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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)

MAJOR TRANSACTION AND RESUMPTION OF TRADING

THE LOAN AGREEMENT

On 8 April 2008, Fortune Gate, a direct wholly-owned subsidiary of the Company, entered into the Loan Agreement with ATD, an associated company of the Company. Pursuant to the Loan Agreement, among other things, Fortune Gate has conditionally agreed to make available the Additional Shareholder's Advance of HK\$760 million to ATD for financing the development of the Property and the working capital of ATD. The Second Shareholder's Loan and the Additional Shareholder's Advance in the aggregate sum of HK\$800 million represents 40% of the total shareholders' loans requested by ATD which is in proportion to the Group's equity interest in ATD.

As the relevant applicable aggregate percentage ratios for the advancement of the Second Shareholder's Loan and the Additional Shareholder's Advance under Chapter 19 of the GEM Listing Rules is above 25% but less than 100%, the grant of the Second Shareholder's Loan and the Additional Shareholder's Advance together constitutes a major transaction for the Company and is subject to the Shareholders' approval. A circular containing further information in relation to the Loan Agreement will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 9 April 2008 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 10 April 2008.

THE LOAN AGREEMENT

The Loan Agreement sets out the terms and conditions upon which (i) the First Shareholder's Loan and the Second Shareholder's Loan have been advanced by Fortune Gate to ATD; and (ii) Fortune Gate will make the Additional Shareholder's Advance of up to HK\$760 million to ATD.

Date

8 April 2008 (being entered into after trading hours)

Parties

Lender : Fortune Gate

Borrower : ATD

The Directors confirm that to the best of their knowledge, information and belief, and having made all reasonable enquiries, ATD is not a connected person of the Company and is not connected with the Company, any of the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates.

Principal terms

- Loans : It comprises the First Shareholder's Loan of approximately HK\$87.9 million, the Second Shareholder's Loan of HK\$40 million and the Additional Shareholder's Loan of up to HK\$760 million. The Loans have been and will be granted in the Relevant Proportions. The First Shareholder's Loan was originally advanced prior to the acquisition of the 40% equity interest in ATD by the Group by the then shareholder of ATD before 31 December 2006 while the Second Shareholder's Loan was advanced by the Group in March 2008. The Additional Shareholder's Advance will be conditionally made available by Fortune Gate to ATD.
- Purpose : The Loans shall be used for the purposes of financing the development of the Property by ATD and as working capital of ATD.
- Security : The Loans are unsecured and collateral-free.
- Repayment : The First Shareholder's Loan and the Second Shareholder's Loan have no fixed date of repayment. The Additional Shareholder's Loan (together with all interest accrued thereon) shall be repaid in full on the earlier of the second anniversary of the Loan Agreement and the seventh day after the issue of the certificate of compliance and the occupation permit in respect of the Property.

- Interests : The First Shareholder's Loan is interest-free. Interest at the rate of 6% per annum from the date of advance by Fortune Gate to the date of full repayment by ATD will be charged on the Second Shareholder's Loan and the Additional Shareholder's Loan, which interest shall be paid every three months.
- Others : (i) ATD may make multiple drawings under the Additional Shareholder's Advance provided that (a) each drawing to be made under the Loan Agreement and the Other Shareholders' Loan Agreements shall be in the Relevant Proportions and respective drawings under the Other Shareholders' Loan Agreements shall be made no later than the drawing to be made under the Loan Agreement; and (b) the total amount of the drawings to be made by ATD under the Loan Agreement shall not exceed HK\$760 million; and
- (ii) any repayment of the Additional Shareholder's Loan (including all interests accrued thereon) by ATD to its shareholders shall be made in the Relevant Proportions.

Conditions

The making of the Additional Shareholder's Advance by Fortune Gate to ATD is subject to the following conditions:

- (i) the obtaining of an ordinary resolution of the Company, other than those who are required to abstain from voting under the applicable rules and regulations, passed at a general meeting of the Company approving the entering into of the Loan Agreement and the transactions contemplated thereunder by Fortune Gate;
- (ii) all necessary governmental and regulatory approvals, consents (or waivers) or clearances required by the Company or the parties involved for the consummation of the transactions contemplated thereunder have been obtained;
- (iii) all necessary third party approvals or consents or waivers required by the parties involved for the consummation of the transactions contemplated thereunder have been obtained; and
- (iv) the Other Shareholders have signed the Other Shareholders' Loan Agreements.

