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BRIGHTEN PATH LIMITED
*(Incorporated in the British Virgin Islands
with limited liability)*

**INTERNATIONAL ENTERTAINMENT
CORPORATION**
國際娛樂有限公司
*(Incorporated in the Cayman Islands
with limited liability)*
(STOCK CODE: 01009)

JOINT ANNOUNCEMENT
(I) ACQUISITION OF SHARES IN
INTERNATIONAL ENTERTAINMENT CORPORATION BY
BRIGHTEN PATH LIMITED
AND
(II) MANDATORY UNCONDITIONAL CASH OFFER BY



FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED
SHARES OF INTERNATIONAL ENTERTAINMENT CORPORATION
(OTHER THAN THOSE ALREADY OWNED BY
THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)
AND
(III) RESUMPTION OF TRADING

Financial Adviser to the Offeror

VEDA | CAPITAL
智略資本

THE SALE AND PURCHASE AGREEMENT

The Company has been informed by the Vendor (being the Controlling Shareholder of the Company immediately prior to Completion) that, on 10 February 2017 (after trading hours of the Stock Exchange), the Offeror as purchaser and the Vendor as vendor entered into the Sale and Purchase Agreement pursuant to which the Offeror purchased and the Vendor sold a total of 763,773,550 Shares, representing approximately 64.77% of the total issued share capital of the Company as at the date of this joint announcement, for the Consideration of HK\$1,222,037,680 (equivalent to HK\$1.60 per Share).

Completion of the Sale and Purchase Agreement took place on 10 February 2017.

MANDATORY UNCONDITIONAL CASH OFFER

Immediately prior to Completion, the Vendor owned a total of 881,773,550 Shares, representing approximately 74.78% of the entire issued share capital of the Company.

Immediately prior to Completion, the Offeror and parties acting in concert with it (excluding the Vendor) did not hold, own, control or have direction over any Shares or voting rights of the Company or any other relevant securities.

Immediately after Completion and as at the date of this joint announcement, the Offeror and the parties acting in concert with it (excluding the Vendor) own a total of 763,773,550 Shares, representing approximately 64.77% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares, other than those already owned and/or agreed to be acquired by the Offeror or parties acting in concert with it.

As at the date of this joint announcement, the Company has 1,179,157,235 Shares in issue.

Head & Shoulders Securities, on behalf of the Offeror, will make the Offer pursuant to the Takeovers Code on the following basis:

The Offer

For each Offer Share HK\$1.60 in cash

The Offer Price of HK\$1.60 per Offer Share is the same as the purchase price per Sale Share under the Sale and Purchase Agreement, which was arrived at after arm's length negotiations between the Offeror and the Vendor.

Undertaking not to dispose of the Remaining Shares

Immediately after Completion and as at the date of this joint announcement, the Vendor holds 118,000,000 Shares (being the Remaining Shares), representing approximately 10.01% of the total issued share capital of the Company. The Vendor has irrevocably undertaken to and covenanted with the Offeror that the Remaining Shares will remain beneficially owned by it from the date of the Sale and Purchase Agreement up to and including the date of the close of the Offer.

CONFIRMATION OF FINANCIAL RESOURCES OF OFFEROR

Veda Capital, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the amount of funds required for full acceptances of the Offer.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Cheung Hon Kit, Mr. Kwee Chong Kok, Michael, Mr. Lau Wai Piu and Mr. Tsui Hing Chuen, William, has been established pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

An independent financial adviser will be appointed pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. Further announcement will be made by the Company as soon as practicable after the appointment of the independent financial adviser.

COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch an offer document containing the terms of the Offer, together with the Form of Acceptance, to the Shareholders within 21 days after the date of this joint announcement, or such later date as the Executive may approve. It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document containing, among other things, (i) the details of the Offer (including the expected timetable and the terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Offer, together with the Form of Acceptance, will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with Rule 8.2 of the Takeovers Code.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 13 February 2017 pending the release of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 15 February 2017.

