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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, 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 with the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

RE-ELECTION OF DIRECTORS
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the AGM to be held at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong on Monday, 18 May 2009 at 11:00 a.m. is set out on pages 15 to 18 of this circular.

Whether or not you intend to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible, but in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or adjournment thereof should you so wish.

15 April 2009

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 28th Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong on Monday, 18 May 2009 at 11:00 a.m.
“Board”	the board of Directors of the Company
“Articles of Association”	the Articles of Association of the Company as may be amended from time to time
“Company”	Emperor Watch & Jewellery Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution at the AGM
“Latest Practicable Date”	7 April 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to enable them to repurchase Shares not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution at the AGM
“Repurchase Resolution”	the proposed ordinary resolution as referred to in resolution number 5(B) of the notice of the AGM

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571) of the laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars
“%”	per cent.

LETTER FROM THE BOARD



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

15 April 2009

To the Shareholders

Dear Sir/Madam,

INTRODUCTION

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the AGM and to give you notice of the AGM. Resolutions to be proposed at the AGM include, inter alia: (i) the proposed re-election of Directors who are due to retire at the AGM; and (ii) the proposed grant of each of the Issue Mandate, Repurchase Mandate and Extension Mandate.

RE-ELECTION OF DIRECTORS

In accordance with Article 82 of the Articles of Association, Mr. CHAN Hung Ming, Ms. YIP Kam Man, Mr. CHAN Hon Piu and Ms. LAI Ka Fung, May will retire at the AGM and, being eligible, offer themselves for re-election.

In accordance with Article 83(1) of the Articles of Association, Ms. Cindy YEUNG, Mr. WONG Chi Fai and Ms. FAN Man Seung, Vanessa will retire at the AGM by rotation and, being eligible, offer themselves for re-election.

LETTER FROM THE BOARD

Details of the Directors who offer themselves for re-election at the AGM that are required to be disclosed under the Listing Rules are set out in Appendix I to this circular.

Any Shareholder who wishes to nominate a person to stand for election as a Director of the Company at the AGM must lodge with the Company at its principal office at 25th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong within the period from Thursday, 23 April 2009 to Thursday, 30 April 2009, both days inclusive (i) his written nomination of the candidate; (ii) written confirmation from such nominated candidate of his willingness to be elected as Director; and (iii) the biographical details of such nominated candidate as required under Rule 13.51(2) of the Listing Rules.

GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES

Pursuant to the resolutions passed by the then Shareholder of the Company on 19 June 2008, general mandates were granted to the Directors (i) to allot, issue and deal with the Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of the relevant ordinary resolution; and (ii) to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of the relevant resolutions. These general mandates will expire at the conclusion of the AGM unless renewed at that meeting.

At the AGM, ordinary resolutions will therefore be proposed that the Directors to be granted (i) the Issue Mandate to allot, issue and deal with the Shares of not exceeding 20% of the aggregate nominal amount of share capital of the Company (i.e. 900,000,000 Shares assuming no further Shares will be issued or repurchased between the Latest Practicable Date and the AGM); (ii) the Repurchase Mandate to repurchase fully paid up Shares of not exceeding 10% of the aggregate nominal amount of the share capital of the Company as at the date of the resolutions; and (iii) the Extension Mandate to increase the total number of Shares which may be allotted and issued under the Issue Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate. Such resolutions are as set out in Resolutions 5(A), 5(B) and 5(C) in the notice of the AGM respectively.

Each of the Issue Mandate, Repurchase Mandate and Extension Mandate will expire at the earliest of:

- (a) the conclusion of the next annual general meeting of the Company following the AGM;
- (b) the date by which the next annual general meeting is required to be held by the Companies Ordinance or the Articles of Association; or
- (c) when the authority given to the Directors thereunder is revoked or varied by ordinary resolutions of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

With reference to these resolutions, the Company does not have any immediate plan to allot and issue any new Shares and/or repurchase any Shares pursuant to the relevant mandates.

