

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in International Entertainment Corporation (the "Company"), you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular, 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 circular 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 circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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



INTERNATIONAL ENTERTAINMENT CORPORATION
國際娛樂有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8118)

MAJOR TRANSACTION
EXTENSION OF LOAN FACILITY

A notice convening the extraordinary general meeting of the Company to be held at Meeting Room S225, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Thursday, 27 August 2009 at 11:15 a.m. (or so soon thereafter as the annual general meeting of the Company convened on the same day and at the same place at 11:00 a.m. shall have been concluded or adjourned) is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you are able to attend such meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of such meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting (as the case may be) should you so wish.

11 August 2009

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“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
“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)
“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, was interested in approximately 74.78% equity interest of the Company as at the Latest Practicable Date
“Director(s)”	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 Supplemental Loan Agreement and the transactions contemplated
“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

DEFINITIONS

“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
“Latest Practicable Date”	6 August 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Loan Agreement”	the conditional loan agreement dated 8 April 2008 entered into between Fortune Gate as lender and ATD as borrower in relation to the Additional Shareholder’s Advance
“Macau”	the Macau Special Administrative Region of the PRC
“M8”	M8 Entertainment Inc., a company incorporated in Canada with limited liability and an indirect, non-wholly owned subsidiary of the Company
“M8 Group”	M8 and its subsidiaries
“Other Shareholders”	the other shareholders of ATD, other than Fortune Gate, which are Independent Third Parties
“Other Shareholders’ Loan Agreements”	the respective loan agreements entered into between each of the Other Shareholders as lenders and ATD as borrower in relation to the shareholder’s loans 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 circular

DEFINITIONS

“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
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“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
“Supplemental Loan Agreement”	the conditional supplemental loan agreement to the Loan Agreement dated 29 July 2009 entered into between Fortune Gate as lender and ATD as borrower to extend the repayment date of the Additional Shareholder’s Loan
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“sq.m.”	square metres
“%”	per cent.

LETTER FROM THE BOARD



INTERNATIONAL ENTERTAINMENT CORPORATION 國際娛樂有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8118)

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

Independent non-executive Directors:

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

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Rooms 1207-8
New World Tower 1
16-18 Queen's Road Central
Hong Kong

11 August 2009

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION EXTENSION OF LOAN FACILITY

INTRODUCTION

Reference is made to the circular of the Company dated 28 April 2008 in respect of the Loan Agreement entered into between Fortune Gate and ATD on 8 April 2008 pursuant to which 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. On 29 July 2009, Fortune Gate and ATD entered into the Supplemental Loan Agreement to extend the repayment date of the Additional Shareholder's Loan.

As the relevant applicable percentage ratio for the Additional Shareholder's Advance under Chapter 19 of the GEM Listing Rules is above 25% but less than 100%, the grant of the Additional Shareholder's Advance constitutes a major transaction for the Company and is subject to the Shareholders' approval. As CTF and its associates

LETTER FROM THE BOARD

abstained from voting on the approval of the Loan Agreement, again CTF and its associates will abstain from voting on the proposed resolution approving the Supplemental Loan Agreement at the EGM. The purpose of this circular is to provide you with further details of the transaction contemplated under the Supplemental Loan Agreement, information on the Group and a notice convening the EGM.

BACKGROUND OF THE LOAN AGREEMENT

On 19 May 2008, the Shareholders approved the Loan Agreement and the Additional Shareholder's Advance in the extraordinary general meeting of the Company.

The principal terms of the Loan Agreement are set out as follows:

- Interests : 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 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.

THE SUPPLEMENTAL LOAN AGREEMENT

On 29 July 2009, Fortune Gate and ATD entered into the Supplemental Loan Agreement to extend the repayment date of the Additional Shareholder's Loan. The details of the Supplemental Loan Agreement are set out as follows:

Date

29 July 2009 (being entered into after trading hours)

Parties

Lender : Fortune Gate

Borrower : ATD

LETTER FROM THE BOARD

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

Repayment: The final repayment date of the Additional Shareholder's Loan (together with all interest accrued thereon) shall be changed to 31 August 2010.

