
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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims 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 AND RE-ELECTION OF DIRECTORS

A notice convening the extraordinary general meeting of the Company to be held at Meeting Room 605, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Monday, 19 May 2008 at 11:00 a.m. is set out on pages EGM-1 to EGM-3 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 Room Nos. 1712-1716, 17th 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.

28 April 2008

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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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
“Articles”	the Articles of Association of the Company for the time being
“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
“CTFJ”	Chow Tai Fook Jewellery Company Limited, a company incorporated in Hong Kong with limited liability and a fellow subsidiary of CTF
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held for the purpose of approving the Loan Agreement and the re-election of the Directors

DEFINITIONS

“First Shareholder’s Loan”	loan of approximately HK\$87.9 million advanced to ATD by Fortune Gate
“Fortune Gate”	Fortune Gate Overseas Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders (other than CTF and its associates) who are not required to abstain from voting on the resolution to be proposed at the EGM to approve the Loan Agreement under the GEM Listing Rules
“Independent Third Party(ies)”	third party(ies) independent of the Company and is(are) not connected person(s) of the Company
“Latest Practicable Date”	24 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Loans”	refer to the First Shareholder’s Loan, the Second Shareholder’s Loan and the Additional Shareholder’s Loan
“Loan Agreement”	the conditional loan agreement dated 8 April 2008 signed between Fortune Gate as lender and ATD as borrower in relation to the Loans
“Macau”	the Macau Special Administrative Region of the PRC
“Other Shareholders”	the shareholders of ATD, other than Fortune Gate, which are Independent Third Parties

DEFINITIONS

“Other Shareholders’ Loan Agreements”	the respective loan agreements to be entered into between each of the Other Shareholders as lenders and ATD as borrower in relation to the shareholder’s loans provided and to be provided by the Other Shareholders to ATD
“percentage ratio(s)”	has the meaning as defined in Rule 19.07 of the GEM Listing Rules
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purpose of this circular
“Property”	a super-deluxe hotel and residential complex, comprising numerous hotel rooms and casino facilities located in Macau, at Avenida Sir Anders Ljungstedt, Lot Number “A2/J (NAPE)
“Relevant Proportions”	the percentage of shareholding of ATD owned by ATD’s shareholders
“Second Shareholder’s Loan”	loan of HK\$40 million advanced to ATD by Fortune Gate
“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
“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 Biu, Wilson
Cheng Chi Kong
Cheng Chi Him

Non-executive Director:

Wu Wing Kin

Independent non-executive Directors:

Cheung Hon Kit
Kwee Chong Kok, Michael
Wong Chi Keung

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

28 April 2008

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION AND RE-ELECTION OF DIRECTORS

INTRODUCTION

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

LETTER FROM THE BOARD

As the relevant applicable aggregate percentage ratios for the advancement of the Second Shareholder's Loan and the Additional Shareholder's Advance under Chapter 19 of the GEM Listing Rules is above 25% but less than 100%, the grant of the Second Shareholder's Loan and the Additional Shareholder's Advance together constitutes a major transaction for the Company and is subject to the Shareholders' approval. As at the Latest Practicable Date, CTF and its associates together held approximately 74.78% of the issued share capital of the Company. As CTFJ has provided/will provide financial assistance to the Other Shareholders in respect of their respective additional shareholders' loans to be provided to ATD in the Relevant Proportions, CTF and its associates will abstain from voting on the proposed resolution approving the Loan Agreement at the EGM. The purpose of this circular is to provide you with further details of the transaction contemplated under the Loan Agreement, information on the Group and a notice convening the EGM. Resolutions will also be proposed at the EGM for the re-election of the Directors.

