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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your shares in Emperor Watch & Jewellery Limited, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

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**ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE**

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A notice convening the extraordinary general meeting of Emperor Watch & Jewellery Limited to be held at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong on Monday, 26 April 2010 at 2:30 p.m. is set out on pages 12 to 13 of this circular. Whether or not you intend to attend such meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the head office and principal place of business of Emperor Watch & Jewellery Limited in Hong Kong at 25th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting if you so wish.

9 April 2010

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Allmighty Group”	Allmighty Group Limited, a company indirectly owned by the Albert Yeung Discretionary Trust, the founder of which is Dr. Yeung Sau Shing, Albert
“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Bondholder(s)”	holder(s) of the Convertible Bonds
“Business Day(s)”	any day (excluding a Saturday and Sunday) on which banks generally are open for business in Hong Kong
“CB Subscription”	the subscription by the Subscribers of the Tranche One CB in an aggregate amount of HK\$100 million (subject to an option to subscribe for any or all of the Tranche Two CB)
“CB Subscription Agreement”	the subscription agreement dated 7 April 2010 entered into between Winner Sea, the Company and the Subscribers in the terms substantially the same as the CB Subscription Term Sheet
“CB Subscription Term Sheet”	the non-binding conditional terms of agreement dated 3 March 2010 entered into between the Company and the Subscribers in connection with the issue by the Company of convertible bonds with an aggregate amount of up to HK\$380 million
“Company”	Emperor Watch & Jewellery Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Convertible Bonds”	Tranche One CB and Tranche Two CB
“Conversion Price”	HK\$0.54 per Conversion Share (subject to adjustment)
“Conversion Share(s)”	means those Shares to be issued by the Company upon conversion of the Convertible Bonds in full, namely, the 703,703,702 Shares falling to be issued at the initial Conversion Price and pursuant to the terms and conditions of the Convertible Bonds
“D. E. Shaw group”	D. E. Shaw Composite Portfolios, L.L.C., a company incorporated in the State of Delaware, the United States and a member of the D. E. Shaw group, a global investment and technology development firm, being one of the Subscribers

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## DEFINITIONS

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“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to approve the Tranche Two CB and the transactions contemplated thereunder including the grant of the Specific Mandate
“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the annual general meeting of the Company on 18 May 2009 to issue and allot up to 900,000,000 new Shares, representing 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the annual general meeting
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuer”	Winner Sea, the issuer of the Convertible Bonds
“Latest Practicable Date”	7 April 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Wealth”	Main Wealth Enterprises Limited, a wholly-owned subsidiary of China Fortune Group Limited (a company listed on the Main Board of Stock Exchange engaging in, inter alia, securities and futures trading and insurance brokerage, margin financing)
“Maturity Date”	the third anniversary date from the date of issue of the Convertible Bonds
“PRC”	The People’s republic of China
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Shikumen”	Shikumen Special Situations Fund, being one of the Subscribers, is an investment fund incorporated in the Cayman Islands
“Specific Mandate”	the specific mandate to be sought by the Directors at the EGM to issue the 518,518,518 new Shares upon conversion of the Tranche Two CB in full at the initial Conversion Price

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## DEFINITIONS

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber(s)”	D. E. Shaw group, Shikumen and Main Wealth
“Takeovers Code”	The Code on Takeovers and Mergers issued by the Securities and Futures Commission
“Top-Up Placing”	the placing of 264,810,000 existing Shares at a placing price of HK\$0.54 per Share and the conditional subscription by Allmighty Group of the 264,810,000 new Shares, details of which are set out in the announcement of the Company dated 12 March 2010
“Tranche One CB”	the convertible bonds in an aggregate principal amount of HK\$100 million to be issued by Winner Sea to the Subscribers and such convertible bonds to be guaranteed by the Company
“Tranche Two CB”	the convertible bonds in an aggregate principal amount of up to HK\$280 million to be issued by Winner Sea to the Subscribers upon their exercise of their respective options to subscribe and such convertible bonds to be guaranteed by the Company
“Winner Sea”	Winner Sea Enterprises Limited, a company incorporated in British Virgin Islands and is a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Cindy YEUNG  
CHAN Hung Ming  
WONG Chi Fai  
FAN Man Seung, Vanessa

