

This addendum is supplemental to, and forms an integral part of, the circular of Continental Holdings Limited dated 25 January 2010.

If you are in any doubt as to any aspect of this addendum or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

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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)

ADDENDUM
TO THE CIRCULAR DATED 25 JANUARY 2010
RELATING TO
VERY SUBSTANTIAL ACQUISITION
AND CONNECTED TRANSACTION
ACQUISITION OF HONGZHUANG GOLD MINE IN THE PRC
INVOLVING THE ISSUES OF CONSIDERATION SHARES
AND CONVERTIBLE NOTE
AND
ISSUE OF NEW SHARES TO INDEPENDENT SUBSCRIBER

Reference is made to the circular (the “Circular”) of Continental Holdings Limited (the “Company”) dated 25 January 2010 regarding the very substantial acquisition and connected transaction of Hongzhuang Gold Mine in the PRC involving the issues of consideration shares and convertible note and issue of new shares to independent subscriber. Capitalised terms used herein have the same meanings as those defined in the Circular unless otherwise stated. The management of the Company and the independent technical adviser have made some corrections to pages 25, VII-77 and VII-78 of the Circular as set out below.

In the first bullet point under the sub-section headed “(viii) Technical report” on page 25 of the Circular, it shall be replaced with the paragraph as follows:

“Henan Multi-Resources’ resources estimates were reported in accordance with the requirements of the Chinese system. It is SRK’s opinion that the current estimate represents a reasonable and reliable global resources estimate for the project, although they are not in compliance with the Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code”) standard.”

In the last paragraph on page VII-77 and the first two paragraphs on page VII-78 of the Circular, they shall be replaced with the three paragraphs as follow:

“The total mined-out ore tonnage in the five months is 12,127. Reportedly the mining recovery is 90%, and the dilution is about 18%, so the total depleted ores are around 13,470 tonnes. This amount of ores should be deducted to the 122b-Reserve in Yuanling area when considering the recoverable resources/reserves. However SRK find the total depleted ore tonnage at 13,470 (13.47kt) exceeds the amount of 122b estimated by Henan Industry and Tradition school in March 2008, thus some of the resources should be deducted as well, which may suggest that the 122b in March 2008 are all depleted and the recoverable ores of 333 remain at about 10,060 tonnes within the mining permit area as shown in Table 8-7.

The comparison of the Chinese Resources Classification and JORC Code is provided in the section below (Section 8.3). In general, Category 122b and 332 are similar to Indicated Resource, and Category 333 is similar to Inferred Resource. Please note that is just a comparison. SRK can not convert it to JORC system directly; due to the Chinese Standard and JORC Code are strictly different systems. They are not equivalent.

SRK has carried out a high-level review of the resources as provided by Multi-Resources for this project. The resources estimates are one of the input parameters used for the preparation of this report. Multi-Resources’ resources estimates were reported in accordance with the requirements of the Chinese system but have not been confirmed by appropriate governmental bureau of geology and mineral resources. It is SRK’s opinion that the current estimate represents a reasonable and reliable global resources estimate for the project, although they are not in compliance with the Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code”) standard.”

Copies of the documents set out in the section headed “Documents available for inspection” in Appendix X to the Circular together with this addendum are available for inspection during normal business hours on any weekday (public holidays excepted) at the registered office of the Company at Flats M and N, 1st Floor, Kaiser Estate, Phase III, 11 Hok Yuen Street, Hunghom, Kowloon, Hong Kong, up to and including the date of the EGM.

Access Capital, the Independent Financial Adviser, has confirmed that notwithstanding the matters disclosed in this addendum, their advice in the letter in relation to the terms of the Sale and Purchase Agreement and the Subscription Agreement, and the respective transactions contemplated thereunder dated 25 January 2010, the text of which is set out on pages 46 to 67 of the Circular, remains unchanged. As set out in the Circular, the Board, the Independent Board Committee and Access Capital recommend

the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Sale and Purchase Agreement and the Subscription Agreement, and the transactions contemplated thereunder.

Save for the above, the information set forth in the Circular, shall remain unchanged and continue in full force and effect.

This addendum to the Circular containing corrections to the information will be despatched to the shareholders of the Company on 25 January 2010.

This addendum includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this addendum and confirm, having made all reasonable enquiries, which to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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

Hong Kong, 25 January 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. 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.