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NEW WORLD MOBILE HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 862)

INTERNATIONAL ENTERTAINMENT CORPORATION
國際娛樂有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8118)

**VERY SUBSTANTIAL
ACQUISITION**

**DISCLOSEABLE AND
CONNECTED TRANSACTION**

JOINT ANNOUNCEMENT

PROPOSED TRANSFER OF THE ENTIRE INTEREST IN CYBER ON-AIR GROUP LIMITED BY INTERNATIONAL ENTERTAINMENT CORPORATION TO NEW WORLD MOBILE HOLDINGS LIMITED

RESUMPTION OF TRADING OF NWM SHARES

THE AGREEMENT

On 27 December 2007, IEC as vendor and NWM as purchaser entered into the Agreement whereby IEC conditionally agreed to sell, and NWM conditionally agreed to purchase, the entire issued share capital of COAG for a cash consideration of HK\$2,000,000. Immediately after the Completion, COAG will cease to be a wholly-owned subsidiary of IEC and will become a wholly-owned subsidiary of NWM.

As Mr. Lo, an executive IEC Director and NWM Director, is a beneficial owner of approximately 56.66% of the issued NWM Shares as at the date of the Agreement, NWM is therefore a connected person of IEC. The Disposal constitutes a connected transaction for IEC under Chapter 20 of the GEM Listing Rules and is subject to the reporting and announcement requirements set out in Rules 20.45 to 20.47 of the GEM Listing Rules but is exempt from the independent shareholders' approval requirement, given that all of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules are less than 25% and the Consideration is less than HK\$10 million. The Disposal also constitutes a discloseable transaction for IEC under Chapter 19 of the GEM Listing Rules. IEC will despatch to its shareholders a circular containing, among other things, details of the Disposal as soon as practicable in accordance with the GEM Listing Rules.

Given that the relevant percentage ratio is more than 100%, the Acquisition constitutes a very substantial acquisition for NWM under Chapter 14 of the Listing Rules and is conditional on the approval of the NWM Shareholders pursuant to Rule 14.49 of the Listing Rules. IEC and its associates, and any NWM Shareholder who has a material interest in the Acquisition are required to abstain from voting on the proposed resolution approving the Acquisition at the NWM EGM. To the best of the NWM Directors' knowledge, information and belief, and having made all reasonable enquiries, IEC and its associates do not hold any NWM Shares as at the date of this announcement and no NWM Shareholder has a material interest in the Acquisition. A circular containing, among other things, details of the Acquisition and a notice of the NWM EGM will be despatched to the NWM Shareholders as soon as practicable in accordance with the Listing Rules.

RESUMPTION OF TRADING OF NWM SHARES

At the request of NWM, trading of the NWM Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 28 December 2007 pending the release of this announcement. Application has been made by NWM to the Stock Exchange for the resumption of trading of the NWM Shares with effect from 9:30 a.m. on 3 January 2008.

THE AGREEMENT

Date

27 December 2007, after trading hour

Parties

Vendor : IEC

Purchaser : NWM, a connected person of IEC

To the best of NWM Directors' knowledge information and belief having made all reasonable enquiry, IEC and its ultimate beneficial owners are third parties independent of NWM and connected persons of NWM.

Assets to be disposed of by IEC and to be acquired by NWM

Sales Shares, representing the entire issued share capital of COAG.

Consideration

Pursuant to the Agreement, the Consideration in respect of the Sale Shares of HK\$2,000,000 shall be paid by NWM to IEC by way of cash upon the Completion. NWM intends to fund the consideration by its internal resources.

The Consideration was arrived at after arm's length negotiations between IEC and NWM with reference to the net asset value of the assets being disposed of, the financial performance of the COAG Group in recent fiscal years and the waiver of the Indebtedness of HK\$7,697,315.02. Pursuant to the Deed, in consideration of the sum of HK\$1, COAG irrevocably and unconditionally waived the Indebtedness. The IEC Directors (including the independent non-executive IEC Directors) consider the terms and the conditions of the Agreement (including the Consideration) are fair and reasonable and are in the interests of the IEC Group and the shareholders of IEC as a whole. The NWM Directors (including the independent non-executive NWM Directors) are of the view that the terms and conditions of the Agreement (including the Consideration) are fair and reasonable and are in the interests of the NWM Group and the NWM Shareholders as a whole.

Conditions precedent

Completion is subject to the following conditions:

- (i) the obtaining of an ordinary resolution of the shareholders of NWM (other than those who are required to abstain from voting under the Listing Rules) either passed at a general meeting of NWM or by way of a written resolution approving the entering into of the Agreement and the performance of the transactions contemplated thereunder by NWM;
- (ii) all necessary governmental and regulatory (including the Stock Exchange) approvals or consents (or waivers) required by the parties to the Agreement or any of them for the consummation of the transactions contemplated therein having been obtained; and
- (iii) all necessary third party approvals or consents (or waivers) required by the parties to the Agreement or any of them for the consummation of the transactions contemplated therein having been obtained.

