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

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00513)**

**MAJOR TRANSACTION –  
ACQUISITION OF PROPERTIES**

The Board is pleased to announce that on 1 September 2021, the Buyer (a wholly-owned subsidiary of the Company) entered into six Preliminary Agreements with five Sellers. Under the Preliminary Agreements, the Buyer conditionally agreed to purchase from the Sellers the Properties, at a total price of HK\$183,500,000 payable in cash.

The Properties to be acquired are (i) Ground Floor, First Floor, Second Floor and a portion of the Roof, No.164 Boundary Street, Kowloon, Hong Kong; and (ii) Ground Floor, First Floor and Second Floor, No.164A Boundary Street, Kowloon, Hong Kong.

Since the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisitions taken together falls between 25% and 100%, the Acquisitions collectively constitute a major transaction for the Company, and are subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Acquisitions. As such, no Shareholder would be required to abstain from voting in favour of the resolution approving the Acquisitions under the Preliminary Agreements. Further, as at the date of this announcement, Tamar Investments, a majority Shareholder, holds a total of 506,339,522 Shares (or approximately 74.12% of the issued share capital of the Company as at the date of this announcement) and, pursuant to Rule 14.44 of the Listing Rules, it has given a written approval for the Acquisitions in lieu of holding a general meeting of the Company to approve the Acquisitions under Rule 14.44 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular in respect of the Acquisitions containing, among other things, further information of the Acquisitions and other information required under the Listing Rules shall be despatched within 15 business days after the publication of this announcement, that is, on or before 23 September 2021. The Company expects to issue the circular by such date unless a waiver is granted by the Stock Exchange.

***Completion of the Acquisitions is subject to the satisfaction or (where applicable) waiver of the Conditions and therefore may or may not take place. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.***

## **INTRODUCTION**

The Board is pleased to announce that, pursuant to the Preliminary Agreements dated 1 September 2021 between the Buyer (a wholly-owned subsidiary of the Company) on the one hand, and the Sellers on the other hand, the Buyer conditionally agreed to purchase the Properties. The principal terms of the Preliminary Agreements are set out below.

## PRELIMINARY AGREEMENT I

1. **Date:** 1 September 2021
2. **Parties:**
  - (a) the Buyer; and
  - (b) Seller I.

Seller I is a company incorporated in Hong Kong with limited liability, and holds Property I in its principal business. The ultimate beneficial owner of Seller I is Eric Tsang Chi Wai.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Seller I and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

3. **Property to be acquired:** Ground Floor, No.164 Boundary Street, Kowloon, Hong Kong (“**Property I**”)

Property I will be acquired on an “as is” basis. The Purchaser agrees to purchase Property I subject to its existing tenancy. Under the tenancy agreement, the current monthly rental is HK\$35,000 (exclusive of government rent, rates and management fee). The tenancy is expiring on 31 May 2022.

4. **Consideration:**

The Buyer will pay a total sum of HK\$32,000,000 for Property I in the following manner:

- (a) an initial deposit of HK\$500,000 was paid to Seller I’s solicitor as stakeholder on the date of the Preliminary Agreement I;
- (b) a further deposit of HK\$2,300,000 shall be paid to Seller I’s solicitor as stakeholder on or before 24 September 2021; and
- (c) the balance of HK\$29,200,000 shall be paid to Seller I’s solicitor upon Completion.

## PRELIMINARY AGREEMENT II

1. **Date:** 1 September 2021
2. **Parties:**
  - (a) the Buyer; and
  - (b) Seller II.

Seller II is a company incorporated in Hong Kong with limited liability, and holds Property II in its principal business. The ultimate beneficial owners of Seller II are Au Kai Kwong and Wong Lai Hung.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Seller II and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

3. **Property to be acquired:** First Floor, No.164 Boundary Street, Kowloon, Hong Kong ("**Property II**")

Property II will be acquired on an "as is" basis. The Purchaser agrees to purchase Property II subject to its existing tenancy. Under the tenancy agreement, the current monthly rental is HK\$28,000 (inclusive of government rent and rates but exclusive of management fee). The tenancy is expiring on 31 March 2022.

