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If you have sold or transferred all your shares in **Continental Holdings Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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 THE PROPERTIES**

All capitalized terms used in this circular shall have the meanings set out in the section headed “Definitions” on pages 1 to 4 of this circular.

A letter from the Board is set out on pages 5 to 16 of this circular.

22 October 2021

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DEFINITIONS

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

“Acquisitions”	the acquisitions of the Properties by the Buyer from the relevant Sellers pursuant to the terms and conditions of the Preliminary Agreements
“Announcement”	the announcement dated 1 September 2021 issued by the Company in respect of the Acquisitions
“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 Agreements
“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
“Latest Practicable Date”	15 October 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of 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

DEFINITIONS

“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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“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

DEFINITIONS

“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

LETTER FROM THE BOARD



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
Dr. Chan Sing Chuk, Charles, *BBS, JP*
Ms. Cheng Siu Yin, Shirley
Ms. Chan Wai Kei, Vicki
Mr. Wong Edward Gwon-hing

Registered office:

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

Non-executive Director:

Mr. Yam Tat Wing

Independent non-executive Directors:

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

22 October 2021

To the Shareholders for information only

Dear Sir or Madam,

MAJOR TRANSACTION
ACQUISITION OF PROPERTIES

A. INTRODUCTION

Reference is made to the Announcement dated 1 September 2021.

LETTER FROM THE BOARD

Pursuant to six Preliminary Agreements dated 1 September 2021 entered into by the Buyer (a wholly-owned subsidiary of the Company) on the one hand, and five Sellers on the other hand, 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 circular, 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 circular) 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. No general meeting of the Company will be convened for the purpose of approving the Acquisitions.

The purpose of this circular is to provide the Shareholders with further information of the Acquisitions, the property valuation report in respect of the Properties and such other information required under the Listing Rules.

B. PRELIMINARY AGREEMENTS

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.

LETTER FROM THE BOARD

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 was 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.

LETTER FROM THE BOARD

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 was 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.

LETTER FROM THE BOARD

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 was 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 was 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.

LETTER FROM THE BOARD

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 was 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.

LETTER FROM THE BOARD

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 was 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**”). The Acquisitions are not inter-conditional. As the Properties represent all of the undivided shares in the Relevant Buildings, the Completion of the Acquisitions would only be conditional on the Sellers having shown and given good titles of the Properties. The Conditions are waivable by the Buyer only, but the Buyer does not intend to waive the Conditions.

Completion of the Acquisitions will take place on or before 22 December 2021. Any existing legal charge and mortgage registered against the Properties will be released on the date of Completion.

LETTER FROM THE BOARD

C. FINANCIAL EFFECT OF THE ACQUISITIONS

1. Effect on assets and liabilities

Upon Completion, the Properties will become 100% owned by the Company and will be held as property under development of the Group.

As at 30 June 2021, the Group's consolidated net assets value was approximately HK\$2,446 million, and its total assets and total liabilities stood at approximately HK\$3,718 million and HK\$1,272 million respectively. Based on the unaudited pro forma financial information of the Group in Appendix III to this circular and assuming the Acquisitions had taken place on 30 June 2021 in accordance with the Preliminary Agreements, each of the total assets and total liabilities would have been increased by approximately HK\$0.3 million, and eventually, no change would have occurred on the net assets of the Group upon completion of the Acquisitions. Further details are set out in the unaudited pro forma financial information of the Group in Appendix III to this circular.

2. Effect on earnings

The Group's earnings are expected to increase as a result of the Acquisitions, after taking into account the rental income to be derived from the Properties.

D. REASONS FOR, AND BENEFITS OF, THE ACQUISITIONS

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. Based on the existing government lease, the Properties are subject to the government lease restriction of a total gross floor area of approximately 9,726 sq. ft. To redevelop the Properties, the Company plans to apply for lease modification and to redevelop the Properties into a luxury residential development with a total gross floor area of approximately 25,270 sq. ft. based on a plot ratio of 5.0 upon lease modification. The Properties will be demolished and will be redeveloped into a building with 16-storey of residential units (subject to Government's approval), which will be for sale, with the addition of a club house and car parking facilities. The Company expects to commence the redevelopment plan upon Completion. The redevelopment of the Properties is expected to be completed in the second quarter of 2026. The total estimated costs for the redevelopment plan are approximately HK\$548.0 million, and the Company intends to fund the redevelopment plan by

LETTER FROM THE BOARD

internal resources, bank and other borrowings. The Directors expect that the increase in the plot ratio and gross floor area of the new building will in turn result in an increase in the gross development value of the new building. In view of the possibility of such increase in the gross development value, the Directors expect the Acquisitions to bring a satisfactory gain to the Group from the sale of the residential units in the new building after such lease modification and redevelopment.

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. Among the entire Consideration of HK\$183.5 million, it is expected that approximately HK\$110.1 million will be funded by internal resources, and the balance of approximately HK\$73.4 million will be funded by bank borrowings. The incidental costs of HK\$59.1 million is expected to be funded by internal resources.

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.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Sellers, any of their directors and legal representatives and/or any ultimate beneficial owner(s) of the Sellers who can exert influence on the Acquisitions; and (b) the Company, any connected person at the Company's level and/or any connected person at the Buyer's level.

E. LISTING RULES IMPLICATIONS

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.

LETTER FROM THE BOARD

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 circular, 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 circular) 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. No general meeting of the Company will be convened for the purpose of approving the Acquisitions.

