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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 WARNING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform shareholders of the Company and potential investors that the unaudited net profit of the Group for the six months ended 30 June 2009 is expected to be lower than that of the corresponding period last year, despite that the Group has maintained substantially similar level of revenue for the six months ended 30 June 2009 as compared to the second half of year 2008.

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

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 (the “Listing Rules”).

The board of directors of the Company (the “Board”) wishes to inform shareholders of the Company and potential investors that the Group has been expanding its watch and jewellery network in Hong Kong and the mainland China, with a positive market outlook in the long run, which resulted in an increase in the Group’s operating expenses. However, the financial crisis emerged late last year had extended into the first half of year 2009, causing a negative impact on the overall economic environment and a slower-than-expected pick up of business for the Group’s newly opened outlets. As a result, the unaudited net profit of the Group for the six months ended 30 June 2009 is expected to be lower than that of the corresponding period last year, despite that the Group has maintained substantially similar level of revenue for the six months ended 30 June 2009 as compared to the second half of year 2008.

The information contained in this announcement is only a preliminary assessment by the management of the Company which is based on the management accounts as well as operational data available to the management which has not been audited or reviewed by the Company’s auditors. Shareholders and potential investors are advised to refer to details in the interim results announcement of the Company for the six months ended 30 June 2009 which is expected to be released in August 2009.

**Shareholders of the Company and potential investors are therefore advised to exercise**

**caution when dealing in the shares of the Company.**

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

Hong Kong, 31 July 2009

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