4. **Consideration:**

The Buyer will pay a total sum of HK\$28,000,000 for Property II in the following manner:

- (a) an initial deposit of HK\$500,000 was paid to Seller II's solicitor as stakeholder on the date of the Preliminary Agreement II;
- (b) a further deposit of HK\$2,300,000 shall be paid to Seller II's solicitor as stakeholder on or before 24 September 2021; and
- (c) the balance of HK\$25,200,000 shall be paid to Seller II's solicitor upon Completion.

## PRELIMINARY AGREEMENT III

1. **Date:** 1 September 2021
2. **Parties:**
  - (a) the Buyer; and
  - (b) Seller III.

Seller III is an individual. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Seller III is a third party independent of the Company and connected persons of the Company.

3. **Property to be acquired:** Second Floor and a portion of the Roof, No.164 Boundary Street, Kowloon, Hong Kong (“**Property III**”)

Property III will be acquired on an “as is” basis. The Purchaser agrees to purchase Property III subject to its existing tenancy. Under the tenancy agreement, the current monthly rental is HK\$30,000 (inclusive of government rent, rates and management fee). The tenancy is expiring on 31 August 2022.

4. **Consideration:**

The Buyer will pay a total sum of HK\$33,500,000 for Property III in the following manner:

- (a) an initial deposit of HK\$500,000 was paid to Seller III’s solicitor as stakeholder on the date of the Preliminary Agreement III;
- (b) a further deposit of HK\$2,300,000 shall be paid to Seller III’s solicitor as stakeholder on or before 24 September 2021; and
- (c) the balance of HK\$30,700,000 shall be paid to Seller III’s solicitor upon Completion.

## PRELIMINARY AGREEMENT IV

1. **Date:** 1 September 2021
2. **Parties:**
  - (a) the Buyer; and
  - (b) Seller II.
3. **Property to be acquired:** Ground Floor, No.164A Boundary Street, Kowloon, Hong Kong (“**Property IV**”)

Property IV will be acquired on an “as is” basis. The Purchaser agrees to purchase Property IV subject to its existing tenancy. Under the tenancy agreement, the current monthly rental is HK\$43,000 (inclusive of government rent and rates but exclusive of management fee). The tenancy is expiring on 31 March 2022.

### 4. **Consideration:**

The Buyer will pay a total sum of HK\$32,000,000 for Property IV in the following manner:

- (a) an initial deposit of HK\$500,000 was paid to Seller II’s solicitor as stakeholder on the date of the Preliminary Agreement IV;
- (b) a further deposit of HK\$2,300,000 shall be paid to Seller II’s solicitor as stakeholder on or before 24 September 2021; and
- (c) the balance of HK\$29,200,000 shall be paid to Seller II’s solicitor upon Completion.

## PRELIMINARY AGREEMENT V

1. **Date:** 1 September 2021
2. **Parties:**
  - (a) the Buyer; and
  - (b) Seller V.

Seller V is an individual. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Seller V is a third party independent of the Company and connected persons of the Company.

3. **Property to be acquired:** First Floor, No.164A Boundary Street, Kowloon, Hong Kong ("**Property V**")

Property V will be acquired on an "as is" basis. The Purchaser agrees to purchase Property V subject to its existing tenancy. Under the tenancy agreement, the current monthly rental is HK\$23,500 (exclusive of government rent, rates and management fee). The tenancy is expiring on 14 December 2026.

4. **Consideration:**

The Buyer will pay a total sum of HK\$30,000,000 for Property V in the following manner:

- (a) an initial deposit of HK\$500,000 was paid to Seller V's solicitor as stakeholder on the date of the Preliminary Agreement V;
- (b) a further deposit of HK\$2,300,000 shall be paid to Seller V's solicitor as stakeholder on or before 24 September 2021; and
- (c) the balance of HK\$27,200,000 shall be paid to Seller V's solicitor upon Completion.