*Registered office:*

25th Floor  
Emperor Group Centre  
288 Hennessy Road  
Wanchai  
Hong Kong

*Independent Non-Executive Directors:*

YIP Kam Man  
CHAN Hon Piu  
LAI Ka Fung, May

9 April 2010

*To the Shareholders*

Dear Sir or Madam,

### **ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE**

#### **INTRODUCTION**

On 3 March 2010 (after trading hours), the Company and the Subscribers entered into the CB Subscription Term Sheet. Subsequently, on 7 April 2010 Winner Sea as issuer, the Company as guarantor and the Subscribers entered into the CB Subscription Agreement pursuant to which Winner Sea will issue and the Subscribers will subscribe for the Convertible Bonds in the aggregate principal amount of up to HK\$380 million in two tranches. The CB Subscription Agreement supersedes the CB Subscription Term Sheet and any previous agreement between the parties (if any) in relation to the Convertible Bonds. The purpose of this circular is to provide you with, among other things, details of the CB Subscription Agreement and the notice of the EGM.

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## LETTER FROM THE BOARD

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### ISSUE OF CONVERTIBLE BONDS

#### THE CB SUBSCRIPTION AGREEMENT DATED 7 APRIL 2010

##### Parties

Issuer:	Winner Sea
Subscribers:	(a) D. E. Shaw group (b) Shikumen (c) Main Wealth
Guarantor for the Issuer:	The Company

The Company shall guarantee the payment of all sums expressed to be payable by Winner Sea under the Convertible Bonds.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Subscribers and their ultimate beneficial owners are independent of and not connected with the Company or any of its directors, chief executive, substantial shareholders or subsidiaries or any of their respective associates.

Immediately upon the exercise of right to convert all of the Convertible Bonds into Conversion Shares, none of the Subscribers will become a substantial shareholder of the Company.

##### Principal amount

###### *Tranche One CB:*

The Subscribers have agreed to subscribe for the Tranche One CB in the following principal amounts:

<b>Subscriber</b>	<b>Principal Amount (HK\$)</b>	<b>Number of Conversion Shares (at the initial Conversion Price)</b>
D. E. Shaw group	80,000,000	148,148,148
Shikumen	10,000,000	18,518,518
Main Wealth	10,000,000	18,518,518
Total	<u>100,000,000</u>	<u>185,185,184</u>

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## LETTER FROM THE BOARD

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### *Tranche Two CB:*

Each of the Subscribers has been granted an option to subscribe, in whole or in part on one or more occasions, for the Tranche Two CB in the following principal amounts. The options can be exercised at any time up to three months after the date the Specific Mandate is approved by the Shareholders.

<b>Subscriber</b>	<b>Principal Amount (HK\$)</b>	<b>Number of Conversion Shares (at the initial Conversion Price)</b>
D. E. Shaw group	160,000,000	296,296,296
Shikumen	60,000,000	111,111,111
Main Wealth	60,000,000	111,111,111
	<hr/>	<hr/>
Total	280,000,000	518,518,518
	<hr/> <hr/>	<hr/> <hr/>
Total of Tranche One CB and Tranche Two CB	380,000,000	703,703,702
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### **Conditions**

The issue of the Tranche One CB is conditional upon the fulfillment of certain conditions precedent including, but not limited to, the following:

1. the entering into an agency agreement with an agent in respect of the payments, conversions and transfers made pursuant to the terms of the Convertible Bonds in Euroclear;
2. the Listing Committee of the Stock Exchange granting the listing or and permission to deal in the Conversion Shares for Tranche One CB; and
3. there having been delivered to the Subscribers opinions, in form and substance reasonably satisfactory to each Subscriber, of (i) legal advisors to Winner Sea as to the British Virgin Islands laws and (ii) legal advisors to Winner Sea and Company as to Hong Kong laws relating to the issue of the Convertible Bonds.

The issue of the Tranche Two CB is conditional upon the fulfillment of certain conditions precedent including, but not limited to, the following:

- (1) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Conversion Shares in respect of Tranche Two CB;
- (2) the passing of the necessary resolution(s) on vote taken by way of poll at the EGM to approve the issue of the Specific Mandate;
- (3) the completion of the issue of the Tranche One CB; and

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## LETTER FROM THE BOARD

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- (4) there having been delivered to the Subscribers opinions, in form and substance reasonably satisfactory to each Subscriber, of (i) legal advisors to Winner Sea as to the British Virgin Island laws and (ii) legal advisors to Winner Sea and Company as to Hong Kong laws relating to the issue of the Convertible Bonds.