F. APPLICATION FOR WAIVER FROM STRICT COMPLIANCE WITH RULE 14.67(6)(b)(i) OF THE LISTING RULES

To the best knowledge, information and belief of the Directors having made reasonable enquiries, five out of the six Properties, namely, Property I, Property II, Property III, Property IV and Property V (collectively, the “**Relevant Properties**”) are subject to tenancies prior to the Acquisitions and therefore the Relevant Properties were revenue-generating assets with an identifiable income stream under Rule 14.67(6)(b)(i) of the Listing Rules. As such, pursuant to Rule 14.67(6)(b)(i) of the Listing Rules, the Company is required to include in this circular a profit and loss statement for the three preceding financial years on the identifiable income stream in relation to the Relevant Properties, which must be reviewed by the auditor or reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records. In the case of the Company, such period covers the three preceding financial years ended 30 June 2019, 2020 and 2021 (the “**Relevant Period**”).

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules after taking into account, among others, the following:

- (a) despite the Company’s various requests for access to the underlying books and records in respect of the respective Relevant Properties, the information made available to the Company is limited to the subsisting tenancy agreements for the respective Relevant Properties (collectively, the “**Tenancy Agreements**”) only. The Company is otherwise denied access to the underlying books and records or other financial information of the Relevant Properties. Without those books and records, the Company is unable to properly compile the profit and loss statement for the Relevant Properties’ net income stream in the 3 preceding financial years;

LETTER FROM THE BOARD

- (b) the provision of the historical profit and loss figures of the Relevant Properties will not be meaningful to the Buyer as far as ascertaining the titles and values of the Relevant Properties are concerned, nor will the historical profit and loss of the Relevant Properties be relevant to the Buyer in determining the consideration for the Acquisitions, which is based on a valuation report. An independent valuation report of the Properties as appraised by an independent professional valuer is set out in Appendix IV to this circular;
- (d) the Acquisitions have been approved irrevocably and unconditionally by Tamar Investments, a majority Shareholder holding a total of 506,339,522 Shares as at the date of this circular (or approximately 74.12% of the issued share capital of the Company as at the date of this circular); and
- (e) there will be alternative disclosures in this circular including (i) a summary of the Tenancy Agreements including monthly rental income; (ii) the estimated gross rental income for the Relevant Properties for the Relevant Period; and (iii) the estimated government rent and rates for the Relevant Properties payable by the relevant Sellers based on the information publicly available from Rating and Valuation Department of the Government of the Hong Kong Special Administrative Region.

The Directors consider that the alternative disclosures and the property valuation report as set out in Appendix IV to this circular will provide the Shareholders with sufficient information necessary for making a properly informed assessment on the Acquisitions, and therefore the omission of the profit and loss statement required under Rule 14.67(6)(b)(i) of the Listing Rules would not render the circular materially incomplete or misleading or deceptive.

The Stock Exchange has granted a waiver to the Company from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, on the condition that the Company would disclose the waiver (including details, reasons and the alternative disclosures) in this circular. As alternative disclosures, the Company discloses the unaudited financial information of the Properties as set out in Appendix II of this circular.

LETTER FROM THE BOARD

G. ADDITIONAL INFORMATION

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.

Your attention is drawn to the additional information contained in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Chan Wai Lap, Victor
Chairman

1. AUDITED CONSOLIDATED 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 2019, 2020 and 2021 are disclosed in the annual reports of the Company for the financial years ended 30 June 2019 (pages 77 to 326), 30 June 2020 (pages 74 to 302) and 30 June 2021 (pages 82 to 282), respectively, and are incorporated by reference into this circular.

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:

(a) annual report 2019:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/1024/ltn20191024047.pdf>

(b) annual report 2020:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1022/2020102200872.pdf>

(c) annual report 2021:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/1013/2021101300319.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 August 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining the information contained in this indebtedness statement, the Group had total outstanding loans and other loans of HK\$1,009,425,000, comprising secured and guaranteed interest bearing bank loans of HK\$900,204,000, unsecured and guaranteed interest bearing bank loans of HK\$15,000,000, unsecured interest-free and unguaranteed amounts due to a controlling shareholder of HK\$4,818,000, unsecured interest-free and unguaranteed amounts due to non-controlling interests of HK\$48,786,000, unsecured interest-free and unguaranteed amounts due to related companies of HK\$40,617,000 and lease liabilities of approximately HK\$18,638,000. The aforesaid interest bearing bank loans of HK\$900,204,000 were (i) secured by the Group's investment properties, certain of property, plant and equipment, certain of right-of-use assets, properties under development, intangible assets, certain of inventories, certain of trade receivables, certain of cash and cash equivalents and all the ordinary shares of an indirectly owned subsidiary of the Company; and (ii) corporate guarantees executed by the Company and non-controlling interests. As at the close of business on 31 August 2021, the Company had provided guarantees amounting to HK\$1,465,753,000 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 close of business on 31 August 2021, no provision for the Company's obligation under the guarantee contract has 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 August 2021, have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, charges or debentures, mortgages, loans or other similar indebtedness, finance leases 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 August 2021.

3. MATERIAL ADVERSE CHANGE

The Directors confirmed that there was no material adverse change in the financial or trading position of the Group since 30 June 2021, being the date to which the latest published audited consolidated financial statements of the Group have been made up, to the Latest Practicable Date.

4. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the cash flows impact of the Acquisitions and the financial resources presently available to the Group, including the internally generated funds and the currently available facilities, the Group has sufficient working capital for at least the next 12 months from the date of this circular.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Although the economic disruption from the pandemic has started to ease in most countries, some continue to experience uncertainty and volatility. With the risk of Delta Variant of COVID-19, market conditions are expected to remain challenging and it is still unclear how the recovery will develop. Notwithstanding this volatility, the domestic consumption is expected to remain steady with modest growth. The Group's strategic move in strengthening local support and service will continue to be an advantage adapting to the changing market environment. Furthermore, with the implementation of digital and online solutions, the Group will stay ahead of its competition and further expand its sales reach to customers. In summary, the consumer and market behaviour have changed even when the pandemic is over and things are back to normal. We believe the Group has well positioned itself for an economy recovery and the long term growth in the industry.