## **PRELIMINARY AGREEMENT VI**

- 1. Date:** 1 September 2021
- 2. Parties:**
  - (a) the Buyer; and
  - (b) Seller VI.

Seller VI is an individual. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Seller VI is a third party independent of the Company and connected persons of the Company.

- 3. Property to be acquired:** Second Floor, No.164A Boundary Street, Kowloon, Hong Kong (“**Property VI**”)

Property VI will be acquired on an “as is” basis. Seller VI shall deliver vacant possession of Property VI to the Buyer upon Completion.

### **4. Consideration**

The Buyer will pay a total sum of HK\$28,000,000 for Property VI in the following manner:

- (a) an initial deposit of HK\$500,000 was paid to Seller VI’s solicitor as stakeholder on the date of the Preliminary Agreement VI;
- (b) a further deposit of HK\$2,300,000 shall be paid to Seller VI’s solicitor as stakeholder on or before 24 September 2021; and
- (c) the balance of HK\$25,200,000 shall be paid to Seller VI’s solicitor upon Completion.

### **Consideration**

The Consideration for the Acquisitions is HK\$183,500,000 payable in cash, which was arrived after arm’s length negotiations between the Sellers and the Buyer with reference to, among other things, the preliminary valuation of the Properties at HK\$183,500,000 as on 31 August 2021, as carried out by an independent professional valuer and based on market approach.



## **Completion**

Completion of each of the Acquisitions is subject to the Buyer having entered into preliminary sale and purchase agreements with registered owners of 80% or more of the undivided shares in the Relevant Buildings, and such registered owners having shown and given good titles accordingly (the “**Conditions**”).

Completion of the Acquisitions will take place on or before 22 December 2021.

## **REASONS FOR, AND BENEFITS OF, THE ACQUISITION**

The Group is principally engaged in the businesses of (i) design, manufacturing, marketing and trading of fine jewellery and diamonds; (ii) property investment and development; (iii) mining operation; and (iv) investment.

The Group has been engaged in property investment and development for years. The Acquisitions are in line with the overall development strategy of the Group. The Properties are situated at a traditional low-density luxury residential neighborhood famous for the surrounding prestigious schools. The site has high potential for redevelopment into a luxury residential development capable of generating profits for the Group.

The terms of the transactions under the Preliminary Agreements were negotiated on an arm’s length basis. The Directors believe that the terms of the Acquisitions are fair and reasonable and in the interests of the Shareholders as a whole.

It is expected that the Consideration payable by the Group under the Preliminary Agreements will be funded by internal resources, and bank and other borrowings of the Group.

No Director has any material interest in the transactions under the Preliminary Agreements. Accordingly, no Director is required to abstain from voting on the Board meeting approving the Acquisitions and the transactions under the Preliminary Agreements.

## **LISTING RULES IMPLICATIONS AND GENERAL**

Since the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisitions taken together falls between 25% and 100%, the Acquisitions collectively constitute a major transaction for the Company, and they are subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Acquisitions. As such, no Shareholder would be required to abstain from voting in favour of the resolution approving the Acquisitions under the Preliminary Agreements. Further, as at the date of this announcement, Tamar Investments, a majority Shareholder, holds a total of 506,339,522 Shares (or approximately 74.12% of the issued share capital of the Company as at the date of this announcement) and, pursuant to Rule 14.44 of the Listing Rules, it has given a written approval for the Acquisitions in lieu of holding a general meeting of the Company to approve the Acquisitions under Rule 14.44 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular in respect of the Acquisitions containing, among other things, further information of the Acquisitions and other information required under the Listing Rules shall be despatched within 15 business days after the publication of this announcement, that is, on or before 23 September 2021. The Company expects to issue the circular by such date unless a waiver is granted by the Stock Exchange.

