

**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](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](http://www.cyberonair.com).



**INTERNATIONAL ENTERTAINMENT CORPORATION**  
**國際娛樂有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8118)**

**PROPOSED**  
**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,**  
**RE-ELECTION OF DIRECTORS,**  
**PROPOSED AMENDMENT TO THE COMPANY'S ARTICLES OF ASSOCIATION,**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at Meeting Room 607, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Friday, 25 August 2006 at 11:00 a.m. is set out on pages 13 to 17 of this circular. If you are not 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 holding 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 at the meeting or any adjourned meeting (as the case may be) should you so wish.

27 July 2006

## 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:*

“AGM”	the annual general meeting of the Company to be held on Friday, 25 August 2006 at 11:00 a.m., notice of which is set out on pages 13 to 17 of this circular;
“Articles of Association”	the articles of association of the Company;
“Associate(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Board”	the board of Directors;
“Company”	International Entertainment Corporation, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange;
“connected person”	a person who is a “connected person” of the Company, as defined in the GEM Listing Rules;
“Directors”	the directors of the Company;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	24 July 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares in the manner as set out herein;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	share(s) of HK\$1.00 each in the share capital of the Company;

## DEFINITIONS

“Shareholder(s)”	the holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

## 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

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

*Registered Office:*

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681GT

George Town

Grand Cayman

British West Indies

*Principal place of business*

*in Hong Kong:*

Rooms 1502-05

New World Tower 1

16-18 Queen's Road Central

Hong Kong

27 July 2006

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS,  
PROPOSED AMENDMENT TO THE COMPANY'S ARTICLES OF ASSOCIATION,  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

### INTRODUCTION

This circular is the explanatory statement required to be sent to the Shareholders pursuant to rule 13.08 of the GEM Listing Rules and is aimed to provide you with all the information reasonably necessary to enable you to make an informed decision in relation to: (i) proposed general mandates to issue and repurchase Shares, (ii) re-election of Directors; and (iii) proposed amendment to the articles of association of the Company.

## LETTER FROM THE BOARD

### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The existing general mandates to issue and repurchase Shares will expire at the conclusion of the forthcoming AGM. The Directors intend to put forward to the Shareholders ordinary resolutions at the AGM to seek general mandates from the Shareholders so as to give Directors general authority:

- (i) to allot, issue and otherwise deal with new Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the AGM; and
- (ii) to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the AGM.

A separate ordinary resolution will also be proposed at the AGM to add to the mandate to issue Shares referred to (i) above those Shares repurchased by the Company pursuant to the Repurchase Mandate.

Such general mandates, if approved by the Shareholders at the forthcoming AGM, will continue until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable law of Cayman Islands to be held; and
- (iii) the revocation or variation of such authority by Shareholders.

### RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the Board consists of nine Directors, namely Dr. Cheng Kar Shun, Mr. Lo Lin Shing, Simon, Mr. To Hin Tsun, Gerald, Mr. Choi Wing Kin, Mr. So Kam Wing, Mr. Wu Wing Kin, Mr. Cheung Hon Kit, Mr. Kwee Chong Kok, Michael and Mr. Wong Chi Keung.

In accordance with article 87A of the Company's articles of association, Mr. Choi Wing Kin and Mr. Wu Wing Kin shall retire and, being eligible, offer themselves for re-election at the AGM.

In accordance with article 86 of the Company's articles of association, Mr To Hin Tsun, Gerald will hold office until the AGM and shall then be eligible for re-election at the AGM.

## LETTER FROM THE BOARD

### **Mr. Choi Wing Kin**

**Mr. Choi Wing Kin**, aged 45, was appointed as executive Director in May 2001. He was the founder and an executive director of Cyber On-Air Limited (a wholly owned subsidiary of the Company). Mr. Choi holds the position of Chief Operating Officer of New World CyberBase Limited (a company whose shares are listed on the Stock Exchange). He has over 19 years' experience in information technology and telecommunications industry. Professionally, Mr. Choi possesses a Chartered Engineer qualification from the Engineering Council (UK) and is a member of The Institution of Electrical Engineers (UK), The Hong Kong Institution of Engineers (HK), and The Institution of Engineers (Australia). He has a Bachelor of Science degree in Electronics and Computer Science from the Chinese University of Hong Kong.

Mr. Choi does not hold any directorship in listed public companies in the last 3 years.

Mr. Choi does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. He has a personal interest of 1,329,600 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO").