All the conditions above are not waivable by the parties to the Agreement. If the above conditions have not been fulfilled before 31 March 2008 (or such other date as the parties may agree), the Agreement shall have no further force and effect and the parties thereto shall have no liability thereunder.

Completion

Subject to the fulfillment of the conditions set out above, the Completion will take place on the third Business Day after such fulfillment (or such other date as the parties to the Agreement may agree).

Immediately after the Completion, COAG will cease to be a wholly-owned subsidiary of IEC and will become a wholly-owned subsidiary of NWM.

INFORMATION ON THE COAG GROUP

COAG is a company incorporated in the British Virgin Islands with limited liability and is an investment holding company. The COAG Group is principally engaged in the provision of network solutions and project services. For network solutions, the COAG Group provides total system solution including data networking solution, synchronisation solution, timing solution, wireless local area network solution and network access control solution. For project services, the COAG Group provides infrastructure installation services for customers which include cellular base station and antenna system installation service, structural cabling installation service and microwave installation service. COAG has been a wholly-owned subsidiary of IEC for a period of more than 12 months.

Set out below is the unaudited consolidated financial information of the COAG Group for the six months ended 30 September 2007 and for each of the two years ended 31 March 2007 and 2006 prepared in accordance with the HKFRS:

	Six months ended 30 September 2007 (Unaudited) HK\$'000	Year ended 31 March 2007 (Unaudited) HK\$'000	Year ended 31 March 2006 (Unaudited) HK\$'000
Turnover	13,087	18,693	16,840
Profit/(loss) before taxation	834	(67)	(511)
Profit/(loss) after taxation	834	(327)	(511)
	As at 30 September 2007 (Unaudited) HK\$'000	As at 31 March 2007 (Unaudited) HK\$'000	As at 31 March 2006 (Unaudited) HK\$'000
Net assets value (including the Indebtedness)	9,602	8,768	9,095

REASONS FOR THE DISPOSAL AND USE OF PROCEEDS

The principal activities of the IEC 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.

As stated in the first quarterly report and interim report 2007/08 of IEC, the IEC Directors would conduct a detailed review of its financial structure and the composition of its assets and liabilities and might consider further re-engineering such structure and composition in an optimal way. The IEC Directors might scale down or adjust areas of operations where appropriate.

After completion of the acquisition of the hotel and entertainment operations in the Philippines and Macau in October 2007, the IEC Directors consider that it is an opportunity to dispose of the COAG Group, which is principally engaged in the provision of network solutions and project services. Immediately after Completion, the IEC Group will cease to carry on the business of provision of network solutions and project services and will focus on its existing hotel and entertainment operations and explore the leisure and entertainment markets for opportunities in those sectors that have potential growth in the long run.

The gross proceeds of HK\$2,000,000 will be received by IEC as a result of the Disposal. IEC intends to apply the net proceeds as general working capital of the IEC Group.

FINANCIAL EFFECT OF THE DISPOSAL ON IEC

A potential gain of approximately HK\$95,000, subject to the confirmation from the IEC Group's auditors, is expected to be recognised by IEC for the year ending 31 March 2008 following Completion. The potential gain is calculated based on the difference between the Consideration and the unaudited consolidated net asset value of the assets being disposed of in the unaudited consolidated financial statements of IEC as at 30 September 2007 (after taking into account the waiver of the Indebtedness by COAG pursuant to the Deed). Immediately after Completion, COAG will cease to be a wholly-owned subsidiary of IEC. The accounts of the COAG Group will no longer be consolidated to the consolidated financial statements of the IEC Group.

REASONS FOR THE ACQUISITION

The NWM Group is principally engaged in the provision of Internet content services and telecommunication value-added services in the PRC.

As stated in the 2006/07 annual report of NWM, the mobile Internet value added business, being a major revenue generator of the NWM Group's business, was badly hit by the environmental changes of the PRC's wireless market. The management did not see a significant improvement to this situation in the near term. Consequently, revenue from this sector is expected to continue to decrease. NWM has been looking for other investment opportunities in order to maximise the return to the NWM Shareholders. The NWM Directors believe that the Acquisition is a viable investment and will broaden the asset and earnings base of the NWM Group. The NWM Directors also consider that the terms of the Agreement are fair and reasonable and on normal commercial terms, and are in the interests of the NWM Group and the NWM Shareholders as a whole.

GENERAL

As Mr. Lo, an executive IEC Director and NWM Director, is a beneficial owner of approximately 56.66% of the issued NWM Shares as at the date of the Agreement, NWM is a connected person of IEC. The Disposal constitutes a connected transaction for IEC under Chapter 20 of the GEM Listing Rules and is subject to the reporting and announcement requirements set out in Rules 20.45 to 20.47 of the GEM Listing Rules but is exempt from the independent shareholders' approval requirement, given

that all of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules are less than 25% and the Consideration is less than HK\$10 million. The Disposal also constitutes a discloseable transaction for IEC under Chapter 19 of the GEM Listing Rules. IEC will despatch to its shareholders a circular containing, among other things, details of the Disposal as soon as practicable in accordance with the GEM Listing Rules.