Hong Kong's containment of the COVID-19 pandemic and the increasing vaccination rates have stabilized the overall real estate market. Despite the commercial market suffering from moderate declines in rents during the past year, the Group foresees positive momentum and the economic recovery will support market demands in driving growth in capital value in the medium to long term horizon. The Directors consider that the Acquisitions are in line with the principal business of the Group and hope it can provide the Shareholders with more favorable return in the long run amidst the changing market environment for property investment and development business.

Looking ahead, the Group's broad portfolio and geographic footprint, coupled with its leading market position, will provide a solid foundation for sustainable growth. Whilst uncertainty remains and travelling is still severely impacted, the management of the Group remains optimistic about the growth prospects for all of its businesses and believes the Group is well positioned to capture the opportunities to drive long-term growth and shareholder value.

PROFIT AND LOSS STATEMENT OF THE PROPERTIES

Pursuant to Rule 14.67(6)(b)(i) of the Listing Rules, the Company is required to include in this circular a profit and loss statement and valuation (where available) for the Relevant Period on the identifiable income stream and valuation in relation to the Properties, which must be reviewed by the auditor or reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records.

For the preparation of the profit and loss statement on the identifiable income stream in relation to the Relevant Properties in strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, full access to the underlying books and records of the relevant Sellers covering the Relevant Period is required. However, despite the Company's various requests for access to the underlying books and records in respect of the respective Relevant Properties, the information made available to the Company is limited to the Tenancy Agreements only. The Company is otherwise denied access to the underlying books and records or other financial information of the Relevant Properties. Without those books and records, the Company is unable to properly compile the profit and loss statement for the Relevant Properties' net income stream in the 3 preceding financial years for inclusion in the circular as required under Rule 14.67(6)(b)(i) of the Listing Rules.

A waiver to the Company from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules has been granted by the Stock Exchange.

The unaudited financial information of the Properties for the Relevant Period as set out in this appendix has been prepared by the Directors based on the review of the Tenancy Agreements provided to the Company by the relevant Sellers and represents an alternative to and does not represent the profit and loss statement of the Properties. Accordingly, it may not give a true and complete picture of the performance of the Properties during the Relevant Period.

APPENDIX II**UNAUDITED FINANCIAL INFORMATION
OF THE PROPERTIES**

Based on the Tenancy Agreements, the gross rental income of the Properties for the Relevant Period is as follows:

	Note	Year ended 30 June		
		2019 HK\$'000	2020 HK\$'000	2021 HK\$'000
Gross rental income	1	<u>1,491</u>	<u>1,529</u>	<u>1,914</u>

The revenue of each of the Properties during the Relevant Period is set out below:

	Note	Year ended 30 June		
		2019 HK\$'000 (Note 1)	2020 HK\$'000 (Note 1)	2021 HK\$'000 (Note 1)
Rental income				
Property I	2	–	35	420
Property II	3	336	336	336
Property III	4	357	360	360
Property IV	5	516	516	516
Property V	6	282	282	282
Property VI		<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
		<u>1,491</u>	<u>1,529</u>	<u>1,914</u>

Notes:

1. Being gross rental income in respect of the Relevant Properties based on the Tenancy Agreements.
2. During the Relevant Period, there was one tenancy agreement for Property I. Property I was let to Liauw Yuen on a lease from 1 June 2020 to 31 May 2022. Starting from the commencement of the lease, the monthly rental (exclusive of government rent, rates and management fee) paid to Seller I was HK\$35,000.
3. During the Relevant Period, there were two tenancy agreements for Property II. Property II was let to Team Fook Aged Home on a lease from 1 April 2018 to 31 March 2020 and was let to Team Fook Aged Home on a lease from 1 April 2020 to 31 March 2022. The monthly rental (inclusive of government rent and rates but exclusive of management fee), starting from 1 April 2018, paid to Seller II was HK\$28,000.
4. During the Relevant Period, there were three tenancy agreements for Property III. Property III was let to Chan Kwok Chung on a lease from 1 September 2016 to 31 August 2018. The monthly rental (inclusive of government rent, rates and management fee), starting from 1 September 2016, paid to Seller III was HK\$28,500. Property III was let to Chan Kwok Chung on a lease from 1 September 2018 to 31 August 2020. The monthly rental (inclusive of government rent, rates and management fee), starting from 1 September 2018, paid to Seller III was HK\$30,000. Property III was let to Chan Lui, Helen on a lease from 1 September 2020 to 31 August 2022. The monthly rental (inclusive of government rent, rates and management fee), starting from 1 September 2020, paid to Seller III was HK\$30,000.

5. During the Relevant Period, there were two tenancy agreements for Property IV. Property IV was let to Team Fook Aged Home on a lease from 1 April 2018 to 31 March 2020 and was let to Team Fook Aged Home on a lease from 1 April 2020 to 31 March 2022. The monthly rental (inclusive of government rent and rates but exclusive of management fee), starting from 1 April 2018, paid to Seller II was HK\$43,000.
6. During the Relevant Period, there was one tenancy agreement for Property V. Property V was let to Ping Pong Training Company on a lease from 1 August 2016 to 14 December 2026. The monthly rental (exclusive of government rent, rates and management fee), starting from the commencement of the lease, paid to Seller V was HK\$23,500.
7. Based on the Tenancy Agreements, water, electricity and all other outgoings directly attributable to the Relevant Properties shall be borne by the respective tenants.
8. Pursuant to the information publicly available from Rating and Valuation Department of the Government of the Hong Kong Special Administrative Region, the total government rent and rates paid and payable in respect of the Relevant Properties (in so far as such government rent and rates shall be borne by any of the relevant Sellers under the Tenancy Agreements) for the financial year ended 30 June 2019, 2020 and 2021 was estimated to be approximately HK\$184,000, HK\$189,000 and HK\$183,000.