Conditions

The entering into the Supplemental Loan Agreement 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 Supplemental 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; and
- (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.

The terms of the Supplemental Loan Agreement were arrived at after arm's length negotiations between Fortune Gate and ATD. As advised by the Directors, the Additional Shareholder's Loan has been financed by the Group's internal resources and is unsecured and collateral-free. As at the Latest Practicable Date, ATD has utilised approximately HK\$617.6 million of the total Additional Shareholder's Advance of HK\$760 million.

As at the Latest Practicable Date, the Directors were not aware of any agreement signed among ATD and Other Shareholders regarding the extension of loan repayment. However, to the best knowledge of the Directors, ATD intends to seek extension of the repayment of the loans with Other Shareholders at the terms similar to the Supplemental Loan Agreement before the original maturity day.

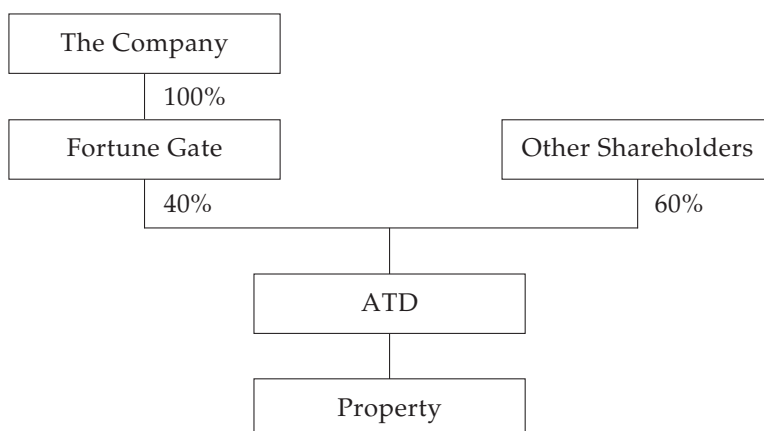
Saved for the change of the repayment date in the Supplemental Loan Agreement as disclosed above, other terms and conditions of the Loan Agreement shall continue to have full force and effect.

LETTER FROM THE BOARD

INFORMATION ON ATD

ATD is principally engaged in property development and investment, and hotel business. 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., is being developed by ATD. As at the Latest Practicable Date, the development of the Property is still in progress.

The shareholding structure of ATD as at the Latest Practicable Date is set out below:



REASONS FOR ENTERING INTO THE SUPPLEMENTAL LOAN AGREEMENT

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 Directors are optimistic about the prospects in the development of the Property by ATD and consider that the entering into of the Supplemental Loan Agreement provides the Group with potential return, are in line with the strategic direction of the Group and can provide the Group with a stable and promising source of interest receipts during the terms of the Additional Shareholder's Loan. ATD had informed its shareholders that the receipts from the sale of residential units may not be fully received within the seventh day after the issue of the certificate of compliance and the occupation permit in respect of the Property due to the unexpected deferment of the approval of mortgage loan applied by some of the purchasers. As a result, ATD expected that it would not have sufficient fund to repay the shareholder's loans in full on the repayment date of the Loan Agreement. ATD had requested Fortune Gate to change the repayment date of the Additional Shareholder's Loan set out in clause 4(e) of the Loan Agreement to 31 August 2010. The Directors are still confident about the development of the Property by ATD. The Directors are of the view that it is important for the Group, as a shareholder, to provide necessary support to ATD in order to protect the Group's interests in the investment. As at 30 June 2009, the Group recorded cash and bank balances of approximately HK\$595.9 million. The Directors confirm that the Group has sufficient internal financial resources to extend the term of the Loan Agreement as supplemented by the Supplemental Loan Agreement as at the Latest Practicable Date. Except for the extra interest to be received, the Directors expect that there will not be any material impact on the Group's earnings and assets and liabilities as a result of extension of the repayment of the Addition Shareholder's Loan. The Directors believe that the Supplemental Loan Agreement will not impose any material adverse

