

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**英皇鐘錶珠寶有限公司**  
**EMPEROR WATCH & JEWELLERY LIMITED**  
*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 887)**

**PROFIT ALERT**

This announcement is made by Emperor Watch & Jewellery Limited (the “Company” together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Based on preliminary review on the management accounts of the Group, the board of directors of the Company (the “Board”) wishes to inform shareholders of the Company (the “Shareholders”) and potential investors that the Group is expected to record a significant increase in the total comprehensive income attributable to owners of the Company for the six months ended 30 June 2011 (the “Period”) as compared to the corresponding period of last year.

Such increase was mainly a result of a significant increase in the revenue, benefiting from a booming consumer market supported by spending power of mainland visitors, coupled with the Group’s expansion in its retail networks during the Period. Moreover, the impact of fair value adjustments in relation to the convertible bonds on the profit of the Group during the Period is expected to be substantially reduced as compared to the corresponding period of last year because all the convertible bonds were converted into equity shares during the Period. Despite the impact of fair value adjustments is relatively immaterial, the Board considers that in order to have a fair assessment on the results of the business operation of the Group, Shareholders and potential investors should exclude such non-cash adjustments when considering the financial results of the Group.

As the Company is still in the process of finalising its unaudited interim results for the Period, the information contained in this announcement is only a preliminary assessment made by the Board based on information currently available.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Emperor Watch & Jewellery Limited**  
**Cindy Yeung**  
*Managing Director*

Hong Kong, 22 July 2011

*As at the date hereof, the Board of the Company comprised 1. Executive Directors: Ms. Cindy Yeung, Mr. Chan Hung Ming, Mr. Wong Chi Fai and Ms. Fan Man Seung, Vanessa; 2. Non-Executive Director: Mr. Hanji Huang; and 3. Independent Non-Executive Directors : Ms. Yip Kam Man, Mr. Chan Hon Piu and Ms. Lai Ka Fung, May.*