Save for the financial information that the Company could not obtain from the relevant Sellers, the financial information in relation to the Properties set out above is prepared using accounting policies which are materially consistent with those of the Group as set out in the published annual report of the Company for the year ended 30 June 2021.

The Directors engaged BDO Limited, the auditor of the Company, to conduct certain agreed-upon procedures on the rental income of the Properties for the Relevant Period in accordance with Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The procedures were performed solely to assist the Directors in evaluating the accuracy of the rental income derived from the Properties, and are summarised as follows:

1. the auditor obtained a copy of the unaudited profit and loss statement for the Relevant Period as prepared by the Directors of the Company which sets out the gross rental income for the Relevant Period;
2. the auditor obtained a schedule which sets out the names of lessor and lessee, addresses, rental period, monthly rent and gross rental income of the Properties for the Relevant Period as prepared by the Directors of the Company (the “**Gross Rental Income Summary**”) and checked the arithmetical accuracy of the total gross rental income for the Relevant Period;

3. from the Gross Rental Income Summary, the auditor compared the names of the lessor and lessee, addresses, rental period and monthly rent with that included in the copies of respective tenancy agreements as provided by the relevant Sellers to the Directors of the Company; and
4. from the Gross Rental Income Summary, the auditor compared the total gross rental income with the revenue amounts as shown in the unaudited profit and loss statement.

The auditor has performed the above agreed-upon procedures set out in the relevant engagement letter with the Company and reported its factual findings based on the agreed-upon procedures to the Directors. Pursuant to the terms of the relevant engagement letter between the Company and the auditor, the reported factual findings should not be used or relied upon by any other parties for any purpose.

The agreed-upon procedures listed in the foregoing do not constitute an assurance engagement made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently, no assurance is expressed by the auditor of the Company on the unaudited profit and loss statement of the Properties disclosed in this circular and the rental income for the Relevant Period.

Had the auditor of the Company performed additional procedures or had the auditor of the Company performed an assurance engagement in respect of the unaudited profit and loss statement of the Properties in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, other matters might have come to attention of the auditor of the Company that would have been reported.

The Directors consider that the rental income of the Properties for the Relevant Period has been properly compiled based on the information from the Tenancy Agreements and the Gross Rental Income Summary. Having taken into account the above disclosures of the unaudited financial information of the Properties and the property valuation report as set out in Appendix IV to this circular, the Directors consider the omission of a profit and loss statement for the Properties' net income stream for the Relevant Period would not render this circular materially incomplete, misleading or deceptive.

VALUATION OF THE PROPERTIES

No valuation of the Properties for each of the financial year end within the Relevant Period has been disclosed herein as the Company has not been able to obtain the valuation reports in respect of the Properties from the Sellers. Instead a valuation of the Properties as at 1 September 2021 as appraised by an independent valuer is prepared and set out in the Appendix IV of this circular.

INTRODUCTION

The following is an illustrative unaudited pro forma consolidated statement of assets and liabilities of the Group (“**Unaudited Pro Forma Financial Information**”), which have been prepared in accordance with paragraph 4.29 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, for the purpose of illustrating the effect of the proposed acquisitions of the Properties (the “**Acquisitions**”) on the Group for inclusion in this circular.

The Unaudited Pro Forma Financial Information has been prepared to illustrate the effects of the Acquisitions on the financial position of the Group as at 30 June 2021 as if the Acquisitions had taken place as at 30 June 2021. The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only, and because of its nature, it may not give a true picture of the financial position of the Group had the Acquisitions been completed as at 30 June 2021, where applicable, or any future dates.

The Unaudited Pro Forma Financial Information should be read in conjunction with the financial statements of the Group as set out in the published annual report of the Group for the year ended 30 June 2021, and other financial information included elsewhere in the circular.

APPENDIX III

**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE GROUP**

**(A) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND
LIABILITIES OF THE GROUP AFTER ACQUISITIONS**

	Unaudited consolidated statement of assets and liabilities of the Group as at 30 June 2021 HK\$'000 (Note 1)	Pro forma adjustments			Unaudited pro forma consolidated statement of assets and liabilities of the Group after Acquisitions as at 30 June 2021 HK\$'000
		HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	
Non-current assets					
Property, plant and equipment	39,629				39,629
Right-of-use assets	46,863				46,863
Investment properties	1,928,300				1,928,300
Goodwill	8,124				8,124
Intangible assets	8,234				8,234
Mining right	591,056				591,056
Interests in associates	29,882				29,882
Interests in joint ventures	1,042				1,042
Financial assets at fair value through other comprehensive income	37,945				37,945
Financial assets at fair value through profit or loss	11,370				11,370
Long-term receivables	–				–
Deferred tax assets	2,728				2,728
	<u>2,705,173</u>				<u>2,705,173</u>
Current assets					
Property under development	335,843	183,500	59,050		578,393
Inventories	214,417				214,417
Trade receivables	99,943				99,943
Prepayments, deposits and other receivables	10,509				10,509
Financial assets at fair value through profit or loss	12,185				12,185
Cash and cash equivalents	340,207	(183,500)	(59,050)	319	<u>97,976</u>
	1,013,104				1,013,423

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

	Unaudited consolidated statement of assets and liabilities of the Group as at 30 June 2021 HK\$'000 (Note 1)	Pro forma adjustments		Unaudited pro forma consolidated statement of assets and liabilities of the Group after Acquisitions as at 30 June 2021 HK\$'000 (Note 4)
		HK\$'000 (Note 2)	HK\$'000 (Note 3)	
Current liabilities				
Trade payables	67,725			67,725
Other payables and accruals	119,273			119,592
Contract liabilities	720			720
Bank and other loans	707,010			707,010
Lease liabilities	4,162			4,162
Due to related companies	7,225			7,225
Due to joint ventures	1,036			1,036
Provision for tax	3,034			3,034
	<u>910,185</u>			<u>910,504</u>
Net current assets	<u>102,919</u>			<u>102,919</u>
Total assets less current liabilities	2,808,092			2,808,092
Non-current liabilities				
Bank and other loans	129,200			129,200
Lease liabilities	15,167			15,167
Due to related companies	33,011			33,011
Loan from a controlling shareholder	4,802			4,802
Due to non-controlling interests	48,785			48,785
Deferred tax liabilities	130,619			130,619
	<u>361,584</u>			<u>361,584</u>
Net assets	<u><u>2,446,508</u></u>			<u><u>2,446,508</u></u>

