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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)

**COMPLETION OF TOP-UP PLACING AND TOP-UP SUBSCRIPTION
AND
ADJUSTMENT TO THE EXERCISE PRICE OF THE WARRANTS**

Placing Agents



英皇證券(香港)有限公司
Emperor Securities Limited

Completion of Top-up Placing and Top-up Subscription

The Board is pleased to announce that all conditions set out in the Top-up Placing Agreement and the Top-up Subscription Agreement have been fulfilled. The Top-up Placing was completed on 21 April 2011 and an aggregate of 800,000,000 Top-up Placing Shares have been successfully placed to not less than six independent places at the Top-up Placing Price of HK\$1.00 per Top-up Placing Share. The Top-up Subscription was completed on 27 April 2011 and an aggregate of 800,000,000 Top-up Subscription Shares, representing approximately 11.91% of the enlarged issued share capital of the Company immediately after the issue of such Top-up Subscription Shares, have been issued and allotted to the Vendor at the Top-up Subscription Price of HK\$1.00 per Top-up Subscription Share.

Adjustment to the exercise price of the Warrants

Pursuant to the terms and conditions of the Warrants Instrument (as defined below) of the Company issued on 26 August 2010, the exercise price of the outstanding Warrants (as defined below) issued by the Company under the Warrants Instrument has been adjusted from HK\$0.62 per Share to HK\$0.61 per Share as a result of the Top-up Placing and the Top-up Subscription and the number of Shares falling to be issued upon full exercise of the rights under the Warrants increased from 161,290,322 Shares to 163,934,426 Shares. The said adjustment took effect on 27 April 2011.

Completion of Top-up Placing and Top-up Subscription

Reference is made to the announcement of the Company dated 19 April 2011 (the “**Announcement**”) in relation to, among other things, the Top-up Placing and the Top-up Subscription. Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement unless otherwise stated.

The Board is pleased to announce that all conditions set out in the Top-up Placing Agreement and the Top-up Subscription Agreement have been fulfilled. The Top-up Placing was completed on 21 April 2011 and an aggregate of 800,000,000 Top-up Placing Shares have been successfully placed to not less than six placees, who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules), at the Top-up Placing Price of HK\$1.00 per Top-up Placing Share. The Top-up Subscription was completed on 27 April 2011 and an aggregate of 800,000,000 Top-up Subscription Shares, representing approximately 11.91% of the enlarged issued share capital of the Company immediately after the issue of such Top-up Subscription Shares, have been issued and allotted to the Vendor at a Top-up Subscription Price of HK\$1.00 per Top-up Subscription Share.

The net proceeds from the Top-up Subscription amount to approximately HK\$786.8 million.

The table below sets out the shareholding structure of the Company before and after the Top-up Placing and the Top-up Subscription:

	Immediately before Top-up Placing and Top-up Subscription		Immediately after the Top-up Placing and Top-up Subscription	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Vendor	3,510,770,000	59.32	3,510,770,000	52.26
The Placees	–	–	800,000,000	11.91
Other public Shareholders	2,407,743,703	40.68	2,407,743,703	35.83
Total	<u>5,918,513,703</u>	<u>100.00</u>	<u>6,718,513,703</u>	<u>100.00</u>

Note:

To the best of the Directors' knowledge, the Placees and their ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules). Therefore, the Placees are treated as public Shareholders.

Adjustment to the exercise price of the Warrants

Pursuant to the terms and conditions of the warrants instrument of the Company issued on 26 August 2010 (the “**Warrants Instrument**”), the exercise price of the outstanding warrants issued by the Company (“**Warrants**”) under the Warrants Instrument has been adjusted from HK\$0.62 per Share to HK\$0.61 per Share as a result of the Top-up Placing and the Top-up Subscription and the number of Shares falling to be issued upon full exercise of the rights under the Warrants increased from 161,290,322 Shares to 163,934,426 Shares. The said adjustment took effect on 27 April 2011.

Save for the above adjustment, all the other terms and conditions of the Warrants remain unchanged. The above adjustment to the exercise price of the Warrants was computed in accordance with the terms and conditions of the Warrants Instrument and has been reviewed and confirmed in writing by an independent investment bank appointed for the purpose of providing opinion on the adjustment to the exercise price of the Warrants.

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

Hong Kong, 27 April, 2011

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

Executive Directors: Ms. Yeung, Cindy (*Managing Director*)
Mr. Chan Hung Ming
Mr. Wong Chi Fai
Ms. Fan Man Seung, Vanessa

Non-executive Director: Mr. Hanji Huang

Independent non-executive Directors: Ms. Yip Kam Man
Mr. Chan Hon Piu
Ms. Lai Ka Fung, May

* *for identification purposes only*