcome for the Company and its Shareholders and is fair and reasonable. The Consideration was determined after arm's length negotiations with reference not only to the Valuation Report, but also on a holistic commercial assessment of the Hongzhuang Gold Mine's prevailing circumstances including (i) the substantial resumption capital expenditure, (ii) the allocation of material liabilities and future obligations to the Purchaser, and (iii) the operational, regulatory and execution risks associated with the Hongzhuang Gold Mine.

Accordingly, the Directors (including the independent non-executive Directors) are of the view that the Consideration for the Disposal is 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 Group will cease to hold any shares in the Target Group.

The Board intends to apply the net proceeds from the Disposal of approximately RMB28.3 million (after deducting the estimated professional fees of RMB5.0 million (equivalent to approximately HK\$5.4 million) directly attributable to 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 as follows: (i) approximately HK\$30 million for repaying part of the bank borrowings and (ii) the remaining balance to be used by the Group as its general working capital.

It is estimated that the loss on Disposal calculated in accordance with the HKFRSs would be approximately HK\$366.6 million. Such net loss is calculated based on the Consideration of approximately HK\$36.6 million less (i) the unaudited net asset value of approximately HK\$95.7 million of the Target Group as at 30 June 2025; (ii) assignment of the Sale Loan of approximately HK\$265.7 million as at 30 June 2025; (iii) the estimated expenses of approximately HK\$5.4 million in relation to the Disposal; and (iv) release of the cumulative exchange reserve of approximately HK\$36.4 million attributable to the Target Group upon Completion. However, the actual amount of net gain or loss from the Disposal can only be determined at Completion.

The audited consolidated total assets and total liabilities of the Group as at 30 June 2025 were approximately HK\$2,829.1 million and HK\$1,180.2 million respectively. Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix III to this circular, assuming Completion had taken place on 30 June 2025, the unaudited pro forma consolidated total assets and total liabilities of the Remaining Group would be approximately HK\$2,370.5 million and HK\$1,051.8 million respectively and the unaudited pro forma consolidated shareholders' fund of the Remaining Group would be approximately HK\$1,318.7 million.

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For the year ended 30 June 2025, the Group recorded an audited loss for the year of approximately HK\$330.6 million. Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix III to this circular, assuming Completion had taken place on 1 July 2024, the unaudited pro forma consolidated loss of the Remaining Group for the year ended 30 June 2025 would be approximately HK\$690.3 million.

The above financial effects have not been reviewed or audited. The actual financial effects 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 75%, the Disposal constitutes a very substantial disposal for the Company pursuant to Rule 14.06(4) 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, 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 on the proposed resolutions approving the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder at the General Meeting.

GENERAL MEETING

A notice of the General Meeting which will be held at Whampoa 01 & 02, 1/F, Harbour Grand Kowloon, 20 Tak Fung Street, Whampoa Garden, Hung Hom, Kowloon, Hong Kong on 22 January 2026 (Thursday) at 11:00 a.m. is set out on pages GM-1 to GM-2 of this circular. Ordinary resolutions will be proposed at the General Meeting to seek the Shareholders' approval for the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder.

A form of proxy for use at the General Meeting is enclosed with this circular. Whether or not you are able to attend the General Meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event, not less than 48 hours before the time appointed for holding the General Meeting or any adjournment thereof (as the case may be). 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 (as the case may be) should you so wish and in such event, the proxy shall be deemed revoked.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the General Meeting.

LETTER FROM THE BOARD

The Board confirms that to the best of their knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or other arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlements of the Shareholders to attend and vote at the General Meeting, the register of ordinary shareholders of the Company will be closed from Monday, 19 January 2026 to Thursday, 22 January 2026, both dates inclusive, during which period no transfer of the Shares will be registered.

The record date for determining the entitlements of the Shareholders to attend and vote at the General Meeting will be Thursday, 22 January 2026. To be eligible to attend and vote at the General Meeting, all transfers of Shares 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 not later than 4:30 p.m. on Friday, 16 January 2026.

RECOMMENDATION

As the Directors consider that the terms of the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder are on normal commercial term or better to the Group, fair and reasonable and in the interests of the Shareholders as a whole, the Directors recommend the Shareholders to vote in favour of the ordinary resolution set out in the notice of the General Meeting to approve the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement) and the Disposal.

Completion of the Disposal is subject to fulfilment of the conditions precedent as set out in the section headed "Conditions precedent" in this circular. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the board of
Continental Holdings Limited
Chan Wai Lap, Victor
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group, together with the accompanying notes, for each of the three years ended 30 June 2023, 2024 and 2025 are disclosed in the annual reports of the Company for the financial years ended 30 June 2023 (pages 84 to 274), 30 June 2024 (pages 84 to 266) and 30 June 2025 (pages 80 to 270), respectively.

The said annual reports of the Company are available on the Company's website at www.continental.com.hk and the Stock Exchange's website at www.hkexnews.hk through the link below:

- **Annual report 2023:**

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1025/2023102500830.pdf>

- **Annual report 2024:**

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1028/2024102800325.pdf>

- **Annual report 2025:**

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1030/2025103000559.pdf>

Each of the aforesaid consolidated financial statements of the Group are incorporated by reference to this circular and forms part of this circular.

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 October 2025, i.e. the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had total outstanding indebtedness of approximately HK\$967,236,000, comprising secured interest-bearing bank loans of approximately HK\$721,767,000, unsecured interest-bearing bank loans of approximately HK\$27,300,000, unsecured interest-free loans and interest-bearing loans of approximately 4,368,000 and HK\$56,000,000 respectively from a controlling shareholder, unsecured interest-free loans from non-controlling shareholders of approximately HK\$105,693,000, unsecured interest-free amounts due to related companies of approximately HK\$43,204,000, unsecured interest-free amounts due to joint ventures of approximately HK\$1,036,000 and lease liabilities of approximately HK\$7,868,000. The aforesaid interest-bearing bank loans were secured by the Group's certain property, plant and equipment, investment properties, certain right-of-use assets, properties under development and properties for sales, pledged by ordinary shares of certain subsidiaries of the Company and guaranteed by corporate guarantees executed by the Company and personal guarantee executed by a controlling shareholder.

As at the close of business on 31 October 2025, the Company has provided guarantees amounting to HK\$1,374,520,000 with respect to bank loans to its subsidiaries. Under the guarantees, the Company would be liable to pay the banks if the banks are unable to recover the loans. As at the Latest Practicable Date, no provision for the Company's obligation under the guarantee contract had been made as the Directors considered that it was not probable that the repayment of the loans would be in default.

Save as aforesaid and apart from intra-group liabilities, the Group did not, at the close of the business on 31 October 2025, have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, charges or debentures, mortgages, loans or other similar indebtedness, lease liabilities or hire purchase commitment, liabilities under acceptance (other than normal trade bills and payables), acceptance credits, or any guarantees or other material contingent liabilities.

For the purpose of the above indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the applicable rates of exchange prevailing at the close of business on 31 October 2025.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there was no material adverse change in the financial or trading position of the Group since 30 June 2025 (being the date to which the latest published audited consolidated financial statements of the Group have been made up).

4. WORKING CAPITAL STATEMENT

As at 31 October 2025, the aggregate outstanding indebtedness of the Group amounting to approximately HK\$967.2 million, of which approximately HK\$213.3 million will be due for repayment within one year, and cash and cash equivalents balances of approximately HK\$49.1 million. In order to improve the Group's financial position, immediate liquidity and cash flows, and otherwise to sustain the Group as a going concern, the Directors have adopted several plans and measures as follow:

- (i) the Group successful sales of remaining units of a property project and it is expected that the units would be sold within twelve months from the date of this circular at a margin sufficient to cover the bank loans associated with this property project. The excess funds after the repayment of the said bank loans will serve as additional working capital for the Group;
- (ii) in June 2025, the controlling shareholder of the Company (the "**Controlling Shareholder**") has granted a loan facility of HK\$60 million to the Company to support the Group for its working capital requirements up to 30 September 2026 and the Directors are of the opinion that it is the present intention of the Controlling Shareholder to extend the facility should the need arise;

- (iii) the bank loans could be repaid as scheduled or renewed upon expiry on the basis of the Group's past records in compliance with the terms of the relevant bank loans, including timely settlement of bank loans and/or the availability of sufficient assets as collaterals;
- (iv) the related parties of the Company have agreed not to demand repayment of loans, until all other third-party liabilities of the Group have been settled;
- (v) the Disposal will be completed in the first quarter of 2026 and the payment of the Consideration will be settled in accordance with the Sale and Purchase Agreement (as amended or supplemented by the Supplemental Agreement); and
- (vi) the Group will continue its effort to enhance its operations and implement measures to tighten cost controls over various operating expenses to improve its cash flows from operations to strengthen the working capital of the Group.

Should the Group fail to achieve the above-mentioned plans and measures, the Group might not have sufficient working capital for its requirements within the next 12 months from the date of this circular.

Considering the financial resources available to the Group based on the successful implementation of the plans and measures described above, the Directors, after due and careful consideration, are of the opinion that the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances. The Company has obtained the working capital sufficiency confirmation letter as required under Rule 14.66(12) of the Listing Rules.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Looking ahead, the Board anticipates continued challenges stemming from elevated gold prices, inflationary pressures, and geopolitical uncertainties. While these factors may temper market demand, the Board remains optimistic about its long-term prospects. The Group's strong customer relationships and commitment to delivering value added service and quality products working hand in hand to provide support for the growth of their retail business. The Group's long-standing consistency and relationship continue to act as a solid foundation for its resilience and growth. To address ongoing headwinds, the Group is leveraging a broader range offerings to better meet evolving customer expectations, while actively exploring and expanding its customer base in different regions. By maintaining a strategic emphasis on adaptability, operational efficiency, and market responsiveness, the Group is confident in its ability to navigate challenges and deliver sustainable value to its stakeholders.

Hong Kong property market is poised for gradual recovery, with the residential sector showing early signs of stabilization. Improved market sentiment, driven by economic normalization, provides a foundation for cautious optimism among buyers. However, the commercial property segment continues to face significant challenges, including soft leasing activity and rental pressures. Despite these hurdles, Hong Kong's status as a global financial hub and its strong appeal to regional talent and investment remain key strengths. These factors are expected to support a gradual rebound in both residential and commercial property markets over the long term. By capitalizing on these strengths and remaining agile in response to market dynamics, the Group is well-positioned to navigate the evolving landscape and seize emerging opportunities.

Set out below is the unaudited financial information of the Target Group which comprises the unaudited consolidated statements of financial position of the Target Group as at 30 June 2023, 2024 and 2025 and the unaudited consolidated statements of profit or loss and other comprehensive income, unaudited consolidated statements of cash flows and unaudited consolidated statements of changes in equity for the years ended 30 June 2023, 2024 and 2025 and certain explanatory notes (altogether referred to as “**Unaudited Financial Information**”).

The Unaudited Financial Information has been prepared in accordance with Rule 14.68(2)(a)(i) of the Listing Rules and the basis of preparation as set out in note 2 to the Unaudited Financial Information.

The Unaudited Financial Information is prepared by the Directors solely for the purpose of inclusion in this circular in connection with the Disposal. The Company’s auditor, BDO Limited, has reviewed the Unaudited Financial Information of the Target Group in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” and with reference to Practice Note 750 “Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal” issued by the Hong Kong Institute of Certified Public Accountants.

A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the Company’s auditor to obtain assurance that the Company’s auditor would become aware of all significant matters that might be identified in an audit. Accordingly, the Company’s auditor does not express an audit opinion. The Company’s auditor has issued an unmodified review report.

APPENDIX II FINANCIAL INFORMATION OF THE TARGET GROUP

UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE TARGET GROUP

	For the year ended 30 June		
	2023	2024	2025
	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)
Other income, other gains and losses, net	2,208	1,321	1,426
Reversal of impairment loss/(impairment loss) on mining right	22,728	9,406	(26,599)
Reversal of impairment loss/(impairment loss) on property, plant and equipment	419	168	(2,046)
Administrative expenses	(5,337)	(6,636)	(4,275)
Finance costs	(1,293)	(1,289)	(1,350)
Profit/(loss) before income tax	18,725	2,970	(32,844)
Income tax (expense)/credit	(5,614)	(2,284)	6,719
Profit/(loss) for the year	13,111	686	(26,125)
Other comprehensive income, net of tax Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign operations	(31,720)	(510)	7,440
Other comprehensive income for the year, net of tax	(31,720)	(510)	7,440
Total comprehensive income for the year	(18,609)	176	(18,685)

APPENDIX II FINANCIAL INFORMATION OF THE TARGET GROUP

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE TARGET GROUP

	As at 30 June		
	2023	2024	2025
	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	14,181	14,252	12,184
Right-of-use assets	20,857	19,579	18,878
Mining right	477,531	484,054	469,307
	<u>512,569</u>	<u>517,885</u>	<u>500,369</u>
Current assets			
Prepayments and other receivables	360	357	278
Cash and cash equivalents	2,045	1,938	1,732
	<u>2,405</u>	<u>2,295</u>	<u>2,010</u>
Current liabilities			
Other payables and accruals	(1,333)	(1,255)	(1,254)
Amounts due to intragroup companies	(262,237)	(265,105)	(272,945)
Due to a controlling shareholder	(4,306)	–	–
Due to related companies	(1,991)	–	(31,516)
	<u>(269,867)</u>	<u>(266,360)</u>	<u>(305,715)</u>
Net current liabilities	<u>(267,462)</u>	<u>(264,065)</u>	<u>(303,705)</u>
Total assets less current liabilities	<u>245,107</u>	<u>253,820</u>	<u>196,664</u>

