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INTERNATIONAL ENTERTAINMENT CORPORATION

國際娛樂有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8118)

CONTINUING CONNECTED TRANSACTION

On 27 January 2010, Future Growth Limited, a wholly-owned subsidiary of the Company, entered into an offer letter with New World Tower Company Limited, a connected person (as defined in the GEM Listing Rules), for the lease of certain premises in New World Tower in Hong Kong for a term of two years commencing from 1 May 2010 to 30 April 2012.

As at the date of this announcement, Mediastar International Limited is the substantial shareholder of the Company holding approximately 74.78% of the issued share capital of the Company. Mediastar International Limited is wholly-owned by Chow Tai Fook Enterprises Limited.

New World Tower Company Limited is a wholly-owned subsidiary of New World Development Company Limited, the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited, and Chow Tai Fook Enterprises Limited and its subsidiaries have an aggregate of approximately 38.80% of interests in the issued share capital of New World Development Company Limited as at the date of this announcement. Therefore, New World Tower Company Limited is an associate (has the same meaning ascribed thereto under the GEM Listing Rules) of Chow Tai Fook Enterprises Limited. Accordingly, New World Tower Company Limited is a connected person of the Company under the GEM Listing Rules and the entering into of the Offer Letter constitutes a continuing connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As the maximum aggregate annual values of the transactions under the Offer Letter and the Existing Tenancy, exceed 0.1 per cent but less than 2.5 per cent of the applicable percentage ratios, the entering into of the Offer Letter is therefore only subject to the annual review, reporting and announcement requirements and is exempt from the independent shareholders' approval requirements under Rule 20.34 of the GEM Listing Rules.

The board of directors (the “Board”) of International Entertainment Corporation (the “Company”) announces that on 27 January 2010, Future Growth Limited, a wholly-owned subsidiary of the Company, entered into an offer letter (the “Offer Letter”) with New World Tower Company Limited, a connected person as defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”), major terms of which are as follows:–

THE OFFER LETTER

Landlord	:	New World Tower Company Limited, a wholly-owned subsidiary of New World Development Company Limited
Tenant	:	Future Growth Limited, a wholly-owned subsidiary of the Company
Premises	:	Rooms 1507-8, 15th Floor, New World Tower, 16-18 Queen’s Road Central, Hong Kong. The total gross floor area is approximately 1,750 square feet.
Lease term	:	Two (2) years commencing on 1 May 2010 and expiring on 30 April 2012 (both dates inclusive)
Rent	:	HK\$75,250 per month (exclusive of air-conditioning and management charges and government rates)
Air-conditioning and management charges	:	HK\$7,875 per month (subject to adjustment by New World Tower Company Limited or the management company of the building)
Rent free period	:	A period one (1) month and fifteen (15) days commencing on 1 May 2010 and expiring on 15 June 2010 (both dates inclusive)

A formal tenancy agreement shall be signed between Future Growth Limited and New World Tower Company Limited.

The rent (including the air-conditioning and management charges) was determined by reference to prevailing market rent of office units of similar size in the same building. The terms of the Offer Letter were negotiated on an arm’s length basis and were on normal commercial terms. The directors of the Company (including the independent non-executive directors of the Company) consider that the Offer Letter were entered into on normal commercial terms (terms no less favourable to Future Growth Limited than terms available to independent third parties) and in the ordinary and usual course of business of the Company and its subsidiaries (collectively the “Group”) and on the terms that are fair and reasonable and in the interest of the Company and its shareholders as a whole.

The maximum aggregate annual values payable by the Group for the transaction contemplated under the Offer Letter for the financial years ending 31 March 2011 and 31 March 2012 and for the period from 1 April 2012 to 30 April 2012 (the expiry of the lease term under the Offer Letter) are HK\$900,000, HK\$1,100,000 and HK\$100,000 respectively. In arriving at the maximum aggregate annual values in respect of the tenancy arrangement under the Offer Letter, the rental amount and other terms as stated in the Offer Letter have been taken into consideration.

REASON FOR THE ENTERING INTO OF THE OFFER LETTER

The purpose of the entering into of the Offer Letter is to expand the office area of the Group in Hong Kong.