**(B) NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF
ASSETS AND LIABILITIES OF THE GROUP AFTER ACQUISITIONS**

- 1) The consolidated statement of assets and liabilities of the Group as at 30 June 2021 is extracted from the published annual report of the Company for the year ended 30 June 2021.
- 2) The adjustment represents the Consideration of acquiring the Properties. Among the entire Consideration of HK\$183,500,000, it is expected that approximately HK\$110,100,000 will be funded by internal resources, and the balance of approximately HK\$73,400,000 will be funded by proposed bank borrowings, which, as at the date of this circular, have not been executed yet. For the purpose of preparation of the unaudited pro forma information of the Group after the Acquisitions, the Consideration is assumed to be settled by the cash and bank balances of the Group. The purchase considerations of the Properties is shown below.

HK\$'000

Consideration of acquiring the Properties:

Property I	32,000
Property II	28,000
Property III	33,500
Property IV	32,000
Property V	30,000
Property VI	<u>28,000</u>
	<u><u>183,500</u></u>

It is the Group's intention to redevelop the acquired Properties into residential premises for sale and therefore, the acquired Properties are classified as property under development.

- 3) The adjustment represents the incidental costs of HK\$59,050,000 directly attributable to the Acquisitions which comprised of (i) estimated stamp duty of HK\$55,050,000 and (ii) legal and professional fees and agency fees of approximately HK\$4,000,000 which are assumed to be settled by the cash and bank balances of the Group.
- 4) The adjustment reflects the recognition of rental deposits from tenants of approximately HK\$319,000 in respect of the Properties as if the Acquisitions had been completed on 30 June 2021. Pursuant to the Preliminary Agreements, the vendors have to transfer the rental deposit from tenants in respect of the Properties to the Group upon the completion of the Acquisitions.
- 5) No adjustment has been made to reflect any trading results or other transactions of the Group entered subsequent to 30 June 2021.

**REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA
FINANCIAL INFORMATION OF THE GROUP**

The following is the text of a report from BDO Limited, the independent reporting accountant, in respect of the unaudited pro forma financial information of the Group as set out in this Appendix and prepared for the sole purpose of inclusion in this circular.



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**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 assets and liabilities as at 30 June 2021 and related notes as set out on pages III-1 to III-4 of Appendix III of the Company’s circular dated 22 October 2021 (the “**Circular**”) in connection with the proposed acquisitions of 100% interests in Properties (the “**Acquisitions**”). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on page 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 Acquisitions on the Group’s financial position as at 30 June 2021 as if the Acquisitions had taken place at 30 June 2021. As part of this process, information about the Group’s financial position has been extracted by the directors of the Company from the Company’s consolidated financial statements for the year ended 30 June 2021, on which an independent 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 Control

We have complied with the independence and other ethical requirements 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 behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and 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 an investment 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 Acquisitions at 30 June 2021 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

22 October 2021



Knight Frank Petty Limited
4/F, Shui On Centre
6-8 Harbour Road
Wanchai, Hong Kong

22 October 2021

The Board of Directors
Continental Holdings Limited
Flats M & N, 1st Floor,
Kaiser Estate, Phase III,
11 Hok Yuen Street,
Hung Hom, Kowloon

Dear Sirs

**VALUATION IN RESPECT OF NOS 164-164A BOUNDARY STREET, KOWLOON CITY,
KOWLOON (THE “PROPERTY”)**

In accordance with the instructions to us from Continental Holdings Limited (hereinafter referred to as the “Company”, together with its subsidiaries, hereinafter together referred to as the “Group”), to value the Property, we confirm that we have made relevant enquiries and carried out searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property in its existing state as at 1 September 2021 (the “Valuation Date”) for public disclosure purposes. Our valuation is undertaken by the qualified valuer with relevant experiences as an independent valuer. Our valuation is prepared in unbiased and professional manner.

BASIS OF VALUATION

In arriving at our opinion of the market value, we followed “The HKIS Valuation Standards 2020” issued by The Hong Kong Institute of Surveyors (“HKIS”) and “The RICS Valuation – Global Standards 2020” issued by the Royal Institution of Chartered Surveyors (“RICS”). Under the said standards, 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 and where the parties had each acted knowledgeably, prudently and without compulsion.”

“the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.”

Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

Our valuation complies with the requirements set out in “The HKIS Valuation Standards 2020” issued by HKIS and “RICS Valuation – Global Standards 2020” issued by RICS.

Our valuation is based on 100% of the leasehold interest of the Property.

VALUATION METHODOLOGY

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement. In our valuation, we have adopted Market Approach by made reference to the recent market sales evidence which is available in the open market. Appropriate adjustments have been made in our valuation to reflect the differences in the characteristics between the Property and the comparable properties. We have assumed the Property will be completed in accordance with the proposed development scheme given by the Company and ready for immediate occupation as at the Valuation Date with all relevant approvals for the scheme have been obtained. We have also considered the cost of development including construction costs provided by the Company, finance costs, professional fees and developer’s profit which duly reflects the risks associated with the development of the Property.

EXPERTISE

The valuer, on behalf of Knight Frank Petty Limited, with the responsibility for this report is Cyrus Fong, FRICS FHKIS MCIREA RPS(GP) RICS Registered Valuer. We confirm that the valuer meets the requirements of HKIS Valuation Standards and the RICS Valuation – Global Standards, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

Our valuation is undertaken by the qualified valuer with relevant experiences as an independent valuer. Our valuation is prepared in unbiased and professional manner.