APPENDIX II FINANCIAL INFORMATION OF THE TARGET GROUP

	As at 30 June		
	2023	2024	2025
	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)
Non-current liabilities			
Due to a controlling shareholder	–	(4,280)	–
Due to related companies	(27,449)	(30,047)	–
Deferred tax liabilities	(103,493)	(105,152)	(101,008)
	<u>(130,942)</u>	<u>(139,479)</u>	<u>(101,008)</u>
Net assets	<u>114,165</u>	<u>114,341</u>	<u>95,656</u>
EQUITY			
Share capital (US\$2)	–	–	–
Reserves	<u>114,165</u>	<u>114,341</u>	<u>95,656</u>
Total equity	<u>114,165</u>	<u>114,341</u>	<u>95,656</u>

APPENDIX II FINANCIAL INFORMATION OF THE TARGET GROUP

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY OF THE TARGET GROUP

	Share capital <i>HK\$'000</i> (Unaudited)	Exchange fluctuation reserve <i>HK\$'000</i> (Unaudited)	Retained profits <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Balance as at 1 July 2022	–	(11,657)	144,431	132,774
Profit for the year	–	–	13,111	13,111
Other comprehensive income:				
Exchange differences on translation of foreign operations	–	(31,720)	–	(31,720)
Total comprehensive income for the year	–	(31,720)	13,111	(18,609)
Balance as at 30 June 2023 and 1 July 2023	–	(43,377)	157,542	114,165
Profit for the year	–	–	686	686
Other comprehensive income:				
Exchange differences on translation of foreign operations	–	(510)	–	(510)
Total comprehensive income for the year	–	(510)	686	176
Balance as at 30 June 2024 and 1 July 2024	–	(43,887)	158,228	114,341
Loss for the year	–	–	(26,125)	(26,125)
Other comprehensive income:				
Exchange differences on translation of foreign operations	–	7,440	–	7,440
Total comprehensive income for the year	–	7,440	(26,125)	(18,685)
Balance as at 30 June 2025	–	(36,447)	132,103	95,656

APPENDIX II FINANCIAL INFORMATION OF THE TARGET GROUP

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS OF THE TARGET GROUP

	For the year ended 30 June		
	2023	2024	2025
	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)
Cash flows from operating activities			
Profit/(loss) before income tax	18,725	2,970	(32,844)
Adjustments for:			
Depreciation of property, plant and equipment	348	351	384
Depreciation of right-of-use assets	1,159	1,152	1,180
(Reversal of impairment loss)/impairment loss on mining right	(22,728)	(9,406)	26,599
(Reversal of impairment loss)/impairment loss on property, plant and equipment	(419)	(168)	2,046
Interest expenses	1,293	1,289	1,350
Gain on debt modification on amount due to a related company	(1,293)	(1,289)	–
Operating loss before changes in working capital	(2,915)	(5,101)	(1,285)
Decrease/(increase) in prepayments and other receivables	19	1	88
Decrease in other payables and accrued expenses	(1,060)	(70)	(31)
Net cash used in operating activities	(3,956)	(5,170)	(1,228)
Cash flows from investing activities			
Purchase of property, plant and equipment	–	(338)	–
Net cash used in investing activities	–	(338)	–
Cash flows from financing activities			
Advances from intragroup companies	3,719	4,683	906
Advances from related companies	–	781	–
Net cash generated from financing activities	3,719	5,464	906
Net decrease in cash and cash equivalents	(237)	(44)	(322)
Cash and cash equivalents at beginning of year	3,210	2,045	1,938
Effect of foreign exchange rate changes	(928)	(63)	116
Cash and cash equivalents at end of year	2,045	1,938	1,732

NOTES TO THE UNAUDITED FINANCIAL INFORMATION**1. GENERAL INFORMATION**

Big Bonus Limited (“**Big Bonus**” or “**Target Company**”) is a limited liability company incorporated in the British Virgin Islands. The principal activity of Big Bonus is principally engaged in investment holding.

Golden Offer Holdings Limited (“**Golden Offer**”), is a wholly owned subsidiary of Big Bonus incorporated in Hong Kong, which is principally engaged in investment holding. Henan Multi-Resources Mining Co., Ltd. (“**Henan Multi-Resources**”), is a wholly foreign-owned enterprise owned by Golden Offer established in the People’s Republic of China (“**PRC**”), which is principally engaged in mining operation in the PRC. Big Bonus, Golden Offer and Henan Multi-Resources, collectively referred to as the “**Target Group**”.

On 23 September 2025, Continental Mining Holdings Limited, an indirect wholly-owned subsidiary of the Company (the “**Vendor**”), and an independent third party (the “**Purchaser**”) entered into a sale and purchase agreement (with Supplemental Agreement entered into on 15 October 2025 and the Extension Notice to postpone the Long Stop Date to 28 February 2026 on 12 December 2025), 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 Target Company and the Sale Loan, representing the entire loan owing by the Target Company to the Vendor as at the Completion Date, at the consideration of RMB33,370,000, upon and subject to the terms and conditions of the sale and purchase agreement (as amended and supplemented by the Supplemental 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 consolidated financial statements of the Group.

2. BASIS OF PREPARATION OF THE UNAUDITED FINANCIAL INFORMATION

The Unaudited Financial Information of the Target Group has been prepared in accordance with Rule 14.68(2)(a)(i) of the Listing Rules, and solely for the purposes of inclusion in this circular issued by the Company in connection with the Disposal.

The Unaudited Financial Information has been prepared in accordance with the same accounting policies as adopted by the Company in preparation of the financial statements of the Group for those respective years, which conform with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and accounting principles generally accepted in Hong Kong. The Unaudited Financial Information has been prepared under the historical cost basis. The Unaudited Financial Information is presented in HK\$ and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

The Unaudited Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in HKAS 1 (Revised) “Presentation of Financial Statements” nor a set of condensed financial statements as defined in HKAS 34 “Interim Financial Reporting” issued by the HKICPA, and should be read in connection with the relevant published annual financial statements of the Company.

As at 30 June 2025, the Target Group had net current liabilities of approximately HK\$303,705,000 and during the year ended 30 June 2025, the Target Group incurred a net loss of HK\$26,125,000.

The directors of the Company, taking into account of the following factors, are of the opinion that the Target Group will have sufficient financial resources to satisfy its future working capital and other financing requirements for at least the next twelve months from the date of issue of this circular. Accordingly, the Unaudited Financial Information of the Target Group has been prepared on a going concern basis.

The source of funds will vary depending on whether the Company is able to complete the Disposal. If the Disposal does not proceed eventually, the Company agreed to provide sufficient financial support to the Target Group to enable the Target Group to meet its liabilities and obligations as and when they fall due for a period of not less than twelve months after the date of this circular or up to the completion date of the Disposal, whichever is shorter. In respect of the amounts due to a related company and intragroup companies, the related company and group companies agreed not to demand repayment of the debts due to them, until all other third-party liabilities of the Target Group have been settled or up to the completion date of the Disposal, whichever is shorter.

If the Disposal proceeds and is completed, taking into account of the business plan contemplated by the Purchaser, the directors of the Company consider that the Purchaser is financially capable and will provide adequate funds enabling the Target Group to meet in full its financial obligations as and when they fall due for a period up to the end of twelve months after the date of issue of this circular.

Should Target Group be unable to continue its business as a going concern, adjustments would have to be made in the Unaudited Financial Information of Target Group to write down the carrying value of the Target Group's assets to their recoverable amounts, to reclassify non-current asset and non-current liabilities as current assets and current liabilities, respectively, and to provide for any further liabilities which might arise. The effects of these adjustments have not been reflected in the Unaudited Financial Information of Target Group. The directors of the Company consider that the Target Group has the ability to continue as a going concern. The assessment of the going concern assumption involves making judgements by the directors of the Company, at a particular point of the time, about the future outcome of events or conditions which are inherently uncertain. These include the timely financial support provided by the group companies and the related company and the successful implementation of the business plan by the Purchaser, where appropriate.

(1) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

INTRODUCTION

The unaudited pro forma financial information of Continental Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) excluding Big Bonus Limited and its subsidiaries (the “**Target Group**”) (the “**Remaining Group**”) (the “**Unaudited Pro Forma Financial Information**”) presented below is prepared to illustrate (a) the financial position of the Remaining Group as if the Disposal had been completed on 30 June 2025 and (b) the financial performance and cash flows of the Remaining Group for the year ended 30 June 2025 as if the Disposal had been completed on 1 July 2024. This Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only, and because of its hypothetical nature, it may not purport to present the true picture of (i) the financial position of the Remaining Group as at 30 June 2025 or at any future date had the Disposal been completed on 30 June 2025; or (ii) the financial performance and cash flows of the Remaining Group for the year ended 30 June 2025 or for any future period had the Disposal been completed on 1 July 2024.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated statement of financial position of the Group as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Group for the year ended 30 June 2025 as set out in the published annual report of the Company for the year ended 30 June 2025, after giving effect to the pro forma adjustments described in the notes to the Unaudited Pro Forma Financial Information that are directly attributable to the Disposal and factually supportable. The Unaudited Pro Forma Financial Information is prepared in accordance with Rules 4.29 and 14.68(2)(a)(ii) of the Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants.

**DISCLOSURE UNDER SECTION 436 OF THE HONG KONG COMPANIES
ORDINANCE**

The consolidated statement of financial position of the Group as at 30 June 2025 and the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows of the Group for the year ended 30 June 2025 included in the Unaudited Pro Forma Financial Information does not constitute the Company's statutory annual financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company had delivered the financial statements for the year ended 30 June 2025 to the Registrar of Companies as required by section 622 and Part 3 of Schedule 6 to the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor had reported on these financial statements of the Company for the year ended 30 June 2025. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under either sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

(A) Unaudited Pro Forma Consolidated Statement of Financial Position of the Remaining Group

	Audited consolidated statement of financial position of the Group as at 30 June 2025 HK\$'000 (Note 1)	Pro forma adjustments HK\$'000 (Note 2(a))	HK\$'000 (Note 3)	Unaudited pro forma consolidated statement of financial position of the Remaining Group as at 30 June 2025 HK\$'000
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	21,877	(12,184)	–	9,693
Right-of-use assets	27,951	(18,878)	–	9,073
Investment properties	1,714,400	–	–	1,714,400
Intangible assets	6,533	–	–	6,533
Mining right	469,307	(469,307)	–	–
Interests in Joint ventures	1,037	–	–	1,037
Financial assets at fair value through other comprehensive income	13,868	–	–	13,868
Deferred tax assets	840	–	–	840
	2,255,813	(500,369)	–	1,755,444
Current assets				
Properties under development and properties for sales	279,398	–	–	279,398
Inventories	147,599	–	–	147,599
Trade receivables	84,251	–	–	84,251
Prepayments, deposits and other receivables	25,660	(278)	–	25,382
Cash and cash equivalents	36,358	(1,732)	43,849	78,475
	573,266	(2,010)	43,849	615,105
Current liabilities				
Trade payables	(66,633)	–	–	(66,633)
Other payables and accruals	(42,341)	1,254	(5,385)	(46,472)
Contract liabilities	(243)	–	–	(243)
Bank loans	(796,081)	–	–	(796,081)
Lease liabilities	(5,150)	–	–	(5,150)
Loan from a controlling shareholder	(10,000)	–	–	(10,000)
Due to related companies	(38,396)	31,516	–	(6,880)
Due to joint ventures	(1,036)	–	–	(1,036)
Financial liabilities at fair value through profit or loss	(211)	–	–	(211)
Provision for tax	(1,718)	–	–	(1,718)
	(961,809)	32,770	(5,385)	(934,424)
Net current liabilities	(388,543)	30,760	38,464	(319,319)
Total assets less current liabilities	1,867,270	(469,609)	38,464	1,436,125

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

	Audited consolidated statement of financial position of the Group as at 30 June 2025 HK\$'000 (Note 1)	Pro forma adjustments HK\$'000 (Note 2(a)) HK\$'000 (Note 3)		Unaudited pro forma consolidated statement of financial position of the Remaining Group as at 30 June 2025 HK\$'000
Non-current liabilities				
Lease liabilities	(4,073)	–	–	(4,073)
Due to non-controlling interests	(93,675)	–	–	(93,675)
Due to related companies	(5,021)	–	–	(5,021)
Loan from a controlling shareholder	(4,385)	–	–	(4,385)
Deferred tax liabilities	(111,254)	101,008	–	(10,246)
	(218,408)	101,008	–	(117,400)
Net assets	1,648,862	(368,601)	38,464	1,318,725
EQUITY				
Share capital	560,673	–	–	560,673
Reserves	1,001,781	(368,601)	38,464	671,644
Equity attributable to the owners of the Company	1,562,454	(368,601)	38,464	1,232,317
Non-controlling interests	86,408	–	–	86,408
Total equity	1,648,862	(368,601)	38,464	1,318,725

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

(B) Unaudited Pro Forma Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Remaining Group

	Audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 30 June 2025 HK\$'000 (Note 1)	Pro forma adjustments		Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group for the year ended 30 June 2025 HK\$'000
	HK\$'000 (Note 1)	HK\$'000 (Note 2(b))	HK\$'000 (Note 4)	
Revenue	585,835	–	–	585,835
Cost of sales	(474,977)	–	–	(474,977)
Gross profit	110,858	–	–	110,858
Selling and distribution costs	(18,553)	–	–	(18,553)
Administrative expenses	(97,517)	4,275	(5,280)	(98,522)
Other income, other gains and losses, net	10,614	620	–	11,234
Impairment loss on trade receivables and other receivables, net	(1,277)	–	–	(1,277)
Change in fair value of investment properties	(276,058)	–	–	(276,058)
Impairment loss on mining right	(26,599)	26,599	–	–
Loss on disposal of subsidiaries	–	–	(380,532)	(380,532)
Finance costs	(37,212)	1,350	–	(35,862)
Share of results of joint ventures	(1)	–	–	(1)
Share of result of an associate	73	–	–	73
Loss before income tax	(335,672)	32,844	(385,812)	(688,640)
Income tax credit/(expenses)	5,066	(6,719)	–	(1,653)
Loss for the year	(330,606)	26,125	(385,812)	(690,293)