LETTER FROM THE BOARD

effect on the overall financial position of the Group. The Directors consider it is beneficial to the Group to utilise its cash during the prevailing low bank interest environment in Hong Kong. Therefore, the Directors are of the view that the terms of the Supplemental Loan Agreement are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

RECOMMENDATION

The Directors consider that the Supplemental Loan Agreement was entered into after arm's length negotiation and the terms of the Supplemental Loan Agreement are fair and reasonable and are in the interests of the Group and the Shareholders as a whole. The Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Supplemental Loan Agreement and the transactions contemplated.

EGM

A notice convening the EGM to be held at Meeting Room S225, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Thursday, 27 August 2009 at 11:15 a.m. (or so soon thereafter as the annual general meeting of the Company convened on the same day and at the same place at 11:00 a.m. shall have been concluded or adjourned) is set out on pages EGM-1 to EGM-2 of this circular for the purpose of considering and, if thought fit, passing the resolution set out therein. Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. As such, the voting in respect of the proposed resolution approving the Supplemental Loan Agreement at the EGM will be conducted by way of poll. As CTF and its associates abstained from voting on the approval of the Loan Agreement, again CTF and its associates will abstain from voting on the proposed resolution approving the Supplemental Loan Agreement at the EGM. As at the Latest Practicable Date, CTF was interested in approximately 74.78% equity interest of the Company.

You will find enclosed a form of proxy for use at the EGM. Whether or not you are able to attend such meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of such meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting (as the case may be) should you so wish.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
International Entertainment Corporation
Dr. Cheng Kar Shun
Chairman

1. INDEBTEDNESS

As at the close of business of 30 June 2009, being the latest practicable date for the purpose of preparing the indebtedness statement prior to the printing of this circular, the Group had:

- (1) convertible note of HK\$400 million which will mature on 10 October 2010, bears interest at the rate of 1% per annum and is convertible into Shares at an initial conversion price of HK\$2 per Share, subject to customary adjustments for among other things, subdivision or consolidation of shares, bonus issues, rights issues and other events which have diluting effects on the issued share capital of the Company; and
- (2) promissory notes of approximately HK\$316.4 million, which were unsecured, interest-free and repayable on demand.

Save as aforesaid and apart from intra-group liabilities and normal trade payables, the Group did not have any bank loans, bank overdrafts and liabilities under acceptances or acceptance credits or other similar indebtedness, term loans, debt securities, debentures or other loan capital, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities outstanding as at the close of business on 30 June 2009.

Currencies (other than Hong Kong dollars) have, for the purpose of this indebtedness statement, been translated into Hong Kong dollars at the applicable rates of exchange ruling at the close of business on 30 June 2009.

2. WORKING CAPITAL

The Directors are of the opinion that, following the advancement of the Additional Shareholder's Loan by the Group pursuant to the terms of the Loan Agreement and the extension of the repayment date pursuant to the Supplemental Loan Agreement, taking into account the financial resources available to the Group, including internally generated funds and the present available credit facilities, and in the absence of unforeseen circumstances, the Group has sufficient working capital for its present requirements for at least the next twelve months from the Latest Practicable Date.

3. MATERIAL CHANGE

The Directors have confirmed that, as at the Latest Practicable Date, they are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2009, being the date to which the latest published audited consolidated financial statements of the Company were made up.

4. FINANCIAL INFORMATION

Financial performance for the year ended 31 March 2009

The Group's revenue from continuing operations for the year ended 31 March 2009 was approximately HK\$483.5 million, representing an increase of approximately 59.2%, as compared with approximately HK\$303.7 million in the last year. The increase in revenue was mainly contributed by the revenue from the lease of properties and hotel operations in the Philippines during the year. The Group reported a gross profit from continuing operations of approximately HK\$213.4 million for the year under review, representing an increase of approximately 38.4%, as compared with approximately HK\$154.1 million in the last year. The increase in gross profit from continuing operations was mainly due to the contributions from the business operations in the Philippines during the year.