THE LOAN AGREEMENT

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

Date

8 April 2008 (being entered into after trading hours)

Parties

Lender : Fortune Gate

Borrower : ATD

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

Principal terms

Loans : It comprises the First Shareholder's Loan of approximately HK\$87.9 million, the Second Shareholder's Loan of HK\$40 million and the Additional Shareholder's Loan of up to HK\$760 million. The Loans have been and will be granted in the Relevant Proportions. The First Shareholder's Loan was originally advanced prior to the acquisition of the 40% equity interest in ATD by the Group by the then shareholder of ATD before 31 December 2006 while the Second Shareholder's Loan was advanced by the Group in March 2008. The Additional Shareholder's Advance will be conditionally made available by Fortune Gate to ATD.

Purpose : The Loans have been and shall be used for the purposes of financing the development of the Property by ATD and as working capital of ATD.

LETTER FROM THE BOARD

- Security : The Loans are unsecured and collateral-free.
- Repayment : The First Shareholder's Loan and the Second Shareholder's Loan have no fixed date of repayment. The Additional Shareholder's Loan (together with all interest accrued thereon) shall be repaid in full on the earlier of the second anniversary of the Loan Agreement and the seventh day after the issue of the certificate of compliance and the occupation permit in respect of the Property.
- Interests : The First Shareholder's Loan is interest-free. Interest at the rate of 6% per annum from the date of advance by Fortune Gate to the date of full repayment by ATD will be charged on the Second Shareholder's Loan and the Additional Shareholder's Loan, which interest shall be paid every three months.
- Others : (i) ATD may make multiple drawings under the Additional Shareholder's Advance provided that (a) each drawing to be made under the Loan Agreement and the Other Shareholders' Loan Agreements shall be in the Relevant Proportions and respective drawings under the Other Shareholders' Loan Agreements shall be made no later than the drawing to be made under the Loan Agreement; and (b) the total amount of the drawings to be made by ATD under the Loan Agreement shall not exceed HK\$760 million; and
- (ii) any repayment of the Additional Shareholder's Loan (including all interests accrued thereon) by ATD to its shareholders shall be made in the Relevant Proportions.

Conditions

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

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

LETTER FROM THE BOARD

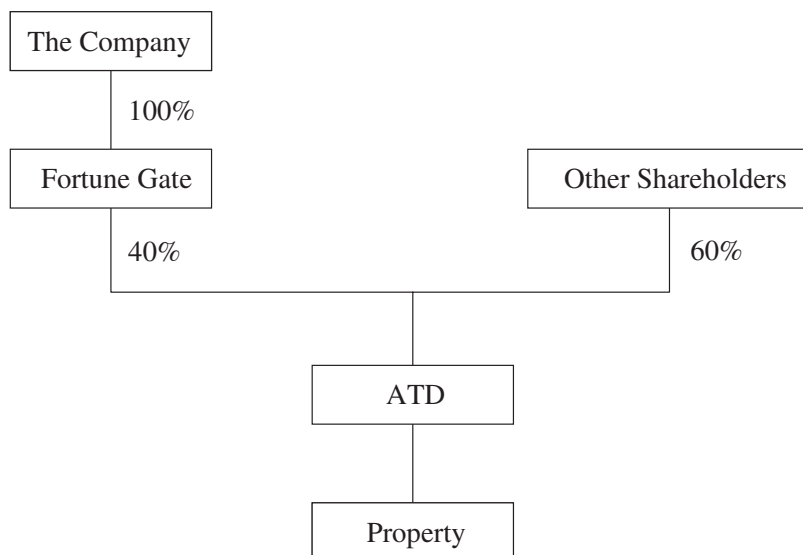
The conditions set out in (i), (ii) and (iii) above are not waivable by Fortune Gate or ATD, but Fortune Gate may, at its absolute discretion and with or without conditions, waive the condition set out in (iv). If any of the conditions set out above has not been fulfilled or waived by 30 June 2008, or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

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

INFORMATION ON ATD

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

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



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

REASONS FOR ENTERING INTO THE LOAN AGREEMENT

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

LETTER FROM THE BOARD

The Second Shareholder's Loan and the Additional Shareholder's Advance in an aggregate sum of HK\$800 million represents 40% of the total shareholders' loans requested by ATD which is in proportion to the Group's equity interest in ATD.

