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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00513)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a loss for the year ended 30 June 2016 as compared to a profit for the year ended 30 June 2015.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

This announcement is made by Continental Holdings Limited (the "**Company**") together with its subsidiaries, the ("**Group**") pursuant to Rule 13.09 of the Rules Governing the Listings of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (the "**SFO**") (Chapter 571, Laws of Hong Kong).

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company and potential investors that based on the financial information currently available, it is anticipated that the Group is expected to record a loss for the year ended 30 June 2016 as compared to a profit for the year ended 30 June 2015. The loss for the year was mainly due to (i) share the loss of joint venture arising on change in fair value of the investment property held by the Group's joint venture; (ii) impairment loss on mining right; (iii) decrease in revenue and gross profit; and (iv) unrealised exchange loss due to declining conversion rate in British Pound after the Brexit incident.

The Company is still in the process of finalising the Group's annual results for the year ended 30 June 2016. The information contained in this announcement is only based on the Company's preliminary review of the unaudited management accounts of the Group. Further details of the Group's performance will be disclosed as and when the annual results of the Group for the year ended 30 June 2016 are announced.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
Continental Holdings Limited
Chan Sing Chuk, Charles
Chairman

Hong Kong, 20 September 2016

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