Finance costs from continuing operations for the year ended 31 March 2009 were approximately HK\$43.2 million, representing an increase of approximately 56.7%, as compared with approximately HK\$27.5 million in last year. The increase was mainly due to the recognition of the effective interest expense on convertible note for the full fiscal year 2008/09.

The Group recorded a profit from continuing operations for the year ended 31 March 2009, amounted to approximately HK\$140.1 million, representing an increase of 31.2%, as compared with approximately HK\$106.8 million in the last year. The financial performance was improved mainly due to the contributions from the business operations in the Philippines, as well as the effect of deferred taxation credit.

On 27 December 2007, the Company entered into a conditional sale and purchase agreement for the disposal of its entire interest in Cyber On-Air Group Limited ("COAG"). COAG and its subsidiaries are principally engaged in network solutions and project services. The disposal was completed in April 2008. Immediately after the completion of the disposal, the Group ceased to carry on the business of provision of network solutions and project services. Details of the disposal are set out in the announcements of the Company dated 2 January 2008 and 3 March 2008, and the circular of the Company dated 23 January 2008.

The loss for the year ended 31 March 2009 from the discontinued operations, including the provision of the network solutions and project services, was approximately HK\$1.4 million, while it was a profit of approximately HK\$1.0 million in the last year.

5. FUTURE OUTLOOK

After the completion of the acquisition of the hotel and entertainment operations in the Philippines and Macau, the Group focuses on the hotel operations and the leasing of properties for casino, ancillary leisure and entertainment operations as they are the core activities of the Group. The Directors consider the hotel and entertainment operations will continue to contribute significantly towards the Group's revenue and results.

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 business 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 as to enable the Group's current management to focus on its existing hotel and entertainment operations and to explore other leisure and entertainment businesses or opportunities in Asia. The objective is to strive for better return to the Shareholders. On 10 September 2008 (Montreal time), the Company's Canadian legal advisers proceeded with the filing of a Petition for the Issuance of a Liquidation Order before the Superior Court of Quebec in Canada. Details of the development of the liquidation of the M8 Group are set out in the announcements of the Company dated 18 July 2008 and 11 September 2008. The Company will make further announcement in accordance with the GEM Listing Rules for any further development.

In addition, the Directors will continue to conduct the review of the Group's financial structure and the composition of its assets and liabilities periodically and may consider further re-alignment of its investments and business operations.

RESPONSIBILITY STATEMENT

This circular, 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 circular is accurate and complete in all material respects and not misleading in any material respect; (2) there are no other matters the omission of which would make any statement in this circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

SHARE CAPITAL**The Company**

The authorised and issued share capital of the Company as at the Latest Practicable Date were as follows:

<i>Authorised:</i>		<i>HK\$</i>
<u>2,000,000,000</u>	Shares of HK\$1.00 each	<u>2,000,000,000</u>
<i>Issued and fully paid:</i>		
<u>1,179,157,235</u>	Shares of HK\$1.00 each	<u>1,179,157,235</u>

The entire issued share capital of the Company is listed on the GEM. No part of the share or loan capital of the Company is listed on any other stock exchange other than the Stock Exchange. The Shares are freely transferable.

DISCLOSURE OF INTERESTS**(a) The Directors' or chief executives' interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations**

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO, including interests or short positions which they were taken or deemed to have under such provisions of the SFO, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

Long positions in the Shares

Name of Director	Number of Shares			Approximate percentage of the issued share capital of the Company
	Personal interest	Corporate interest	Total	
Mr. Lo Lin Shing, Simon	–	364,800 (Note)	364,800	0.03%

Note: These Shares are held by Wellington Equities Inc., which is wholly owned by Mr. Lo Lin Shing, Simon, an executive Director.