LETTER FROM THE BOARD

An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against the proposed Repurchase Resolution is set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

The notice convening the AGM is set out on pages 15 to 18 of this circular. Resolutions in respect of the re-election of Directors, the Issue Mandate, the Repurchase Mandate and the Extension Mandate will be proposed at the AGM.

A form of proxy for the AGM is enclosed with this circular. Whether or not you intend to attend the AGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time of the AGM or adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or adjournment thereof should you so wish.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rule, all resolutions set out in the notice of AGM will be decided by poll. The chairperson of the AGM will demand, pursuant to Article 62(1) of the Articles of Association, poll voting on all resolutions set out in the notice of AGM. On a poll, pursuant to Article 63(4) of the Articles of Association, votes may be given either personally or by proxy or (being a corporation) by its duly authorised representative and a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

The poll voting slip will be distributed to Shareholders or their proxies or authorised representatives upon registration of attendance at the AGM. Shareholders who want to cast all their votes entitled may mark a "✓" in either "FOR" or "AGAINST" box corresponding to the resolution to indicate whether he/she supports that resolution. For Shareholders who do not want to use all their votes or want to split votes in casting a particular resolution shall indicate the number of votes cast on a particular resolution in the "FOR" or "AGAINST" box, where appropriate, but the total votes cast must not exceed his/her entitled votes, or otherwise, the voting slip will be spoiled and the Shareholder's vote will not be counted.

After closure of the AGM, the poll results will be published on the Stock Exchange's website at <http://www.hkex.com.hk> and the Company's website at <http://www.emperorwatchjewellery.com>.

RECOMMENDATION

The Directors are of the opinion that the proposed ordinary resolutions for the re-election of Directors, the Issue Mandate, the Repurchase Mandate and Extension Mandate are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend all the Shareholders to vote in favour of all relevant resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

GENERAL INFORMATION

Your attention is also drawn to the additional information set out in Appendix I (Details of Directors Proposed to be Re-elected) and Appendix II (Explanatory Statement to the Repurchase Mandate) to this circular.

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

The following are the particulars of the Directors (as required by the Listing Rules) proposed to be re-elected at the AGM:

Ms. Cindy Yeung

Executive Director

Ms. Yeung aged 44, joined the Group in September 1990. She is responsible for the Group's strategic planning, business growth and development and overseeing different operations within the Group. She became a director of Emperor Watch & Jewellery (HK) Company Limited, an operating arm of the retail outlets of the Group in Hong Kong, in April 1999. The Group has been under her management since then. She has over 18 years of experience in the watch and jewellery industry. She obtained the qualification of Graduate Gemologist of GIA in December 1988. She also graduated in the University of San Francisco in May 1989 with a Bachelor's Degree of Science in Business Administration majoring in Management, with emphasis in International Business. She joined the sales department of Anju Jewelry Ltd, a US based company engaging in trading of jewellery products prior to joining the Group in 1990. Ms. Yeung did not hold directorship in other listed public companies in Hong Kong or overseas in the last three years.

Pursuant to a service agreement entered into between Ms. Yeung and the Company, Ms. Yeung was appointed as executive director of the Company for a term of three years commencing from 21 July 2008 renewable automatically for successive terms of one year and the term of her service is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The Director's fee under the service agreement is HK\$100,000 per annum which is determined by the Board with reference to the responsibilities undertaken by her as a Director. Ms. Yeung is also entitled to salary, discretionary bonus and retirement scheme contribution.

Ms. Yeung is a daughter of Dr. Yeung Sau Shing, Albert ("Dr. Albert Yeung") and is one of the eligible beneficiaries of The Albert Yeung Discretionary Trust (the "AY Trust"), the founder of which is Dr. Albert Yeung. As at the Latest Practicable Date, the AY Trust was ultimately interested in 3,370,480,000 Shares, representing approximately 74.90% of the issued share capital of the Company. By virtue of being one of the eligible beneficiaries of the AY Trust, Ms. Yeung is deemed to be interested in the said Shares owned by the AY Trust within the meaning of Part XV of the SFO. Save as disclosed herein, Ms. Yeung is not connected with any director, senior management or substantial or controlling shareholder of the Company, nor does she have any other interest in the Shares of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, the Board is not aware of any matter in relation to the proposed re-election of Ms. Yeung that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders of the Company.