VALUATION ASSUMPTIONS AND CONDITIONS

Our valuation is subject to the following assumptions and conditions:-

Title Documents and Encumbrances

In our valuation, we have assumed a good and marketable title and that all documentation is satisfactorily drawn. We have also assumed that the Property is not subject to any unusual or onerous covenants, restrictions, encumbrances or outgoing. These assumptions are considered valid by the Company. The Company intends to redevelop the Property in compliance with the relevant covenants and/or restrictions to which the Property is subject (including the zoning plan and the government lease as more particularly described below). Based on the information provided by the Company, the existing residential blocks will be demolished. The rectification work for the Building Orders currently registered against the Property will be addressed following the demolition of the existing residential blocks. Therefore, we have disregarded the Building Orders and the effects of the defects on the value and safety of the Property.

Disposal Costs and Liabilities

No allowance has been made in our report for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale.

Sources of Information

We have relied to a very considerable extent on information given by the Company. We have accepted advice given to us on such matters as proposed development scheme, construction cost estimation, statutory notice, easement, land tenure and all other relevant matters. We have not verified the correctness of any information, including their translation supplied to us concerning this Property, whether in writing or verbally by yourselves, your representatives or by your legal or professional advisers or by any (or any apparent) occupier of the Property or contained on the register of title. We assume that this information is complete and correct.

Inspection

We have inspected the Property on 1 September 2021 by Mr. Cyrus Fong, FRICS FHKIS MCIREA RPS(GP) RICS Registered Valuer. Nevertheless, we have assumed in our valuations that the Property was in satisfactory exterior and interior decorative order without any unauthorized extension or structural alterations or illegal uses as at the Valuation Date, unless otherwise stated.

Identity of the Property to be valued

We have exercised reasonable care and skill to ensure that the Property, identified by the Property address in your instructions, is the Property inspected by us and contained within our valuation report. If there is ambiguity as to the Property address, or the extent of the Property to be valued, this should be drawn to our attention in your instruction or immediately upon receipt of our report.

Property Insurance

We have valued the Property on the assumption that, in all respects, it is insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

Areas and Age

In our valuations, we have relied upon areas provided to us. We have also assumed that the measurements and dimensions shown on the documents handed to us are correct and in approximations only. We have scaled off the floor areas from the approved building plans in accordance with the First Edition (March 1999) of the Code of Measuring Practice by the Hong Kong Institute of Surveyors with Supplement issued on 1 July 2014.

Structural and Services Condition

We have carried out visual inspection only without any structural investigation or building survey. During our limited inspection, we did not inspect any inaccessible areas. We are unable to confirm whether the Property is free from urgent or significant defects or items of disrepair or any deleterious materials have been used in the construction of the Property. Our valuation has therefore been undertaken on the assumption that the Property was in satisfactory repair and condition and contains no deleterious materials and it is sound order and free from structural faults, rot, infestation or other defects, and that the services are in satisfactory condition.

Ground Condition

We have assumed there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the site of the Property are sufficient to support the building constructed or to be constructed thereon; and that the services are suitable for any existing or future development. Our valuation is therefore prepared on the basis that no extraordinary expenses or delays will be incurred in this respect.

Environmental Issues

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Property is unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

Compliance with Relevant Ordinances and Regulations

We have assumed the Property was constructed, occupied and used in full compliance with, and without contravention of any ordinance, statutory requirement and notices except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, consents, approvals and authorisation have been obtained, expected only where otherwise stated.

Valuation assumption

We have assumed that the owner(s) of the Property is free and uninterrupted rights to use and assign the Property during the whole of the unexpired land-lease term granted subject to the payment of usual Government Rent.

LIMITATIONS ON LIABILITY

Our total liability for any direct loss or damage (whether caused by negligence or breach of contract or otherwise) arising out of or in connection with this valuation is limited to HK\$50 million. We accept no liability for any indirect or consequential loss or for loss of profits.

We confirm that we hold adequate and appropriate Professional Indemnity Insurance cover for this instruction.

No claim arising out of or in connection with this valuation report may be brought against any of our member, employee, partner, director or consultant. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank.

This report is confidential to the addressee for the specific purpose to which it refers. It may be disclosed to other professional advisers assisting the addressee in respect of the purposes, but the addressee shall not disclose the report to any other person. Neither the whole, or any part of this report and valuation, nor any reference thereto may be included in any documents, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any web site) without our written approval of the form and context in which it will appear.

In accordance with our standard practice, we must state that this report and valuation is for the use of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents. We do not accept liability to any third party or for any direct or indirect consequential losses or loss of profits as a result of this report.

In our valuations, we have prepared the valuation based on information and data available to us as at the valuation date. While current market is influenced by various policies and regulations, increased complexity in social movements and international trade tensions geopolitics has also resulted in more fluctuations in real estate market. It must be recognised changes in policy direction, mortgage requirements, social and international tensions could be immediate and have sweeping impact on the real estate market apart from typical market variations. It should therefore be noted that any market violation, policy, geopolitical and social changes or other unexpected incidents after the valuation date may affect the value of the property.

CURRENCY

Unless otherwise stated, all money amounts stated in our valuations are in Hong Kong Dollars (HK\$).

AREA CONVERSION

The area conversion factors in this report are taken as follows:

1 sq m = 10.764 sq ft

We enclose herewith our valuation report.

Yours faithfully

For and on behalf of

Knight Frank Petty Limited

Cyrus Fong

FRICS FHKIS MCIREA RPS(GP) RICS

Registered Valuer

Senior Director, Valuation & Advisory

Natalie Wong

MHKIS MRICS RICS

Registered Valuer

Senior Director, Valuation & Advisory

Note: Mr Cyrus Fong is a qualified valuer who has over 15 years of extensive experiences in valuation of properties in the PRC, Hong Kong, Macao and Asia Pacific region.

