



FIRST QUARTERLY REPORT
2009-2010

EEG

Emperor Entertainment Group Limited

英皇娛樂集團有限公司

(Incorporated in Bermuda with limited liability)

GEM Stock Code: 8078

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This report, for which the directors of Emperor Entertainment Group Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("GEM Listing Rules") for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

MANAGEMENT DISCUSSION AND ANALYSIS

For the three months ended 30th September, 2009 (the “Period”), the Company and its subsidiaries (collectively referred to as the “Group”) reported an increase of 70.5% in revenue to approximately HK\$39.4 million from HK\$23.1 million for the previous corresponding period. The Group had narrowed its loss to approximately HK\$1.4 million from HK\$67.2 million last year due to cost-cutting measures and the substantial reduction of impairment loss made on film rights of certain films and prepaid artiste fees of the Group.

OPERATION REVIEW

Artiste Management

The artiste management business remained a major revenue contributor to the Group during the Period. The segment reported turnover of approximately HK\$8.7 million, up from HK\$3.9 million in 2008, accounting for 22.1% of the Group’s total revenue. This segment provided a stable revenue driver for the Group although the business is subject to fluctuations due to changes in economic climate and advertising spendings.

The Group managed 50 artistes as at 30th September, 2009.

Event Production

The Group also engages in organising concerts and stage performance. This segment recorded income of approximately HK\$1.5 million (2008: HK\$6.9 million), which contributed 3.8% to the Group’s total revenue. During the Period, the Group organised a stage event “*I Ought to be in Pictures*” and jointly organised the concert “*Summer Pop - Live in Hong Kong*”, a two-day pop concert hosted by the Hong Kong Tourism Board with performances by singers and bands from Hong Kong, Mainland China and Taiwan.

Music Production and Distribution

The music production and distribution segment reported turnover of approximately HK\$9.5 million, amounting to 24.0% of the Group’s total revenue. The segment remained stable compared with revenue of HK\$10.0 million in 2008. It serves as a channel for promoting artistes and provides synergy with other operations of the Group.

During the Period, the Group released seven music albums (2008: 10). Sales of music albums amounted to approximately HK\$3.0 million (2008: HK\$4.3 million). Copyright licensing income contributed revenue of approximately HK\$5.1 million (2008: HK\$4.9 million). Income from provision of multimedia content to telecommunications operators amounted to approximately HK\$1.4 million (2008: HK\$0.8 million).

Film and Television Programme Production and Distribution

The Group received from film and television programme production and distribution revenue of approximately HK\$19.7 million during the Period (2008: HK\$2.3 million), which accounted for 50.1% of the Group's total revenue. Emperor Motion Pictures (EMP) continues to be active on all fronts during the Period.

In Hong Kong, EMP released "*Happily Ever After*", starring a trio of EEG's up-and-coming artistes – Ken Hung, Carlos Chan and Michelle Wai – and co-directed by Y.Y. Kong and Azrael Chung. Under its ongoing and successful strategic alliance with Lark Films Distribution Limited, EMP has also co-distributed the romantic fantasy "*The Time Traveler's Wife*", which starred Eric Bana and Rachel McAdams. Both films performed satisfactorily at the local box-office.

Shortly after the Period, EMP also marked the astonishing theatrical debut of one of EMP's recent investment projects, "*The Founding of a Republic*". The film, a tribute to celebrate the 60th anniversary of the founding of The People's Republic of China and featuring an all-star cast, shattered all records to become the first Chinese language film to gross over RMB400 million theatrically in China.

On the production front, after months of painstaking and meticulous preparation, principal photography has finally begun on two high profile EMP projects during the Period. The first to go in front of camera in Hong Kong was Derek Yee's contemporary action thriller "*Triple Tap*", a co-production with Sil-Metropole Organisation and Beijing's Bona Entertainment, which stars Daniel Wu, Louis Koo, Charlene Choi, Chapman To and China's Li Bingbing. This was followed on location in Beijing by Jiang Wen's long-awaited action/black comedy "*Let The Bullets Fly*" – a co-production with Beijing Buyilehu Films – teaming up for the first time the foremost acting talents of Chow Yun-fat, Ge You and Jiang Wen himself. Filming on these projects is scheduled for completion by the end of 2009, with commercial releases earmarked for 2010.

PROSPECTS

Although the global economy has shown some signs of recovery in 2009, the entertainment and advertising markets remained uncertain and companies hesitated to commit to aggressive promotions and advertising spending.