WARNING

THIS JOINT ANNOUNCEMENT IS MADE PURSUANT TO THE TAKEOVERS CODE FOR THE PURPOSE OF, AMONG OTHER THINGS, INFORMING THE SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY OF THE OFFER TO BE MADE. THE DIRECTORS MAKE NO RECOMMENDATION AS TO THE FAIRNESS OR REASONABLENESS OF THE OFFER OR AS TO THE ACCEPTANCE OF THE OFFER IN THIS JOINT ANNOUNCEMENT.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and if they are in any doubt about their position, they should consult their professional advisers.

THE SALE AND PURCHASE AGREEMENT

The Company has been informed by the Vendor (being the Controlling Shareholder of the Company immediately prior to Completion) that, on 10 February 2017 (after trading hours of the Stock Exchange), the Offeror as purchaser and the Vendor as vendor entered into the Sale and Purchase Agreement pursuant to which the Offeror purchased and the Vendor sold a total of 763,773,550 Shares, representing approximately 64.77% of the total issued share capital of the Company as at the date of this joint announcement, for the Consideration of HK\$1,222,037,680 (equivalent to HK\$1.60 per Share).

The principal terms of the Sale and Purchase Agreement are set out as follows:

Date

10 February 2017 (after trading hours of the Stock Exchange)

Parties

- (1) the Vendor: Mediastar International Limited, as vendor
- (2) the Offeror: Brighten Path Limited, as purchaser

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Offeror, its ultimate beneficial owner and parties acting in concert with them (excluding the Vendor) are third parties independent of the Group and its connected persons immediately prior to Completion.

Subject matter

The Vendor sold, and the Offeror purchased a total of 763,773,550 Shares, representing approximately 64.77% of the entire issued share capital of the Company as at the date of this joint announcement.

Immediately after Completion and as at the date of this joint announcement, the Vendor holds 118,000,000 Shares, representing approximately 10.01% of the entire issued share capital of the Company.

Consideration for the Sale Shares

The Consideration for the sale and purchase of the Sale Shares is HK\$1,222,037,680, equivalent to HK\$1.60 per Sale Share, and was paid by the Offeror in the following manner:

- (i) a sum of HK\$600,000,000 was paid by the Offeror to the Vendor in cash upon Completion; and
- (ii) the balance of the Consideration in the sum of HK\$622,037,680 was settled by the delivery of the Loan Note and the security documents thereunder in favour of the Vendor on Completion.

The Consideration was determined after arm's length negotiations between the Offeror and the Vendor.

Loan Note

The principal terms of the Loan Note are as follows:

Issuer:	the Offeror
Noteholder:	the Vendor
Principal amount:	HK\$622,037,680
Maturity date:	the day falling twenty-four (24) months after the date of the Loan Note or such later date as may be agreed in writing between the Offeror and the Vendor
Interest rate:	10% per annum payable quarterly in arrears on the outstanding principal amount
Security:	The Loan Note is secured by the personal guarantee executed by Dr. Choi and the Share Charge.
Early repayment:	The Offeror may, by giving not less than five business days' notice in writing, prepay the whole or any part of the loan under the Loan Note, at any time and from time to time after the date of the Loan Note.

Due to the issue of the Loan Note in favour of the Vendor in partial settlement of the Consideration and the consideration payable under the Offer will be financed through the Facility provided by the Vendor as set out in the section headed "Confirmation of financial resources" below, the Vendor, following Completion is a party acting in concert with the Offeror under the Takeovers Code.

Completion

According to the Sale and Purchase Agreement, Completion took place immediately following the signing of the Sale and Purchase Agreement.

MANDATORY UNCONDITIONAL CASH OFFER

Immediately prior to Completion, the Vendor owned a total of 881,773,550 Shares, representing approximately 74.78% of the entire issued share capital of the Company.

Immediately prior to Completion, the Offeror and parties acting in concert with it (excluding the Vendor) did not hold, own, control or have direction over any Shares or voting rights of the Company or any other relevant securities.

Immediately after Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it (excluding the Vendor) own a total of 763,773,550 Shares, representing approximately 64.77% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares, other than those already owned and/or agreed to be acquired by the Offeror or parties acting in concert with it.

As at the date of this joint announcement, the Company has 1,179,157,235 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares, as at the date of this joint announcement.