Mr. Chan Hung Ming*Executive Director*

Mr. Chan, aged 60, joined the Group in July 2005. He is responsible for overseeing the retail outlet operations in Macau and Hong Kong. He has over 28 years of experience in watch and jewellery trade. Prior to joining the Group, he has worked as general manager in charge of the retail and watch boutique outlets in Hong Kong and the PRC in Dickson Watch & Jewellery division under Dickson Concepts (International) Limited, a listed company on the Main Board of the Stock Exchange, for over 20 years. He has rich experience in the watch and jewellery industry. Mr. Chan did not hold directorship in other listed public companies in Hong Kong or overseas in the last three years.

Pursuant to a service agreement entered into between Mr. Chan and the Company, Mr. Chan was appointed as executive director of the Company for a term of three years commencing from 21 July 2008 renewable automatically for successive terms of one year and the term of his service is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The Director's fee under the service agreement is HK\$100,000 per annum which is determined by the Board with reference to the responsibilities undertaken by him as a Director. Mr. Chan is also entitled to salary, discretionary bonus and retirement scheme contribution.

Mr. Chan is not connected with any director, senior management or substantial or controlling shareholder of the Company, nor does he have any other interest in the Shares of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, the Board is not aware of any matter in relation to the proposed re-election of Mr. Chan that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders of the Company.

Mr. Wong Chi Fai*Executive Director*

Mr. Wong, aged 53, is responsible for overall corporate and business planning of the Group. He is also the chairman of the Remuneration Committee of the Company. He has been involved in the management of the Group since November 1998 and he has been appointed as a director of EWJ Watch & Jewellery Company Limited since its incorporation in Macau in August 2005. He has been an associate of the Hong Kong Institute of Certified Public Accountants since October 1981 and a fellow of the Association of Chartered Certified Accountants since May 1987. He has over 20 years' experience in finance and management spanning a diverse range of businesses from manufacturing to property investment and development, hotel management and publishing. He is also the joint managing director of Emperor International Holdings Limited ("EIHL"), and a director of Emperor Entertainment Hotel Limited ("EEH") and New Media Group Holdings Limited ("New Media"), all are listed companies on the Main Board of the Stock Exchange and a director of Emperor Entertainment Group Limited ("EEG"), a company listed on Growth Enterprise Market of the Stock Exchange. Mr. Wong was an executive director of Graneagle Holdings Limited ("Graneagle") (now named as Chaoyue Group Limited) from 16 October 2007 and has resigned on 21 January 2008. Other than the aforesaid directorship, he did not hold directorship in other listed public companies in Hong Kong or overseas in the last three years.

Pursuant to a service agreement entered into between Mr. Wong and the Company, Mr. Wong was appointed as executive director of the Company for a term of three years commencing from 21 July 2008 renewable automatically for successive terms of one year and the term of his service is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The Director's fee under the service agreement is HK\$100,000 per annum which is determined by the Board with reference to the responsibilities undertaken by him as a Director.

Mr. Wong is not connected with any director, senior management or substantial or controlling shareholder of the Company, nor does he have any other interest in the Shares of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, the Board is not aware of any matter in relation to the proposed re-election of Mr. Wong that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders of the Company.