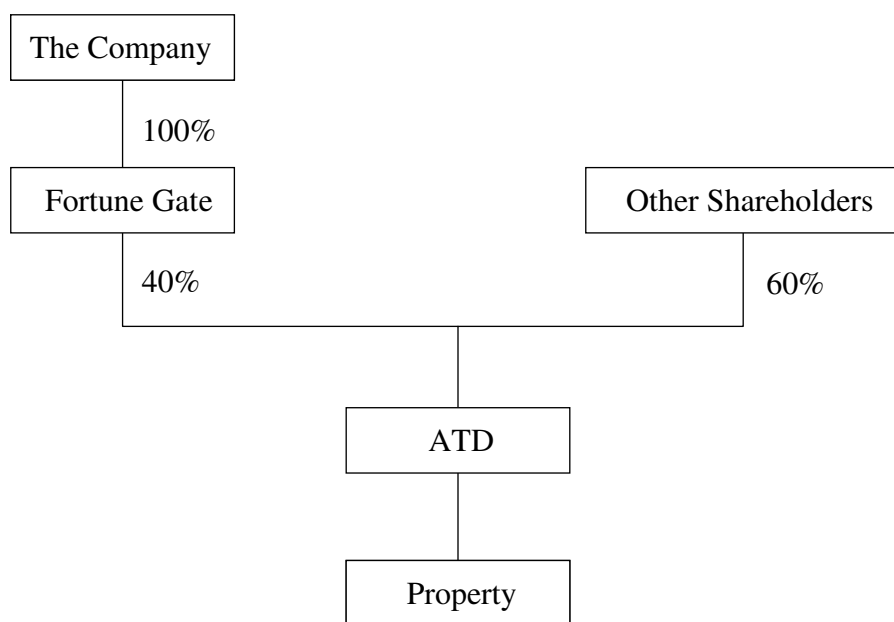
The conditions set out in (i), (ii) and (iii) above are not waivable by Fortune Gate or ATD, but Fortune Gate may, at its absolute discretion and with or without conditions, waive the condition set out in (iv). If any of the conditions set out above has not been fulfilled or waived by 30 June 2008, or such later date as Fortune Gate may agree at its absolute discretion, the Loan Agreement shall be terminated automatically and have no further force and effect.

The terms of the Loan Agreement were arrived at after arm's length negotiations between Fortune Gate and ATD. As advised by the Directors, the Additional Shareholder's Advance will be financed by the Group's internal resources.

INFORMATION ON ATD

ATD is principally engaged in the development of the Property, which is a super-deluxe hotel and residential complex, comprising numerous hotel rooms and casino facilities located in Macau with a total site area of approximately 7,128 sq.m. As at the date of this announcement, the development of the Property is still in progress.

The shareholding structure of ATD as at the date of this announcement is set out below:



CTFJ, in its ordinary course of business of a licensed money lender, has provided/will provide financial assistance to the Other Shareholders in respect of their respective additional shareholders' loans to be provided to ATD in the Relevant Proportions.

REASONS FOR ENTERING INTO THE LOAN AGREEMENT

The principal activities of the Group are hotel operations, leasing of properties for casino, ancillary leisure and entertainment operations, provision of network solutions, project services, 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 Second Shareholder's Loan and the Additional Shareholder's Advance in an aggregate sum of HK\$800 million represents 40% of the total shareholders' loans requested by ATD which is in proportion to the Group's equity interest in ATD.

As mentioned in the unaudited third quarterly report of the Company for the nine months ended 31 December 2007, the Group would focus on the hotel operations and the leasing of properties for casino ancillary leisure and entertainment operations. The Directors are optimistic about the prospects in the development of the Property by ATD and consider that the entering into of the Loan Agreement, which provides the Group with potential investment return, are in line with the strategic direction of the Group and can provide the Group with a stable and promising source of interest income during the terms of the Second Shareholder's Loan and the Additional Shareholder's Loan. As at 30 September 2007, the Group recorded cash and bank balances of approximately HK\$1.5 billion. The Directors confirm that the Group has sufficient internal financial resources to proceed with the Loan Agreement as at the date of this announcement. The Directors consider it is beneficial to the Group to utilise its cash during the prevailing low bank interest environment in Hong Kong. The Directors are of the view that the terms of the Loan Agreement are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