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

	Audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 30 June 2025 HK\$'000 (Note 1)	Pro forma adjustments HK\$'000 (Note 2(b)) HK\$'000 (Note 4)		Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group for the year ended 30 June 2025 HK\$'000
Other comprehensive income, net of tax				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Reclassified to profit or loss upon disposal of the debt instruments at fair value through other comprehensive income	(95)	–	–	(95)
Exchange differences on translation of foreign operations	10,528	(7,440)	–	3,088
<i>Items that will not be subsequently reclassified to profit or loss:</i>				
Change in fair value of equity instruments at fair value through other comprehensive income	(5,784)	–	–	(5,784)
Other comprehensive income for the year, net of tax	4,649	(7,440)	–	(2,791)
Total comprehensive income for the year	(325,957)	18,685	(385,812)	(693,084)
Loss for the year attributable to:				
Owners of the Company	(259,112)	26,125	(385,812)	(618,799)
Non-controlling interests	(71,494)	–	–	(71,494)
	(330,606)	26,125	(385,812)	(690,293)
Total comprehensive income for the year attributable to:				
Owners of the Company	(254,549)	18,685	(385,812)	(621,676)
Non-controlling interests	(71,408)	–	–	(71,408)
	(325,957)	18,685	(385,812)	(693,084)

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

(C) Unaudited Pro Forma Consolidated Statement of Cash Flows of the Remaining Group

	Audited consolidated statement of cash flows of the Group for the year ended 30 June 2025	Pro forma adjustments			Unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 30 June 2025
	HK\$'000 (Note 1)	HK\$'000 (Note 2(b))	HK\$'000 (Note 4)	HK\$'000 (Note 5)	HK\$'000
Cash flows from operating activities					
Loss before income tax	(335,672)	32,844	(385,812)	–	(688,640)
Adjustments for:					
Finance costs	37,212	(1,350)	–	–	35,862
Share of results of joint ventures	1	–	–	–	1
Share of results of an associate	(73)	–	–	–	(73)
Depreciation of property, plant and equipment	2,446	(384)	–	–	2,062
Depreciation of right-of-use assets	6,506	(1,180)	–	–	5,326
Impairment loss on mining right	26,599	(26,599)	–	–	–
Impairment loss on intangible assets	804	–	–	–	804
Impairment loss on right-of-use assets	428	–	–	–	428
Impairment loss on property, plant and equipment	2,192	(2,046)	–	–	146
Loss on disposal of subsidiaries	–	–	380,532	–	380,532
Provision for inventories	2,167	–	–	–	2,167
Impairment loss on trade receivables and other receivables, net	1,277	–	–	–	1,277
Write down of properties under development and properties for sales	7,552	–	–	–	7,552
Gain on disposal of property, plant and equipment	(122)	–	–	–	(122)
Gain on disposal of debt instruments measured at fair value through other comprehensive income	(95)	–	–	–	(95)
Change in fair value of investment properties	276,058	–	–	–	276,058
Fair value gain on financial assets at fair value through profit or loss	(621)	–	–	–	(621)
Unrealised foreign exchange gain	(221)	–	–	–	(221)

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

	Audited consolidated statement of cash flows of the Group for the year ended 30 June 2025 HK\$'000 (Note 1)	Pro forma adjustments			Unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 30 June 2025 HK\$'000
		HK\$'000 (Note 2(b))	HK\$'000 (Note 4)	HK\$'000 (Note 5)	
Operating profit before working capital changes	26,438	1,285	(5,280)	–	22,443
Decrease in properties under development and properties for sale	208,813	–	–	–	208,813
Decrease in inventories	5,915	–	–	–	5,915
Increase in trade receivables	(24,173)	–	–	–	(24,173)
Increase in prepayments, deposits and other receivables	(7,727)	(88)	–	–	(7,815)
Decrease in financial assets and liabilities at fair value through profit or loss	13,193	–	–	–	13,193
Increase in trade and other payables and accruals	11,490	31	5,280	–	16,801
Decrease in contract liabilities	(100)	–	–	–	(100)
Cash generated from operations	233,849	1,228	–	–	235,077
Interest paid	(45,837)	–	–	–	(45,837)
Income tax paid	(551)	–	–	–	(551)
Net cash generated from operating activities	187,461	1,228	–	–	188,689
Cash flows from investing activities					
Additions to property, plant and equipment	(453)	–	–	–	(453)
Additions to investment properties	(58)	–	–	–	(58)
Proceeds from disposal of financial assets at fair value through other comprehensive income	23,904	–	–	–	23,904
Proceeds from disposal of property, plant and equipment	309	–	–	–	309
Net cash inflows from the Disposal	–	–	–	35,583	35,583
Net cash generated from investing activities	23,702	–	–	35,583	59,285

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

	Audited consolidated statement of cash flows of the Group for the year ended 30 June 2025	Pro forma adjustments			Unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 30 June 2025
	HK\$'000 (Note 1)	HK\$'000 (Note 2(b))	HK\$'000 (Note 4)	HK\$'000 (Note 5)	HK\$'000
Cash flows from financing activities					
Cash outflows arising from acquisition of non-controlling interests	(5,840)	–	–	–	(5,840)
Advance from non-controlling interests	13,005	–	–	–	13,005
Advances from intragroup companies	–	(906)	–	906	–
Advance from a related party	3,837	–	–	–	3,837
Advance from a controlling shareholder	10,000	–	–	–	10,000
Repayment of principal and interest amount of lease liabilities	(6,043)	–	–	–	(6,043)
New bank loans	62,235	–	–	–	62,235
Repayment of bank loans	(302,390)	–	–	–	(302,390)
Net cash used in financing activities	<u>(225,196)</u>	<u>(906)</u>	<u>–</u>	<u>906</u>	<u>(225,196)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(14,033)</u>	<u>322</u>	<u>–</u>	<u>36,489</u>	<u>22,778</u>
Cash and cash equivalents at beginning of year	49,156	–	–	–	49,156
Effect of foreign exchange rate changes, net	<u>1,235</u>	<u>(116)</u>	<u>–</u>	<u>–</u>	<u>1,119</u>
Cash and cash equivalents at end of year	<u><u>36,358</u></u>	<u><u>206</u></u>	<u><u>–</u></u>	<u><u>36,489</u></u>	<u><u>73,053</u></u>

(D) Notes to the Unaudited Pro Forma Financial Information of the Remaining Group

- 1) The amounts are extracted from the audited consolidated statement of financial position of the Group as at 30 June 2025, audited consolidated statement of profit or loss and other comprehensive income and audited consolidated statement of cash flows of the Group for the year ended 30 June 2025 as set out in the published annual report of the Company for the year ended 30 June 2025.
- 2)
 - (a) The adjustment represents the exclusion of the assets and liabilities of the Target Group as at 30 June 2025, as if the Disposal and the assignment of the benefit of the entire loan owing by Henan Multi-Resources to Continental (Jiangmen) had been completed on 30 June 2025. The assets and liabilities of Target Group are extracted from Appendix II to this circular except for amounts due to intragroup companies as the amount due to intragroup companies have been eliminated in the consolidation whilst these amounts would be assigned to the Purchaser upon completion of the Disposal.
 - (b) The adjustment represents the exclusion of the financial performance and cash flows of Target Group for the year ended 30 June 2025, as if the Disposal and the assignment of the benefit of the entire loan owing by Henan Multi-Resources to Continental (Jiangmen) had been completed on 1 July 2024 which are extracted from Appendix II to this circular.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

- 3) The adjustment represents the pro forma loss on the Disposal as if the Disposal had been completed on 30 June 2025, which is calculated as follows:

	<i>Notes</i>	<i>HK\$'000</i>
Cash consideration for the Disposal	(a)	36,581
Add: Addition cash consideration for the assignment of the loan owing to Continental (Jiangmen)	(b)	<u>7,268</u>
Total cash consideration		43,849
Less: Share of net assets of Target Group as at 30 June 2025	(c)	(95,656)
Less: Release of the cumulative exchange fluctuation reserve attributable to the Target Group upon completion of the Disposal	(d)	(36,447)
Less: Assignment of the Sale Loan	(e)	(265,677)
Less: Assignment of the loan owing to Continental (Jiangmen)	(b)	<u>(7,268)</u>
Estimated pro forma loss on Disposal		(361,199)
Less: Estimated transaction costs directly attributable to the Disposal	(f)	<u>(5,385)</u>
Estimated pro forma loss on Disposal after the transaction costs	(g)	<u><u>(366,584)</u></u>

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP

- (a) In accordance with the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement), the Group agreed to dispose of its entire equity interest of the Target Company together with the shareholder's loan owing by the Target Company to Cubic Stone Holdings Limited (the "**Purchaser**"), which is an independent third party at a consideration amounts to RMB33,370,000 (equivalent to approximately HK\$36,581,000) in the following manner:
- (i) a deposit in the amount of RMB2,000,000 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 Vender in respect of the proposed disposal of the Sale Shares and the Sale Loan;
- (ii) a further deposit in the amount of RMB2,000,000 was paid within 3 Business Days signing of the Sale and Purchase Agreement; and
- (iii) the balance of the Consideration in the amount of RMB29,370,000 shall be paid upon Completion.
- (b) 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 (equivalent to approximately HK\$7,268,000) 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\$7,268,000).
- (c) This amount represents the net assets of the Target Group as at 30 June 2025 as extracted from the unaudited consolidated statement of financial position of the Target Group set out in Appendix II to this circular.
- (d) The amount represents the accumulated exchange fluctuation reserve of the Target Group as at 30 June 2025, which is extracted from the Appendix II to this circular.

- (e) The amount represents the loan owing by the Target Group to the Group of HK\$265,677,000 as at 30 June 2025. Pursuant to the terms of the Sale and Purchase Agreement, the Company would assign this loan to the Purchaser.
- (f) The amount represents estimated transaction fees in relation to the Disposal, such as commission fee amounting to approximately RMB4,000,000 (equivalent to approximately HK\$4,385,000), and legal and professional fee and valuation service fee amounting to approximately HK\$1,000,000 and assumed to be fully settled by cash within one year after the date of Completion.
- (g) The final gain or loss on the Disposal may be different from the pro forma amount described above as the net assets of the Target Group on the actual date of Disposal will differ from its net assets as at 30 June 2025. It is also subject to change as the actual commission fee, legal and professional fee and related expenses will differ from the assumed amounts of HK\$5,385,000 used in the preparation of the unaudited pro forma consolidated statement of financial position.

For the purpose of preparing the unaudited pro forma consolidated statement of financial position, the conversion of RMB into HK\$ is based on the closing rate as at 30 June 2025 of RMB0.9122:HK\$1.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

- 4) The adjustment represents the pro forma loss on the Disposal as if the Disposal had been completed on 1 July 2024, which is calculated as follows:

	<i>Notes</i>	<i>HK\$'000</i>
Cash consideration for the Disposal	(a)	35,707
Add: Addition cash consideration for the assignment of the loan owing to Continental (Jiangmen)	(b)	<u>7,094</u>
Total cash consideration		<u>42,801</u>
Less: Share of net assets of Target Group as at 1 July 2024	(c)	(114,341)
Less: Release of the cumulative exchange fluctuation reserve attributable to the Target Group upon completion of the Disposal	(d)	(43,887)
Less: Assignment of the Sale Loan	(e)	(258,011)
Less: Assignment of the loan owing to Continental (Jiangmen)	(b)	<u>(7,094)</u>
Estimated pro forma loss on Disposal		(380,532)
Less: Estimated transaction costs directly attributable to the Disposal	(f)	<u>(5,280)</u>
Estimated pro forma loss on Disposal after the transaction costs	(g)	<u><u>(385,812)</u></u>

- (a) In accordance with the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement), the Group agreed to dispose of its entire equity interest of the Target Company together with the shareholder's loan owing by the Target Company to Cubic Stone Holdings Limited (the "**Purchaser**"), which is an independent third party at a consideration amounts to RMB33,370,000 (equivalent to approximately HK\$35,707,000) in the following manner:

- (i) a deposit in the amount of RMB2,000,000 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 Vender in respect of the proposed disposal of the Sale Shares and the Sale Loan;

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
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- (ii) a further deposit in the amount of RMB2,000,000 was paid within 3 Business Days signing of the Sale and Purchase Agreement; and
 - (iii) the balance of the Consideration in the amount of RMB29,370,000 shall be paid upon Completion.
- (b) 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 (equivalent to approximately HK\$7,094,000) 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\$7,094,000).
- (c) This amount represents the net assets of the Target Group as at 1 July 2024 as extracted from the unaudited consolidated statement of financial position of the Target Group set out in Appendix II to this circular.
- (d) The amount represents the accumulated exchange fluctuation reserve of the Target Group as at 1 July 2024, which is extracted from the Appendix II to this circular.
- (e) The amount represents the loan owing by the Target Group to the Group of HK\$258,011,000 as at 1 July 2024. Pursuant to the terms of the Sale and Purchase Agreement, the Company would assign this loan to the Purchaser.
- (f) The amount represents estimated transaction fees in relation to the Disposal, such as commission fee amounting to approximately RMB4,000,000 (equivalent to approximately HK\$4,280,000), and legal and professional fee and valuation service fee amounting to approximately HK\$1,000,000 and assumed to be fully settled by cash within one year after the date of Completion.

- (g) The final gain or loss on the Disposal may be different from the pro forma amount described above as the net assets of the Target Group on the actual date of Disposal will differ from its net assets as at 1 July 2024. It is also subject to change as the actual commission fee, legal and professional fee and related expenses will differ from the assumed amounts of HK\$5,280,000 used in the preparation of the unaudited pro forma consolidated statement of financial position.

For the purpose of preparing the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited consolidated statement of cash flows, the conversion of RMB into HK\$ is based on the average rate for the year ended 30 June 2025 of RMB0.9346:HK\$1.