Ms. Fan Man Seung, Vanessa

Executive Director

Ms. Fan, aged 46, has been involved in the management of the Group since November 1998. She assumes the corporate responsibilities of a company's chairperson, including overseeing the overall corporate and business strategy of the Group, managing and ensuring the Board functions effectively. She also assumes the responsibilities imposed on a company's chairperson by the Code on Corporate Governance Practices of the Listing Rules. She has been a lawyer by profession in Hong Kong since August 1988 and a fellow member of the Association of Chartered Certified Accountants since September 2007. She has over 15 years' experience in management in various businesses including property investment and development, hotel management and publishing. She holds a Master's Degree in Business Administration from Asia International Open University in May 1995. Ms. Fan is also the joint managing director of EIHL, and a director of EEH, New Media and EEG. Ms. Fan was an executive director of Graneagle from 16 October 2007 and has resigned on 21 January 2008. Other than the aforesaid directorship, she did not hold directorship in other listed public companies in Hong Kong or overseas in the last three years.

Pursuant to a service agreement entered into between Ms. Fan and the Company, Ms. Fan was appointed as executive director of the Company for a term of three years commencing from 21 July 2008 renewable automatically for successive terms of one year and the term of her service is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The Director's fee under the service agreement is HK\$100,000 per annum which is determined by the Board with reference to the responsibilities undertaken by her as a Director.

Ms. Fan is not connected with any director, senior management or substantial or controlling shareholder of the Company, nor does she have any other interest in the Shares of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

APPENDIX I DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Save as disclosed above, the Board is not aware of any matter in relation to the proposed re-election of Ms. Fan that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders of the Company.

Ms. Yip Kam Man

Independent Non-Executive Director

Ms. Yip, aged 42, joined the Company in June 2008. She is also the chairperson of the Audit Committee and member of the Remuneration Committee of the Company. She is a Certified Public Accountant. She is a member of the Hong Kong Institute of Certified Public Accountants and has been a fellow of the Association of Chartered Certified Accountants since January 2001. She graduated from The University of Nottingham in the United Kingdom in July 1988 with a Bachelor's Degree in Arts (Hons). She has been engaged in the audit field (including internal audit for listed companies in Hong Kong) for more than 18 years. She is currently, and also before joining the Company, running an audit firm. Ms. Yip was an independent non-executive director of Graneagle from 16 October 2007 and has resigned on 21 January 2008. Other than the aforesaid directorship, she did not hold directorship in other listed public companies in Hong Kong or overseas in the last three years.

Pursuant to an appointment letter with the Company, Ms. Yip was appointed as independent non-executive director of the Company for a term of two years commencing from 21 July 2008 and shall continue thereafter on a yearly basis. The term of her service is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The Director's fee under the service agreement is HK\$150,000 per annum which is determined by the Board with reference to the responsibilities undertaken by her as a Director.

Ms. Yip is not connected with any director, senior management or substantial or controlling shareholder of the Company, nor does she have any other interest in the Shares of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Ms. Yip has met the independence guidelines set out in Rule 3.13 of the Listing Rules.

Save as disclosed above, the Board is not aware of any matter in relation to the proposed re-election of Ms. Yip that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders of the Company.

Mr. Chan Hon Piu

Independent Non-Executive Director

Mr. Chan, aged 48, joined the Company in June 2008. He is also a member of the Audit Committee of the Company. He graduated from The University of Hong Kong with a Bachelor's Degree in Social Sciences in 1983. He also obtained the Certificate of Education in September 1985 and a Master Degree in Laws in November 1995 from The University of Hong Kong. He has been admitted as a solicitor in Hong Kong since September 1991 and is now a practising solicitor in Hong Kong. He is currently, and also before joining the Company, working as a solicitor in a law firm in Hong Kong. He did not hold directorship in other listed public companies in Hong Kong or overseas in the last three years.

APPENDIX I DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Pursuant to an appointment letter with the Company, Mr. Chan was appointed as independent non-executive director of the Company for a term of two years commencing from 21 July 2008 and shall continue thereafter on a yearly basis. The term of his service is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The Director's fee under the service agreement is HK\$150,000 per annum which is determined by the Board with reference to the responsibilities undertaken by him as a Director.

