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INTERNATIONAL ENTERTAINMENT CORPORATION

國際娛樂有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8118)

RESULTS OF THE RIGHTS ISSUE OF 943,325,788 RIGHTS SHARES AT HK\$1.5 PER RIGHTS SHARE IN THE PROPORTION OF FOUR RIGHTS SHARES FOR EVERY EXISTING SHARE HELD ON THE RECORD DATE

The Directors announce that at 4:00 p.m. on Monday, 20 August 2007, 127 valid acceptances have been received for an aggregate of 681,353,392 Rights Shares provisionally allotted under the Rights Issue (representing approximately 72.2% of the total Rights Shares available for subscription) and 460 valid applications have been received for an aggregate of 115,199,241 excess Rights Shares (representing approximately 12.2% of the total Rights Shares available for subscription). Accordingly, the aggregate number of 796,552,633 Rights Shares applied for represent approximately 84.4% of the total number of 943,325,788 Rights Shares offered under the Rights Issue.

Based on the above subscription results, the Rights Issue was under-subscribed by 146,773,155 Rights Shares and CTF, as underwriter of the Rights Issue, has procured Mediastar and other independent third parties for the subscription of such 146,773,155 Rights Shares in accordance with the terms of the Underwriting Agreement. The Rights Shares paid for by Mediastar pursuant to acceptance of nil-paid Rights Shares provisionally allotted or subsequently purchased by it and excess application and pursuant to its underwriting obligations amounted to 761,773,471 Rights Shares (representing approximately 80.8% of the total Rights Shares available for subscription). As a result, the aggregate shareholding of Mediastar in the Company thus represent approximately 74.8% immediately following completion of the subscription mentioned above.

All conditions to which the Rights Issue is subject have been fulfilled. Certificates in respect of the Rights Shares will be despatched to those entitled thereto at their own risk by ordinary post to their registered addresses on Tuesday, 28 August 2007. Dealings in the fully-paid Rights Shares will commence on Thursday, 30 August 2007.

Reference is made to the prospectus (“Prospectus”) in relation to the Rights Issue issued by the Company on 2 August 2007. Capitalised terms used in this announcement shall have the same meanings as those set out in the Prospectus unless otherwise defined herein.

RESULTS OF THE RIGHTS ISSUE

At 4:00 p.m. on Monday, 20 August 2007, being the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares:-

- 127 valid acceptances of Rights Shares provisionally allotted have been received for a total of 681,353,392 Rights Shares (representing approximately 72.2% of the total Rights Shares available for subscription) (among which valid acceptances of 586,000,316 Rights Shares (including 106,000,000 Rights Shares through nil-paid application) have been received from Mediastar); and
- 460 valid applications for excess Rights Shares have been received for a total of 115,199,241 Rights Shares (representing approximately 12.2% of the total Rights Shares available for subscription) (among which valid excess applications of 100,000,000 Rights Shares have been received from Mediastar).

EXCESS RIGHTS SHARES

Regarding the 460 valid applications for 115,199,241 Rights Shares applied for by way of excess application, the Directors have resolved to allot on full basis, from among the Rights Shares allotted provisionally but not accepted, to the applicants such number of Rights Shares which they have applied for.

The Directors consider that the allocation of the excess Rights Shares is on a fair and reasonable basis.

SUBSCRIPTION RESULTS

Based on the above valid acceptances of Rights Shares and valid applications for excess Rights Shares, the Rights Issue was under-subscribed by 146,773,155 Rights Shares. CTF, as underwriter of the Rights Issue, has procured Mediastar and other independent third parties for the subscription of 75,773,155 Rights Shares and 71,000,000 Rights Shares respectively in accordance with the terms of the Underwriting Agreement. The Rights Shares paid for by Mediastar pursuant to acceptance of nil-paid Rights Shares provisionally allotted or subsequently purchased by it and excess application and pursuant to its underwriting obligations amounted to 761,773,471 Rights Shares (representing approximately 80.8% of the total Rights Shares available for subscription).

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge of the Directors, the shareholding structure of the Company before and immediately after completion of the Rights Issue is as follows:

Shareholders	Number of Shares in issue before completion of the Rights Issue		Number of Shares in issue immediately after completion of the Rights Issue	
Mediastar	120,000,079	50.9%	881,773,550	74.8%
Directors and their associates	1,743,600	0.7%	1,743,600	0.1%
Other public Shareholders	114,087,768	48.4%	295,640,085	25.1%
Total	<u>235,831,447</u>	100.0%	<u>1,179,157,235</u>	100.0%
Public float	<u>114,087,768</u>	48.4%	<u>295,640,085</u>	25.1%

GENERAL

All conditions to which the Rights Issue is subject have been fulfilled. Certificates in respect of the Rights Shares will be despatched to those entitled thereto at their own risk by ordinary post to their registered addresses on Tuesday, 28 August 2007. Dealings in the fully-paid Rights Shares will commence on Thursday, 30 August 2007.

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

Hong Kong, 28 August 2007

As at the date of this announcement, the Board comprises the following members:

Executive Directors:

Cheng Kar Shun (*Chairman*)

Lo Lin Shing, Simon

To Hin Tsun, Gerald

Choi Wing Kin

So Kam Wing

Non-executive Director:

Wu Wing Kin

Independent non-executive Directors:

Cheung Hon Kit

Kwee Chong Kok, Michael

Wong Chi Keung

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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