- 5) These adjustments including (a) cash inflows from the Disposal of approximately HK\$35,707,000 (note 4(a)) and from the assignment of loan owing to Continental (Jiangmen) of approximately HK\$7,094,000 (note 4(b)); (b) the estimated transaction fees directly attributable to the Disposal of approximately HK\$5,280,000 (note 4(f)); (c) cash and cash equivalent of the Target Group disposed of as at 1 July 2024 of approximately HK\$1,938,000; and (d) the exclusion of the advances to the Target Group of approximately HK\$906,000 made by the Remaining Group during the year ended 30 June 2025, as if the Disposal had been completed on 1 July 2024.
- 6) The above adjustments are not expected to have a continuing effect on the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group.

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

(2) ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

The following is the text of a report reviewed from BDO Limited, Certified Public Accountants, for the purpose of incorporation in this circular.



Tel : +852 2218 8288
Fax : +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

香港
干諾道中111號
永安中心25樓

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF CONTINENTAL HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Continental Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2025, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 30 June 2025 and related notes as set out on pages III-2 to III-16 of Appendix III of the circular dated 31 December 2025 (the "**Circular**") in connection to the disposal of the entire equity interest in Big Bonus Limited (the "**Target Company**") and the entire loan owing by the Target Company to Continental Mining Holding Limited, a wholly owned subsidiary of the Company (the "**Disposal**"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on pages III-1 of Appendix III of the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Disposal on the Group's financial position as at 30 June 2025 and the Group's financial performance and cash flows for the year ended 30 June 2025 as if the Disposal had taken place at 30 June 2025 and 1 July 2024, respectively. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the directors of the Company from the audited consolidated financial statements, on which an auditor's report has been published.

DIRECTORS' RESPONSIBILITY FOR THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

OUR INDEPENDENCE AND QUALITY MANAGEMENT

We have complied with the independence and other ethical requirement of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Disposal as at 30 June 2025 or 1 July 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

BDO Limited
Certified Public Accountants
Hong Kong
31 December 2025

Set out below are the management discussion and analysis of the Remaining Group for each of the three financial years ended 30 June 2023, 2024 and 2025.

For the year ended 30 June 2025

	Jewellery Business 2025 HK\$'000	Property investment and development 2025 HK\$'000	Investment 2025 HK\$'000	Consolidated 2025 HK\$'000
Segment revenue:				
Sales to/revenue from external parties	<u>340,100</u>	<u>244,405</u>	<u>1,330</u>	<u>585,835</u>
Segment results	<u>19,857</u>	<u>(313,174)</u>	<u>1,832</u>	<u>(291,485)</u>

During the financial year ended 30 June 2025, the Remaining Group's revenue was HK\$585.8 million. During the year, the Remaining Group recorded an unaudited loss of approximately HK\$690.3 million.

In the financial year ended 30 June 2025, the Remaining Group faced a challenging global business environment. Geopolitical tensions, inflationary pressures, and fluctuating commodity prices significantly influenced market conditions across our key regions. Despite these challenges, our commitment to product innovation, quality, and exceptional service has allowed us to remain resilient and sustain competitive performance in core markets.

The US market has been adversely impacted by tariffs, high inflation, and persistent economic instability, which have dampened consumer purchasing power, particularly in the jewellery segment. However, our local production capabilities have helped mitigate some of these challenges, enabling us to remain competitive. While market conditions remain tough, our strategic initiatives and operational efficiencies position us to weather these uncertainties. Similar to the US, the UK and European markets have faced headwinds, including elevated gold prices and ongoing geopolitical uncertainties. Despite these pressures, our operations in these regions have demonstrated stability, underscoring the resilience of our business model and our ability to adapt to shifting market dynamics.

The Remaining Group's unwavering commitment to product innovation, quality, and exceptional service remains a key philosophy and driver. These core strengths continue to differentiate them and serve as the foundation for sustaining their competitive edge. To support growth initiatives, they are actively exploring new markets and customer segments, ensuring they remain adaptive to shifting global dynamics.

Despite above negative factors, the Remaining Group's revenue from jewellery segment recorded slightly increase of approximately HK\$6.2 million or 1.9% from last year's HK\$333.9 million to HK\$340.1 million for the year ended 30 June 2025. Jewellery segment recorded a profit of approximately HK\$19.9 million for the year ended 30 June 2025 as compared to last year's loss of approximately HK\$23.7 million. The turnaround in segment performance as result of the Remaining Group's resilience, demonstrated through streamlined operations and strategic cost control measures across both manufacturing processes and administrative functions. This improvement reflects stronger overall performance during the year.

The Hong Kong real estate market continues to operate in a dynamic environment. The residential property sector has shown early signs of stabilization, buoyed by improved market confidence and gradual economic normalization. Buyers remain cautiously optimistic, with sentiment improving as economic conditions recover. Conversely, the commercial property market remains subdued, weighed down by soft leasing activity in a renters' driven market. Despite these challenges, Hong Kong retains its appeal as a global financial hub and home to world-class educational institutions. These factors provide a catalyst for gradual recovery in the long term, particularly as economic conditions stabilize and investment sentiment improves.

For property investment, the Remaining Group's revenue from sales of properties and rental income during the year amounted to approximately HK\$221.3 million and HK\$23.1 million respectively, representing an increase of HK\$222.1 million from the corresponding year of 2024 of HK\$22.3 million. The substantial increase in revenue was mainly from the sale of the Remaining Group's residential project, Amber Place, during the year. As at the date of the result announcement of the Remaining Group, Amber Place has achieved total contracted sales of approximately HK\$235.8 million, of which HK\$221.3 million has been recognized as revenue in the reporting year whilst HK\$14.5 million is anticipated to be recognized as revenue in the second half of 2025 upon the handover of the completed units to buyers. Out of a total of 42 residential units, 39 units have entered contracted sales, representing approximately 92.9% of the total. Revenue from rental income during the year amounted to approximately HK\$23.1 million, representing an increase of HK\$0.8 million compared to the corresponding year in 2024, which recorded HK\$22.3 million. The growth in rental income was primarily attributed to One Continental (恒匯中心), where more units were successfully leased out during the year.

In December 2021, the Remaining Group acquired six properties located at No. 164-164A Boundary Street, Kowloon, with a site area of approximately 5,054 sq.ft. and a developable gross floor area of approximately 25,270 sq.ft. Demolition of the old building has been completed, and the intention is to redevelop into a residential development.

"One Continental (恒匯中心)" is located at No. 232 Wan Chai Road, Hong Kong. The Remaining Group currently holds 75% of the interests in "One Continental", a premium grade office and retail composite building of 28-storey tall with a gross floor area of approximately 86,970 sq.ft. Despite the challenges posed by oversupplies and high financing costs, the Remaining Group managed to secure quality tenants during the year.

The Remaining Group owns 90% of its interests in the site at No. 1 of Cheung Wah Street, Cheung Sha Wan, Kowloon, with a site area of approximately 3,240 sq.ft. The site has been developed into a 25-storey residential development with a 2-storey retail podium/high-rise composite building, with a gross floor area of approximately 29,147 sq.ft. The project has been named “Amber Place (恒珀)” and the occupation permit has been obtained in July 2023. The residential development offers a total of 42 residential units. The sales of residential units commenced in July 2024, and a total of 39 units have entered contracted sales during the year.

The Remaining Group holds certain investment properties comprising 12 floors of commercial properties located at No. 65 Castle Peak Road, Yuen Long, and 2 shops with several office units located at No. 19-23 Hart Avenue, Kowloon. The investment properties are generating a stable rental income for the Remaining Group during the year. With a diverse and balanced property portfolio, the Remaining Group remains committed to navigating the challenging real estate environment. The Remaining Group believes that its strategic investments and projects will continue to generate steady income and long-term returns, even as the broader market faces downward pressure.

Liquidity, financial resources and gearing

As of 30 June 2025, the Remaining Group’s gearing ratio was 0.3913, which is calculated on net debt divided by total equity plus net debt. Net debt is calculated as the sum of bank and other borrowings less cash and cash equivalents. The cash and cash equivalents of HK\$78,475,000 which were mainly denominated in Hong Kong Dollar, US Dollar, Renminbi and British Pound. Other borrowings in respect of amounts due to joint ventures, amounts due to related companies, loan from a controlling shareholder, amounts due to non-controlling interests and lease liabilities were approximately HK\$130,221,000. Bank loans denominated in HK\$ and US\$ were approximately HK\$796,081,000. Details of pledge of assets in respect of bank loans are set out in the section Pledge of assets.

The decrease in the Remaining Group’s cash and cash equivalent as at 30 June 2025 were mainly due to the payment of the finance costs and partial repayment of bank loans. In line with the Remaining Group’s prudent financial management, the Directors considered that the Remaining Group has sufficient working capital to meet its ongoing operational requirements.

Pledge of assets

As of 30 June 2025, the Remaining Group’s bank loans denominated in HK\$ of HK\$ 777,666,000 are secured by the Remaining Group’s certain property, plant and equipment, investment properties, certain right-of-use assets, properties under development and properties for sales, pledged by ordinary shares of certain subsidiaries of the Company and guaranteed by corporate guarantees executed by the Company. Whereas, bank loans denominated in US\$ in the equivalent amount of HK\$18,415,000 are guaranteed by corporate guarantees executed by the Company.

Capital structure

All the Remaining Group's borrowings are denominated in Hong Kong Dollar, US Dollar and Renminbi. Interest is determined with reference to Hong Kong Interbank Offered Rate or Prime Rate for Hong Kong Dollar borrowings, Secured Overnight Financing Rate for US Dollar borrowings and the benchmark lending rate of the People's Bank of China for Renminbi borrowings. The Remaining Group also made use of foreign exchange forward contract in order to minimise exchange rate risk as a result of fluctuation in British Pound. There was no change to the Remaining Group's capital structure during the year ended 30 June 2025. In light of the current financial position of the Remaining Group and provided there is no unforeseeable circumstance, the management does not anticipate the need to change the capital structure.

Contingent liabilities

The Company has provided guarantees to the extent of HK\$630,928,000 with respect to bank loans to its subsidiaries. Under the guarantees, the Company would be liable to pay the banks if the banks are unable to recover the loans. At the reporting date, no provision for the Company's obligation under the guarantee contracts has been made as the directors of the Company considered that it was unlikely the repayment of the loans would be in default.

Number of employees, remuneration policies and share option scheme

The Remaining Group employs a total of approximately 409 employees with the majority in the PRC. The Remaining Group's remuneration to its employees is largely based on common industrial practice.

The Company adopted a share option scheme on 13 July 2010 (the "**2010 Share Option Scheme**"), which has been 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.

Exposure to financial risk and related hedges

The Remaining Group utilises conservative strategies on its financial risk management and the market risk had been kept to minimum. With the exception of the UK subsidiaries, all transactions and the borrowings of the Remaining Group are primarily denominated in US Dollar, Hong Kong Dollar and Renminbi. During the year, the Remaining Group had entered into certain foreign exchange forward contracts in order to minimise the exchange rate risk as a result of fluctuation in British Pound. Management will continue to monitor the foreign exchange risk in British Pound and recent fluctuation in Renminbi and will take appropriate actions when necessary.

For the year ended 30 June 2024

A summary of the revenue and results of the segments of the Remaining Group for the financial year ended 30 June 2024 is set out below:

	Jewellery Business 2024 HK\$'000	Property investment and development 2024 HK\$'000	Investment 2024 HK\$'000	Consolidated 2024 HK\$'000
Segment revenue:				
Sales to/revenue from external parties	<u>333,897</u>	<u>22,320</u>	<u>4,185</u>	<u>360,402</u>
Segment results	<u>(23,692)</u>	<u>(266,588)</u>	<u>2,518</u>	<u>(287,762)</u>

During the financial year ended 30 June 2024, the Remaining Group's revenue was HK\$360.4 million. During the year, the Remaining Group recorded an unaudited loss of approximately HK\$301 million.

In the most recent reporting year, our jewellery segment experienced a decline in revenue due to several interconnected factors. The macro-environment remains challenging, with high inflation and interest rate reducing consumer confidence and purchasing power on luxury goods. As political tensions and instability continue to persist impacting Sino-American trade, and United Kingdom impacting cross border supply chain businesses and dampened retail sales. Consumers are increasingly cautious about spending amid concerns over political and economic uncertainties. This hesitance is coupled with a shift in retailer behavior; many of them focusing on selling down existing inventory rather than placing new orders. The combination of these factors resulted in a decrease in our jewellery revenue. The challenging economic environment across major markets necessitated a cautious approach to business operations and maintaining sales momentum.

As result of above negative factors, the Remaining Group's revenue from jewellery segment recorded a decrease of approximately HK\$101 million or 23.2% from last year's HK\$434.9 million to HK\$333.9 million for the year ended 30 June 2024. Jewellery segment recorded a loss of approximately HK\$23.7 million for the year ended 30 June 2024 as compared to last year's profit of approximately HK\$2.7 million. Such loss was mainly attributable to the decrease in revenue, unavoidable fixed operating expenses and impairment loss in respect of goodwill, intangible assets and right-of-use assets of approximately HK\$9.8 million.

The Hong Kong property market also faced various challenges in the past years, characterized by a combination of high interest rates and over supply of new developments. These factors have contributed to a weak market environment affecting commercial and residential sectors. This glut intensified competition resulting in driving prices down. As a result we have made the decision to sell down Amber Place at a discount. This decision reflects our commitment to maintaining liquidity and reallocating resources towards more promising opportunities.

In property, revenue from rental income during the year amounted to approximately HK\$22.3 million representing an increase of HK\$6.6 million from the corresponding year of 2023 of HK\$15.7 million. The increase in revenue was mainly because more units were leased out at One Continental during the year. With a diverse and balanced portfolio, the Remaining Group believes that these investments and projects will generate steady income and return in the long run.

In December 2021, the Remaining Group acquired six properties located at No. 164-164A Boundary Street, Kowloon, with a site area of approximately 5,054 sq.ft. and a developable gross floor area of approximately 25,270 sq.ft. Demolition of the old building has been completed, and the intention is to redevelop into a residential development.

