

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



英皇鐘錶珠寶有限公司
EMPEROR WATCH & JEWELLERY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code 887)

**REORGANIZATION
OF CONTROLLING SHAREHOLDING STRUCTURE**

The Directors would like to announce that the Controlling Shareholder of the Company intends to reorganize the structure of the controlling shareholding of the Company.

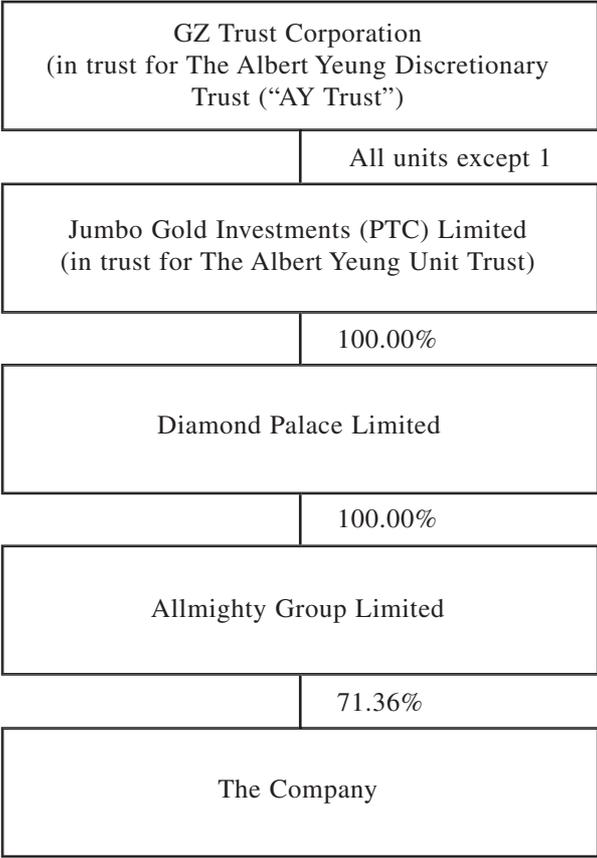
The Company has applied to and the Listing Division of the Stock Exchange has granted the Company a waiver from strict compliance with Rule 10.07(1) of the Listing Rules in respect of the Reorganization.

The directors (the “Directors”) of Emperor Watch & Jewellery Limited (the “Company”, together with its subsidiaries (the “Group”)) would like to announce that the controlling shareholders (“Controlling Shareholders”) of the Company intend to reorganize the structure of the controlling shareholding of the Company (the “Reorganization”).

Background

The existing shareholding structure of the Company

The following chart shows the existing shareholding structure of the Company:



Note:

- (1) The AY Trust is a discretionary trust. Dr. Yeung Sau Shing Albert (“Dr. Yeung”) is both the appointor and the settlor of the AY Trust, while his family members are the eligible beneficiaries. The trustee of the AY Trust is GZ Trust Corporation (“GZ”) which is a professional trustee. AY Trust is deemed to be interested in the shareholding of Jumbo Gold Investments (PTC) Limited (“Jumbo Gold”). Being the appointor, Dr. Yeung has the power to appoint and remove the trustee, while the trustee has the power to appoint or remove a person from the list of eligible beneficiaries.

- (2) Jumbo Gold is holding the entire interests in Diamond Palace Limited on trust for The Albert Yeung Unit Trust. The Albert Yeung Unit Trust is a unit trust under the AY Trust.