The Group will continue to leverage on its strong talent base and industry expertise and strengthen the audience reach of its artistes in order to stay competitive in the highly mobile industry. The Group hopes to boost the popularity of the Group's artistes through album sales and thus enhance the Group's returns in artiste management and concert production.

PROSPECTS (Continued)

Looking ahead, EMP anticipates demand for productions to pick up towards the end of 2009. On the production front, projects in the final stages of pre-production include Benny Chan's epic "*Shaolin*", which stars Andy Lau, Nicholas Tse, Fan Bingbing, Wu Jing and Yu Shaoqun, with a special appearance by Jackie Chan; and Dante Lam's "*The Stool Pigeon*", a follow-up to the critically acclaimed "*The Beast Stalker*". It will re-unite Lam with award-winner Nick Cheung, Nicholas Tse and Liu Kai-chi. Principal photography on these projects will commence in the second and third quarters of this financial year.

Meanwhile, EMP will continue to be active on the distribution front to release a number of films, including "*The Treasure Hunter*", an adventure movie starring Jay Chou and Jackie Chan's action comedy "*Little Big Soldier*", in addition to more offering from the EMP/Lark Films alliance.

More attention and resources of EMP will be devoted in this financial year to China through its distribution subsidiary in Beijing, which hopefully will offer EMP a platform to gain a stronger foothold and to better distribute and market EMP's coming slate of films in China.

POST BALANCE SHEET DATE EVENT

On 11th September, 2009, the Company entered into a subscription agreement with its immediate holding company, Surplus Way Profits Limited ("*Surplus Way*"), in relation to the subscription of convertible bond to be issued by the Company in an aggregate principal amount of HK\$100,000,000 (the "*Subscription*"). The Subscription was completed on 21st October, 2009 and the relevant convertible bond had been duly issued to Surplus Way on the same date. Details of the Subscription were disclosed in the circular of the Company dated 2nd October, 2009.

RESULTS

The board of directors of the Company (the "Board") announces the unaudited consolidated results of the Group for the Period together with the comparative unaudited figures for the corresponding period in 2008 as follows:

Consolidated Income Statement

For the three months ended 30th September, 2009

	Notes	Three months ended 30th September,	
		2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Revenue	2	39,397	23,112
Other income		2,532	1,614
Cost of a self-organised event		(2,082)	(4,336)
Cost of provision of event production services		–	(795)
Cost of music production and distribution		(5,577)	(5,688)
Cost of film and television programme production and distribution		(14,723)	(44,930)
Selling and distribution costs		(3,827)	(13,561)
Administrative expenses		(15,185)	(19,630)
Finance costs		(2,195)	(2,777)
Share of results of a jointly controlled entity		334	(158)
Loss before taxation		(1,326)	(67,149)
Taxation	3	(44)	(39)
Loss for the period		(1,370)	(67,188)
Loss for the period attributable to:			
Owners of the Company		(1,370)	(67,188)
Non-controlling interests		–	–
		(1,370)	(67,188)
Loss per share	4		
– basic		(0.53) cent	(25.84) cents
– diluted		N/A	N/A

RESULTS (Continued)

Consolidated Statement of Comprehensive Income

For the three months ended 30th September, 2009

	Three months ended 30th September,	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Loss for the period	(1,370)	(67,188)
Other comprehensive income		
Exchange differences on translation of foreign operations	4	(20)
Total comprehensive income for the period	(1,366)	(67,208)
Total comprehensive income attributable to:		
Owners of the Company	(1,366)	(67,208)
Non-controlling interests	-	-
	(1,366)	(67,208)

1. Basis of Preparation and Significant Accounting Policies

The unaudited consolidated results of the Group have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules. The amounts included in the unaudited consolidated results are computed based on all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

In preparing the unaudited consolidated financial statements, the directors of the Company have given consideration to the future liquidity of the Group in light of its net liabilities of HK\$47,281,000 as at 30th September, 2009. The Group has obtained the financial support from Surplus Way, the immediate holding company, which committed to provide continuous financial support to the Group by providing adequate funds and agreed not to demand repayment of the amount due to it for at least the next twelve months from the balance sheet date or until the Group has the ability to repay the amount, whichever is the latter. Based on the above, the directors believe that the Group will have sufficient cash resources to satisfy its future working capital. Accordingly, the unaudited consolidated financial statements have been prepared on a going concern basis.

