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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)

VERY SUBSTANTIAL ACQUISITION TREATED AS A REVERSE TAKEOVER AND AN APPLICATION FOR NEW LISTING AND CONNECTED TRANSACTION INVOLVING POSSIBLE ACQUISITIONS OF HOTEL AND ENTERTAINMENT OPERATIONS IN THE PHILIPPINES AND MACAU AND POSSIBLE RIGHTS ISSUE AT HK\$1.5 PER RIGHTS SHARE

ANNOUNCEMENT

Reference is made to the circular (the “Circular”) of International Entertainment Corporation (the “Company”) dated 29 June 2007 in relation to the Acquisition and the Rights Issue. Terms used in this announcement shall have the same meanings as defined in the Circular unless the context requires otherwise.

It was disclosed in page 8 of the Circular that “The leasing income of the Acquired Group is derived from the Hotel Group’s lease of part of its property to PAGCOR, part of which is used as its offices and part for the operation of a casino in the premises. PAGCOR derives its exclusive right, privilege and authority to establish, operate and maintain gambling casinos within the territorial jurisdiction of the Philippines from the PAGCOR Charter. The PAGCOR Charter is currently due to expire on 10 July 2008. As at the Latest Practicable Date, the entire legislative procedure for the charter extension had not yet been completed, further information relating to which is set out in the section “Additional information relating to the casino located in the Hotel”. ”

Subsequent to the Latest Practicable Date of 27 June 2007 as stated in the Circular, on 29 June 2007, Republic Act No. 9487 of the Philippines entitled – “An Act Further Amending Presidential Decree No. 1869, Otherwise Known as PAGCOR Charter” (“RA 9487”) was published in two newspapers of general circulation (Philippine Star & Manila Bulletin) in the Philippines. Under RA 9487, among other things,

PAGCOR's corporate term will be extended from 11 July 2008 for a period of twenty-five years and thereafter renewable for another twenty-five years. Under Section 15 thereof, RA 9487 will be effective 15 days from its publication, or on 14 July 2007.

By order of the board of
International Entertainment Corporation
Cheng Kar Shun
Chairman

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

Hong Kong, 9 July 2007

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: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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 on the website of the Growth Enterprise Market of the Stock Exchange at <http://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.cyberonair.com.