As mentioned in the unaudited third quarterly report of the Company for the nine months ended 31 December 2007, the Group would focus on the hotel operations and the leasing of properties for casino, ancillary leisure and entertainment operations. The Directors are optimistic about the prospects in the development of the Property by ATD and consider that the entering into of the Loan Agreement, which provides the Group with potential investment return, are in line with the strategic direction of the Group and can provide the Group with a stable and promising source of interest income during the terms of the Second Shareholder's Loan and the Additional Shareholder's Loan. As at 30 September 2007, the Group recorded cash and bank balances of approximately HK\$1.5 billion. The Directors confirm that the Group has sufficient internal financial resources to proceed with the Loan Agreement. The Directors consider it is beneficial to the Group to utilise its cash during the prevailing low bank interest environment in Hong Kong. Except for the interest income to be earned from the advancement of the Second Shareholder's Loan and the Additional Shareholder's Loan, the Directors expect that there will not be any material impact on the Group's earnings and assets and liabilities as a result of provision of financial assistance to ATD by Fortune Gate.

RE-ELECTION OF DIRECTORS

In compliance with Code Provision A.4.2 of the Code on Corporate Governance Practices as set out in Appendix 15 to the GEM Listing Rules, Mr. Cheng Kam Chiu, Stewart, Mr. Cheng Kam Biu, Wilson, Mr. Cheng Chi Kong and Mr. Cheng Chi Him, who have been appointed as Directors on 29 January 2008, will retire and, being eligible, offer themselves for re-election at the EGM. Pursuant to Rule 17.46A of the GEM Listing Rules, the details of the Directors proposed to be re-elected at the EGM are set out in Appendix III to this circular.

RECOMMENDATION

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

EGM

A notice convening the EGM to be held at Meeting Room 605, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Monday, 19 May 2008 at 11:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein. The voting in respect of the proposed resolution approving the Loan Agreement at the EGM will be conducted by way of poll and in respect of the proposed resolution approving the re-election of the Directors at the EGM will be conducted by way of show of hands.

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 Room Nos. 1712-1716, 17th Floor, Hopewell Centre, 183

LETTER FROM THE BOARD

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.

VOTING ON POLL

Pursuant to Article 66 of the Articles, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member.

By virtue of the Articles, unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman of such meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number, or proportion of the votes recorded for or against the resolution.

In compliance with the GEM Listing Rules, the Company will procure the chairman of the EGM to demand for voting on poll, pursuant to Article 66(a) of the Articles, for the proposed ordinary resolution set out in the notice of the EGM in relation to the Loan Agreement.

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 31 March 2008, being the latest practicable date for the purpose of preparing the indebtedness statement prior to the printing of this circular, the Group had:

- (1) bank borrowings of approximately HK\$195.8 million, of which approximately HK\$75.9 million bore interest at the Philippine Interbank Offered Rate plus 1.5% per annum and would be due within one year; and approximately HK\$119.9 million bore interest at the Philippine Interbank Offered Rate plus 1.5% per annum and would be due over one year. The bank borrowings were secured by pledged bank deposits of approximately HK\$349.1 million;
- (2) 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;
- (3) amounts due to related companies of approximately HK\$2.5 million, which were unsecured, interest-free and repayable on demand; and
- (4) promissory notes of approximately HK\$561.2 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 31 March 2008.

Foreign currency amounts 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 31 March 2008.

2. WORKING CAPITAL

The Directors are of the opinion that, following the advancement of the Additional Shareholder's Advance by the Group pursuant to the terms of the Loan Agreement, taking into account the financial resources available to the Group, including internally generated funds and the present available banking 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 2007, 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 nine months ended 31 December 2007

The Group's turnover from continuing operations for the nine months ended 31 December 2007 was approximately HK\$175.9 million, representing an increase of approximately 56.0%, as compared with approximately HK\$112.7 million for the previous corresponding period in 2006. The increase in turnover was mainly contributed by the lease of properties and hotel revenue from the business operations in the Philippines during the period. The Group reported a gross profit of approximately HK\$85.0 million for the period under review, as compared with gross loss of approximately HK\$15.9 million in the last corresponding period. The gross profit for the period was mainly due to the decrease in write-downs on the film costs and the contributions from the business operations in the Philippines during the period.