Head & Shoulders Securities, on behalf of the Offeror and pursuant to the Takeovers Code, will make the Offer to acquire all the Offer Shares on the following basis:

The Offer

For each Offer Share HK\$1.60 in cash

The Offer Price of HK\$1.60 per Offer Share is the same as the purchase price per Sale Share under the Sale and Purchase Agreement which was arrived at after arm's length negotiations between the Offeror and the Vendor.

The Offer is unconditional in all respects.

Undertaking not to dispose of the Remaining Shares

Immediately after Completion and as at the date of this joint announcement, the Vendor holds 118,000,000 Shares (being the Remaining Shares), representing approximately 10.01% of the total issued share capital of the Company. The Vendor has irrevocably undertaken to and covenanted with the Offeror that the Remaining Shares will remain beneficially owned by it from the date of the Sale and Purchase Agreement up to and including the date of the close of the Offer.

Comparisons of value

The Offer Price of HK\$1.60 per Offer Share represents:

- (i) a premium of approximately 23.08% over the closing price of HK\$1.30 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a premium of approximately 25.98% over the average of the closing prices of approximately HK\$1.27 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 30.08% over the average of the closing prices of approximately HK\$1.23 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 33.33% over the average of the closing prices of approximately HK\$1.20 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day; and
- (v) a premium of approximately 45.45% over the unaudited consolidated net asset value of the Group attributable to the Shareholders of approximately HK\$1.10 per Share as at 30 September 2016, calculated based on the Group's unaudited consolidated net assets attributable to owners of the Company of approximately HK\$1,294.2 million as at 30 September 2016 and 1,179,157,235 Shares in issue as at the date of this joint announcement.

Highest and lowest Share prices

The highest and the lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding 14 February 2017 (being the date of this joint announcement) and including the Last Trading Day were HK\$1.42 per Share (on 22 August 2016) and HK\$1.11 per Share (on 19 September 2016 and 20 September 2016) respectively.

Value of the Offer

Excluding the Remaining Shares held by the Vendor and 763,773,550 Shares held by the Offeror and parties acting in concert with it (excluding the Vendor), the number of Shares subject to the Offer is 297,383,685 Shares.

Based on the Offer Price of HK\$1.60 per Offer Share for 297,383,685 Offer Shares, the Offer is valued at HK\$475,813,896.

Confirmation of financial resources

The Offeror intends to finance the consideration payable under the Offer through the Facility provided by the Vendor. Under the terms of the Facility, as security, (i) Dr. Choi has executed a personal guarantee in favour of the Vendor; and (ii) the Offeror has agreed to charge any Offer Shares acquired pursuant to the Offer in favour of the Vendor.

Veda Capital, the financial adviser to the Offeror, is satisfied that sufficient resources are, and will remain, available to the Offeror to satisfy the amount of funds required for full acceptance of the Offer.

Effect of accepting the Offer

By validly accepting the Offer, the Independent Shareholders will sell their Shares to the Offeror free from all liens, charges and encumbrance and together with all rights attaching to them including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of the Composite Document.

Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event, within seven Business Days of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

Stamp duty

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and the amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholders accepting the Offer. The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Taxation advice

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with it, the Company, the Vendor, Head & Shoulders Securities, and their respective ultimate beneficial owners, directors, officers, agents, associates, professional advisors or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Shareholders

The Offeror intends to make the Offer available to all Independent Shareholders, including those who are not resident in Hong Kong. The availability of the Offer to any Overseas Shareholders may be subject to, or limited by, the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

Any acceptance of the Offer by any Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the applicable local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) immediately prior to Completion; and (ii) as at the date of this joint announcement:

	Immediately prior to Completion		As at the date of this joint announcement	
	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>
The Vendor	881,773,550	74.78%	118,000,000	10.01%
The Offeror and parties acting in concert with it (excluding the Vendor)	—	—	763,773,550	64.77%
Mr. Lo Lin Shing, Simon (<i>Note</i>)	364,800	0.03%	364,800	0.03%
Public Shareholders	<u>297,018,885</u>	<u>25.19%</u>	<u>297,018,885</u>	<u>25.19%</u>
Total	<u><u>1,179,157,235</u></u>	<u><u>100.00%</u></u>	<u><u>1,179,157,235</u></u>	<u><u>100.00%</u></u>

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

INFORMATION ON THE GROUP

The Group principally engages in hotel operations; leasing of properties for casino and ancillary leisure and entertainment operations.

