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CONTINENTAL
H O L D I N G S L I M I T E D
恒和珠寶集團有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00513)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Continental Holdings Limited (the “Company”) will be held at Ballroom Three, 18/F, The Mira Hong Kong, 118 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 11 February 2010 at 10:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions, which will be proposed as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“THAT** the sale and purchase agreement in relation to Big Bonus Limited (the “Target Company”) dated 20 November 2009 between the Company as the purchaser, Benefit Well Investments Limited (the “Vendor”) as the vendor and Dr. Chan Sing Chuk, Charles as the guarantor for the Vendor as subsequently amended and supplemented by the supplemental agreement dated 30 November 2009 amongst the said parties (collectively defined as the “Sale and Purchase Agreement”, a copy of both of which having been produced at the meeting marked “A” and signed by the chairman of the meeting for identification purposes), under which the Company shall purchase from the Vendor the entire issued share capital of the Target Company (and the entire outstanding shareholder loan due or payable to the Vendor by the Target Company subject as provided in that Sale and Purchase Agreement) for a total consideration of HK\$738 million to be satisfied upon its completion in the following manner:
 - (a) as to HK\$113 million in cash;
 - (b) as to HK\$300 million by the Company issuing and allotting a total of 176,470,588 fully paid new ordinary shares (“Shares”) in the share capital of the Company (“Consideration Shares”); and
 - (c) as to the balance of HK\$325 million by the Company issuing a convertible note in the equivalent principal amount, which shall fall due for redemption on the third anniversary of the date of issue and convertible into fully paid new Shares at HK\$1.9 per Share (subject to adjustment), with interest accruing at 1.5 per cent. per annum (“Convertible Note”),

on and subject to the terms and conditions contained therein as further described and summarized in the circular of the Company dated 25 January 2010, and the transactions contemplated under the Sale and Purchase Agreement, including without limitation the said issue and allotment of Consideration Shares and the Convertible Note and the issue of any further new Shares upon due conversion of the Convertible Note, be and are hereby approved, confirmed and ratified; and the directors of the Company be and are hereby authorised to sign, execute and deliver any agreements, deeds, instruments and any other documents (and, where necessary, to affix the seal of the Company on them in accordance with the articles of association of the Company) in connection with the Sale and Purchase Agreement, to make such non-material amendments and changes to it and to do and take all such action, steps, deeds and things in such manner and to sign all documents as they may deem necessary, desirable or appropriate to give effect to the Sale and Purchase Agreement and the transactions contemplated under it.”

2. “**THAT** the subscription agreement dated 23 November 2009 between the Company as the issuer and All Max Holdings Limited (the “Subscriber”) as the subscriber, under which the Company shall issue and allot to the Subscriber an aggregate of 21,764,705 new ordinary shares in the share capital of the Company at the price of HK\$1.7 per Share (the “Subscription Agreement”, a copy of which having been produced at the meeting marked “B” and signed by the chairman of the meeting for identification purposes) on and subject to the terms and conditions contained therein and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and the directors of the Company be and are hereby authorised to sign, execute and deliver any agreements, deeds, instruments and any other documents (and, where necessary, to affix the seal of the Company on them in accordance with the articles of association of the Company) in connection with the Subscription Agreement, to make such non-material amendments and changes to it and to do and take all such action, steps, deeds and things in such manner and to sign all documents as they may deem necessary, desirable or appropriate to give effect to the Subscription Agreement and the transactions contemplated under it.”

By Order of the Board
Chan Sing Chuk, Charles
Chairman

Hong Kong, 25 January 2010

Registered Office:
Flats M and N, 1st Floor
Kaiser Estate, Phase III
11 Hok Yuen Street
Hung Hom, Kowloon
Hong Kong

Notes:

- (a) Any member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
- (b) Where there are joint registered holders of any share of the Company, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (c) Completion and return of the form of proxy will not preclude a member from attending and voting at the meeting or any adjournment thereof if he so wishes. In that event, his form of proxy will be deemed to have been revoked.
- (d) In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the registered office of the Company at Flats M and N, 1/F, Kaiser Estate, Phase III, 11 Hok Yuen Street, Hunghom, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- (e) This notice of meeting is issued and included in the circular (the “Circular”) of the Company dated 25 January 2010, as amended in the addendum to the Circular dated 25 January 2010. You should refer to the Circular and the addendum for further details of the transactions mentioned above, SRK Consulting China Limited’s written consent to the issue of the Circular with inclusion of its report incorporating the changes in the addendum, has been issued and has not been withdrawn.

As at the date of hereof, Dr. Chan Sing Chuk, Charles BBS, JP, Ms. Cheng Siu Yin, Shirley, Ms. Chan Wai Kei, Vicki and Mr. Chan Wai Lap, Victor are executive Directors, Mr. Chu Wai Kok is a non-executive Director, Mr. Wong Kai Cheong, Mr. Yu Shiu Tin, Paul BBS, MBE, JP, Mr. Chan Ping Kuen, Derek and Mr. Sze, Irons are independent non-executive Directors.