Finance costs from continuing operations for the nine months ended 31 December 2007 was approximately HK\$56.1 million, representing an increase of approximately 2,118.1%, as compared with approximately HK\$2.5 million in the last corresponding period. The increase was mainly due to the finance costs from the subsidiaries of the Company in the Philippines.

The Group recorded a loss before taxation from continuing operations for the nine months ended 31 December 2007, amounted to approximately HK\$10.6 million, representing a decrease of approximately 74.1%, as compared with approximately HK\$40.9 million in the last corresponding period. The financial performance was improved mainly due to the decrease in write-downs on the film costs and the contributions from the business operations in the Philippines during the period.

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. Immediately after the completion of the disposal, the Group will cease to carry on the business of provision of network solutions and project services. As at the Latest Practicable Date, the disposal has not been completed. Details of the disposal are set out in the announcement of the Company dated 2 January 2008 and the circular of the Company dated 23 January 2008.

The profit for the nine months ended 31 December 2007 from the discontinuing operations, including the provision of the network solutions and project services, was approximately HK\$1.3 million, while it was a loss of approximately HK\$19,000 in the last corresponding period.

5. FUTURE OUTLOOK

After the completion of the acquisition of the hotel and entertainment operations in the Philippines and Macau in October 2007, the Group focuses on the hotel operations and the leasing of properties for casino ancillary leisure and entertainment operations as they become the new core activities of the Group.

The Group also engages in the investments in production of films, television series, music concerts and music records. The Group will continue to seek for investment opportunities in these areas in Asia region, especially in Hong Kong and the PRC.

The Group will continue to explore the leisure and entertainment markets for opportunities in those sectors that have potential growth in the long run. The objective is to strive for better return to the Shareholders. The broadened revenue base will reinforce the growth strategy of the Company and diversify the geographical coverage of the Company’s business interests.

In addition, the Directors will continue to conduct the review of its financial structure and the composition of its assets and liabilities periodically and may consider further re-engineering such structure and composition in an optimal way. The Directors may in the future scale down or adjust areas of operations of the Group where appropriate.

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 and 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 <i>(Note)</i>	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 <i>(Note)</i>	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

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 to be 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 to be 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 Entertainment Inc.	Music Box Entertainment Limited	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 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 operation in the Philippines and Macau, the extension letters between the Company and Cross-Growth Co., Ltd. dated 30 December 2005, 22 June 2006 and 22 December 2006 regarding the extension of the date of fulfillment or waiver (as applicable) of the conditions precedent and the supplemental agreement dated 26 June 2007 entered into among Cross-Growth Co., Ltd., the Company and CTF to amend certain provisions of the acquisition agreement;
- (b) the underwriting agreement dated 23 November 2004 and a supplemental agreement dated 26 June 2007 all entered into between the Company and CTF in relation to the underwriting and certain other arrangements in respect of the rights issue at HK\$1.50 each on the basis of four right shares for every Share;

(c) the deed of indemnity dated 26 June 2007 entered into by CTF in favour of, among others, the Company containing (among other things) taxation and environmental compliance indemnities; and

(d) the Loan Agreement.

LITIGATION

As at the Latest Practicable Date, the Group was involved in the following litigation:

IEC Production Limited, an indirect wholly-owned subsidiary of the Company, on 28 June 2007, initiated a court action against 廣州東方明珠文化傳播有限公司 and 陳勇 before 北京市第二中級人民法院 for the release of the obligations of IEC Production Limited under a contract relating to investment in the production of a television series “少年包青天III” and the return of the investment made by IEC Production Limited in the sum of HK\$17,357,134 plus interests accrued thereon and legal costs.