“One Continental (恒匯中心)” is located at No. 232 Wan Chai Road, Hong Kong. The Remaining Group currently holds 75% of the interests in “One Continental”, a premium grade office and retail composite building of 28-storey tall with a gross floor area of approximately 86,970 sq.ft. Despite the challenges posed by sluggish inbound tourism and high financing costs, the Remaining Group managed to secure additional quality tenants during the 1st half of 2024.

The Remaining Group owns 90% of its interests in the site at No. 1 of Cheung Wah Street, Cheung Sha Wan, Kowloon, with a site area of approximately 3,240 sq.ft. The site has been developed into a 25-storey residential development with a 2-storey retail podium/high-rise composite building, with a gross floor area of approximately 29,147 sq.ft. The project has been named “Amber Place (恒珀)” and the occupation permit has been obtained in July 2023. The residential development offers a total of 42 residential units. The sales of the residential units commenced in July 2024, and since then, a total of 29 units have entered into provisional sales and purchase agreement.

The Remaining Group holds certain investment properties comprising 12 floors of commercial properties located at No. 65 Castle Peak Road, Yuen Long, and 2 shops with several office units located at No. 19-23 Hart Avenue, Kowloon. The investment properties are above 80% leased out, generating a stable rental income for the Remaining Group during the year.

Liquidity, financial resources and gearing

As of 30 June 2024, the Remaining Group's gearing ratio was 0.37, which is calculated on net debt divided by total equity plus net debt. Net debt is calculated as the sum of bank and other borrowings less cash and cash equivalents and time deposit with original maturities over three months. The cash and cash equivalents and time deposit with original maturities over three months of HK\$47,219,000 were mainly denominated in Hong Kong Dollar, US Dollar, Renminbi and British Pound. Other borrowings in respect of amounts due to joint ventures, amounts due to related companies, loan from a controlling shareholder, amounts due to non-controlling interests and lease liabilities were approximately of HK\$107,278,000. Bank loans denominated in HK\$ and US\$ were approximately HK\$1,036,236,000. Details of pledge of assets in respect of bank loans are set out in the section Pledge of assets.

Pledge of assets

As of 30 June 2024, the Remaining Group's bank loans denominated in HK\$ of HK\$1,024,440,000 are secured by the Remaining Group's certain property, plant and equipment, investment properties, certain right-of-use assets, properties under development and properties for sales, pledged by ordinary shares of certain subsidiaries of the Company and guaranteed by corporate guarantees executed by the Company. Whereas, bank loans denominated in US\$ in the equivalent amount of HK\$11,796,000 are guaranteed by corporate guarantees executed by the Company and/or secured by all the assets of a subsidiary of the Company.

Capital structure

All the Remaining Group's borrowings are denominated in Hong Kong Dollar, US Dollar and Renminbi. Interest is determined with reference to Hong Kong Interbank Offered Rate or Prime Rate for Hong Kong Dollar borrowings, US Prime Rate for US Dollar borrowings and the benchmark lending rate of the People's Bank of China for Renminbi borrowings. The Remaining Group also made use of foreign exchange forward contract in order to minimise exchange rate risk as a result of fluctuation in British Pound. There was no change to the Group's capital structure during the year ended 30 June 2024.

Contingent liabilities

The Company has provided guarantees to the extent of HK\$843,690,000 with respect to bank loans to its subsidiaries. Under the guarantees, the Company would be liable to pay the banks if the banks are unable to recover the loans. At the reporting date, no provision for the Company's obligation under the guarantee contracts has been made as the directors of the Company considered that it was unlikely the repayment of the loans would be in default.

Number of employees, remuneration policies and share option scheme

The Remaining Group employs a total of approximately 429 employees with the majority in the PRC. The Remaining Group's remuneration to its employees is largely based on common industrial practice.

The Company adopted the 2010 Share Option Scheme, which has been expired on 12 July 2020. Therefore, the Company has adopted the 2020 Share Option Scheme. No share option has been granted under the 2020 Share Option Scheme since it has been adopted.

Exposure to financial risk and related hedges

The Remaining Group utilises conservative strategies on its financial risk management and the market risk had been kept to minimum. With the exception of the UK subsidiaries, all transactions and the borrowings of the Remaining Group are primarily denominated in US Dollar, Hong Kong Dollar and Renminbi. During the year, the Remaining Group had entered into certain foreign exchange forward contracts in order to minimise the exchange rate risk as a result of fluctuation in British Pound. Management will continue to monitor the foreign exchange risk in British Pound and recent fluctuation in Renminbi and will take appropriate actions when necessary.

For the year ended 30 June 2023

A summary of the revenue and results of the segments of the Remaining Group for the financial year ended 30 June 2023 is set out below:

	Jewellery Business 2023 HK\$'000	Property investment and development 2023 HK\$'000	Investment 2023 HK\$'000	Consolidated 2023 HK\$'000
Segment revenue:				
Sales to/revenue from external parties	<u>434,936</u>	<u>15,659</u>	<u>5,013</u>	<u>455,608</u>
Segment results	<u>2,741</u>	<u>(115,373)</u>	<u>1,169</u>	<u>(111,463)</u>

During the financial year ended 30 June 2023, the Remaining Group's revenue was HK\$455.6 million. During the year, the Remaining Group recorded an unaudited loss of approximately HK\$128.5 million.

The financial year 2023 has been another period of broad and sustained uncertainty. We continue to see re-adjustment in working patterns and consumer behavior following the Covid-19 pandemic. Major economies are facing the challenge of interest rate hiking, rising inflation and compounding cost-of-living pressures. Geopolitical uncertainty remains elevated, and the conflict in Ukraine continues. A downturn in the economies and the disruption of business conditions impacted consumer's willingness to purchase and adversely affected consumer confidence. In certain key markets, such as the United States and the United Kingdom, we are seeing decline in retail traffic as well as a dampened sell through rate among our customers. As a result, the buying in take has become weak, thus impacting our business.

Consequently, the Remaining Group's revenue from jewellery segment recorded a decrease of approximately HK\$157.3 million or 26.6 % from last year's HK\$592.2 million to HK\$434.9 million for the year ended 30 June 2023. Jewellery segment recorded a profit of approximately HK\$2.7 million for the year ended 30 June 2023 as compared to last year's profit of approximately HK\$35.6 million. Such decrease in profit was mainly attributable to the decrease in revenue and unavoidable fixed operating expenses.

In property, revenue from rental income during the year amounted to approximately HK\$15.7 million, representing an increase of HK\$7.4 million from the corresponding year of 2022 of HK\$8.3 million. The increase in revenue was mainly because more units were leased out at One Continental during the year. With a diverse and balanced portfolio, the Remaining Group believes that these investments and projects will generate steady income and return in the long run.

"One Continental (恒匯中心)" is located at No. 232 Wan Chai Road, Hong Kong. The Remaining Group currently holds 75% of the interests in "One Continental", a premium grade office and retail composite building of 28-storey tall with a gross floor area of approximately 86,970 sq.ft. Since the border reopened in February, the leasing market has been anticipating an improvement in overall investment sentiment, and the Remaining Group managed to secure additional quality tenants during the 1st half of 2023.

The Remaining Group owns 90% interests of sites at Nos. 7, 7A, 9, and 9A of Cheung Wah Street, Cheung Sha Wan, Kowloon, with a site area of approximately 3,240 sq.ft. The site has been developed into a 25-storey residential development with 2-storey of retail podium/high-rise composite building, with a gross floor area of approximately 29,147 sq.ft. The project has been named "Amber Place (恒珀)" and the occupation permit has been obtained in July 2023.

In December 2021, the Remaining Group has acquired six properties located at No. 164-164A Boundary Street, Kowloon, with a site area of approximately 5,054 sq.ft. and a developable gross floor area of approximately 25,270 sq.ft.. Demolition of the old building has been completed, and the land is planned to be redeveloped into a luxury residential development.

The Remaining Group holds certain investment properties comprising 12 floors of commercial properties located at No. 65 Castle Peak Road, Yuen Long, and 2 shops with several office units located at No. 19-23 Hart Avenue, Kowloon. The investment properties are fully let and generating a stable rental income to the Remaining Group during the year.

Liquidity, financial resources and gearing

As of 30 June 2023, the Remaining Group had a gearing ratio of 0.3272, which is calculated on net debt divided by total equity plus net debt. Net debt is calculated as the sum of bank and other borrowings less cash and cash equivalents and time deposit with original maturities over three months. The cash and cash equivalents and time deposit with original maturities over three months of HK\$95,054,000 which were mainly denominated in Hong Kong Dollar, US Dollar, Renminbi and British Pound. Other borrowings in respect of amounts due to joint ventures, amounts due to related companies, loan from a controlling shareholder, amounts due to non-controlling interests and lease liabilities were approximately of HK\$92,943,000. Bank loans denominated in HK\$ and US\$ were approximately HK\$1,058,377,000. Details of pledge of assets in respect of bank loans are set out in the section Pledge of assets.

Pledge of assets

As of 30 June 2023, the Remaining Group's bank loans denominated in HK\$ of HK\$1,036,213,000 are secured by the Remaining Group's certain property, plant and equipment, investment properties, certain right-of-use assets, properties under development, pledged by ordinary shares of certain subsidiaries of the Company and guaranteed by corporate guarantees executed by the Company. Whereas, a bank loan denominated in US\$ in the equivalent amount of HK\$22,164,000 is secured by all the assets of a subsidiary of the Company and guaranteed by corporate guarantees executed by the Company.

Capital structure

All the Remaining Group's borrowings are denominated in Hong Kong Dollar, US Dollar and Renminbi. Interest is determined with reference to Hong Kong Interbank Offered Rate or Prime Rate for Hong Kong Dollar borrowings, US Prime Rate for US Dollar borrowings and the benchmark lending rate of the People's Bank of China for Renminbi borrowings. The Remaining Group also made use of foreign exchange forward contract in order to minimise exchange rate risk as a result of fluctuation in British Pound. There was no change to the Remaining Group's capital structure during the year ended 30 June 2023.

Contingent liabilities

The Company has provided guarantees to the extent of HK\$ 863,695,000 with respect to bank loans to its subsidiaries. Under the guarantees, the Company would be liable to pay the banks if the banks are unable to recover the loans. At the reporting date, no provision for the Company's obligation under the guarantee contracts has been made as the directors of the Company considered that it was unlikely the repayment of the loans would be in default.

Number of employees, remuneration policies and share option scheme

The Remaining Group employs a total of approximately 464 employees with the majority in the PRC. The Remaining Group's remuneration to its employees is largely based on common industrial practice.

The Company adopted the 2010 Share Option Scheme, which has been expired on 12 July 2020. Therefore, the Company has adopted the 2020 Share Option Scheme. No share option has been granted under the 2020 Share Option Scheme since it has been adopted.

Exposure to financial risk and related hedges

The Remaining Group utilises conservative strategies on its financial risk management and the market risk had been kept to minimum. With the exception of the UK subsidiaries, all transactions and the borrowings of the Remaining Group are primarily denominated in US Dollar, Hong Kong Dollar and Renminbi. During the year, the Remaining Group had entered into certain foreign exchange forward contracts in order to minimise the exchange rate risk as a result of fluctuation in British Pound. Management will continue to monitor the foreign exchange risk in British Pound and recent fluctuation in Renminbi and will take appropriate actions when necessary.

The following is the text of a report prepared for the purpose of incorporation in this circular received from BMI Appraisals Limited, an independent valuer, in connection with its valuation as at 30 June 2025 of the market value of 100% equity interest in Henan Multi-Resources Mining Company Limited (excluding the loans owing by Henan Multi-Resources Mining Company Limited to 廣州市恒拓投資諮詢有限公司 and the intra-group companies).

BMI APPRAISALS

BMI Appraisals Limited 中和邦盟評估有限公司

Suite 01-08, 27th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong
香港灣仔港灣道6-8號瑞安中心27樓2701-2708室
Tel 電話 : (852) 2593 9678 Fax 傳真 : (852) 2802 0863
Email 電郵 : enquiry@bmintelligence.com Website 網址 : www.bmi-appraisals.com

31 December 2025

The Directors
Continental Holdings Limited
Flats M, 1st Floor
Kaiser Estate Phase III
No. 11 Hok Yuen Street
Hung Hom, Kowloon
Hong Kong

Dear Sirs,

Re: Valuation of 100% equity interest in Henan Multi-Resources Mining Company Limited (excluding the loans owing by Henan Multi-Resources Mining Company Limited to 廣州市恒拓投資諮詢有限公司 and the intra-group companies)

1. INSTRUCTIONS

We refer to the instructions from Continental Holdings Limited (referred to as the “**Company**”) for us to provide our independent opinion on the market value of 100% equity interest in Henan Multi-Resources Mining Company Limited (referred to as “**Henan Multi-Resources**”) (excluding the loans owing by Henan Multi-Resources Mining Company Limited to 廣州市恒拓投資諮詢有限公司 and the intra-group companies).

2. PURPOSE OF VALUATION

The purpose of our valuation is to provide an independent opinion on the market value of Henan Multi-Resources as at the date of valuation.

3. DATE OF VALUATION

The date of valuation is 30 June 2025.

4. BASIS OF VALUATION

This report has been prepared in accordance with the International Valuation Standards issued by the International Valuation Standards Council.

Our valuation has been carried out on the basis of market value. Market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”. We consider the assumptions are valid, reasonable and appropriate and it is reasonable to adopt these assumptions in the valuation assuming market participants acting knowledgeably, prudently and without compulsion.