### Completion

Subject to satisfaction of the condition precedents for Tranche One CB, completion of the issue of the Tranche One CB is expected to take place on 13 April 2010 (or such later date as may be agreed in writing between the parties).

Subject to satisfaction of the condition precedents for the Tranche Two CB and the exercise of the option to subscribe for the Tranche Two CB, completion of the issue of the Tranche Two CB is expected to take place within three months from the date of EGM.

**Shareholders and potential investors should note that completion of the CB Subscription is subject to fulfillment of conditions. As the CB Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

### PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

Principal amount	:	Tranche One CB:	HK\$100,000,000
		Tranche Two CB:	up to HK\$280,000,000
Denomination	:	HK\$10 million each	
Ranking of the Convertible Bonds	:	The Convertible Bonds will rank as direct, unsubordinated, unconditional and unsecured obligation of the Issuer and will rank pari passu with the other unsecured debts of the Issuer	
Issue price	:	100% of the principal amount of the Convertible Bonds	
Maturity date	:	The third anniversary date from the date of issue of the Tranche One CB	
Interest	:	The Convertible Bonds will bear interest on the outstanding principal amount thereof from the date of issue at a rate equal to 1.5% per annum, calculated on an actual/365 day count basis and payable semi-annually	
Conversion rights	:	Each Bondholder will have the right, at any time from the 10th calendar day after the date of the issue of the Convertible Bonds up to and including the date falling 14 days prior to the Maturity Date, to convert the whole or any part of the principal amount outstanding of such Bondholder's Convertible Bonds into Conversion Shares at the Conversion Price	

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## LETTER FROM THE BOARD

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- Conversion Price : The initial Conversion Price will be HK\$0.54 per Conversion Share, subject to customary adjustment provisions such as subdivision or consolidation of Shares, bonus issues, rights issues and other usual dilutive events
- Specifically, the Conversion Price will also be subject to adjustment in respect of distribution of dividends by the Company in excess of 3% (“Adjustment Percentage”) of the then market price of the Shares and accumulated on an annual basis. The Adjustment Percentage shall be rounded down to an integral percentage for adjustment purpose, but all Adjustment Percentages unaccounted for previously shall be aggregated and be carried forward and taken into account any subsequent adjustment
- Redemption on Maturity Date : Unless previously converted or purchased or redeemed, the Issuer will redeem (together with unpaid accrued interest) at 106% of the outstanding principal amount of the Convertible Bonds on the Maturity Date
- Bondholders’ redemption option : Each Bondholder has the right to require the Issuer to redeem all or any part of such Bondholder’s Convertible Bonds on the day falling on the first and the second anniversary of the issue of the Tranche One CB (together with unpaid accrued interest) at 106% of the outstanding principal amount of the Convertible Bonds
- Issuer’s redemption option : At any time after the date of first anniversary of the issue of the Tranche One CB and prior to the Maturity Date, the Issuer may redeem all of the Convertible Bonds in issue in whole but not in part at 103% of the outstanding principal amount of the Convertible Bonds (together with accrued interest). No such redemption may be made unless the arithmetic mean of the volume weighted average price of a Share for each of the 30 consecutive trading days prior to the date of the redemption notice is at least 175% of the Conversion Price then in effect
- Early redemption upon early redemption event : Each Bondholder has the right to require the Issuer to redeem such Bondholder’s Convertible Bonds in whole or in part at a price that represents a yield of 7% per annum (calculated on semi-annual basis), upon (i) suspension of trading of the Shares for more than 30 days, (ii) the Shares ceasing to be listed or admitted for trading on the Stock Exchange, (iii) the occurrence of an Event of Default (as defined below), or (iv) the occurrence of change of control with respect to the Company