The following table is a summary of the audited consolidated results of the Group for the two financial years ended 31 March 2015 and 31 March 2016 as extracted from the Company's annual report for the year ended 31 March 2016 and the unaudited consolidated results of the Group for the six months ended 30 September 2016 as extracted from the Company's interim report for the six months ended 30 September 2016.

	For the year ended 31 March 2015	For the year ended 31 March 2016	For the six months ended 30 September 2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited)	(Unaudited)
Revenue	366,837	330,939	145,849
Profit before tax	85,849	57,745	73,079
Profit after tax	61,138	45,212	58,204
	As at 31 March 2015	As at 31 March 2016	As at 30 September 2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited)	(Unaudited)
Consolidated net asset value attributable to owners of the Company	1,875,134	1,313,972	1,294,226

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability. It is principally engaged in investment holding. The Offeror is wholly and beneficially owned by Head and Shoulders Direct Investment. The sole director of the Offeror is Head and Shoulders Direct Investment.

Head and Shoulders Direct Investment is a company incorporated in the British Virgin Islands with limited liability, which is engaged in investment holdings. Head and Shoulders Direct Investment is wholly and beneficially owned by Dr. Choi, who is also the sole director of Head and Shoulders Direct Investment.

Dr. Choi possesses about 25 years of experience in financial service and merger and acquisition projects. He is the chairman of Head & Shoulders Financial Group Limited. Apart from working at senior positions for different financial groups in Hong Kong, Dr. Choi has also served as a member of the senior management of various listed companies in Hong Kong. Dr. Choi is currently an executive director of Target Insurance (Holdings) Limited (stock code: 6161), the shares of which are listed on the Main Board of the Stock Exchange, and is an executive director and chairman of Daqing Dairy Holdings Limited

(stock code: 1007), the shares of which are listed on the Main Board of the Stock Exchange. Dr. Choi obtained a Bachelor's Degree of Business Administration (Magna Cum Laude) majoring in finance from Wichita State University in 1995 and a Degree of Master of Science in International Finance from University of Illinois at Urbana Champaign in 1996, both of which are in United States of America. He has also obtained a Doctor of Business Administration Degree from City University of Hong Kong in 2013.

Dealing and interest in the Company's securities

Save for the Sale Shares, none of the Offeror, its ultimate beneficial owner nor parties acting in concert with any of them has dealt in the Shares, outstanding options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to and including the date of this joint announcement.

Other arrangements

The Offeror confirms that, as at the date of this joint announcement:

- (a) save for the Sale Shares and the Remaining Shares,
 - (i) the Offeror and parties acting in concert with it has no other Shares, warrants, options, derivative or other securities that are convertible or exchangeable into Shares or other types of equity interest in the Company;
 - (ii) the Offeror and parties acting in concert with it do not own, control or have direction over any voting rights in any Shares nor own, control or have direction over any other rights or interests in the issued share capital or voting rights of the Company; and
 - (iii) there is no outstanding derivatives in respect of the securities in the Company which is owned, controlled or directed by, or has been entered into by, the Offeror or parties acting in concert with it;
- (b) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which might be material to the Offer;
- (c) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and parties acting in concert with it have borrowed or lent; and
- (d) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer.

FUTURE INTENTIONS OF THE OFFEROR REGARDING THE GROUP

Immediately after Completion, the Offeror has become the Controlling Shareholder.

Following the close of the Offer, the Offeror intends to continue the existing principal businesses of the Group. The Offeror will conduct a review on the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. In this regard, the Offeror may look into business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules.

Save for the Offeror's intention regarding the Group as set out above, the Offeror has no intention to (i) discontinue the employment of any employees of the Group; or (ii) redeploy the fixed assets of the Group other than those in its ordinary and usual course of business.