Mr. Chan is not connected with any director, senior management or substantial or controlling shareholder of the Company, nor does he have any other interest in the Shares of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. Chan has met the independence guidelines set out in Rule 3.13 of the Listing Rules.

Save as disclosed above, the Board is not aware of any matter in relation to the proposed re-election of Mr. Chan that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders of the Company.

Ms. Lai Ka Fung, May

Independent Non-Executive Director

Ms. Lai, aged 43, joined the Company in June 2008, is a Certified Public Accountant. She is also members of the Audit Committee and Remuneration Committee of the Company. She has been a member of the Hong Kong Institute of Certified Public Accountants since 1999 and a fellow of The Association of Chartered Certified Accountants since 2003. She obtained a Master's Degree of Arts in International Accounting from City University of Hong Kong in 2001. She has been engaged in the audit field for more than 10 years. She is currently and also before joining the Company, the sole proprietor of May K.F. Lai & Co., Certified Public Accountants. She did not hold directorship in other listed public companies in Hong Kong or overseas in the last three years.

Pursuant to an appointment letter with the Company, Ms. Lai was appointed as independent non-executive director of the Company for a term of two years commencing from 21 July 2008 and shall continue thereafter on a yearly basis. The term of her service is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The Director's fee under the service agreement is HK\$150,000 per annum which is determined by the Board with reference to the responsibilities undertaken by her as a Director.

Ms. Lai is not connected with any director, senior management or substantial or controlling shareholder of the Company, nor does she have any other interest in the Shares of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Ms. Lai has met the independence guidelines set out in Rule 3.13 of the Listing Rules.

Save as disclosed above, the Board is not aware of any matter in relation to the proposed re-election of Ms. Lai that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders of the Company.

LISTING RULES

The Listing Rules permit a company with a primary listing on the Stock Exchange to repurchase its own securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(i) Shareholders' approval

All proposed repurchases of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a particular transaction.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with a company's constitutive documents and the laws of the jurisdiction in which the company is incorporated or otherwise established.

(iii) Maximum number of shares to be repurchased

A maximum of 10 percent of the outstanding fully paid share capital at the date of passing the Repurchase Resolution may be repurchased by the Company on the Stock Exchange.

EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, the issued and fully paid up share capital of the Company comprised 4,500,000,000 Shares. Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 450,000,000 Shares (representing 10% of the total issued share capital of the Company) during the period from the date of the AGM up to:

- (i) the conclusion of next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; or
- (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting of the Company, whichever occurs first.

REASONS FOR THE REPURCHASE OF SECURITIES

The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have a general authority from the Shareholders to enable the Company to repurchase Shares in the market. Repurchase of Shares will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or the earnings per share of the Company.

FUNDING OF REPURCHASE

Any repurchase will only be funded out of funds of the Company legally available for the purposes in accordance with the Articles of Association and the applicable laws of Hong Kong. The Company will not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company in the event that the proposed Repurchase Mandate, if so approved, were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICE

The highest and lowest prices at which the Shares of the Company traded on the Stock Exchange during each of the previous months commencing from 21 July 2008, the date of listing of the Shares on the Stock Exchange up to the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2008		
21 July – 31 July	0.610	0.455
August	0.495	0.340
September	0.345	0.170
October	0.196	0.135
November	0.189	0.148
December	0.315	0.161
2009		
January	0.260	0.179
February	0.211	0.178
March	0.184	0.144
1 April – 7 April	0.275	0.171

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchase of Shares pursuant to the proposed Repurchase Mandate in accordance with the Listing Rules and all applicable laws of Hong Kong.

