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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 operating profit for the financial year ended 31 December 2010 as compared to that for the last financial year ended 31 December 2009. Such increase in operating profit was mainly a result of the expansion of the Group’s retail networks as well as the increase in same store sales of its existing retail outlets.

However, the net profit of the Group for the year ended 31 December 2010 is expected to be substantially reduced by the fair value adjustments of the convertible bonds and warrants issued by the Group. Since the fair value adjustments are non-cash nature and non-related to business operation, it would not have any impact on the financial position of the Group. The Board considers that in order to have more fairly 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.

The relevant amount of the aforesaid adjustments is not yet finalized and therefore, the exact impact on the net profit of the Group is yet to be ascertained. The Company is still in the process of finalising its audited annual results for the year ended 31 December 2010. This announcement is made based on the preliminary assessment of the unaudited management accounts of the Group and the information currently available. Details of the Group’s performance will be disclosed in the annual results announcement which is expected to be released by end of March 2011.

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, 24 January 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.