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Emperor Entertainment Group Limited

英皇娛樂集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code 8078)

HIGH CONCENTRATION OF SHAREHOLDINGS

This announcement is made at the request of the Stock Exchange in respect of the concentration of the shareholding of the Company in the hands of a limited number of shareholders as at 22 December 2009.

In view of the high concentration of Company's shareholding in a small number of Shareholders, Shareholders and prospective investors are advised to exercise extreme caution when dealing in the Shares.

This announcement is made at the request by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in respect of the concentration of the shareholding of Emperor Entertainment Group Limited (the "Company") in the hands of a limited number of shareholders as at 22 December 2009.

The Company noted that an announcement (the "SFC Announcement") has been published by the Securities and Future Commission (the "SFC") on 11 January 2010 which stated that, among other things, the SFC had completed an enquiry into the shareholding of the Company. The findings of the SFC suggested that, as at 22 December 2009, 7 shareholders held an aggregate of 37,652,000 shares of the Company ("Shares"), representing 14.48% of the issued Shares. Such shareholding, together with 219,910,000 Shares beneficially owned by two substantial shareholders (representing 84.58% of the issued Shares), represented 99.06% of the issued Shares as at 22 December 2009. Thus, only 0.94% of the issued Shares were held by other investors.

As set out in the SFC Announcement, the shareholding structure of the Company as at 22 December 2009, is as follows:-

	Number of Shares held <i>(Shares)</i>	% of total number of issued Shares <i>(%)</i>
Surplus Way Profits Ltd. <i>(Note 1)</i>	204,484,000	78.65
South China Financial Holdings Limited <i>(Note 2)</i>	15,426,000	5.93
A group of 7 shareholders	37,652,000	14.48
Other shareholders	2,438,000	0.94
Total	<u>260,000,000</u>	<u>100.00</u>

Note 1: Surplus Way Profits Limited is a company incorporated in the British Virgin Islands and is indirectly wholly-owned by The Albert Yeung Discretionary Trust whose founder is Mr. Yeung Sau Shing Albert.

Note 2: South China Financial Holdings Limited (stock code: 619) is a company incorporated in the Hong Kong with limited liability and the shares of which are listed on the Main Board of Hong Kong Stock Exchange.

Share trading of the Company was suspended on 16 December 2009 and resumed on 22 December 2009 after the Company announced, among other things, i) its proposed placement of 52 million new shares at \$0.72 apiece to raise approximately HK\$37.25 million after expense (the “Placement”); ii) its plan to buy 25 million shares in a Mainland sports lottery consultancy at a consideration of HK\$125 million involving issue of 78 million new shares at \$0.72 apiece (the “Acquisition”); and iii) a possible disposal of its entertainment business to the controlling shareholder of the Company at a cash consideration of HK\$9 million. Upon completion of the Placement and the Acquisition, the sports lottery consultancy will be owned as to 37.04% by the Company and the net proceeds of HK\$37.25 million raised from the Placement will be applied to invest in the sports lottery consultancy.

It is noted that the closing price of the Company surged by 229% from \$0.89 on 15 December 2009 to \$2.93 after resumption on 22 December 2009. As at 8 January 2010, share price of the Company closed at \$2.97, representing an increase of 234% from its closing price of \$0.89 on 15 December 2009.

The Company wishes to clarify that the above information is extracted from the SFC Announcement and the Company is not in a position to comment on its accuracy. The Company has made reasonable enquiry, including reviewing the disclosure of interests notices filed with the Company as of 22 December 2009 and noted that other than Surplus Way Profits Limited and South China Financial Holdings Limited, there was no other shareholder which held more than 5% of the issued Shares as at 22 December 2009. As at the date of this announcement, the Company has not been informed of the identity of the group of 7 shareholders as mentioned in the SFC Announcement.

As Surplus Way Profits Limited and its associates are holding approximately 78.65% of the total issued Shares as at 22 December 2009, the Company confirms that the Company has maintained a sufficient public float as required under Rule 11.23 of the GEM Listing Rules.

Having made all reasonable enquiries with the directors of the Company and to the best knowledge of the Company, the Company confirms that as at 22 December 2009 the public float in respect of the Shares is maintained and the shareholding structure of the Company is as follows:

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Surplus Way Profits Ltd. (<i>Note 1</i>)	204,484,000	78.65
South China Financial Holdings Limited (<i>Note 2</i>)	15,426,000	5.93
Public shareholders	40,090,000	15.42
Total	<u>260,000,000</u>	<u>100.00</u>

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