EXISTING TENANCY

In addition to the Offer Letter, Future Growth Limited had entered into another offer letter with New World Tower Company Limited for the lease of the following premises (the “Existing Tenancy”) as announced by the Company on 3 November 2009. The major terms of which are as follows:–

Premises	:	Rooms 1207-8, 12th Floor, New World Tower, 16-18 Queen’s Road Central, Hong Kong. The total gross floor area is approximately 1,800 square feet.
Lease term	:	Three (3) years commencing on 15 November 2009 and expiring on 14 November 2012 (both dates inclusive)
Rent	:	HK\$77,400 per month (exclusive of air-conditioning and management charges and government rates)
Air-conditioning and management charges	:	HK\$8,100 per month (subject to adjustment by New World Tower Company Limited or the management company of the building)

The annual caps for the Existing Tenancy for the financial years ending 31 March 2010, 31 March 2011 and 31 March 2012 and for the period from 1 April 2012 to 14 November 2012 (the expiry of the lease term under the Existing Tenancy) are HK\$900,000, HK\$1,100,000, HK\$1,100,000 and HK\$700,000 respectively.

REVISION OF THE ANNUAL CAPS

As the continuing connected transaction under the Offer Letter is of similar nature as the transaction under the Existing Tenancy and was entered with the same party as the Existing Tenancy, the transaction amounts under the Existing Tenancy and the Offer Letter are then aggregated pursuant to Rule 20.26(1) of the GEM Listing Rules. Taking into account the maximum aggregate annual values payable by the Group for the transactions contemplated under the Offer Letter and the Existing Tenancy, the Directors therefore revise the annual caps as announced by the Company on 3 November 2009 to HK\$900,000, HK\$2,000,000,

HK\$2,200,000 and HK\$800,000 for the financial years ending 31 March 2010, 31 March 2011 and 31 March 2012 and for the period from 1 April 2012 to 14 November 2012 (the expiry of the lease term under the Existing Tenancy) respectively.

GEM LISTING RULES IMPLICATIONS

As at the date of this announcement, Mediastar International Limited is the substantial shareholder of the Company holding approximately 74.78% of the issued share capital of the Company. Mediastar International Limited is wholly-owned by Chow Tai Fook Enterprises Limited.

New World Tower Company Limited is a wholly-owned subsidiary of New World Development Company Limited, the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited, and Chow Tai Fook Enterprises Limited and its subsidiaries have an aggregate of approximately 38.80% of interests in the issued share capital of New World Development Company Limited as at the date of this announcement. Therefore, New World Tower Company Limited is an associate (has the same meaning ascribed thereto under the GEM Listing Rules) of Chow Tai Fook Enterprises Limited. Accordingly, New World Tower Company Limited is a connected person of the Company under the GEM Listing Rules and the entering into of the Offer Letter constitutes a continuing connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As the maximum aggregate annual values of the transactions under the Offer Letter and the Existing Tenancy, exceed 0.1 per cent but less than 2.5 per cent of the applicable percentage ratios, the entering into of the Offer Letter is therefore only subject to the annual review, reporting and announcement requirements and is exempt from the independent shareholders' approval requirements under Rule 20.34 of the GEM Listing Rules.

GENERAL

The principal activities of the Group are hotel operations, leasing of properties for casino, ancillary leisure and entertainment operations, and the acquisition, financing, production and worldwide licensing of theatrical feature films in a variety of genres and investments in production of television series, music concerts and music records.

The principal activity of New World Tower Company Limited is property investment.

By order of the Board
International Entertainment Corporation
Kwok Chi Kin
Company Secretary

Hong Kong, 27 January 2010

As at the date of this announcement, the Board comprises the following members:

Executive Directors:

Cheng Kar Shun (*Chairman*)
Lo Lin Shing, Simon (*Deputy Chairman*)
To Hin Tsun, Gerald
Cheng Kam Chiu, Stewart
Cheng Kam Biu, Wilson
Cheng Chi Kong
Cheng Chi Him

Independent Non-executive Directors:

Cheung Hon Kit
Kwee Chong Kok, Michael
Lau Wai Piu
Tsui Hing Chuen, William *JP*

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this announcement 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 announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain at www.hkgem.com on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting and on the website of the Company at www.ientcorp.com.