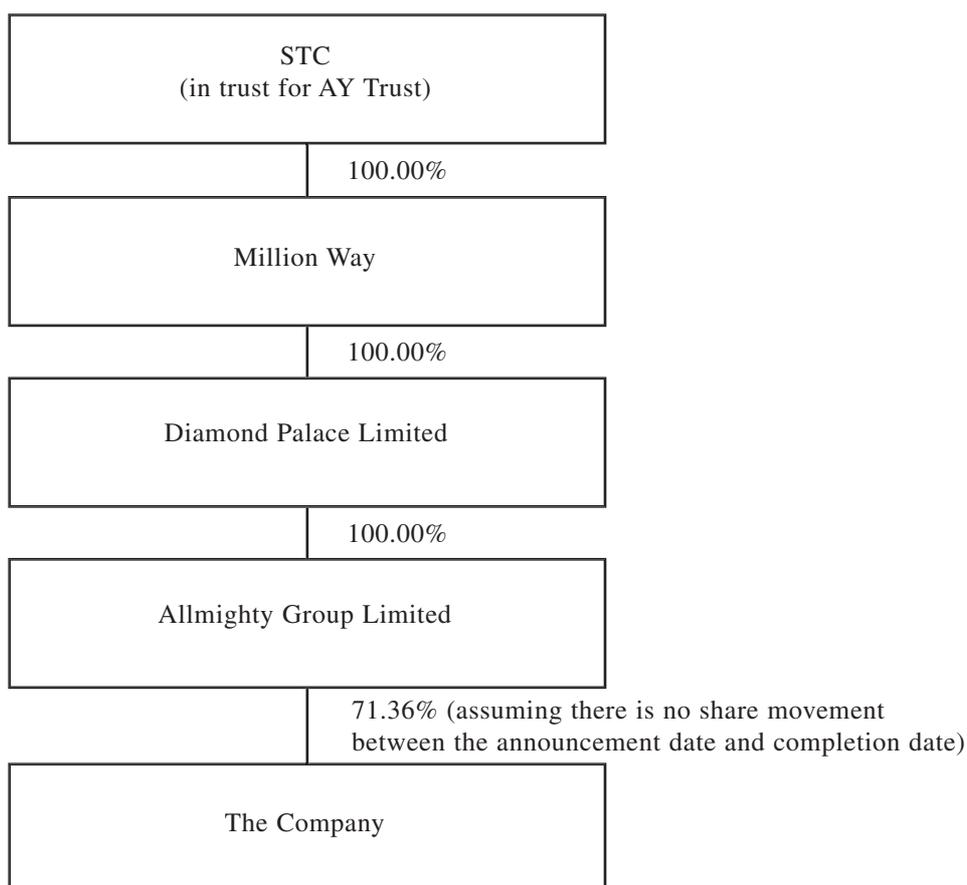
The Reorganization

The following changes of the AY Trust will be implemented (“Reorganization”):

- (i) GZ has resigned from trusteeship on 2 October 2008 and STC International Limited (“STC”) has been appointed in its place as the new trustee of the AY Trust; and
- (ii) To simplify the existing trust structure, the Albert Yeung Unit Trust (together with Jumbo Gold) will be replaced by Million Way Holdings Limited (“Million Way”), a wholly-owned subsidiary of STC as trustee of the AY Trust, completion of which is expected to take place on or before 30 November 2008.

New shareholding structure of the Company

The following chart shows the new shareholding structure of the Company after completion of the Reorganization as mentioned above:



Implication of the Listing Rules

The Company was listed on the Stock Exchange on 21 July 2008. According to Rule 10.07(1) of the Rule Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the controlling shareholders of a listed issuer shall not and shall procure that the relevant registered holders(s) shall not dispose of, nor enter into any agreement to dispose of any of those securities of the issuer within six months from the date of listing of its shares on the Stock Exchange.

The Reorganization which involves the change of trustee from GZ to STC and the replacement of The Albert Yeung Unit Trust (together with Jumbo Gold) by a new company may not strictly comply with Rule 10.07(1) of the Listing Rules.

In this regard, the Company has applied to and the Listing Division of the Stock Exchange has granted the Company a waiver from strict compliance with Rule 10.07(1) of the Listing Rules in respect of the Reorganization. Upon completion of the Reorganization, the AY Trust remains the ultimate beneficial owner of the Company with Dr. Yeung continuing to be the appointor. The Directors believe that the Reorganization will not have any material impact on the continuity of the controlling shareholding and the management of the Company.

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

Hong Kong, 2 October 2008

As at the date hereof, the Board of the Company comprised 1. Executive Directors: Ms. Cindy Yeung, 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.