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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)

**(1) UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS,
(2) PRESS CLARIFICATION ANNOUNCEMENT
AND
(3) RESUMPTION OF TRADING**

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Rule 13.10 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The board of directors (the “Board”) of Continental Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) noted the unusual increase in price and trading volume of the shares of the Company today. Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Board confirms that, save as disclosed below, it is not aware of any reasons for these price and trading volume movements or of any information which must be announced to avoid a false market in the Company’s shares or of any inside information which needs to be disclosed under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board noted that there was press article today stating that the Group is in the final stage of negotiation with a Chinese party for sale of its majority stake in a commercial building situated in Central, Hong Kong for approximately HK\$1 billion (the “Possible Disposal”). The Board wishes to clarify that while it has been approached by several potential purchasers, only one non-legally binding letter of intent (the “LOI”) is subsisting which was entered into with an investor (the “Investor”) which, to the best of the knowledge of the Board, is not China-based. The Investor was granted an exclusivity period of 44 days commencing from (but exclusive of) the date of the LOI to evaluate and negotiate the Possible Disposal. As at the date of this announcement, no legally-binding agreement has been entered into by the Group in respect of the Possible Disposal. The Possible Disposal, if materialises, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. The Company will make further announcement(s) in compliance with the Listing Rules as and when legally binding agreement(s) in relation to the Possible Disposal is/are entered into.

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted from 10:46 a.m. on 26 August 2016 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:00 a.m. on 29 August 2016.

This announcement is made by the order of the Board. The Board collectively and individually accepts responsibility for the accuracy of this announcement.

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

Hong Kong, 26 August 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, Mr. Chan Wai Lap, Victor, Mr. Wong Edward Gwong-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.