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

Save as disclosed in the circular of the Company dated 23 January 2008 in relation to the disposal of the entire issued share capital of COAG by the Company to New World Mobile Holdings Limited, no contract or arrangement in which any of the Directors had a material interest and which is significant in relation to the business of the Group subsisted as at the Latest Practicable Date.

Save as disclosed in the circular of the Company dated 29 June 2007 in relation to the proposed acquisition of the hotel and entertainment operations in the Philippines and Macau, 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 2007 (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, Hantec Capital Limited (the “Compliance Adviser”), as at the Latest Practicable Date, except 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.

DIRECTORS' INTERESTS IN COMPETING BUSINESS**Directors' interests in competing business**

The following Directors are considered to have interests in the businesses 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	Wing On Travel (Holdings) Limited and its subsidiaries	Investment in hotel property with casino facilities in Macau	director and optionholder
Cheung Hon Kit	ITC Properties Group Limited	Investment in hotel and residential property in Macau	director, optionholder and shareholder
Cheng Kar Shun	Many Town Company Limited	A minority investor of Sociedade de Jogos de Macau which is principally engaged in casino business in Macau	director and beneficial owner
Cheng Kar Shun	New World Development Company Limited and its subsidiaries	Investment in hotel property in Makati, Manila, Philippines	director, optionholder and shareholder
Cheng Chi Kong	New World Development Company Limited and its subsidiaries	Investment in hotel property in Makati, Manila, Philippines	director and optionholder

Potential competition

Fortune Holiday Limited (“Fortune”), which is indirectly owned as to 73% by CTF and 11% by Mr. To Hin Tsun, Gerald and not a member of the Group, has 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 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 was 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 terms and 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 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 54, was appointed 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 29 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, the managing director of Wing On Travel (Holdings) Limited, an executive director of ITC Corporation Limited and an independent non-executive director of Innovo Leisure Recreation Holdings Limited, all of which are public companies whose issued shares are listed on the Stock Exchange.

Mr. Wong Chi Keung, aged 53, was appointed as an independent non-executive Director in September 2004. He is also a member of the Audit Committee and the remuneration committee of the Company. Mr. Wong holds a master's degree in business administration from the University of Adelaide in Australia. He is a fellow member of Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants and CPA Australia, an associate member of The Institute of Chartered Secretaries and Administrators and The Chartered Institute of Management Accountants. Mr. Wong is also a responsible officer for advising on securities, corporate finance and asset management activities for Legend Capital Partners, Inc. under the SFO. He is the managing director of Greater China Corporate Consultancy & Services Limited. He is also an independent non-executive director of Asia Orient Holdings Limited, Asia Standard International Group Limited, Century City International Holdings Limited, China Special Steel Holdings Company Limited, China Ting Group Holdings Limited, First Natural Foods Holdings Limited, Fu Ji Food and Catering Services Holdings Limited, Golden Eagle Retail Group Limited, Great Wall Motor Company Limited, PacMOS Technologies Holdings Limited, Paliburg Holdings Limited, Regal Hotels International Holdings Limited and TPV Technology Limited, all of these companies whose issued shares are listed on the Stock Exchange.

Mr. Wu Wing Kin, aged 52, was appointed as a non-executive Director in May 2001. He is also a member of the Audit Committee and the remuneration committee of the Company. Mr. Wu is presently the general manager of Phillip Securities (HK) Ltd. and Phillip Commodities (HK) Ltd. and is also an ordinary member of the Hong Kong Securities Institute. He has more than 20 years of working experience in the financial, securities and futures industries.

- (c) The secretary and qualified accountant 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 19 May 2008:

- (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 2007;
- (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 accounts of the Company.