Long positions in the ordinary shares of Maxprofit International Limited (“Maxprofit”), a subsidiary of the Company

Name of Director	Number of ordinary shares of US\$1.00 each in the share capital of Maxprofit			Approximate percentage of shareholding
	Personal interest	Corporate interest	Total	
Mr. To Hin Tsun, Gerald	–	11 (Note)	11	11%

Note: Ten shares are held by Up-Market Franchise Ltd. and one share is held by Pure Plum Ltd.. Up-Market Franchise Ltd. and Pure Plum Ltd. are wholly owned by Mr. To Hin Tsun, Gerald, an executive Director.

(b) Substantial Shareholders’ interests or short positions in the shares and underlying shares of the Company

Save as disclosed below, as at the Latest Practicable Date, so far as is known to the Directors or chief executives of the Company, no person, other than a Director, or chief executive of the Company, had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO as having an interest in 5% or more of the issued share capital of the Company.

Long positions in the Shares

Name of Shareholder	Capacity	Number of Shares	Number of underlying Shares	Aggregate interest	Approximate percentage of the issued share capital of the Company
Mediastar International Limited ("Mediastar")	Beneficial owner	881,773,550	–	881,773,550	74.78%
Cross-Growth Co., Ltd.	Beneficial owner	–	200,000,000 (Note 2)	200,000,000	16.96%
CTF	Interest of a controlled corporation	881,773,550 (Note 1)	200,000,000 (Note 2)	1,081,773,550	91.74%
Centennial Success Limited	Interest of a controlled corporation	881,773,550 (Notes 1, 3)	200,000,000 (Notes 2, 3)	1,081,773,550	91.74%
Cheng Yu Tung Family (Holdings) Limited	Interest of a controlled corporation	881,773,550 (Notes 1, 4)	200,000,000 (Notes 2, 4)	1,081,773,550	91.74%

Notes:

- (1) Mediastar is wholly owned by CTF. Accordingly, CTF is deemed to be interested in 881,773,550 Shares held by Mediastar under the SFO.
- (2) These underlying Shares represent the new shares to be issued upon full conversion at the initial conversion price of HK\$2 per share of the convertible note issued by the Company on 11 October 2007 pursuant to the conditional acquisition agreement dated 23 November 2004 entered into among Cross-Growth Co., Ltd., the Company and CTF in relation to the acquisition of hotel and entertainment operations in the Philippines and Macau.

Cross-Growth Co., Ltd. is wholly owned by CTF. Accordingly, CTF is deemed to be interested in 200,000,000 underlying Shares held by Cross-Growth Co., Ltd. under the SFO.
- (3) CTF is wholly owned by Centennial Success Limited. Accordingly, Centennial Success Limited is deemed to be interested in 881,773,550 Shares held by Mediastar, and 200,000,000 underlying Shares held by Cross-Growth Co., Ltd. under the SFO.
- (4) Cheng Yu Tung Family (Holdings) Limited is interested in 51% of the issued share capital of Centennial Success Limited. Accordingly, Cheng Yu Tung Family (Holdings) Limited is deemed to be interested in 881,773,550 Shares held by Mediastar, and 200,000,000 underlying Shares held by Cross-Growth Co., Ltd. under the SFO.

(c) Interests in other members of the Group

Save as disclosed below, as at the Latest Practicable Date, so far as is known to the Directors and the chief executive of the Company, no persons were directly or indirectly deemed to be 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 members of the Group.

Name of non wholly owned subsidiaries of the Company	Name of registered substantial shareholders	Number of shares held/ amount of registered capital owned	Percentage of shareholding
Gugo Entertainment Company Limited	Mr. Chan Sik Yan	3,189,015 shares	15%
	Mr. Cheung Chun Keung	2,126,010 shares	10%
M8	Music Box Entertainment, Ltd.	129,336,445 Class C shares	49.70% of Class C shares
Maxprofit	Cross-Growth Co., Ltd.	22 shares	22%
	Up-Market Franchise Ltd.	10 shares	10%

SERVICE CONTRACTS

None of the Directors has any existing or proposed service contract with any member of the Group (other than contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts, not being contracts entered into in the ordinary course of business, were entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date which are, or may be, material:

- (a) the Loan Agreement; and
- (b) the Supplemental Loan Agreement.