There is no service contract between Mr. Choi and the Company and his term of service with the Company will be subject to rotation retirement pursuant to the articles of association of the Company and the GEM Listing Rules. Mr. Choi did not receive any director's fee for the year ended 31 March 2006. The remuneration of the directors is based on the performance 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.

There is no information relating to Mr. Choi that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 17.50(2) of the GEM Listing Rules.

### **Mr. Wu Wing Kin**

**Mr. Wu Wing Kin**, aged 50, was appointed as a non-executive Director in May 2001. Mr. Wu is presently the general manager of Phillip Securities (HK) Ltd. and Phillip Commodities (HK) Ltd. Mr. Wu is also an ordinary member of the Hong Kong Securities Institute. Mr. Wu has more than 20 years of working experience in the financial, securities and futures industries.

Mr. Wu previously held directorship as an executive director of Chinainfo Holdings Limited (formerly known as HK6 Holdings Limited) (resigned on 8 June 2004).



## LETTER FROM THE BOARD

Mr. Wu 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 shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between Mr. Wu and the Company and his term of service with the Company will be subject to rotation retirement pursuant to the articles of association of the Company and the GEM Listing Rules. Mr. Wu received a director's fee of HK\$120,000 for the year ended 31 March 2006. The remuneration of the directors is based on the performance 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.

There is no information relating to Mr. Wu that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 17.50(2) of the GEM Listing Rules.

### **Mr. To Hin Tsun, Gerald**

**Mr. To Hin Tsun, Gerald**, aged 57, was appointed as executive Director in June 2006. He has been a practising solicitor in Hong Kong since 1975. He is also qualified as a solicitor in the United Kingdom, as well as an advocate and solicitor in Singapore. He is currently the senior and managing partner of Messrs. T. S. Tong & Co., Solicitors and Notaries. Mr. To is an executive director of New World Mobile Holdings Limited and a non-executive director of Tai Fook Securities Group Limited, New World CyberBase Limited and NWS Holdings Limited, all of which are companies whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Mr. To previously held directorships as non-executive director of The Kwong Sang Hong International Limited (withdrawn listing on The Stock Exchange of Hong Kong Limited with effect from 3 February 2005) and Mexan Limited (former known as Asean Resources Holdings Limited) (resigned on 21 July 2003).

Apart from the abovementioned, Mr. To has co-investments with Chow Tai Fook Enterprises Limited, the controlling shareholder of the Company (including interest in hotel business in the Philippines, the subject matter of the acquisition announced by the Company on 23 November 2004) and from time to time acts as solicitor and business consultant for certain directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. He does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO").

There is no service contract between the Company and Mr. To and his term of service with the Company will be subject to rotation retirement pursuant to the articles of

## **LETTER FROM THE BOARD**

association of the Company and the GEM Listing Rules. Since Mr. To appointed as executive director of the Company with effect from 30 June 2006, he did not receive any director's fee for the year ended 31 March 2006. The remuneration of the directors is based on the performance 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.

There is no information relating to Mr. To that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 17.50(2) of the GEM Listing Rules.

### **PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION**

As a result of the minor and housekeeping amendments to the GEM Listing Rules become effective on 1 March 2006, the Articles of Association shall provide that the Company in general meeting shall have power by ordinary resolution to remove any director before the expiration of his term of office.

The proposed amendment to the Articles of Association is contained in the notice of AGM set out on pages 13 to 17 of this circular.

### **RECOMMENDATION**

The Directors consider that the granting of the general mandates to issue and purchase Shares, re-election of directors and amendment to the Article of Association are in the best interests of the Company and the Shareholders as a whole and recommend you to vote in favour of all the relevant resolutions at the AGM.

### **AGM**

A notice convening the AGM to be held at Meeting Room 607, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Friday, 25 August 2006 at 11:00 a.m. is set out on pages 13 to 17 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, 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 but in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish.

## LETTER FROM THE BOARD

### PROCEDURES FOR DEMANDING A POLL

Pursuant to Article 66 of the Articles of Association of the Company, a resolution put to vote at a general 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 authorized 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.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,  
For and on behalf of the Board  
**International Entertainment Corporation**  
**Cheng Kar Shun**  
*Chairman*

This section includes explanatory statements required by the Stock Exchange to be presented to Shareholders concerning the mandate to repurchase Shares proposed to be granted to the Directors.

### **STOCK EXCHANGE RULES FOR REPURCHASES OF SECURITIES**

The GEM Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which is summarised below:

The GEM Listing Rules provide that all proposed repurchases of securities by a company with a primary listing on the Stock Exchange must be approved by shareholders in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction and that the securities to be repurchased must be fully paid up.