The unaudited consolidated financial statements have been prepared under historical cost basis except for certain financial instruments, which are measured at fair values on initial recognition, as described in the Group's audited consolidated financial statements for the year ended 30th June, 2009.

In addition, a number of new or revised standards, amendments or interpretations issued by the HKICPA are effective for the Group's financial year beginning on 1st July, 2009. Except as described below, the accounting policies adopted are consistent with those followed in the preparation of the Group's audited consolidated financial statements for the year ended 30th June, 2009.

HKAS 1 (Revised) Presentation of financial statements

In the Period, the Group has adopted HKAS 1 (Revised) which has introduced a number of terminology changes (including revised titles for the consolidated financial statements) and has resulted in a number of changes in presentation and disclosures.

HKFRS 3 (Revised) Business combinations and HKAS 27 (Revised) Consolidated and separate financial statements

HKFRS 3 (Revised) and HKAS 27 (Revised) have been adopted in relation to business combinations for which the acquisition date is on or after 1st July, 2009. The adoption of these standards will affect the Group's accounting treatment for the business combinations and the changes in a parent's ownership interest in a subsidiary. No business combinations took place during the Period.

Apart from certain presentation changes, the adoption of these new or revised standards, amendments or interpretations has no material impact on the results or the financial position of the Group for the current or prior periods.

NOTES (Continued)

2. Revenue

	Three months ended 30th September,	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
An analysis of the Group's revenue is as follows:		
Artiste management fee income	8,688	3,900
Event production		
– gross revenue from a self-organised event	1,076	5,617
– share of net income from jointly organised events	430	30
– income from provision of event production services	–	1,290
	1,506	6,937
Music production and distribution		
– sales of albums	2,946	4,284
– licence income	5,135	4,873
– multimedia income	1,387	842
	9,468	9,999
Film and television programme production, distribution and licensing		
– production of films and television programmes and licensing of the corresponding rights	19,512	1,776
– distribution of films and television programmes	223	500
	19,735	2,276
	39,397	23,112

3. Taxation

The taxation charges represent Hong Kong Profits Tax calculated at 16.5% of the estimated assessable profits for both periods.

No provision for income tax in respect of operations in overseas has been made as the Group has no assessable profits in the respective jurisdictions for both periods.

4. Loss per Share

The calculation of basic loss per share is based on the unaudited consolidated loss for the Period attributable to owners of the Company of approximately HK\$1,370,000 (2008: HK\$67,188,000) and the 260,000,000 shares in issue during both periods.

Diluted loss per share has not been presented as the Company had no dilutive potential ordinary shares for both periods.

5. Capital, Reserves and Non-controlling Interests

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Contributed surplus	Special reserve	Translation reserve	Accumulated losses	Total		
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000		
At 1st July, 2008	2,600	105,614	83,783	75,000	1,389	(248,657)	19,729	(1,941)	17,788
Loss for the period	-	-	-	-	-	(67,188)	(67,188)	-	(67,188)
Exchange differences on translation of foreign operations	-	-	-	-	(20)	-	(20)	-	(20)
Total comprehensive income for the period	-	-	-	-	(20)	(67,188)	(67,208)	-	(67,208)
At 30th September, 2008	2,600	105,614	83,783	75,000	1,369	(315,845)	(47,479)	(1,941)	(49,420)
At 1st July, 2009	2,600	105,614	83,783	75,000	2,971	(313,942)	(43,974)	(1,941)	(45,915)
Loss for the period	-	-	-	-	-	(1,370)	(1,370)	-	(1,370)
Exchange differences on translation of foreign operations	-	-	-	-	4	-	4	-	4
Total comprehensive income for the period	-	-	-	-	4	(1,370)	(1,366)	-	(1,366)
At 30th September, 2009	2,600	105,614	83,783	75,000	2,975	(315,312)	(45,340)	(1,941)	(47,281)

DIVIDEND

The Board did not recommend the payment of an interim dividend for the Period (2008: Nil).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 30th September, 2009, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the directors as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

(a) Long position in shares of the Company

Name of director	Nature of interests	Number of ordinary shares held	Approximate percentage holding
Ms. Luk Siu Man, Semon ("Ms. Semon Luk") (Note)	Family	347,341,142	133.59%