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## LETTER FROM THE BOARD

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- Events of Default : The Convertible Bonds will contain customary events of default provisions which provide that on the occurrence of certain events of default specified in the terms and conditions of the Convertible Bonds, each of the Bondholders shall be entitled to require the Issuer to redeem such Bondholder's Convertible Bonds in accordance with the "Early redemption upon early redemption event" above
- Dividends : No dividend entitlement for Bondholders before conversion
- Ranking of Conversion Shares : Conversion Shares will be fully paid and non-assessable and will rank pari passu in all respects with the Shares in issue on the conversion date, including with regard to trading and settlement
- Transferability : The Convertible Bonds are not transferable by the Bondholders except in certain circumstances, including (i) transfer by any Subscriber to its associate(s) or to any of the Subscribers (or any associate(s) of such Subscriber) or (ii) transfer or encumbrance for the purpose of financing
- Listing : No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other exchange. The Company has applied to the Stock Exchange and was approved for the listing of and permission to deal in the Conversion Shares falling to be issued upon conversion of the Tranche One CB. The Company will apply to the Stock Exchange for the listing of and permission to deal in the Conversion Shares falling to be issued upon conversion of Tranche Two CB

The Conversion Price of HK\$0.54 represents (i) a discount of approximately 6.90% to the closing price of HK\$0.580 per Share as quoted on the Stock Exchange on 3 March 2010, being the date of the CB Subscription Term Sheet; and (ii) a discount of approximately 4.93% to the average closing price of HK\$0.568 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 3 March 2010; (iii) a discount of approximately 5.26% to the closing price of HK\$0.57 per Share as quoted on the Stock Exchange on Latest Practicable Date.

The Conversion Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Subscribers. The Directors consider that the terms of the Conversion Price are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Assuming the conversion rights attaching to the Convertible Bonds are exercised in full at the Conversion Price, up to 703,703,702 Conversion Shares will fall to be issued to the Bondholders, representing approximately 13.49% of the issued capital of the Company as at the date of this circular and approximately 11.89% of the issued share capital of the Company as enlarged by the issue of Shares under the Top-Up Placing and the issue of the Conversion Shares.

The 185,185,184 Conversion Shares to be issued upon conversion of the Tranche One CB will be allotted and issued pursuant to the General Mandate and the 518,518,518 Conversion Shares to be issued upon conversion of the Tranche Two CB will be allotted and issued pursuant to the Specific Mandate. The Conversion Shares will rank pari passu in all respects with the Shares in issue as at the date of conversion.

## LETTER FROM THE BOARD

### USE OF PROCEEDS

Assuming the option for the Tranche Two CB is exercised in full by the Subscribers, gross proceeds from the CB Subscription will be HK\$380.0 million and the net proceeds will be approximately HK\$378.5 million after deducting all related expenses (including professional advisors fees and printing costs). The Company intends to apply the net proceeds from the CB Subscription as general working capital of the Group including the expansion of the Company's business in the PRC. Assuming the option for the Tranche Two CB is exercised in full by the Subscribers, the net price to be raised per Share from the CB Subscription will be approximately HK\$0.538 per Share.

### REASON FOR THE CB SUBSCRIPTION

The Group principally engages in the sales of luxurious branded watches, and the design and sales of jewellery products in Hong Kong, Macau and the PRC. The Board is of the view that the CB Subscription is able to provide additional working capital for the Group and therefore improve the liquidity and strengthen the financial position of the Company. The Board considers that the terms of the CB Subscription Agreement and the terms of the Convertible Bonds are fair and reasonable and they are in the interests of the Company and its Shareholders as a whole.

### EFFECT ON SHAREHOLDING

Set out below is the effect on the shareholding structure of the Company upon conversion of the Convertible Bonds at the initial Conversion Price of HK\$0.54:

	As at the Latest Practicable Date		Immediately upon the full conversion of Tranche One CB		Immediately after full conversion of the Tranche One CB and Tranche Two CB	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Allmighty Group	3,386,480,000	64.94	3,386,480,000	62.71	3,386,480,000	56.95
D. E. Shaw group	–	–	148,148,148	2.74	444,444,444	7.51
Shikumen <i>(Note)</i>	78,810,000	1.51	97,328,518	1.80	208,439,629	3.52
Main Wealth	–	–	18,518,518	0.34	129,629,629	2.19
Other public Shareholders	1,749,520,000	33.55	1,749,520,000	32.41	1,749,520,000	29.83
<b>Total</b>	<b>5,214,810,000</b>	<b>100.00</b>	<b>5,399,995,184</b>	<b>100.00</b>	<b>5,918,513,702</b>	<b>100.00</b>

*Note:*

Shikumen is a third party independent of the substantial shareholder, directors and chief executive of the Company and is considered as the public float of the Company.