LITIGATION AND POSSIBLE LEGAL ACTION

As at the Latest Practicable Date, the Group was involved in the following possible legal action:

On 10 September 2008 (Montreal time), the Company's Canadian legal advisers proceeded with the filing of a Petition for the Issuance of a Liquidation Order before the Superior Court of Quebec in Canada, pursuant to which two shareholders of M8, Mediamaster Limited and Music Box Entertainment, Ltd., propose to voluntarily liquidate M8 Group and to appoint a liquidator.

Save as disclosed above, no member of the Group is engaged in any litigation or claim of material importance and, so far as the Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of the Group.

DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 March 2009 (the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

COMPLIANCE ADVISER'S INTERESTS

As updated and notified by the compliance adviser of the Company, Cinda International Capital Limited (formerly known as Hantec Capital Limited) (the "Compliance Adviser"), as at the Latest Practicable Date, except for the agreement entered into between the Company and the Compliance Adviser dated 11 October 2007, neither the Compliance Adviser nor any of its respective directors, employees or associates (as referred to in note 3 to the Rule 6A.31 of the GEM Listing Rules) had any interests in relation to the Group.

COMPETING BUSINESS

Directors' interests in competing business

The following Directors are considered to have interests in the business which compete or are likely to compete, either directly or indirectly, with the business of the Group pursuant to the GEM Listing Rules as set out below:

Name of Director	Name of entity which business is considered to compete or likely to compete with the business of the Group	Description of business of the entity which is considered to compete or likely to compete with the business of the Group	Nature of interest of the Director in the entity
Cheung Hon Kit	ITC Properties Group Limited	Investment in hotel and residential property in Macau	executive director, optionholder and shareholder (<i>Note 1</i>)
Cheng Kar Shun	Many Town Company Limited	A minority investor of Sociedade de Jogos de Macau, S. A. which is principally engaged in casino business in Macau	director and beneficial owner (<i>Note 2</i>)
Cheng Kar Shun	New World Development Company Limited and its subsidiaries	Investment in hotel property in Makati, Manila, Philippines	executive director, optionholder and shareholder (<i>Note 3</i>)
Cheng Chi Kong	New World Development Company Limited and its subsidiaries	Investment in hotel property in Makati, Manila, Philippines	executive director and optionholder (<i>Note 4</i>)

Notes:

- (1) As at the Latest Practicable Date, Mr. Cheung Hon Kit is personally interested in 761,280 share options, 1,312,000 underlying shares under equity derivatives and 9,666,000 shares of ITC Properties Group Limited, together representing approximately 2.49% of the issued share capital of ITC Properties Group Limited.
- (2) Many Town Company Limited is owned as to 93.3% by United Worldwide Investment S.A., of which 50% is owned by Dr. Cheng Kar Shun.
- (3) As at the Latest Practicable Date, Dr. Cheng Kar Shun is personally interested in 36,710,652 share options and his spouse is personally interested in 300,000 shares of New World Development Company Limited respectively, together representing approximately 0.96% of the issued share capital of New World Development Company Limited.
- (4) As at the Latest Practicable Date, Mr. Cheng Chi Kong is personally interested in 502,885 share options of New World Development Company Limited, representing approximately 0.01% of the issued share capital of New World Development Company Limited.

Potential competition

Fortune Holiday Limited (“Fortune”), which is indirectly owned as to 73% by CTF, 11% by Mr. To Hin Tsun, Gerald and a non-member of the Group, entered into agreements with Philippine Amusement and Gaming Corporation (“PAGCOR”) in June 2002 pursuant to which Fortune, subject to fulfillment of certain conditions precedent, is entitled to acquire a site of approximately 10.5 hectares (“Fortune Land”) within a 60 hectares site at the Manila Bay Reclamation Area in the Philippines proposed to be called “Theme Park Manila”. Under those agreements, Fortune is entitled to build a hotel, residential and entertainment complex including three PAGCOR casino facilities at the Fortune Land. The initial term of the lease of the Fortune Land under the said agreements is 50 years and Fortune has also been given, *inter alia*, the option to renew the lease for another 25 years.