Ms Natalie Wong is a qualified valuer who has over 16 years of extensive experiences in valuation of properties in the PRC, Hong Kong, Macao and Asia Pacific region.

VALUATION

Property Interest	Description and tenure	Particulars of occupancy	Market value in existing state as at 1 September 2021
Nos 164-164A Boundary Street, Kowloon City, Kowloon	Nos 164-164A Boundary Street is situated on the southern side of Boundary Street, at its junction with	As advised by the Company, the existing residential blocks erected on the Property were under various tenancies.	HK\$183,500,000 (Hong Kong Dollars One Hundred and Eighty Three Million Five Hundred Thousand)
The Remaining Portion of Section H and Sub-Section 5 of Section H of Kowloon Inland Lot No. 2097. (the "Lots")	La Salle Road in Kowloon City, Kowloon. It is a parcel of land with a site area of approximately 5,054 sq ft (or 470 sq m). There are currently two residential blocks with a total saleable area of about 9,432 sq ft erected on the Property. These two existing buildings were completed in 1955.	2/F on No 164A Boundary Street is currently vacant, and the remaining units are under various tenancies for a total monthly rental of about HK\$159,500 as at the Valuation Date. The last expiry date is 14 December 2026.	
	The property interests comprise the whole of The Remaining Portion of Section H and Sub-Section 5 of Section H of Kowloon Inland Lot No. 2097.	Based on existing government lease restriction, the Property can be redeveloped into a residential block with a total gross floor area of approximately 9,726 sq ft.	
	The Lots are held under Government Lease for a term of 75 years renewable for 75 years commencing from 6 February 1928.		

Notes:

- (1) Pursuant to records obtained from the Land Registry and information provided by the Company, the registered owners of the Property as at the Valuation Date are as below: -

Lot No	Address	Owner
KIL 2097 S.H RP	Ground Floor, No 164 Boundary Street	Goldcase Properties Limited
	1st Floor, No 164 Boundary Street	Cheerbond Limited
	2nd Floor, No 164 Boundary Street	Yeung Wing Wah
KIL 2097 S.H ss.5	Ground Floor, No 164A Boundary Street	Cheerbond Limited
	1st Floor, No 164A Boundary Street	Chuang So Wah Janice
	2nd Floor, No 164A Boundary Street	Yu Kam Yuen Lincoln

- (2) The breakdown of market value is as follows:-

Lot No	Address	Market value
KIL 2097 S.H RP	Ground Floor, No 164 Boundary Street	\$32,000,000
	1st Floor, No 164 Boundary Street	\$28,000,000
	2nd Floor, No 164 Boundary Street	\$33,500,000
KIL 2097 S.H ss.5	Ground Floor, No 164A Boundary Street	\$32,000,000
	1st Floor, No 164A Boundary Street	\$30,000,000
	2nd Floor, No 164A Boundary Street	\$28,000,000
Total		\$183,500,000

- (3) According to information provided by the Company, the Property was acquired by Wise Capital Holdings Limited at a total consideration of HK\$183,500,000 on 1 September 2021.
- (4) At the time of our recent search, the following incumbrances were registered against the Property:-

The Remaining Portion of Section H of Kowloon Inland Lot No. 2097 (No 164 Boundary Street)

- a) Deed of Mutual Covenants with Plan vide memorial no. UB649128 dated 2 October 1968.
- b) Letter of Compliance vide memorial no 07121402370292 dated 2 November 2007.
- c) Mortgage in favour of Bank of China (Hong Kong) Limited to the extent of all moneys vide memorial no 14061700370070 dated 30 May 2014. (2nd Floor only)

Sub-Section 5 of Section H of Kowloon Inland Lot No. 2097 (No 164A Boundary Street)

- a) Deed of Covenant vide memorial no UB263111 dated 21 June 1957.
 - b) Letter of Compliance vide memorial no 07121402370292 dated 2 November 2007.
 - c) Legal charge/Mortgage in favour of HKCB Finance Limited to the extent of all moneys vide memorial no 11102100910021 dated 18 October 2011. (2nd Floor only)
- (5) The Property falls within the “Residential (Group B)” zone on the Ho Man Tin Outline Zoning Plan No S/K7/24.
- (6) The use and development of the Property are governed by the Government Lease of Kowloon Inland Lot No. 2097. The whole of the documents should be noted, but the following conditions are of particular relevance: –
- “..... Lessee and their Assigns; or any other person or persons shall not nor will during the continuance of this demise use exercise or follow in or upon the said premises or any part thereof the trade or business of a Brazier, Slaughterman, Soap-maker, Sugar-baker, Fellmonger, Melter of tallow, Oilman, Butcher, Distiller, Victualler, or Tavern-keeper, Blacksmith, Nightman, Scavenger, or any other noisy, noisome or offensive trade or business whatever, without the previous licence of His said Majesty, His Heirs, Successors, or Assigns signified in writing by the Governor of the said Colony of Hongkong, or other person duly authorized in that behalf.....”
- (7) The estimated redevelopment cost based on existing government lease restriction is approximately HK\$65,000,000 inclusive of professional fee, finance and administrative cost and contingency.
- (8) The estimated gross development value of the Property upon completion as at existing government lease restriction as at the Valuation Date is approximately HK\$304,000,000.
- (9) In our valuation, we have assumed the following:-
- (i) the registered owners of the Property are the legal and beneficial owners and are entitled to occupy, let, mortgage and redevelop the Property without any restriction.
 - (ii) the Property is planned to be redeveloped into a high-end residential building. We assumed that all planning and construction permits and approvals have been obtained.
 - (iii) the proposed development scheme is in compliance with the relevant planning and building ordinances and guidelines.
- (10) Pursuant to the proposed development scheme provided by the Company, a lease modification will be applied with land premium. Upon lease modification, the Property will be re-developed into a single block of residential building with 16-storey (subject to Government’s approval) with a total gross floor area of approximately 25,270 sq ft based on a plot ratio of 5.0. The proposed development is expected to be completed in Q2 2026.