5. BACKGROUND OF THE COMPANY AND HENAN MULTI-RESOURCES

Background of the Company

The Company is a publicly listed company with limited liability. It was incorporated in Hong Kong in 1975 and has been listed on the Main Board of the Hong Kong Stock Exchange (stock code: 513) since 8 November 1988. The Company is principally engaged in jewellery and diamond businesses and operates through four segments. The fine jewellery and diamonds segment is engaged in the design, manufacture, marketing and trading of fine jewellery and diamonds. The property investment and development segment is engaged in the investment in commercial properties and property development in Hong Kong. The mining operation segment is engaged in the mining of minerals. Finally, the investment segment is engaged in investment businesses.

Background of Henan Multi-Resources

Henan Multi-Resources was incorporated in April 2008 with the approval of Zhengzhou Municipal Bureau of Commerce and it is principally engaged in low grade gold mining activities including exploration, mining and ore processing. Currently, it owns Hongzhuang Gold Mine (referred to as the “**Mine**”) which covers a mining area of 5.6641 square kilometers with licensed production capacity of 120,000 tonnes per annum.

Considering that the book values of other receivables and other payables held by Henan Multi-Resources is immaterial, the market value of 100% equity interest in Henan Multi-Resources (excluding the loans owing by Henan Multi-Resources Mining Company Limited to 廣州市恒拓投資諮詢有限公司 and the intra-group companies) is equal to the market value of the Mine, which consists of the mining rights and related assets.

The Mine is located in Luanchuan County of Henan Province, the People's Republic of China (referred to as the "PRC"). Accessibility to the mining site is excellent and well connected to Shizimiao town with about three kilometers long paved road. The new provincial highway crosses the town, and links to Luanchuan County with a road distance of about 60 kilometers. There are several gold and molybdenum mines situated in the region, and facilities such as water and power supply, traffic and transport for mining operation are in good condition.

The Mine was originally a state-owned enterprise in Luanchuan County and was incorporated in 1988 with the approval of the Gold Administration Bureau of Luoyang. The processing plant was first built in 1989 which was designed to process 50 tonnes of ore per day. In 1995, the plant was reconstructed to cyanide leaching/carbon-in-pulp plant with capacity of 100 tonnes per day. The Mine was taken over by Henan Jingu Gold Corporation Limited in December 2004. In March 2008, with the approval of the State-owned Assets Supervision and Administration Commission of Sanmenxia Municipal Government, Henan Multi-Resources acquired the entire interest of the Mine through a public tender at approximately RMB78 million. Henan Multi-Resources has planned to increase its resources and reserves at the existing mining sites through further exploration. Also, it is under planning to increase production capacity targeting up to 400 – 1,000 tonnes per day. Having a Hong Kong enterprise background, Henan Multi-Resources will make full use of the preferential policy by the municipal government.

According to the mining license issued by of the Department of Land and Resources of Henan Province, the Mine consists of two licensed mining areas namely Hongzhuang (1.09 square kilometers) and Yuanling (4.5745 square kilometers). The mining license expired in September 2009. In order to extend the mining license and explore the underground resources, Henan Geological Exploration Institute of China Chemical Geology and Mine Bureau, on behalf of Henan Multi-Resources, submitted the "Supplement to Henan Multi-Resources Mining Company Limited Hongzhuang Gold Mine production and exploration report" and "General investigation report (below 500 meters elevation) on Hongzhuang Gold Mine of Luanchuan County, Henan Province" in May 2009. They were also approved with verification report and certificate issued.

In November 2009, in preparation for the new mining license approval, the Department of Land and Resources of Henan Province confirmed and approved the new mining license area limits of the Mine and issued the "Mining Area Approval" (Yu Guo Tu Zi mine plan 2009 No. 0059).

According to the “Technical Review on Hongzhuang and Yuanling Gold Properties, Luanchuan, Henan Province, China” prepared by SRK Consulting, the gold resources of two licensed mining areas, namely Hongzhuang and Yuanling, were 40.85 tonnes and 0.04 tonnes respectively. The details are listed as below:

Resources Result of Hongzhuang Gold Mine (as in July 2007)

Ore Body	122b				332				333			
	Average Grade (g/t)	Average Thickness (m)	Ore (1,000t)	Metal (t)	Average Grade (g/t)	Average Thickness (m)	Ore (1,000t)	Metal (t)	Average Grade (g/t)	Average Thickness (m)	Ore (1,000t)	Metal (t)
1	5.06	5.56	1,077	5.45	1.72	1.98	407	0.7	5.58	3.39	1,770	9.87
2	6.23	7.74	847	5.28	1.9	4	1,441	2.74	4.17	3.43	1,818	7.58
3					2.09	3.31	564	1.18	3.66	3.47	1,838	6.72
4					1.78	2.42	472	0.84	4.9	1.59	100	0.49
Sub-total:	5.58		1,924	10.73	1.89		2,884	5.46	4.46		5,526	24.66
Total:				Ore (1000 t) 10,334, Au (t) 40.85, Average grade (g/t) 3.95								

Source: Technical Review on Hongzhuang and Yuanling Gold Properties, Luanchuan, Henan Province, China

Recoverable Resources of Yuanling Gold Mine (as in January 2010)

Category		Average		Au	Remarks
		Ore (1,000t)	Grade		
Yuanling	333	10.06	3.87	0.04	Within Boundary
		3.89	10.28	0.04	Out of Boundary

Source: Technical Review on Hongzhuang and Yuanling Gold Properties, Luanchuan, Henan Province, China

Since the mine operation has been minimal since acquisition, we consider that there will be no differences to the resources of the mine and deem that the trial production were primarily conducted at the Yuanling Mine, which was not included in the calculation of Henan Multi-Resources. Thus we judged that the aforementioned trial production and minimal production was not material to the valuation. And we conclude that the resource results done in 2007 is still valid.

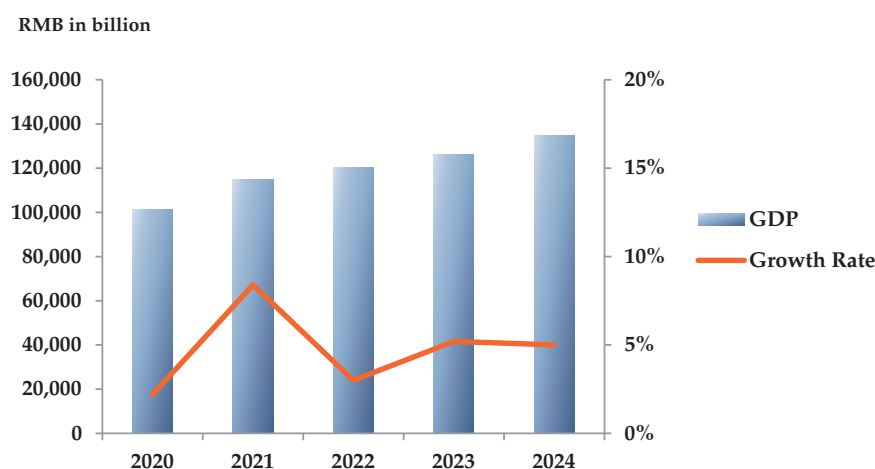
The Local Consultant Report was prepared by the Company primarily for internal reference purposes to assist in estimating future potential resumption costs. It was not intended as a formal submission or supporting document for valuation purposes. We were informed of the context and purpose of the Local Consultant Report, and determined that the contents in the Local Consultant Report are not relevant and applicable to our valuation.

6. INDUSTRY OVERVIEW

The PRC Economy

The national economy of the PRC continued to recover in 2024 after COVID-19 prevention and control. As illustrated in Figure 1 below, the gross domestic product (GDP) of the year was RMB134,908 billion, up by 5.0% over the previous year. Of this total, the value added of the primary industry was RMB9,141.4 billion, up by 3.5% year-over-year (YoY), that of the secondary industry was RMB49,208.7 billion, up by 5.3% YoY and that of the tertiary industry was RMB76,558.3 billion, up by 5.0% YoY. The value added of the primary industry accounted for 6.8% of the GDP, that of the secondary industry accounted for 36.5%, and that of the tertiary industry accounted for 56.7%.

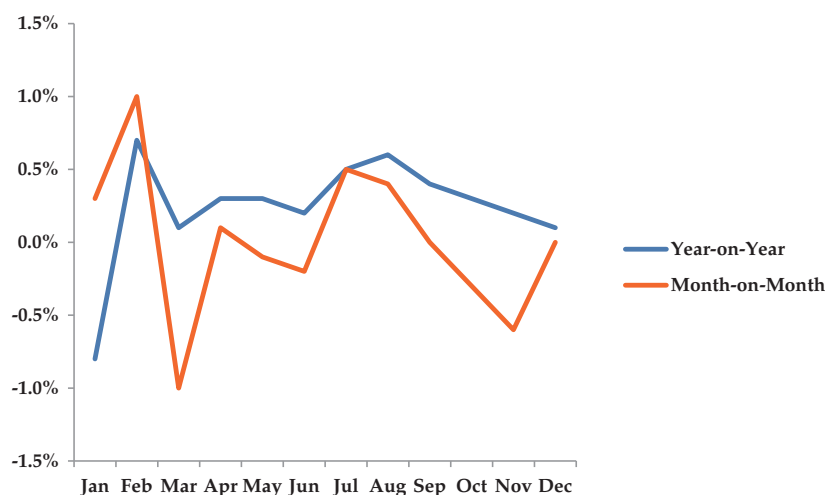
Figure 1: Gross Domestic Product in the PRC, 2020-2024



Source: National Bureau Statistics of China

The consumer prices increased slightly by 0.2% YoY in year 2024. The prices for food, tobacco and alcohol decreased by 0.1%, clothing up by 1.4%, housing increased by 0.1%; articles and services for daily use increased by 0.5% and transportation and communication went down by 1.9%. In December 2024, the national consumer price index (CPI) increased by 0.1% year on year. Among them, the price in urban areas increased by 0.1% and the price in rural areas was flat; the price for food decreased by 0.5% and for nonfood increased by 0.2%; prices for consumer goods decreased by 0.2% and for services increased by 0.5%.

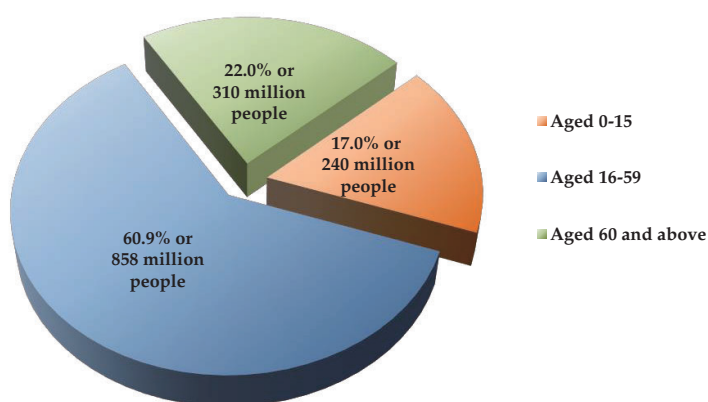
Figure 2: Monthly Changes in Consumer Prices, 2024



Source: National Bureau Statistics of China

According to Figure 3, the total number of the PRC's population reached 1,408.3 million by the end of 2024, a decrease of 1.39 million from the end of 2023. The number of urban permanent residents has increased to 943.50 million, accounting for 67.0% of the total population. In 2024, 9.54 million of births have recorded with a crude birth rate of 6.77 per thousand, and 10.93 million of deaths with a crude death rate of 7.76 per thousand. The natural growth rate was -0.99 per thousand.

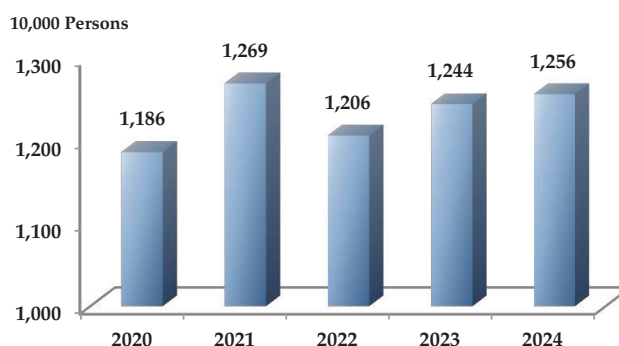
Figure 3: Population Age Composition, 2024



Source: National Bureau Statistics of China

As illustrated in Figure 4 below, the number of newly increased employed people in urban areas was 12.56 million in 2024, 0.12 million more than that of the previous year. The surveyed urban unemployment rate at the end of the year was 5.1%. The total number of migrant workers was 299.73 million, up by 0.7% over that of 2023. Specifically, the number of migrant workers who left their hometowns and worked in other places was 178.7 million, up by 1.2%, and those who worked in their own localities reached 121.0 million, up by 0.04%.

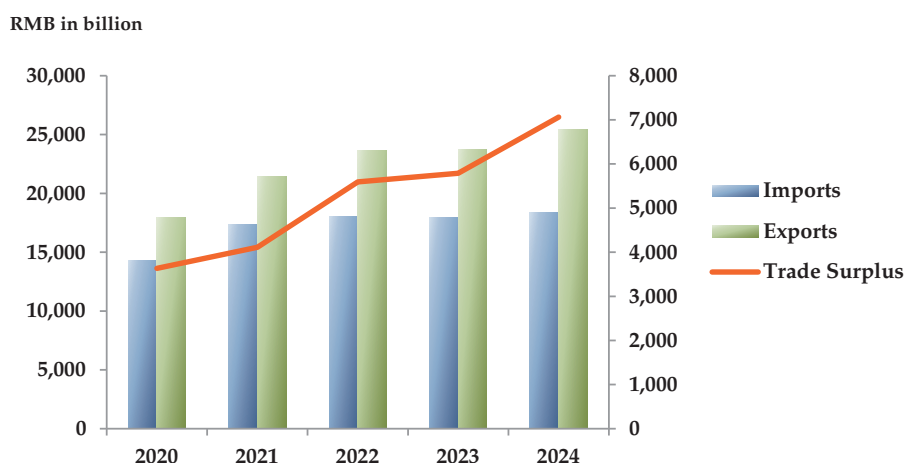
Figure 4: Newly Increased Employed Persons in Urban Areas, 2020-2024



Source: National Bureau Statistics of China

As illustrated in Figure 5 below, the total value of imports and exports of goods in 2024 reached RMB43,846.8 billion, up by 5.0% over that of the previous year. The value of goods exported was RMB25,454.5 billion or went up by 7.1% and the value of goods imported was RMB18,392.3 billion or up by 2.3%. The net exports (exports minus imports) reached RMB7,062.2 billion, up by RMB1,273.9 billion over that of the previous year.