Note: The 347,341,142 shares refer to (a) 204,484,000 shares held by Surplus Way and (b) 142,857,142 conversion shares assuming full exercise of the convertible bond of the Company held by Surplus Way. The entire issued share capital of Surplus Way was indirectly owned by STC International Limited ("STC International") being the trustee of The Albert Yeung Discretionary Trust (the "AY Trust"). Dr. Yeung Sau Shing, Albert ("Dr. Albert Yeung"), as founder of the AY Trust, was deemed to be interested in the 347,341,142 shares held by Surplus Way. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk was also deemed to be interested in such shares.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

(b) Long positions in shares/underlying shares of associated corporations

Name of director	Name of associated corporation	Nature of interests	Number of ordinary share(s)/ underlying shares held	Approximate percentage holding
Ms. Semon Luk	Surplus Way (Note (1))	Family	1	100%
Ms. Semon Luk	Million Way Holdings Limited ("Million Way") (Note (1))	Family	1	100%
Ms. Semon Luk	Charron Holdings Limited ("Charron") (Note (2))	Family	1	100%
Ms. Semon Luk	Emperor International Holdings Limited ("EIH") (Note (2))	Family	2,053,311,364	104.32%
Ms. Semon Luk	Worthy Strong Investment Limited ("Worthy Strong") (Note (3))	Family	100	100%
Ms. Semon Luk	Emperor Entertainment Hotel Limited ("EEH") (Note (3))	Family	720,461,428	55.74%
Ms. Semon Luk	Velba Limited ("Velba") (Note (4))	Family	1	100%
Ms. Semon Luk	New Media Group Holdings Limited ("NMG") (Note (4))	Family	450,000,000	75%
Ms. Semon Luk	Allmighty Group Limited ("Allmighty Group") (Note (5))	Family	100	100%
Ms. Semon Luk	Emperor Watch & Jewellery Limited ("EWJ") (Note (5))	Family	3,370,480,000	74.9%
Mr. Wong Chi Fai	EIHL (Note (6))	Beneficial	15,000,000	0.76%
Ms. Fan Man Seung, Vanessa	EIHL (Note (6))	Beneficial	15,000,000	0.76%
Mr. Wong Chi Fai	EEH (Note (7))	Beneficial	5,000,000	0.39%
Ms. Fan Man Seung, Vanessa	EEH (Note (7))	Beneficial	5,000,000	0.39%

Notes:

- (1) Surplus Way was the substantial shareholder of the Company. The entire issued share capital of Surplus Way was held by Million Way which was in turn wholly-owned by STC International being the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was deemed to be interested in the respective share capital of Surplus Way and Million Way. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk was also deemed to be interested in the share capital of Surplus Way and Million Way.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

(b) Long positions in shares/underlying shares of associated corporations (Continued)

Notes: (Continued)

- (2) EIHL is a company with its shares listed in Hong Kong; the 2,053,311,364 shares of EIHL refer to (a) 1,053,311,364 shares of EIHL held by Charron and (b) 1,000,000,000 conversion shares of EIHL assuming full exercise of the convertible bond of EIHL by Eternally Smart Limited, Eternity Smart Limited is a wholly-owned subsidiary of Charron. The entire issued share capital of Charron was held by Million Way which was in turn wholly-owned by STC International being the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was deemed to be interested in the share capital of Charron and the aforesaid shares in EIHL held by Charron. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk was also deemed to be interested in the said shares.
- (3) EEH is a company with its shares listed in Hong Kong; 720,461,428 shares of EEH were held by Worthy Strong. The entire share capital of Worthy Strong was held by Million Way which was in turn wholly-owned by STC International being the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was deemed to be interested in the share capital of Worthy Strong and the aforesaid shares in EEH held by Worthy Strong. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk was also deemed to be interested in the said shares.
- (4) NMG is a company with its shares listed in Hong Kong; 450,000,000 shares of NMG were held by Velba. The entire issued share capital of Velba was held by Million Way which was in turn wholly-owned by STC International being the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was deemed to be interested in the share capital of Velba and the aforesaid shares in NMG held by Velba. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk was also deemed to be interested in the said shares.
- (5) EWJ is a company with its shares listed in Hong Kong; 3,370,480,000 shares of EWJ were held by Almighty Group which was in turn wholly-owned by Million Way. Million Way was owned by STC International being the trustee of the AY Trust. Dr. Albert Yeung, as the founder of the AY Trust, was deemed to be interested in the share capital of Almighty Group and the aforesaid shares in EWJ held by Almighty Group. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk was also deemed to be interested in the said shares.
- (6) Share options granted to the directors under the share option scheme of EIHL.
- (7) Share options granted to the directors under the share option scheme of EEH.