BOARD COMPOSITION OF THE COMPANY

As at the date of this joint announcement, the executive Directors are Dr. Cheng Kar Shun, Mr. Lo Lin Shing, Simon, Mr. To Hin Tsun, Gerald, Mr. Cheng Kam Chiu, Stewart, Mr. Cheng Kam Bui, Wilson, Dr. Cheng Chi Kong and Mr. Cheng Chi Him; and the independent non-executive Directors are Mr. Cheung Hon Kit, Mr. Kwee Chong Kok, Michael, Mr. Lau Wai Piu and Mr. Tsui Hing Chuen, William.

It is intended that all executive Directors will resign and new executive and independent non-executive Directors will be appointed with effect from the earliest time permitted for resignation and appointment of directors under the Takeovers Code. Such resignation will not take effect earlier than the date of the close of the Offer Period. Details of the change of the Board composition and biographies of the new executive and independent non-executive Directors will be announced as and when appropriate.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer. The Directors who will be nominated by the Offeror and appointed as Directors and the Offeror will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that not less than 25% of the Shares will be held by the public.

The Offeror will enter into a placing agreement with Head & Shoulders Securities pursuant to which Head & Shoulders Securities will be appointed as the placing agent for the reasonable efforts placing of such number of Shares to be held by the Offeror and parties acting in concert with it upon close of the Offer in excess of 884,367,926 Shares (being such number of Shares representing 75% of the Shares in issue), at a placing price being the then prevailing market price of the Shares, within a period of 90 days from the date immediately following the close of the Offer (or such other period as the Offeror and Head & Shoulders Securities may agree in writing), to independent third parties who are not the Shareholders unless the Offeror is to sell the same in the market directly as soon as practicable after the

close of the Offer, upon completion of which the minimum public float of 25% as set out in Rule 8.08(1)(a) of the Listing Rules will be restored. Accordingly, the placing arrangement contemplated under the placing agreement will not take effect prior to the close of the Offer.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the listed issuer, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend trading in the Shares until a level of sufficient public float is attained.

GENERAL

The Independent Board Committee

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Cheung Hon Kit, Mr. Kwee Chong Kok, Michael, Mr. Lau Wai Piu and Mr. Tsui Hing Chuen, William, has been established pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

An independent financial adviser will be appointed pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. Further announcement will be made by the Company as soon as practicable after the appointment of the independent financial adviser.

Composite Document

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch an offer document containing the terms of the Offer, together with the Form of Acceptance, to the Shareholders within 21 days after the date of this joint announcement, or such later date as the Executive may approve. It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document containing, among other things, (i) the details of the Offer (including the expected timetable and the terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Offer, together with the Form of Acceptance, will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with Rule 8.2 of the Takeovers Code.

Disclosure of dealings

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Offeror (including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) are hereby reminded to disclose their dealings in any securities of the Company pursuant to the requirements of the Takeovers Code. The full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 13 February 2017 pending the release of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 15 February 2017.

WARNING

THIS JOINT ANNOUNCEMENT IS MADE PURSUANT TO THE TAKEOVERS CODE FOR THE PURPOSE OF, AMONG OTHER THINGS, INFORMING THE SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY OF THE OFFER TO BE MADE. THE DIRECTORS MAKE NO RECOMMENDATION AS TO THE FAIRNESS OR REASONABLENESS OF THE OFFER OR AS TO THE ACCEPTANCE OF THE OFFER IN THIS JOINT ANNOUNCEMENT.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associates”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“Company”	International Entertainment Corporation, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange under Stock Code: 01009
“Completion”	completion of the sale and purchase of the Sale Shares under the Sale and Purchase Agreement
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders in accordance with the Takeovers Code, containing, among other things, details of the Offer and the Form of Acceptance, as may be revised or supplemented as appropriate
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	HK\$1,222,037,680, being the total consideration for the Sale Shares
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Dr. Choi”	Dr. Choi Chiu Fai Stanley, being the sole director and sole shareholder of Head and Shoulders Direct Investment
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Facility”	a term loan facility of up to HK\$476,500,000 granted by the Vendor to the Offeror to finance the total amount payable by the Offeror upon full acceptance of the Offer, which is secured by (i) the personal guarantee granted by Dr. Choi in favour of the Vendor; and (ii) the charge over the Offer Shares to be acquired pursuant to the Offer granted by the Offeror in favour of the Vendor