Figure 5: Imports and Exports of Goods, 2020-2024



Source: National Bureau Statistics of China

Gold Industry

Global Supply of Gold

In 2025 Q1, the supply of gold increased 1% year on year to 1,206 tonnes. The increase in gold supply was driven by the strong mine production and gold recycling. Global gold production in Q1 was 856 tonnes, showing a 11% decrease over 2024 Q4. Overall, the supply was supported by the highest-ever Q1 mine output, offsetting the modest decline in recycling, keeping total supply relatively flat but slightly up year-on-year.

Global Demand of Gold

Global gold demand increased to 1,310 tonnes in 2025 Q1, representing a 16% year on year increase. Demand from investment and ETFs experienced significant growth during the quarter. Official sector institutions remained keen and committed buyers of gold, adding 244 tonnes to global reserves. Jewellery consumption recorded a five-year low at 380 tonnes, a 21% year on year decline. Gold demand in the making gold bars surged at 257.6 tonnes, a 14% year on year increase.

Gold Market Outlook 2025

The gold market outlook for 2025 expects gold prices to stay strong. This is because of several reasons like lower interest rates, a weaker US dollar, expensive stock markets, and ongoing world problems like trade issues and economic worries. More people are likely to invest in gold, especially through gold ETFs, because they are worried about inflation, possible recessions, and how stocks and bonds are doing. Central banks are expected to keep buying a lot of gold as they try to reduce their reliance on the US dollar. In Asia, especially in the PRC and India, people will keep buying gold bars, coins, and jewellery, although jewellery buying might slow down because gold is expensive and the economy is growing slowly. Overall, gold will stay important as a safe investment during uncertain times.

7. SOURCE OF INFORMATION

For the purpose of our valuation, we have been furnished with the financial and operational information in respect of Henan Multi-Resources provided by the senior management of the Company.

We have no reason to doubt the truth and accuracy of the information provided to us, and we have been confirmed by the senior management of the Company that no material facts have been omitted from the information provided to us.

Apart from the information provided by the senior management of the Company, we also obtained market data, industrial information and statistical figures from publicly available sources.

8. SCOPE OF WORKS

The following processes have been conducted by us in the course of our valuation:

- Interviewed with the senior management of the Company in respect of the core operation of Henan Multi-Resources;
- Obtained relevant financial and operational information in respect of Henan Multi-Resources from the senior management of the Company;
- Examined the basis and assumptions of the financial and operational information in respect of Henan Multi-Resources provided by the senior management of the Company;
- Conducted appropriate research to obtain sufficient market data, industry information and statistical figures from publicly available sources; and
- Prepared the valuation and this report in accordance with generally accepted valuation procedures and practices.

9. VALUATION ASSUMPTIONS

Due to the changing economic and market conditions, a number of assumptions have to be adopted in our valuation. The major assumptions adopted in our valuation are as follows:

General Market Assumptions

- There will be no material change in the existing political, legal, fiscal, technological, economic and market conditions in the jurisdiction where Henan Multi-Resources is currently or will be situated;
- There will be no material change in the taxation laws and regulations in the jurisdiction where Henan Multi-Resources is currently or will be situated, that the tax rates will remain unchanged and that all applicable laws and regulations will be complied with;
- The market return, market risk, interest rates and exchange rates will not differ materially from those of present or expected;
- The supply and demand, both domestically and internationally, of the products and/or services of Henan Multi-Resources or similar products and/or services will not differ materially from those of present or expected;

- The market prices and the relevant costs, both domestically and internationally, of the products and/or services of Henan Multi-Resources or similar products and/or services will not differ materially from those of present or expected;
- The products and/or services of Henan Multi-Resources or similar products and/or services are marketable and liquid, that there are active markets for the exchange of the products and/or services of Henan Multi-Resources or similar products and/or services; and;
- The market data, industrial information and statistical figures obtained from publicly available sources are true and accurate.

Company-specific Assumptions

- All licenses, permits, certificates and consents issued by any local, provincial or national government or other authorized entity or organization that will affect the operation of Henan Multi-Resources have been obtained or can be obtained upon request with an immaterial cost;
- The core operation of Henan Multi-Resources will not differ materially from those of present or expected;
- The financial and operational information in respect of Henan Multi-Resources have been prepared on a reasonable basis that have been arrived at after due and careful consideration by the senior management of the Company;
- Henan Multi-Resources currently has, or will have, adequate human capital and capacity required for the production and/or provision of the products and/or services of Henan Multi-Resources, and the required human capital and capacity will be acquired in a timely manner that will not affect the operation of Henan Multi-Resources;
- Henan Multi-Resources has acquired, or will acquire, adequate financial capital for the investments in projected capital expenditure and working capital from time to time, and any scheduled interest or repayment of loan and payable will be paid on time;
- The senior management of Henan Multi-Resources will implement only those prospective financial and operational strategies that will maximize the efficiency of the operation of Henan Multi-Resources;
- The senior management of Henan Multi-Resources has sufficient knowledge and experience in respect of the operation of Henan Multi-Resources, and the turnover of any director, management or key person will not affect the operation of Henan Multi-Resources;

- The senior management of Henan Multi-Resources has adopted reasonable and appropriate contingency measures against any human disruption such as fraud, corruption and strike, and the occurrence of any human disruption will not affect the operation of Henan Multi-Resources; and
- The senior management of Henan Multi-Resources has adopted reasonable and appropriate contingency measures against any natural disaster such as fire, flood and hurricane, and the occurrence of any natural disaster will not affect the operation of Henan Multi-Resources.

10. VALUATION APPROACH

General Valuation Approaches

The following generally accepted valuation approaches have been considered in the course of our valuation: (1) the income approach; (2) the market approach; and (3) the cost approach.

Income Approach

The income approach provides an indication of value based on the principle that an informed buyer would pay no more than the present value of anticipated future economic benefits generated by the subject asset.

The discounted cash flow (DCF) method is the most fundamental and prominent method of the income approach. In applying the DCF method, the free cash flows of the subject asset in future years were determined from the net income after tax plus non-cash expenses, such as depreciation and amortization expenses, and after-tax interest expense; the result was then less non-cash incomes, investment in capital expenditure and investment in net working capital.

Market Approach

The market approach provides an indication of value by comparing the subject asset to similar assets that have been sold in the market, with appropriate adjustments for the differences between the subject asset and the assets that are considered to be comparable to the subject asset.

Under the market approach, the guideline company method computes a price multiple for publicly listed companies that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset. The sales comparison method computes a price multiple using recent sales and purchase transactions of assets that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset.

Cost Approach

The cost approach provides an indication of value based on the principle that an informed buyer would pay no more than the cost of producing the same or a substitute asset with equal utility as the subject asset.

Under the cost approach, the historical cost method measures the cost incurred throughout the development of the subject asset at the time it was developed. The replication cost method measures the amount of investment that would be required to develop an asset similar to the subject asset. The replacement cost method measures the amount of investment that would be required to develop the subject asset as it currently exists.

Selected Valuation Approach

The selection of a valuation approach is based on, among other criteria, the quantity and quality of the information provided, access to available data, supply of relevant market transactions, type and nature of the subject asset, purpose and objective of the valuation and professional judgment and technical expertise.

The income approach is mainly applicable to the companies for which relatively reasonable and reliable estimation of expected future profit can be made. Proper consideration should be taken over the applicability of income approach with reference to the historical operation, predictability of future profit and the availability of information used for valuation. Since Henan Multi-Resource has halted its gold mining operations for years and the financial forecast is not available, therefore the income approach was not adopted.

The cost approach is generally applied to newly established companies or a company that is unable to conduct effective assessment by using income approach or market approach.

Therefore, the market approach was considered to be the most appropriate valuation approach in the valuation, as it is the most direct valuation approach which reflects the value obtained as a result of a consensus of what others in the market place have judged it to be.

11. VALUATION METHODOLOGY

For the purpose of our valuation, we referred to the information in respect of sale and purchase transactions of the listed companies that are considered to be comparable to Henan Multi-Resources (referred to as the “**Comparables**”).

Selection Criteria of the Comparables

The selection of the Comparables was based on the comparability of the overall industry sector and geographical location. Although no two transactions are ever exactly alike, behind the differences there are certain business universals such as required capital investment and overall perceived risks and uncertainties that guided the market in reaching the expected returns for companies with certain similar attributes.

The selection criteria of the Comparables are as follows:

- The principal activities of target companies in the Comparables are located in the PRC;
- The target companies in the Comparables are principally engaged in the provision of gold mining and the related operation;
- Detailed information in respect of the Comparables is available at publicly available sources.

Selected Comparables

Given the abovementioned selection criteria, the Comparables were considered to be fair, representative and reasonable samples and we confirm that all the list of Comparables between 2021 to 2025 were exhaustive and that the period were considered sufficient for comparison purposes. Details of the Comparables are as follows:

Comparable 1

Acquirer	:	Shandong Gold Mining Co., Ltd
Target Company	:	Hengxing Gold Holding Company Limited
Acquired Interest	:	100%
Consideration	:	RMB2,177,639,000
Completion Date	:	29 January 2021
Gold Metal Contain	:	63,302 Kilograms

Comparable 2

Acquirer	:	Yintai Resources Co Ltd
Target Company	:	Mangshi Huasheng Gold Mine Development Co., Ltd
Acquired Interest	:	60%
Consideration	:	RMB1,037,000,000
Completion Date	:	14 September 2021
Gold Metal Contain	:	50,620 Kilograms

Comparable 3

Acquirer	:	Zijin Mining Group Co Ltd
Target Company	:	Zhaojin Mining Industry Co Ltd
Acquired Interest	:	20%
Consideration	:	RMB4,062,632,714
Completion Date	:	10 November 2022
Gold Metal Contain	:	439,110 Kilograms

Comparable 4

Acquirer	:	Persistence Resources Group Limited
Target Company	:	Yantai City Mujin Mining Co Ltd
Acquired Interest	:	28%
Consideration	:	RMB81,900,000
Completion Date	:	24 February 2025
Gold Metal Contain	:	8,100 Kilograms

In the valuation, we have considered the consideration price to gold metal resource (referred to as the “**P/Resource**”) multiples of the Comparables, the adjustment factor of the change in gold price from the completion dates of the Comparables to the valuation date, and the discount factor of the low level of confidence for the gold metal resource of Henan Multi-Resources. Based on the publicly available information, the conditions of the underlying mines of the Comparables have been assessed and it is not aware of the conditions are substantially different to that of Hongzhuang Gold Mine.

The gold metal resources of the Comparables were derived after consideration of the ore resources and grading of the underlying gold mines of the Comparables. The SGEX gold price is calculated by historical monthly percentage change from 12 months before the valuation date and the completion date respectively. We had taken into account of the remaining life of license, but it is considered the remaining life of the current license would not have any significant effect to the valuation since mining license are eligible for extension or review pursuant to the current law and regulations in the PRC and it is assuming that there are no foreseeable legal obstacles in applying the extension of the mining license upon its maturity.

Given the conditions of the underlying mines of the Comparables have been assessed and it is not aware of the conditions are substantially different to that of Hongzhuang Gold Mine, for valuation purposes, the estimated future capital for resuming the operations shall not be and has not been taken into account in the valuation. The only necessary adjustment in the valuation in respect of capital cost was for the new tailings storage facility, representing an entity specific adjustment of Hongzhuang Gold Mine for its essential infrastructure cost of the tailings storage facility, which is a mandatory component of the mining operation.

Adjustment on Company-Specific Factor

The mining operation has been suspended as the capacity of its tailings storage facility was exhausted. By considering the expected cost for a new tailings storage facility to facilitate the resumption of the mining operation, an adjustment of RMB49 million was adopted in the valuation.

Discount of Lack of Confidence

We have assessed and considered the Comparables are fit for the valuation as they were transactions of gold mine with gold resources in the PRC. The class and classification were JORC Code. For valuation purpose, the reserves of Hongzhuang Gold Mine have been discounted for lack of confidence from the Valuation.

The level of confidence was discounted as to the comparison from the resource categories 122b, 332 and 333 to the classification under Chapter 18 and the Valuer has excluded the category 333 as the inferred resources were not permitted under the Rule 18.30(3). The 30% and 60% discount were applied based on the Valuer's professional judgment and experience from valuation of other similar transactions that there is a discount into the conversion between the PRC National Standard of gold resources and JORC Code. The same assumption has been consistently applied in previous valuations of the Hongzhuang Gold Mine.

Details of the P/Resource multiples of the Comparables are as follows:

No.	Completion Date	As at Completion Date		As at 30 June 2025	
		SGEX Gold Price (RMB/Gram)	P/Resource Multiple (RMB/Gram)	SGEX Gold Price (RMB/Gram)	Adjusted P/Resource Multiple (RMB/Gram)
1.	29 January 2021	351.03	34.40	469.34	46.00
2.	14 September 2021	411.95	34.14	469.34	38.90
3.	10 November 2022	378.01	46.26	469.34	57.44
4.	24 February 2025	495.19	36.11	469.34	34.23
Average P/Resource Multiple:					<u>44.14</u>

Gold Resources of Category 122b: 10.73 million grams x RMB44.14/gram x (1-30%) = RMB331.53 million.

Gold Resources of Category 332: 5.46 million grams x RMB44.14/gram x (1-60%) = RMB96.4 Million.