Given that the relevant percentage ratio is more 100%, the Acquisition constitutes a very substantial acquisition for NWM under Chapter 14 of the Listing Rules and is conditional on the approval of the NWM Shareholders pursuant to Rule 14.49 of the Listing Rules. IEC and its associates, and any NWM Shareholder who has a material interest in the Acquisition are required to abstain from voting on the proposed resolution approving the Acquisition at the NWM EGM. To the best of the NWM Directors' knowledge, information and belief, and having made all reasonable enquiries, IEC and its associates do not hold any NWM Shares as at the date of this announcement and no NWM Shareholder has a material interest in the Acquisition. A circular containing, among other things, details of the Acquisition and a notice of the NWM EGM will be despatched to the NWM Shareholders as soon as practicable in accordance with the Listing Rules.

RESUMPTION OF TRADING OF NWM SHARES

At the request of NWM, trading of the NWM Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 28 December 2007 pending the release of this announcement. Application has been made by NWM to the Stock Exchange for the resumption of trading of the NWM Shares with effect from 9:30 a.m. on 3 January 2008.

TERMS USED IN THIS ANNOUNCEMENT

“Acquisition”	the proposed acquisition of the Sale Shares by NWM in accordance with the terms and conditions of the Agreement and the performance of the transactions contemplated under the Agreement
“Agreement”	the conditional sale and purchase agreement dated 27 December 2007 entered into between IEC as vendor and NWM as purchaser in relation to the sale and purchase of the Sale Shares
“associates”	has the meaning ascribed to it under the Listing Rules or the GEM Listing Rules, as the case may be
“Business Day”	a day (excluding Saturday and other general holidays in Hong Kong and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted and in effect between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business

“COAG”	Cyber On-Air Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of IEC before Completion
“COAG Group”	COAG and its subsidiaries
“Completion”	completion of the Disposal
“connected person(s)”	has the meaning ascribed to it under the Listing Rules or the GEM Listing Rules, as the case may be
“Consideration”	HK\$2,000,000, being the consideration for the sale of the Sale Shares
“Deed”	the deed of waiver executed by COAG in favour of IEC dated 27 December 2007 and prior to the signing of the Agreement in respect of the waiver of the Indebtedness
“Disposal”	the proposed disposal of the Sale Shares by IEC to NWM in accordance with the terms and conditions of the Agreement and the performance of the transactions contemplated under the Agreement
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“HKFRS”	the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IEC”	International Entertainment Corporation, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the GEM (Stock Code: 8118)
“IEC Directors”	directors of IEC
“IEC Group”	IEC and its subsidiaries
“Indebtedness”	the indebtedness of HK\$7,697,315.02 as at 27 December 2007 owed by IEC to COAG
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mr. Lo”	Mr. Lo Lin Shing, Simon, an executive IEC Director and NWM Director, and together with his associates, are beneficial owners of approximately 0.03% of the issued IEC Shares and approximately 56.66% of the issued NWM Shares as at the date of the Agreement
“NWM”	New World Mobile Holdings Limited, 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 (Stock Code: 862)
“NWM Directors”	directors of NWM
“NWM EGM”	the extraordinary general meeting of NWM to be convened for the NWM Shareholders to consider and, if thought fit, approve the Acquisition
“NWM Group”	NWM and its subsidiaries
“NWM Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of NWM
“NWM Shareholder(s)”	holder(s) of the NWM Share(s)
“percentage ratios”	has the meaning as defined in Rule 14.07 of the Listing Rules or Rule 19.07 of the GEM Listing Rules, as the case may be
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this announcement
“Sale Shares”	10,000 ordinary shares of HK\$0.01 each in the issued share capital of COAG, representing the entire issued share capital of COAG
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the board of
New World Mobile Holdings Limited
Tang Chi Kei
Company Secretary

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

Hong Kong, 2 January 2008

As at the date of this announcement, the board of NWM Directors comprises the following members:–

Executive NWM Directors:

Lo Lin Shing, Simon (*Chairman*)

Ho Hau Chong, Norman

Independent non-executive NWM Directors:

Tsui Hing Chuen, William

Lau Wai Piu

Lee Kee Wai, Frank

As at the date of this announcement, the board of IEC Directors comprises the following members:–

Executive IEC Directors:

Cheng Kar Shun (*Chairman*)

Lo Lin Shing, Simon

To Hin Tsun, Gerald

Choi Wing Kin

So Kam Wing

Non-executive IEC Director:

Wu Wing Kin

Independent non-executive IEC Directors:

Cheung Hon Kit

Kwee Chong Kok, Michael

Wong Chi Keung

This announcement, for which the IEC 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 IEC Group. The IEC Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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