EFFECT OF TAKEOVERS CODE

If as a result of a share repurchase by the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code. Accordingly, a shareholder, or group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Allmighty Group Limited ("Allmighty"), held 3,370,480,000 Shares in the Company, representing approximately 74.90% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares which was proposed to be granted pursuant to the Repurchase Resolution, assuming no further Shares will be issued or repurchased between the Latest Practicable Date and the AGM and there is no alteration to the existing shareholding of Allmighty, the shareholding of Allmighty in the Company would be increased to approximately 83.22% of the issued share capital of the Company. The Directors are not aware of any consequence that would give rise to an obligation on the part of Allmighty to make a mandatory offer under Rule 26 of the Takeovers Code. However, it would result in the number of Shares which are in the hands of the public falling below the minimum prescribed percentage of 25% for the Company as prescribed under Rule 8.08 of the Listing Rules. The Directors have no present intention to exercise the powers to repurchase Shares to an extent that would lead to insufficient public float of the Company.

DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

No connected persons of the Company (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares (in issue or to be issued) to the Company nor have they undertaken not to sell any of the Shares held by them (in issue or to be issued to them) to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) during the past six months prior to the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



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 the annual general meeting of Emperor Watch & Jewellery Limited (the “Company”) will be held at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong on Monday, 18 May 2009 at 11:00 a.m. for the following purposes:

1. To consider and adopt the audited consolidated financial statements and the reports of the directors (“Directors”) and independent auditor (“Auditor”) of the Company for the year ended 31 December 2008.
2. To declare final dividend for the year ended 31 December 2008.
3. To re-elect the following as Directors and to authorize the board of Directors (“Board”) to fix their remuneration:
 - (a) Ms. Cindy YEUNG
 - (b) Mr. CHAN Hung Ming
 - (c) Mr. WONG Chi Fai
 - (d) Ms. FAN Man Seung, Vanessa
 - (e) Ms. YIP Kam Man
 - (f) Mr. CHAN Hon Piu
 - (g) Ms. LAI Ka Fung, May
4. To re-appoint Deloitte Touche Tohmatsu as Auditor and to authorise the Board to fix their remuneration.
5. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:
 - (A) **“THAT**
 - (i) subject to sub-paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to allot and issue additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

(ii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in sub-paragraph (i) of this resolution, otherwise than pursuant to a Rights Issue or the exercise of subscription or conversion rights under any warrants of the Company or any securities which are convertible into shares of the Company or any share option scheme, shall not exceed twenty per cent. of the nominal amount of the issued share capital of the Company on the date of this resolution and this approval shall be limited accordingly; and

(iii) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company (“Articles of Association”) or any applicable laws to be held; and
- (c) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution in general meeting.”

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body).”

(B) **“THAT**

(i) subject to sub-paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase issued shares in the capital of the Company, subject to and in accordance with all applicable laws and the Articles of Association, be and is hereby generally and unconditionally approved;

(ii) the aggregate nominal amount of the share capital which the Company is authorised to repurchase pursuant to the approval in sub-paragraph (i) of this resolution shall not exceed ten per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of this resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
 - (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; and
 - (c) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution in general meeting.”
- (C) “**THAT** conditional upon resolution no. 5(B) above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution no. 5(B) above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 5(A) above.”

By order of the Board
Liu Chui Ying
Company Secretary

Hong Kong, 15 April 2009

Registered Office:

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

Notes:

- (i) A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (ii) In order to be valid, the form of proxy must be in writing under the hand of the appointor or his attorney duly authorized in writing, or if the appointor is a corporation, either under its common seal, or under the hand of an officer or attorney duly authorized on that behalf, and must be deposited at the Company’s share registrar (“Registrar”), Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney, not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (iii) Where there are joint holders of any share, any one of such joint holder may vote, either in person or by proxy in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding of such share.

NOTICE OF ANNUAL GENERAL MEETING

- (iv) The register of members of the Company will be closed from 14 May 2009 (Thursday) to 18 May 2009 (Monday) (both days inclusive), during which period no share transfer will be effected. All relevant share certificates and properly completed transfer forms must be lodged with the Registrar at the above address for registration no later than 4:30 p.m. on 13 May 2009 (Wednesday).
- (v) Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting if the member so desires and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (vi) Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in this Notice will be decided by poll at the above meeting.