Sum of Gold Resources Category 122b and 332: RMB427.93 million (being RMB331.53 million + RMB96.4 million) – RMB49 million (being the cost of a new tailings storage facility)

12. STATEMENT OF INDEPENDENCE

We hereby certify that we have neither present nor prospective interest in the Company, Henan Multi-Resources or the result reported. In addition, our directors are neither directors nor officers of the Company or Henan Multi-Resources.

In the course of our valuation, we are acting independently of all parties.

Our fees are agreed on a lump-sum basis and are not correlated with the result as stated in this report.

13. REMARKS

Neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it will appear.

This report is for the exclusive use of the addressee and for the purpose stated herein. No responsibility is accepted for the use of this report by any party other than the addressee or any other purpose other than that stated herein, and we reserve the right to claim for any monetary or non-monetary damage done.

14. CONCLUSION OF VALUE

Our conclusion of value is based on accepted valuation procedures and practices that rely on the use of numerous assumptions and the consideration of a lot of uncertainties, not all of which can be easily ascertained or quantified.

Based on our analysis outlined in this report, it is our independent opinion that the market value of 100% equity interest in Henan Multi-Resources Mining Company Limited (i.e. Henan Multi-Resources) excluding the loans owing by Henan Multi-Resources Mining Company Limited to 廣州市恒拓投資諮詢有限公司 and the intra-group companies) as at 30 June 2025 was **RMB379,000,000 (RENMINBI THREE HUNDRED AND SEVENTY NINE MILLION ONLY)**.

Yours faithfully,
For and on behalf of
BMI APPRAISALS LIMITED

Dr. Tony C. H. Cheng

*BSc(Bldg), MUD, MBA(Finance), MSc.(Eng), PhD(Econ),
FSOE, FIPlantE, CEnv, FIPA, FAIA, FRSM, CPA UK, SIFM, FCMA,
FRSS, MCIArb, MASCE, MHKIE, MIEEE, MASME, MIIE, MASM, MIET*

Managing Director*Note:*

Dr. Tony C. H. Cheng has various engineering and accounting & finance qualifications. He is a Fellow member of Royal statistical Society, Fellow member of the Society of Operations Engineers, and the Institution of Plant Engineers, and a member of the Hong Kong Institution of Engineers and the American Society of Mechanical Engineers.

Besides, Dr. Cheng is a Fellow member of Association of International Accountants, Fellow member of the Institute of Public Accountants, and the Institute of Financial Accountants. He is also a Fellow member and Committee member of the Certified Management Accountants Australia. He has extensive experience in valuing similar assets in different industries in the Asia-Pacific region.

15. LIMITING CONDITIONS

- The result of our valuation does not constitute and should not be interpreted as an investment advice or legal evidence. It also serves as neither a substitute nor any part of due diligence work in respect of the truth and accuracy of the financial and operational information in respect of the subject asset.
- The actual consideration in any past or possible transaction in relation to the subject asset or similar assets may be different from the result of our valuation. The differences may be due to factors such as the motivation of the parties, expected synergistic benefits and economies of scale arising from the transaction.
- The date of valuation is a specific point of time as at which an opinion of value applies. As economic and market conditions may change over time, the result of our valuation only reflects the existing economic and market conditions as at the date of valuation, not as at either a past or future date.
- In view of prospective data including projected economic and market conditions as well as financial and operational information in respect of the subject asset to derive the result of our valuation, there may be differences between the forecasted and actual results because of events and circumstances occurred out of expectation.
- To the best of our knowledge, all data set forth in our valuation and this report are true and accurate. Although gathered from reliable sources, no guarantee is made or liability is assumed for the truth and accuracy of any data provided to us or obtained from publicly available sources.
- Our valuation relied on research of market data, industrial information and statistical figures. The scope of research is at our own discretion. Moreover, there may be parameters adopted in our valuation that are derived by our professional judgment and technical expertise or opinion of any other party of which written supporting document may not be available.
- The result of our valuation assumes continuation of appropriate management policies to maintain the character and integrity of the subject asset over a reasonable period of time, including adoption of reasonable and appropriate contingency measures against any human disruption and natural disaster.

- The result of our valuation is based on generally accepted valuation procedures and practices that rely on the use of numerous assumptions and the consideration of a lot of uncertainties, not all of which can be easily ascertained or quantified, and no responsibility is assumed for the differences between the actual outcome and our adopted assumptions.
- Whilst the assumptions and consideration of such matters are considered to be reasonable, they are inherently subject to uncertainties and contingencies that are beyond the control of us. We assume no responsibility for unexpected changes in economic and market conditions that may require adjustments in the valuation.
- We will not give testimony or attendance in court or to any governmental authority by reason of our valuation, unless prior arrangements have been made. Moreover, no opinion is intended to be expressed for matters, which require legal or other specialized expertise or knowledge, beyond that customarily employed by appraisers.
- Any information provided to us for the valuation will be treated as confidential information, but we may disclose the information to our directors or employees who need to know the information for the purpose of carrying out the valuation or any authority as required by the laws of any jurisdiction.
- All research findings, working papers and valuation model developed by us during the course of our valuation are deemed to be our property. We will retain the research findings, working papers and valuation model, either in physical form or in electronic form, for at least seven years after completion of our valuation.
- We reserve the right to include the addressee's name, scope of valuation, date of valuation and nature of subject asset in our client list and track record that may be presented to our existing or prospective clients, but we will maintain the confidentiality of the information provided to us, our valuation model and the contents of this report.
- We may not disclose any arrangement in relation to referral, cooperation, sub-contract or subscription of research report conducted by third party as well as compensation of our directors or employees that are deemed to have no impact on our independence and objectivity and have no conflict of interest with the addressee.

1. 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 Group. 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.

2. DISCLOSURE OF DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) to be notified to the Company and the Stock Exchange, were as follows:

Interests in shares of the Company

Name of Directors	Number of ordinary shares of the Company				Approximate percentage of all the issued shares of the Company
	Personal interest	Corporate interest	Underlying interest	Total	
Chan Wai Lap, Victor	270,000	–	1,000,000 (Note 2)	1,270,000	0.19%
Cheng Siu Yin, Shirley	–	506,339,522 (Note 1)	–	506,339,522	74.12%
Chan Wai Kei, Vicki	–	–	1,000,000 (Note 2)	1,000,000	0.15%
Chan Ping Kuen, Derek	20,000	–	–	20,000	0.003%
Yam Tat Wing	240,000	–	1,000,000 (Note 2)	1,240,000	0.18%
Wong Edward Gwon-hing	–	–	1,000,000 (Note 2)	1,000,000	0.15%

Notes:

- 1 Such interests are held by Tamar Investments, which is a company owned as to 70% by Cheng Siu Yin, Shirley. Cheng Siu Yin, Shirley and Chan Wai Lap, Victor are directors of Tamar Investments.
- 2 These interests represented the interests in underlying shares of the Company in respect of share options granted to the Directors.

Interests in shares of associated corporation of the Company

Name of associated corporation	Name of Directors	Nature of interest	Number of shares	Percentage of all the issued shares of the associated corporation
Tamar Investments	Chan Wai Lap, Victor	Personal	16	16%
	Cheng Siu Yin, Shirley	Personal	70	70%
	Chan Wai Kei, Vicki	Personal	7	7%
	Chan Mei Kei, Alice	Personal	7	7%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered into the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

3. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, save for Ms. Cheng Siu Yin, Shirley, an executive Director, who held interest in companies engaged in the same businesses of property investments in Hong Kong and gold mining activities in Indonesia, none of the Directors nor any of their respective close associates had any interest in a business apart from the business of the Group, which competed or was likely to compete, either directly or indirectly, with that of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contract with any member of the Group which is not expiring or determinable by the employer within one year without payment of compensation other than statutory compensation.

5. DIRECTORS' OTHER INTEREST

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been, since 30 June 2025, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors and their respective associates was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group as a whole.

6. LITIGATION

So far as the Directors were aware, as at the Latest Practicable Date, no member of the Group was involved in any litigation or claim of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Group within the two years immediately preceding the Latest Practicable Date which is or may be material:

- (a) the Sale and Purchase Agreement;
- (b) the Supplemental Agreement;
- (c) the Extension Notice;
- (d) a loan facility agreement dated 16 June 2025 entered into between the Company as borrower with Ms. Cheng Siu Yin, Shirley, an executive Director and controlling shareholder of the Company, as lender, in respect of a loan up to HK\$60,000,000 to the Company. The loan is unsecured, interest-bearing at HIBOR + 1.2% per annum and repayable on 30 September 2026, subject to the extension as may be agreed by the parties; and

- (e) a share transfer agreement dated 23 October 2024 entered into between Yett Holdings Limited, a wholly-owned subsidiary of the Group, as buyer, and Laurence James Blunt, as seller in relation to the acquisition of 330 B ordinary shares of GBP1 each in the capital of C.J. (UK) Limited (“CJUK”) (a non-wholly owned subsidiary of the Company), representing approximately 24.81% of the issued shares in the capital of CJUK at a consideration of GBP576,313 (approximately HK\$5,829,000). Since the seller is a director of CJUK, the acquisition constitutes a connected transaction for the Company under the Listing Rules. After completion, all the issued shares in the capital of CJUK are owned by the Group and CJUK has become a wholly-owned subsidiary of the Company.

8. EXPERTS AND CONSENTS

The qualification of the experts who have given their opinions in this circular is as follows:

Name	Qualifications
BDO Limited	Certified Public Accountants
BMI Appraisals Limited	Independent professional property valuer

The letter and/or report from the above experts are given on 31 December 2025 for incorporation in this circular. Each of the experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or report and/or references to its name, in the form and context in which it appears.

As at the Latest Practicable Date, the above experts had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and had no direct or indirect interest in any assets which have been, since 30 June 2025, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. GENERAL

- (a) The secretary of the Company is Mr. Hui Chun Lam. Mr. Hui is a member of CPA Australia, an associate member of the Hong Kong Institute of Certified Public Accountants and a member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute.
- (b) The registered office of the Company is situated at Flats M and N, 1/F., Kaiser Estate, Phase III, 11 Hok Yuen Street, Hunghom, Kowloon, Hong Kong.
- (c) The share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The circular is prepared in both English and Chinese. In the event of inconsistency, English text shall prevail over its Chinese text unless otherwise specified.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (www.continental.com.hk) for a period of 14 days from the date of this circular (inclusive):

- (a) the articles of association of the Company;
- (b) the review report from BDO Limited on unaudited financial information of the Target Group as set out in Appendix II to this circular;
- (c) the report in respect of the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix III to this circular;
- (d) the Valuation Report, the text of which is set out in Appendix V to this circular;
- (e) a copy of each of the material contracts referred to in the paragraph headed "7. MATERIAL CONTRACTS" in this Appendix;
- (f) the written consent referred to in the paragraph headed "8. EXPERTS AND CONSENTS" in this Appendix;
- (g) the annual reports of the Company for the three years ended 30 June 2023, 2024 and 2025; and
- (h) this circular.

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 IS HEREBY GIVEN that a general meeting (the “**General Meeting**”) of Continental Holdings Limited (the “**Company**”) will be held at Whampoa 01 & 02, 1/F, Harbour Grand Kowloon, 20 Tak Fung Street, Whampoa Garden, Hung Hom, Kowloon, Hong Kong on Thursday, 22 January 2026 at 11:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution which will be proposed as an ordinary resolution:

ORDINARY RESOLUTION

“THAT

- (a) the conditional sale and purchase agreement dated 23 September 2025 (the “**Sale and Purchase Agreement**”) and the supplemental agreement dated 15 October 2025 (the “**Supplemental Agreement**”) respectively entered into between Continental Mining Holdings Limited (“**Vendor**”) as vendor, Cubic Stone Holdings Limited as purchaser and the Company as Vendor’s guarantor (copy of the Sale and Purchase Agreement and the Supplemental Agreement have been produced to the General Meeting marked “A” and initialed by the chairman of the General Meeting for the purpose of identification) in relation to the sale and purchase of the Sale Shares and the Sale Loan (both as defined in the circular of the Company dated 31 December 2025 (“**Circular**”)) for the Consideration (as defined in the Circular) and the transactions contemplated respectively thereunder be and are hereby approved, ratified and confirmed; and
- (b) any one or (if execution under the common seal of the Company (the “**Common Seal**”) is required) any two directors of the Company be and is hereby authorised for and on behalf of the Company to sign and execute, under hand or under the Common Seal (as appropriate), all such agreements, instruments, documents and deeds, and do all other acts and things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in and completion of the Sale and Purchase Agreement and the Supplemental Agreement, and take such action as he/she may in his/her opinion consider to be necessary, desirable or expedient to implement and give effect to the Sale and Purchase Agreement, the Supplemental Agreement and any other transactions contemplated under the Sale and Purchase Agreement and the Supplemental Agreement, and to agree to such

NOTICE OF GENERAL MEETING

variation, amendment or waiver or matter relating thereto (including any variation, amendment or waiver of such documents or any terms thereof) as is/are in his/her opinion in the interest of the Company and its shareholders as a whole."

By Order of the Board
Chan Wai Lap, Victor
Chairman

Hong Kong, 31 December 2025

Registered office:

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

Notes:

- (1) Any member of the Company entitled to attend and vote at the General Meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) Where there are joint registered holders of any share of the Company, any one of such persons may vote at the General Meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto; but if more than one of such joint holders be present at the General Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (3) Completion and return of the form of proxy will not preclude a member from attending and voting at the General Meeting or any adjournment thereof if he so wishes. In that event, his form of proxy will be deemed to have been revoked.
- (4) In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon 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 must be deposited at the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the General Meeting or any adjournment thereof.
- (5) For determining the entitlement to attend and vote at the General Meeting, the register of members of the Company will be closed from Monday, 19 January 2026 to Thursday, 22 January 2026, both dates inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the General Meeting, all duly completed and signed transfer forms 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 not later than 4:30 p.m. on Friday, 16 January 2026.

As at the date of this notice, 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 the 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 the independent non-executive Directors of the Company.