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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)

ANNOUNCEMENT

On 17 July 2008 (Montreal time), the Company's Canadian legal representative proceeded with the delivery of the Requisition, pursuant to which Mediamaster proposes to voluntarily liquidate M8 and to appoint a liquidator for such purpose.

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The M8 Group is principally engaged in the acquisition, financing, production, and worldwide licensing of theatrical feature films in a variety of genres in the North America. In the event of the winding up of M8, the M8 Group will cease to be subsidiaries of the Company and the financial results of the M8 Group will cease to be consolidated to the Group's financial statements. Once M8 is formally put into liquidation under a liquidator, the presentation of the Group's financial statements may be affected.

REASONS FOR THE ISSUANCE OF THE REQUISITION

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. As indicated in the Company's annual reports, the Group's filming business in North America has been sustaining losses over the past years. In October 2007, the Company completed the acquisition of hotel operations, leasing of properties for casino, and ancillary leisure and entertainment operations, which enables the Group to take a further step in the leisure and entertainment markets through investing in the hotel and entertainment operations in the Philippines and Macau.

After taking into account matters related to the conduct of the M8 Group's business, which include, *inter alia*, the pessimistic operations of the M8 Group going forward, the status of the M8 Group's indebtedness to the Company, and the high cost of maintaining subsidiaries in North America, the Directors consider that it is the best interest of the Company not to devote any further resources to the

M8 Group and to concentrate on the Company's businesses and investments in Asia. The Directors also consider that it is appropriate to liquidate the M8 Group in accordance with the relevant overseas regulations so that the Group would focus on its existing hotel and entertainment operations and explore the leisure and entertainment markets for opportunities in those sectors in Asia with more anticipated potential growth in the near to medium term.

GENERAL

M8 is currently an approximately 50.4% indirect-owned subsidiary of the Company and the M8 Group are major subsidiaries of the Company as defined in Rule 17.27(2) of the GEM Listing Rules.

As at the date of this announcement, the resolution has not been passed to wind up M8. The Company will make further announcements pursuant to the GEM Listing Rules, in particular, Rule 17.27(1)(c) of the GEM Listing Rules for any further development. As the issuance of the Requisition only represents preliminary stage of the formal liquidation of M8, it is expected that the entire procedure will take a relatively long period of time and is subject to the compliance of certain overseas rules and regulations.

Shareholders and potential investors are advised to continue to exercise caution in dealing in the Shares as the liquidation of the M8 Group may or may not proceed and will only be made upon completion of the entire winding up procedure, which is subject to the compliance of certain overseas rules and regulations.

DEFINITIONS

“Board”	the board of the Directors
“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)
“Directors”	the directors 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
“M8”	M8 Entertainment Inc., a company incorporated in Canada with limited liability and an indirectly, non-wholly owned subsidiary of the Company
“M8 Group”	M8 and its subsidiaries
“Macau”	the Macau Special Administrative Region of the PRC

“Mediamaster”	Mediamaster Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company, which currently holds approximately 50.4% equity interest in M8
“Philippines”	the Republic of the Philippines
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Requisition”	the requisition of a special meeting of the shareholders of M8 for the purposes of the proposed voluntary liquidation of M8 and the appointment of a liquidator
“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
“%”	per cent.

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

Hong Kong, 18 July 2008

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 Bui, 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.