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

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00513)**

**(1) RULE 13.09 ANNOUNCEMENT-MEMORANDUM OF UNDERSTANDING  
FOR ENTERING INTO THE OFF-TAKE AGREEMENT TO TRADE IN IRON ORE  
AND  
(2) APPOINTMENT OF NON-EXECUTIVE DIRECTOR**

The Board is pleased to announce that on 15 July 2010, (1) a non-legally binding MOU was entered into between the JV Company and the JV Partner. Pursuant to the MOU, the JV Company and the JV Partner intend to enter into the Off-Take Agreement under which the JV Partner or its associates will buy and the JV Company will sell iron ore to be sourced from Australia; and (2) the appointment of Mr. Fang Gang as non-executive Director with effect from 15 July 2010.

**The proposed entering into of the Off-Take Agreement may or may not proceed. Shareholders and investors are reminded to exercise caution when dealing in the Shares.**

**(1) Non-legally binding MOU for entering into the Off-Take Agreement**

Reference is made to announcements (the “Announcements”) dated 18 January 2010 and 25 February 2010 made by the Company in respect of, among other things, the formation of Multi-Minerals Limited (the “JV Company”) with Minmetals Mining Corporation Limited (the “JV Partner”) and the principal terms governing the JV Company. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcements.

The Board is pleased to announce that on 15 July 2010, a non-legally binding memorandum of understanding (the “MOU”) was entered into between the JV Company and the JV Partner. The principal business of the JV Company is trading in mineral ores. Each of the Company and the JV Partner is beneficially interested in 50% of the issued share capital of the JV Company. Pursuant to the MOU, the JV Company and the JV Partner intend to enter into an off-take agreement (the “Off-Take Agreement)

under which the JV Partner or its associates will buy and the JV Company will sell iron ore to be sourced from Australia. Pursuant to the MOU, the Off-Take Agreement shall be for a term of 20 years. A minimum of three million dry metric tonnes of iron ore at the internationally agreed benchmark price for Australian standard lump and fines respectively will be delivered each year. The parties to the MOU shall enter into negotiations on the terms of the Off-Take Agreement with a view of signing a legally binding Off-Take Agreement within four weeks from the date of MOU or at such other time as may be agreed between both parties.

Save for the interest in the JV Company and the proposed acquisition by the Company of approximately 10.57% interest in Macarthur Minerals Limited from the JV Partner which was approved by way of poll at the Company's extraordinary general meeting on 13 July 2010, the JV Partner and its ultimate beneficial owners, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined under the Listing Rules) and are not connected persons (as defined under the Listing Rules) of the Company.

The Board considers the entering into of the MOU represents a landmark progress in the Company's expanding into the mining industry following the acquisition of 100% interest in Hongzhuang Gold Mine in Henan Province, the PRC, which was approved by way of poll at the Company's extraordinary general meeting on 11 February 2010.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

**The proposed entering into of the Off-Take Agreement may or may not proceed. Shareholders and investors are reminded to exercise caution when dealing in the Shares.**

## **(2) Appointment of non-executive Director**

The board is pleased to announce the appointment of Mr. Fang Gang ("Mr. Fang") as non-executive Director with effect from 15 July 2010.

**Mr. Fang Gang (方剛)**, aged 51, obtained his Bachelor's Degree from the School of Engineering, Xi'an Jiaotong University in 1982 and a Master's Degree from the School of Engineering, Xi'an Jiaotong University in 1988. Mr. Fang has over 20 years experience in the metallurgical industry. In 1988, Mr. Fang joined China Minmetals Corporation ("Minmetals"). From 1995 to 1999, Mr. Fang was with Minmetals Australia Pty Limited. Commencing July 1999, Mr. Fang is the General Manager of China National Metal Products Co Ltd, a wholly-owned subsidiary of Minmetals.

No service contract has been entered into between Mr. Fang and the Company. Mr. Fang has no fixed term of service with the Company but he is subject to retirement by rotation and re-election at the forthcoming general meeting of the Company in accordance with the articles of association of the Company. Mr. Fang is entitled to a director's fee of HK\$100,000 per annum which is determined by reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation.

Mr. Fang did not hold any directorships in any other listed public companies in the past three years prior to the date of his appointment. Mr. Fang does not have any relationships with any directors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Listing Rules). Mr. Fang has not previously held any position with the Group.

As at the date of this announcement, Mr. Fang does not have, and is not deemed to have any other interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance).

The Company confirms that it is not aware of any other matters in respect of Mr. Fang that need to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

The Board extends its warm welcome to Mr. Fang in respect of his appointment.

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

Hong Kong, 15 July 2010

*As at the date of this announcement, Dr. Chan Sing Chuk, Charles BBS, JP, Ms. Cheng Siu Yin, Shirley, Ms. Chan Wai Kei, Vicki and Mr. Chan Wai Lap, Victor are executive directors, Mr. Cao Kuangyu and Mr. Fang Gang are non-executive directors, Mr. Yu Shiu Tin, Paul BBS, MBE, JP, Mr. Chan Ping Kuen, Derek, Mr. Sze, Irons and Mr. Cheung Chi Fai, Frank are independent non-executive directors.*