GENERAL

The Directors consider that the Loan Agreement constitutes a provision of financial assistance pursuant to Rule 17.18 of the GEM Listing Rules. However, the aggregate of the First Shareholder's Loan and the Second Shareholder's Loan does not exceed 8% under the asset ratio as defined under Rule 19.07(1) of the GEM Listing Rules, the Directors further confirm that the grant of the Second Shareholder's Loan does not constitute a discloseable transaction pursuant to Chapter 19 of the GEM Listing Rules. As the relevant applicable aggregate percentage ratios for the advancement of the Second Shareholder's Loan and the Additional Shareholder's Advance under Chapter 19 of the GEM Listing Rules is above 25% but less than 100%, the grant of the Second Shareholder's Loan and the Additional Shareholder's Advance together constitutes a major transaction for the Company and is subject to the Shareholders' approval. As CTFJ has provided/will provide financial assistance to the Other Shareholders in respect of their respective additional shareholders' loans to be provided to ATD in the Relevant Proportions, CTFJ and its respective associates will abstain from voting on the proposed resolution approving the Loan Agreement at the EGM. A circular containing further information in relation to the Loan Agreement will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 9 April 2008 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 10 April 2008.

DEFINITIONS

“Additional Shareholder's Advance”	loan facilities of up to HK\$760 million to be advanced to ATD by Fortune Gate pursuant to the Loan Agreement
“Additional Shareholder's Loan”	the principal amount drawn and for the time being outstanding under the Additional Shareholder's Advance

“associates”	has the meaning ascribed to it under the GEM Listing Rules
“ATD”	Arc of Triumph Development Company Limited, an associated company of the Company incorporated in Macau, and is owned as to 40% by the Group
“Company”	International Entertainment Corporation, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM (Stock Code: 8118)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“CTF”	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability and through its direct wholly-owned subsidiary, Mediastar International Limited, is interested in approximately 74.78% equity interest of the Company as at the date of this announcement
“CTFJ”	Chow Tai Fook Jewellery Company Limited, a company incorporated in Hong Kong with limited liability and a fellow subsidiary of CTF
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held for the purpose of approving, amongst other things, the Loan Agreement
“First Shareholder’s Loan”	loan of approximately HK\$87.9 million advanced to ATD by Fortune Gate
“Fortune Gate”	Fortune Gate Overseas Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and is(are) not connected person(s) of the Company
“Loans”	refer to the First Shareholder’s Loan, the Second Shareholder’s Loan and the Additional Shareholder’s Loan

“Loan Agreement”	the conditional loan agreement dated 8 April 2008 signed between Fortune Gate as lender and ATD as borrower in relation to the Loans
“Macau”	the Macau Special Administrative Region of the PRC
“Other Shareholders”	the other shareholders of ATD, other than Fortune Gate, which are Independent Third Parties
“Other Shareholders’ Loan Agreements”	the respective loan agreements to be entered into between each of the Other Shareholders as lenders and ATD as borrower in relation to the shareholder’s loans provided and to be provided by the Other Shareholders to ATD
“percentage ratio(s)”	has the meaning as defined in Rule 19.07 of the GEM Listing Rules
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purpose of this announcement
“Property”	a super-deluxe hotel and residential complex, comprising numerous hotel rooms and casino facilities located in Macau, at Avenida Sir Anders Ljungstedt, Lot Number “A2/J (NAPE)
“Relevant Proportions”	the percentage of shareholding of ATD owned by ATD’s shareholders
“Second Shareholder’s Loan”	loan of HK\$40 million advanced to ATD by Fortune Gate
“Share(s)”	ordinary share(s) of HK\$1.00 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“sq.m.”	square metres
“%”	per cent.

By order of the board of
International Entertainment Corporation
Cheng Kar Shun
Chairman

Hong Kong, 9 April 2008

As at the date of this announcement, the board of Directors 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

Non-executive Director:

Wu Wing Kin

Independent non-executive Directors:

Cheung Hon Kit

Kwee Chong Kok, Michael

Wong Chi Keung

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, 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.