The following are the particulars of the Directors who will retire and, being eligible, shall offer themselves for re-election at the EGM pursuant to the Articles and the GEM Listing Rules:

Mr. Cheng Kam Chiu, Stewart, aged 53, is the managing director of Cheung Hung Development (Holdings) Limited, a director for the Hip Hing Construction group of companies and Palm Island Resort Limited. Mr. Cheng is a Member of the Shunde District, Foshan City Committee of the Chinese People's Political Consultative Conference since November 2006.

Mr. Cheng holds a Bachelor's Degree in Civil and Environmental Engineering from the University of Wisconsin-Madison; a Master's Degree in Civil Engineering from the University of California, Berkeley, United States; and a degree in Master of Business Administration from the Chinese University of Hong Kong. He is a member of the Institution of Structural Engineers and the Hong Kong Institution of Engineers.

Mr. Cheng is a professional engineer with many years of experience in property development and construction management. Since his return to Hong Kong from the United States in 1978, he took up posts in design and project management in an engineering consultant firm. In 1984, he joined Hip Hing Construction Company Limited as project manager and subsequently became a director. From 1993 to 1997, Mr. Cheng was transferred to New World Development (China) Limited as director and assistant general manager overseeing the property development in the PRC. Mr. Cheng was a director of NWS Service Management Limited (formerly known as New World Services Limited) from 1997 to 2006, and was mainly responsible for the construction and the E & M engineering businesses, and pursuing business opportunities in the PRC. Mr. Cheng is also an executive director of New Times Group Holdings Limited, whose issued shares are listed on the Stock Exchange.

Save as disclosed above, Mr. Cheng did not hold directorship in other listed public companies in the preceding three years from the Latest Practicable Date.

Mr. Cheng is the cousin of Dr. Cheng Kar Shun, an executive Director, the brother of Mr. Cheng Kam Biu, Wilson, and the uncle of Mr. Cheng Chi Kong and Mr. Cheng Chi Him.

Save as disclosed above, Mr. Cheng does not have any relationship with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. He does not have any interests in the Shares within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Cheng and his term of service with the Company will be subject to rotation retirement pursuant to the Articles and the GEM Listing Rules. Mr. Cheng will hold office until the next general meeting of the Company and will then be eligible for re-election at such general meeting. Mr. Cheng was entitled to a director's fee of HK\$100,000 per annum (accrued from day to day) in respect of the year ended 31 March 2008. The remuneration of the Directors is based on the performance, responsibility and experience of individuals and is determined with reference to the Company's performance, the remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters in relation to the appointment of Mr. Cheng that need to be brought to the attention of the holders of securities of the Company and there is no other information which is discloseable pursuant to any of the requirements set out in Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Cheng Kam Bui, Wilson, aged 49, graduated from the University of Hawaii, Honolulu with a Bachelor of Arts degree in Economics. He has 24 years of experience in administration and finance of jewellery retail business. He is also a director of CTF and Mediastar, which is a substantial Shareholder.

Mr. Cheng does not hold any directorship in any listed public companies in the preceding three years from the Latest Practicable Date.

Mr. Cheng is the cousin of Dr. Cheng Kar Shun, an executive Director, the brother of Mr. Cheng Kam Chiu, Stewart, and the uncle of Mr. Cheng Chi Kong and Mr. Cheng Chi Him.

Save as disclosed above, Mr. Cheng does not have any relationship with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. He does not have any interests in the Shares within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Cheng and his term of service with the Company will be subject to rotation retirement pursuant to the Articles and the GEM Listing Rules. Mr. Cheng will hold office until the next general meeting of the Company and will then be eligible for re-election at such general meeting. Mr. Cheng was entitled to a director's fee of HK\$100,000 per annum (accrued from day to day) in respect of the year ended 31 March 2008. The remuneration of the Directors is based on the performance, responsibility and experience of individuals and is determined with reference to the Company's performance, the remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters in relation to the appointment of Mr. Cheng that need to be brought to the attention of the holders of securities of the Company and there is no other information which is discloseable pursuant to any of the requirements set out in Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Cheng Chi Him, aged 29, is a director of ATD. Mr. Cheng is also an executive director of New Times Group Holdings Limited, whose issued shares are listed on the Stock Exchange.