Fortune has also been given the right, *inter alia*, under a separate agreement entered into in June 2002 to require PAGCOR to lease and operate a casino at no more than two sites at any one time acquired by Fortune in Metro Manila (but outside the Theme Park Manila). Dr. Cheng Kar Shun is also a director of Fortune.

Save as disclosed above, none of the Directors, the controlling shareholder, management shareholder and substantial shareholder (as respectively defined in the GEM Listing Rules) of the Company and their respective associates has an interest in a business which competes or may compete with the business of the Group or has any other conflict of interest which any such person has or may have with the Group pursuant to Rule 11.04 of the GEM Listing Rules.

GENERAL

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The head office and principal place of business of the Company in Hong Kong is situated at Rooms 1207–8, New World Tower 1, 16–18 Queen’s Road Central, Hong Kong.
- (b) The Company established an audit committee (the “Audit Committee”) in July 2000 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls of the Group. The Audit Committee comprises three members, including one independent non-executive Director who possesses the appropriate professional qualifications or accounting or related financial management expertise. Details of the members of the Audit Committee are set out below.

Mr. Cheung Hon Kit, aged 56, joined the Company as an independent non-executive Director in May 2001. He is also a member of the audit committee and the remuneration committee of the Company. Mr. Cheung has over 30 years of experience in real estate development, property investment and corporate finance and has worked in key executive positions in various leading property development companies in Hong Kong. Mr. Cheung graduated from the University of London with a Bachelor of Arts degree. Mr. Cheung is the chairman of ITC Properties Group

Limited (stock code: 199), the chairman of Wing On Travel (Holdings) Limited (stock code: 1189), an executive director of ITC Corporation Limited (stock code: 372) and an independent non-executive director of Future Bright Holdings Limited (stock code: 703), all of which are public companies whose issued shares are listed on the Stock Exchange.

Mr. Lau Wai Piu, aged 45, joined the Company as an independent non-executive Director in July 2008. He is also a member of the audit committee and the remuneration committee of the Company. Mr. Lau possesses over 20 years of extensive experience in accounting and financial management. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. Mr. Lau is the chief financial officer of VOIPWORLD Limited, a private limited company incorporated in Hong Kong. He is also an independent non-executive director of Mongolia Energy Corporation Limited (stock code: 276), Taifook Securities Group Limited (stock code: 665) and New World Mobile Holdings Limited (stock code: 862), all of which are public companies whose issued shares are listed on the Stock Exchange.

Mr. Tsui Hing Chuen, William JP, aged 58, joined the Company as an independent non-executive Director in July 2008. He is also a member of the audit committee and the remuneration committee of the Company. Mr. Tsui is the founding partner of Messrs. Lo, Wong & Tsui, Solicitors & Notaries, which was established in 1980. He has been a solicitor of the High Court of Hong Kong since 1977, a solicitor of the Supreme Court of England & Wales since 1980, and a barrister and solicitor of the Supreme Court of Victoria, Australia since 1983. He has also been an advocate and solicitor in Singapore since 1985 and a notary public appointed by the Archbishop of Canterbury, England since 1988. Mr. Tsui was appointed as a Justice of the Peace by the Government of Hong Kong in 1997. He is also an independent non-executive director of Taifook Securities Group Limited (stock code: 665), New World Mobile Holdings Limited (stock code: 862) and Mongolia Energy Corporation Limited (stock code: 276), all of which are public companies whose issued shares are listed on the Stock Exchange.