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## LETTER FROM THE BOARD

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### EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any fund raising activities in the past twelve months immediately preceding the date of this circular.

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds up to the date of this circular
12 March 2010	Top-Up Placing 264,810,000 Shares	Approximately HK\$142.5 million	To be used for general working capital (including the expansion of the Company's business in the PRC)	remains unused and placed with bank as short-term deposit
13 January 2010	Placing of 450,000,000 Shares	Approximately HK\$227.1 million	To be used mainly for expansion of its retail outlets in Hong Kong, Macau and the PRC	remains unused and placed with bank as short-term deposit

### EXTRAORDINARY GENERAL MEETING

The EGM will be held at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong at 2:30 p.m. on Monday, 26 April 2010. A notice convening the EGM is set out on pages 12 to 13 of this circular. An ordinary resolution will be proposed at the EGM for the Shareholders to approve the issue of the Specific Mandate and the issue of the Conversion Shares under Tranche Two CB. No Shareholder shall abstain from voting for the ordinary resolution at the EGM. In compliance with the Listing Rules, the ordinary resolution will be voted by way of poll and the results of the EGM will be published after the EGM.

Enclosed is a form of proxy for use at the EGM. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the principal office of the Company at 25th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding such meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

### RECOMMENDATION

The Board considers that the terms of the CB Subscription Agreement are fair and reasonable and issue of the Specific Mandate is in the interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution as set out in the notice of EGM.

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

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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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)

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (“EGM”) of Emperor Watch & Jewellery Limited (“Company”) will be held at 2:30 p.m. on Monday, 26 April 2010 at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing with or without modification the following resolution of the Company:

### ORDINARY RESOLUTION

- (1) **“THAT** subject to the terms and conditions of the subscription agreement (the “CB Subscription Agreement”) dated 7 April 2010 and entered into between Winner Sea Enterprises Limited (the “Issuer”), the Company as guarantor for the Issuer, and D. E. Shaw Composite Portfolios, L.L.C., Shikumen Special Situations Fund and Main Wealth Enterprises Limited (the “Subscribers”), the Issuer agreed to issue and the Subscribers agreed (subject to the exercise of the options (“Options”) granted by the Issuer to each of them respectively pursuant to the terms of the CB Subscription Agreement) to subscribe for a second tranche of the convertible bonds of the Issuer up to an aggregate principal amount of HK\$280,000,000 (“Tranche Two CB”), such Tranche Two CB guaranteed by the Company and convertible into 518,518,518 new Shares of the Company upon conversion of the Tranche Two CB in full at the initial Conversion Price (subject to adjustment) (assuming the Options are exercised in full), (a copy of the CB Subscription Agreement is produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) and any of the directors of the Company (“Director”) or the secretary of the Company be and is hereby authorised on behalf of the Company:
- (a) to issue and allot the shares of the Company upon exercise of the conversion rights attaching to any issued Tranche Two CB in accordance with the terms and conditions of the Tranche Two CB;
- (b) to sign, seal, execute, perfect and deliver all such documents and do all such deeds, acts, matters and things as any of the Directors may in his discretion consider necessary or desirable for the purpose of or in connection with the allotment and issue of the shares of the Company to be issued under Tranche Two CB and all transactions contemplated thereunder.”

By order of the Board  
**Emperor Watch & Jewellery Limited**  
**Mok Fung Lin, Ivy**  
*Company Secretary*

Hong Kong, 9 April 2010

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Principal Office:*

25th Floor,  
Emperor Group Centre,  
288 Hennessy Road,  
Wanchai,  
Hong Kong

*Notes:*

- (1) A member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote in his stead. A proxy needs not be a member of the Company but must be present in person to represent the member. A form of proxy for use at the EGM is enclosed herewith.
- (2) To be valid, the form of proxy together with any power of attorney or other authority under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Company's principal office at 25th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
- (3) In the case of joint registered holders of any share in the capital of the Company, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such Shares as if he/she was solely entitled thereto, but if more than one of such joint registered holders is present at the EGM, either personally or by proxy, that one of the said persons so present whose name stands first on the registrar of the members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
- (4) Completion and return of the form of proxy will not preclude members from attending and voting in person at the EGM or any adjourned meeting if you so wish. If a member attends the EGM after having deposited the form of proxy, his form of proxy will be deemed to have been revoked.