**Completion of the Acquisitions is subject to the satisfaction or (where applicable) waiver of the Conditions and therefore may or may not take place. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“Acquisitions”	the acquisitions of the Properties by the Buyer from the relevant Sellers pursuant to the terms and conditions of the Preliminary Agreements
“Board”	the board of Directors
“Buyer”	Wise Capital Holdings Limited, a limited company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Company”	Continental Holdings Limited (Stock Code: 513), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Acquisitions in accordance with the terms and conditions of the Preliminary Agreement
“Conditions”	the conditions precedent to Completion as set out in the Preliminary Agreements
“connected person”	has the same meaning ascribed to it in the Listing Rules
“Consideration”	the aggregate consideration of HK\$183,500,000 for the Acquisitions
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Preliminary Agreements”	collectively, Preliminary Agreement I, Preliminary Agreement II, Preliminary Agreement III, Preliminary Agreement IV, Preliminary Agreement V and Preliminary Agreement VI
“Preliminary Agreement I”	the preliminary sale and purchase agreement made between the Buyer and Seller I on 1 September 2021 in relation to the acquisition of Property I
“Preliminary Agreement II”	the preliminary sale and purchase agreement made between the Buyer and Seller II on 1 September 2021 in relation to the acquisition of Property II
“Preliminary Agreement III”	the preliminary sale and purchase agreement made between the Buyer and Seller III on 1 September 2021 in relation to the acquisition of Property III
“Preliminary Agreement IV”	the preliminary sale and purchase agreement made between the Buyer and Seller II on 1 September 2021 in relation to the acquisition of Property IV
“Preliminary Agreement V”	the preliminary sale and purchase agreement made between the Buyer and Seller V on 1 September 2021 in relation to the acquisition of Property V
“Preliminary Agreement VI”	the preliminary sale and purchase agreement made between the Buyer and Seller VI on 1 September 2021 in relation to the acquisition of Property VI

“Properties”	collectively, Property I, Property II, Property III, Property IV, Property V and Property VI
“Property I”	Ground Floor, No.164 Boundary Street, Kowloon, Hong Kong
“Property II”	First Floor, No.164 Boundary Street, Kowloon, Hong Kong
“Property III”	Second Floor and a portion of the Roof, No.164 Boundary Street, Kowloon, Hong Kong
“Property IV”	Ground Floor, No.164A Boundary Street, Kowloon, Hong Kong
“Property V”	First Floor, No.164A Boundary Street, Kowloon, Hong Kong
“Property VI”	Second Floor, No.164A Boundary Street, Kowloon, Hong Kong
“Relevant Buildings”	No. 164-164A Boundary Street, Kowloon, Hong Kong
“Seller I”	Goldcase Properties Limited, a company incorporated in Hong Kong with limited liability
“Seller II”	Cheerbond Limited, a company incorporated in Hong Kong with limited liability
“Seller III”	Yeung Wing Wah, who is an individual and a third party independent of the Company and connected persons of the Company
“Seller V”	Chuang So Wah Janice, who is an individual and a third party independent of the Company and connected persons of the Company

“Seller VI”	Yu Kam Yuen Lincoln, who is an individual and a third party independent of the Company and connected persons of the Company
“Sellers”	collectively, Seller I, Seller II, Seller III, Seller V and Seller VI
“Share(s)”	issued ordinary share(s) of the Company
“Shareholder(s)”	Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tamar Investments”	Tamar Investments Group Limited, a company incorporated in the British Virgin Islands with limited liability and owned as to 35% by Dr. Chan Sing Chuk, Charles, 35% by Ms. Cheng Siu Yin, Shirley, 16% by Mr. Chan Wai Lap, Victor and 7% by Ms. Chan Wai Kei, Vicki, all of them are executive Directors of the Company
“%”	per cent

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

Hong Kong, 1 September 2021

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