“Form of Acceptance”	the form of acceptance and transfer of the Offer Shares
“Group”	the Company and its subsidiaries
“Head and Shoulders Direct Investment”	Head and Shoulders Direct Investment Limited, a company incorporated in the British Virgin Islands with limited liability and wholly and beneficially owned by Dr. Choi
“Head & Shoulders Securities”	Head & Shoulders Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO and the agent making the Offer on behalf of the Offeror
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent Board committee comprising all the independent non-executive Directors, formed to advise the Independent Shareholders in respect of the Offer
“Independent Shareholder(s)”	Shareholder(s) other than the Offeror and parties acting in concert with it
“Last Trading Day”	10 February 2017, being the last day on which the Shares were traded on the Stock Exchange prior to the temporary halt in trading of the Shares pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Note”	a loan note in the principal amount of HK\$622,037,680 issued by the Offeror in favour of the Vendor pursuant to the Sale and Purchase Agreement
“Offer”	the unconditional mandatory cash offer to be made by Head & Shoulders Securities for and on behalf of the Offeror for all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it) in accordance with Rule 26.1 of the Takeovers Code
“Offer Period”	the period commencing from 14 February 2017, being the date of this joint announcement, and ending on the date of the close of the Offer in accordance with the Takeovers Code

“Offer Price”	the price at which the Offer is made, being HK\$1.60 per Offer Share
“Offer Shares”	all issued Shares, other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it (including the Remaining Shares)
“Offeror”	Brighten Path Limited, a company incorporated in the British Virgin Islands, being the purchaser of the Sale Shares under the Sale and Purchase Agreement and the offeror of the Offer
“Overseas Shareholder(s)”	Independent Shareholder(s) whose address(es) as stated in the register of members of the Company is or are outside Hong Kong
“Remaining Shares”	118,000,000 Shares held by the Vendor immediately after Completion
“Sale and Purchase Agreement”	the sale and purchase agreement dated 10 February 2017 entered into between the Vendor as vendor and the Offeror as purchaser in respect of the sale and purchase of the Sale Shares
“Sale Shares”	a total of 763,773,550 Shares, representing approximately 64.77% of the entire issued share capital of the Company as at the date of this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with par value of HK\$1.00 each in the share capital of the Company
“Share Charge”	the charge over the Sale Shares in favour of the Vendor granted by the Offeror as security under the Loan Note
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time

“Veda Capital” Veda Capital Limited, a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activities as defined under the SFO, which is appointed as the financial adviser to the Offeror in respect of the Offer

“Vendor” Mediastar International Limited, a company incorporated in the British Virgin Islands, the vendor of the Sale Shares under the Sale and Purchase Agreement and a Controlling Shareholder immediately prior to Completion, which is ultimately owned as to approximately 48.98% and 46.65% by Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited respectively

By order of the board of director of
Brighten Path Limited
Head and Shoulders Direct Investment
Limited
Sole Director

By order of the Board
International Entertainment Corporation
Dr. Cheng Kar Shun
Chairman

Hong Kong, 14 February 2017

As at the date of this joint announcement, the executive Directors are Dr. Cheng Kar Shun, Mr. Lo Lin Shing, Simon, Mr. To Hin Tsun, Gerald, Mr. Cheng Kam Chiu, Stewart, Mr. Cheng Kam Bui, Wilson, Dr. Cheng Chi Kong and Mr. Cheng Chi Him; and the independent non-executive Directors are Mr. Cheung Hon Kit, Mr. Kwee Chong Kok, Michael, Mr. Lau Wai Piu and Mr. Tsui Hing Chuen, William.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Offeror and parties acting in concert with it excluding the Vendor) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, Head and Shoulders Direct Investment Limited is the sole director of the Offeror and the sole director of Head and Shoulders Direct Investment Limited is Dr. Choi.

Dr. Choi and Head and Shoulders Direct Investment Limited jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those in relation to the Group, the Vendor and parties acting in concert with each of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those in relation to the Group, the Vendor and parties acting in concert with each of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

In case of any inconsistency, the English text of this joint announcement shall prevail over the Chinese text.