Save as disclosed above, as at 30th September, 2009, none of the Directors or chief executives of the Company had any interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the directors as referred to in Rule 5.46 of the GEM Listing Rules.

SHARE OPTION SCHEME AND DIRECTORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

The Company's existing share option scheme (the "Share Option Scheme") was approved for adoption on 26th August, 2004 and became effective on 11th November, 2004 and valid for the next ten years.

The Company had not granted any option under the Share Option Scheme since its adoption.

As at 30th September, 2009, the Company had not granted any right to subscribe for equity or debt securities of the Company to any director or chief executive of the Company or their spouse or children under 18 years of age.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

So far as known to the directors of the Company, as at 30th September, 2009, the persons or corporations (other than the directors or chief executives of the Company) who had interests and short positions in the shares, underlying shares and debentures of the Company as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:

Long positions in shares of the Company

Name	Capacity/ Nature of interests	Number of ordinary shares held	Approximate percentage holding
Surplus Way <i>(Note)</i>	Beneficial owner	347,341,142	133.59%
Million Way <i>(Note)</i>	Interest in a controlled corporation	347,341,142	133.59%
STC International <i>(Note)</i>	Trustee	347,341,142	133.59%
Dr. Albert Yeung <i>(Note)</i>	Founder of the AY Trust	347,341,142	133.59%
South China Finance and Management Limited	Beneficial owner	15,426,000	5.93%
South China Financial Holdings Limited	Interest in a controlled corporation	15,426,000	5.93%
Mr. Ng Hung Sang	Interest in a controlled corporation	15,426,000	5.93%

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

(Continued)

Long positions in shares of the Company (Continued)

Note: The 347,341,142 shares refer to (a) 204,484,000 shares held by Surplus Way and (b) 142,857,142 conversion shares assuming full exercise of the convertible bond of the Company held by Surplus Way. The entire issued share capital of Surplus Way was held by Million Way which was in turn wholly-owned by STC International being the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was deemed to be interested in the 347,341,142 shares held by Surplus Way. The above shares were the same shares as set out under section (a) of the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in Securities" above.

Save as disclosed above, as at 30th September, 2009, so far as is known to the directors or chief executives of the Company, no other person (not being a director or chief executive of the Company) had any interest or short position in shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange, under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

COMPETING INTERESTS

The AY Trust, a discretionary trust set up by Dr. Albert Yeung, a management shareholder of the Company (as defined in the GEM Listing Rules), indirectly held 50% of the shareholding of JCE Movies Limited ("JCE"), a company engaged in the production and distribution of movies. The Trust also indirectly held 100% interest in Prime Time (International) Entertainment Limited ("Prime Time"), a company engaged in the business of television programme production and artiste management. The businesses of JCE and Prime Time may constitute competition with the business of the Group. By virtue of the Trust's interest in the aforesaid businesses, Ms. Semon Luk, spouse of Dr. Albert Yeung, is also deemed to be interested in the businesses. The directors of the Company consider that since Ms. Semon Luk is a Non-executive director of the Company and will not exert management control over the Group, her aforesaid deemed interest in the businesses of JCE and Prime Time will not materially affect the Group's business.

Save as disclosed above, the directors of the Company believe that none of the directors or the management shareholders of the Company (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause significant competition with the business of the Group.

REVIEW OF QUARTERLY RESULTS

The unaudited consolidated results of the Group for the Period have not been audited nor reviewed by the Company's auditor, Deloitte Touche Tohmatsu, but have been reviewed by the audit committee of the Company, who is of the opinion that the preparation of such results has complied with the applicable accounting standards and requirements and that adequate disclosures have been made. The audit committee comprises the three Independent Non-executive Directors of the Company, namely Mr. Chu Kar Wing (Chairman of the audit committee), Mr. Wong Ching Yue and Mr. Wong Tak Ming, Gary.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board
Emperor Entertainment Group Limited
Luk Siu Man, Semon
Chairperson

Hong Kong, 11th November, 2009

As at the date hereof, the Board comprises the following directors:

Non-executive Director:
Luk Siu Man, Semon (*Chairperson*)

Executive Directors:
Ng Sui Wan (alias Ng Yu)
Wong Chi Fai
Fan Man Seung, Vanessa

Independent Non-executive Directors:
Chu Kar Wing
Wong Ching Yue
Wong Tak Ming, Gary