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 Company. 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 EXECUTIVE'S 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 and 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 10 to the Listing Rules (“**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			Total	Approximate percentage of all the issued shares of the Company
	Personal interest	Corporate interest	Underlying interest		
Chan Wai Lap, Victor (“ Mr. Victor Chan ”)	270,000	–	3,000,000 <i>(Note (ii))</i>	3,270,000	0.48%
Chan Sing Chuk, Charles (“ Dr. Chan ”)	–	506,339,522 <i>(Note (i))</i>	–	506,339,522	74.12%
Cheng Siu Yin, Shirley (“ Ms. Cheng ”)	–	506,339,522 <i>(Note (i))</i>	–	506,339,522	74.12%
Chan Wai Kei, Vicki (“ Ms. Vicki Chan ”)	–	–	3,000,000 <i>(Note (ii))</i>	3,000,000	0.44%
Chan Ping Kuen, Derek	20,000	–	–	20,000	0.003%
Yam Tat Wing	240,000	–	2,000,000 <i>(Note (ii))</i>	2,240,000	0.33%
Wong Edward Gwon-hing	–	–	3,000,000 <i>(Note (ii))</i>	3,000,000	0.44%

Notes:

- (i) Such interests are held by Tamar Investments, which is a company owned as to 35% by Dr. Chan, 35% by Ms. Cheng, 16% by Mr. Victor Chan and 7% by Ms. Vicki Chan. Mr. Victor Chan, Dr. Chan and Ms. Cheng are also directors of Tamar Investments Group Limited.
- (ii) These interests represent the interests in underlying shares of the Company in respect of share options granted to the Directors as further described below.

Interests in options granted under the share option scheme of the Company adopted on 13 July 2010

Name of Directors	Number of options outstanding as at the Latest Practicable Date	Date of grant	Exercisable period	Exercise price
Chan Wai Lap, Victor	1,000,000	19 June 2014	19 June 2014 to 18 June 2024	HK\$1.38
	1,000,000	7 July 2015	7 July 2015 to 6 July 2025	HK\$2.45
	1,000,000	3 November 2016	3 November 2016 to 2 November 2026	HK\$1.49
Chan Wai Kei, Vicki	1,000,000	19 June 2014	19 June 2014 to 18 June 2024	HK\$1.38
	1,000,000	7 July 2015	7 July 2015 to 6 July 2025	HK\$2.45
	1,000,000	3 November 2016	3 November 2016 to 2 November 2026	HK\$1.49
Yam Tat Wing	1,000,000	7 July 2015	7 July 2015 to 6 July 2025	HK\$2.45
	1,000,000	3 November 2016	3 November 2016 to 2 November 2026	HK\$1.49
Wong Edward Gwon-hing	1,000,000	25 July 2014	25 July 2014 to 24 July 2024	HK\$1.21
	1,000,000	7 July 2015	7 July 2015 to 6 July 2025	HK\$2.45
	1,000,000	3 November 2016	3 November 2016 to 2 November 2026	HK\$1.49

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	16.00%
	Chan Sing Chuk, Charles	Personal	35	35.00%
	Cheng Siu Yin, Shirley	Personal	35	35.00%
	Chan Wai Kei, Vicki	Personal	7	7.00%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor 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 and 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.

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 2021, 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.

None of the Directors is materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Group as a whole.

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.

As at the Latest Practicable Date, save for Dr. Chan Sing Chuk, Charles, an executive Director, who held interest and directorship in companies engaged in the same business of property investment in Hong Kong and gold mining activities in Sichuan Province of the PRC and 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.

3. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- a provisional agreement for sale and purchase dated 4 February 2021 entered into between Rich Gain Holdings Limited (a wholly-owned subsidiary of the Company) as the purchaser and an independent third party as the seller relating to acquisition of the entire issued share capital and the shareholder's loan of a company, the principal assets of which are Shop A on the Ground Floor, including the Yard A thereof, Shop B on the Ground Floor, Offices A, B, C, D, E, F & G on the 1st Floor, and Office H on the 1st Floor, including the Flat Roof appurtenant thereto, Hart Avenue Court, Nos. 19 – 23 Hart Avenue, Kowloon, with a gross floor area of approximately 5,100 sq. ft., at a total consideration of HK\$65,000,000; and
- the Preliminary Agreements.

4. EXPERT(S) AND CONSENT(S)

The qualifications of the experts (“**Experts**”) who have given their opinions in this circular are as follows:

Name	Qualifications
BDO Limited	Certified Public Accountants
Knight Frank Petty Limited	independent professional property valuer

The letter and/or report from each of the Experts is given as of the date of this circular 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 they respectively appear.

As at the Latest Practicable Date, each of the 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 2021, 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.

5. 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 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) As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.
- (e) In case of inconsistency, the English text of this circular shall prevail over the Chinese text.

6. 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:

- the articles of association of the Company;
- the Letter from the Board;
- the report on the unaudited financial information of the Properties, the text of which is set out in Appendix II to this circular;
- the report on the unaudited pro forma financial information of the Group upon completion of the Acquisitions, the text of which is set out in Appendix III to this circular;
- the property valuation report issued by Knight Frank Petty Limited in relation to the Properties, the text of which is set out in Appendix IV to this circular;
- a copy of each of the material contracts referred to in the paragraph headed “3. Material Contracts” in this Appendix;

- the written consents referred to in the paragraph headed “4. Expert(s) and Consent(s)” in this Appendix;
- the annual reports of the Company for the three years ended 30 June 2019, 2020 and 2021; and
- this circular.