- (c) The secretary of the Company is Mr. Kwok Chi Kin. Mr. Kwok is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and fellow member of The Association of Chartered Certified Accountants.
- (d) The compliance officer of the Company is Mr. To Hin Tsun, Gerald. Mr. To is also an executive Director and a practising solicitor in Hong Kong. He is also qualified as a solicitor in the United Kingdom, as well as an advocate and solicitor in Singapore.
- (e) In the event of inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

- (f) Copies of the following documents will be available for inspection at the Company's principal place of business in Hong Kong at Rooms 1207-8, New World Tower 1, 16-18 Queen's Road Central, Hong Kong during normal business hours from the date of this circular up to and including 27 August 2009:
- (i) the memorandum and articles of association of the Company;
 - (ii) each of the material contracts as set out under the paragraph headed "Material Contracts" in this appendix;
 - (iii) the annual reports of the Company for the two years ended 31 March 2009;
 - (iv) a copy of each circular of the Company issued pursuant to the requirements set out in Chapter 19 and/or Chapter 20 of the GEM Listing Rules since the date of the latest published audited financial statements of the Company.

NOTICE OF THE EGM



INTERNATIONAL ENTERTAINMENT CORPORATION 國際娛樂有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8118)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the shareholders of International Entertainment Corporation (the “Company”) will be held at Meeting Room S225, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Thursday, 27 August 2009 at 11:15 a.m. (or so soon thereafter as the annual general meeting of the Company convened on the same day and at the same place at 11:00 a.m. shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution as ordinary resolution, of the Company:-

ORDINARY RESOLUTION

“**THAT:-**

- (a) the entering into of the conditional supplemental loan agreement dated 29 July 2009 (the “**Supplemental Loan Agreement**”), a copy of which has been produced to the meeting marked “A” and initialled by the chairman of the meeting for the purpose of identification, by Fortune Gate Overseas Limited (“**Fortune Gate**”), a wholly owned subsidiary of the Company, as lender and Arc of Triumph Development Company Limited (“**ATD**”) as borrower, whereby, among other things, Fortune Gate has conditionally agreed to extend the repayment date of the principal amount drawn and for the time being outstanding under the loan facility of up to HK\$760 million granted to ATD upon the terms and subject to the conditions therein contained, be and is hereby approved, confirmed and ratified and the performance of the transactions contemplated thereunder be and is hereby approved; and
- (b) any one director of the Company be and is hereby authorised for and on behalf of the Company to do all acts and things and execute and deliver all documents whether under the common seal of the Company or otherwise as may be necessary, desirable or expedient to carry out or to give effect to any or all transactions contemplated under the Supplemental Loan Agreement.”

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

Hong Kong, dated 11 August 2009

NOTICE OF THE EGM

*Head office and principal place
of business in Hong Kong:*
Rooms 1207–8
New World Tower 1
16–18 Queen’s Road Central
Hong Kong

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

As at the date of this notice, the board of directors of the Company comprises seven executive directors, namely Dr. Cheng Kar Shun, Mr. Lo Lin Shing, Simon, Mr. To Hin Tsun, Gerald, Mr. Cheng Kam Chiu, Stewart, Mr. Cheng Kam Biu, Wilson, Mr. Cheng Chi Kong and Mr. Cheng Chi Him, and four independent non-executive directors, namely Mr. Cheung Hon Kit, Mr. Kwee Chong Kok, Michael, Mr. Lau Wai Piu and Mr. Tsui Hing Chuen, William *JP*.

Notes:

1. Any shareholder of the Company entitled to attend and vote at the meeting of the Company may appoint another person as his proxy to attend and vote instead of him. A shareholder of the Company who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a shareholder of the Company. In addition, a proxy or proxies representing either a shareholder of the Company who is an individual or a shareholder of the Company which is a corporation shall be entitled to exercise the same power on behalf of the shareholder of the Company which he or they represent as such shareholder of the Company could exercise.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof, it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
3. The instrument appointing a proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than forty-eight (48) hours before the time appointed for the holding of the meeting or any adjourned meeting thereof at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of the meeting or any adjourned meeting thereof, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
4. Delivery of an instrument appointing a proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and in such event, the instrument appointing a proxy shall be deemed to have been revoked.
5. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.