Save as disclosed above, Mr. Cheng did not hold directorship in other listed public companies in the preceding three years from the Latest Practicable Date.

Mr. Cheng is the nephew of Dr. Cheng Kar Shun, an executive Director, Mr. Cheng Kam Bui, Wilson and Mr. Cheng Kam Chiu, Stewart, and the cousin of Mr. Cheng Chi Kong.

There is no service contract between the Company and Mr. Cheng and his term of service with the Company will be subject to rotation retirement pursuant to the Articles and the GEM Listing Rules. Mr. Cheng will hold office until the next general meeting of the Company and will then be eligible for re-election at such general meeting. Mr. Cheng was entitled to a director's fee of HK\$100,000 per annum (accrued from day to day) in respect of the year ended 31 March 2008. The remuneration of the Directors is based on the performance, responsibility and experience of individuals and is determined with reference to the Company's performance, the remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, Mr. Cheng does not have any relationship with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. He does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters in relation to the appointment of Mr. Cheng that need to be brought to the attention of the holders of securities of the Company and there is no other information which is discloseable pursuant to any of the requirements set out in Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Cheng Chi Kong, aged 28, is the executive director of New World Development Company Limited, New World China Land Limited and New World Department Store China Limited, all of which are companies whose issued shares are listed on the Stock Exchange. He is also a director of Centennial Success Limited and CTF, which is a substantial Shareholder. Mr. Cheng has worked in major international bank prior to joining the New World group in September 2006 and has substantial experience in financial management. Mr. Cheng holds a Bachelor Degree from Harvard University.

Save as disclosed above, Mr. Cheng did not hold directorship in other listed public companies in the preceding three years from the Latest Practicable Date.

Mr. Cheng is the son of Dr. Cheng Kar Shun, an executive Director, the nephew of Mr. Cheng Kam Biu, Wilson and Mr. Cheng Kam Chiu, Stewart, and the cousin of Mr. Cheng Chi Him.

There is no service contract between the Company and Mr. Cheng and his term of service with the Company will be subject to rotation retirement pursuant to the Articles and the GEM Listing Rules. Mr. Cheng will hold office until the next general meeting of the Company and will then be eligible for re-election at such general meeting. Mr. Cheng was entitled to a director's fee of HK\$100,000 per annum (accrued from day to day) in respect of the year ended 31 March 2008. The remuneration of the Directors is based on the performance, responsibility and experience of individuals and is determined with reference to the Company's performance, the remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, Mr. Cheng does not have any relationship with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. He does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters in relation to the appointment of Mr. Cheng that need to be brought to the attention of the holders of securities of the Company and there is no other information which is discloseable pursuant to any of the requirements set out in Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

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 605, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Monday, 19 May 2008 at 11:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions as ordinary resolutions, of the Company:–

ORDINARY RESOLUTIONS

1. “THAT:–

- (a) the entering into of the conditional loan agreement dated 8 April 2008 (the “**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 grant a loan facility of up to HK\$760 million 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 Loan Agreement.”

NOTICE OF THE EGM

2. **THAT** the following business be transacted:–
- (a) To re-elect Mr. Cheng Kam Chiu, Stewart as executive director of the Company;
 - (b) To re-elect Mr. Cheng Kam Biu, Wilson as executive director of the Company;
 - (c) To re-elect Mr. Cheng Chi Him as executive director of the Company;
 - (d) To re-elect Mr. Cheng Chi Kong as executive director of the Company; and
 - (e) To authorise the board of directors of the Company to fix their remuneration.

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

Hong Kong, dated 28 April 2008

*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, one non-executive director, namely Mr. Wu Wing Kin, and three independent non-executive directors, namely Mr. Cheung Hon Kit, Mr. Kwee Chong Kok, Michael and Mr. Wong Chi Keung.

NOTICE OF THE EGM

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 1712-1716, 17th 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.