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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)

AMENDMENT OF TERMS
OF CONVERTIBLE BONDS OF THE COMPANY

The parties to the CB Subscription Agreement agrees to extend the period in which the Options (as defined below) may be exercised (“Option Period”) for a further two months from the day immediately following the original expiry date of the Option Period.

Reference is made to the announcement of the Company dated 4 March 2010 and 8 April 2010 (the “Announcements”) and the circular of the Company dated 9 April 2010 (the “Circular”) in relation to, inter alia, the issue of the Convertible Bonds of the Company. Terms used in this announcement shall have the same meaning as those defined in the Announcements unless the context requires otherwise.

Pursuant to the CB Subscription Agreement, each Subscriber was granted an option to subscribe for the Tranche Two CB (“the Options”) at any time after the date of the completion of the issue of the Tranche One CB on 13 April 2010 to the date three months from the date of the EGM, such original expiry date of the Option Period being 25 July 2010.

In light of the financial adjustment in relation to the Convertible Bonds and the Options which may affect the results of the Group (details of which are set out in the announcement of the Company dated 23 July 2010), the Company and the Subscribers agreed that additional time is required before the expiry of the Option Period to ascertain the extent of such adjustment and the possible impact on the terms of the Convertible Bonds.

As such, on 23 July 2010, after trading hours, the Company and each Subscriber entered into a supplemental agreement, pursuant to which the parties agreed to extend the Option Period for the Tranche Two CB for a further two months from the day immediately following the original expiry date of the Option Period.

Pursuant to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. Accordingly, the Company will apply for the Stock Exchange's approval for such extension. The Company will conduct an extraordinary general meeting for the Shareholders to consider and approve the extension of the Option Period. A circular containing details of the extension of the Option Period and the notice of the extraordinary general meeting will be despatched to the Shareholders as soon as practicable in compliance with the Listing Rules.

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

Hong Kong, 23 July 2010

As at the date hereof, the board of directors of the Company comprised:

Executive Directors :

Ms. Yeung, Cindy
Mr. Chan Hung Ming
Mr. Wong Chi Fai
Ms Fan Man Seung, Vanessa

Independent Non-executive Directors:

Mr. Chan Hon Piu
Ms. Yip Kam Man
Ms. Lai Ka Fung, May