### **FUNDING OF REPURCHASES**

Any repurchase will be made out of funds which are legally available for the purpose in accordance with the memorandum and articles of association of the Company and the Companies Law of the Cayman Islands.

As compared with the financial position of the Company as at 31 March 2006 (being the date to which the latest audited accounts of the Company were made up), the Directors consider that there might be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing ratio which in the opinion of the Directors are from time to time appropriate for the Company.

### **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 235,831,447 issued Shares.

Subject to the passing of the relevant ordinary resolution to approve the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 23,583,144 Shares during the period from the date of the AGM up to (i) the conclusion of the next annual general meeting of the Company, (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable law of Cayman Islands to be held, or (iii) the revocation or variation of such authority by Shareholders, whichever occurs first.

## REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

## UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the applicable laws of the Cayman Islands and in accordance with the memorandum and articles of association of the Company.

## EFFECT OF THE TAKEOVERS CODE

If as a result of a share purchase, a shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for shares under Rules 26 and 32 of the Takeovers Code.

If the Repurchase Mandate were exercised in full, the shareholding percentage of the shareholders, who have an interest in 5% or more of the issued share capital of the Company (based on the number of the Shares they held as at the Latest Practicable Date), before and after such repurchase would be as follows:-

Name of Shareholders	Number of Shares held	Percentage of existing shareholding	Percentage of shareholding if the Repurchase Mandate is exercised in full
Mediastar International Limited ("Mediastar")	120,000,079	50.88%	56.54%
Chow Tai Fook Enterprises Limited ("CTF")	120,000,079	50.88%	56.54%
	(Note 1)		
Centennial Success Limited	120,000,079	50.88%	56.54%
	(Note 3)		
Cheng Yu Tung Family (Holdings) Limited	120,000,079	50.88%	56.54%
	(Note 4)		
Young China Investments Ltd.	19,000,000	8.06%	8.95%
Mr. Chow Shiu Leung	19,000,000	8.06%	8.95%
	(Note 2)		

*Notes:*

- (1) Mediastar is wholly-owned by CTF. Accordingly, CTF is deemed to be interested in 120,000,079 Shares held by Mediastar under the SFO.
- (2) Young China Investments Ltd. is wholly-owned by Mr. Chow Shiu Leung. Accordingly, Mr. Chow Shiu Leung is deemed to be interested in 19,000,000 Shares held by Young China Investments Ltd. under the SFO.
- (3) CTF is wholly owned by Centennial Success Limited. Accordingly, Centennial Success Limited is deemed to be interested in 120,000,079 Shares held by Mediastar 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 120,000,079 Shares held by Mediastar under the SFO.

In the event that the Directors exercise in full the power to purchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, the shareholding of these Shareholders in the Company would be increased as shown in the above table. Accordingly, they will not be required under the Takeovers Code to make a mandatory offer for all the issued shares of the Company as a result of such increases. The Company will not repurchase Shares to the extent that the public holding of Shares would be reduced below 25% of the issued share capital of the Company.

**DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective associates has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company. No connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make repurchases of Shares.

**SHARE REPURCHASE MADE BY THE COMPANY**

No repurchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) in the preceding six months ending on the Latest Practicable Date.

## SHARE PRICE

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months immediately prior to the Latest Practicable Date were as follows:

	<b>Shares</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2005</b>		
June	7.90	6.95
July	7.20	5.60
August	7.70	6.00
September	6.95	6.00
October	5.80	4.30
November	5.30	4.775
December	5.15	5.15
<b>2006</b>		
January	4.875	4.875
February	6.40	4.00
March	5.95	4.35
April	6.15	5.50
May	6.00	4.40
June	4.00	3.05
July (up to Latest Practicable Date)	3.30	1.80

# NOTICE OF ANNUAL GENERAL MEETING



## 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 the annual general meeting of International Entertainment Corporation (the “Company”) will be held at Meeting Room 607, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Friday, 25 August 2006 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 March 2006;
2. To re-elect the Directors and authorise the board of directors of the Company to fix their remuneration;
3. To re-appoint auditors and authorise the board of directors of the Company to fix their remuneration;
4. As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

### ORDINARY RESOLUTIONS

(I) “**THAT:**

- (A) subject to paragraph (C) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (B) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;



## NOTICE OF ANNUAL GENERAL MEETING

(C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (A) and (B), otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the time of passing this resolution; and

(D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable law of Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

## NOTICE OF ANNUAL GENERAL MEETING

(II) “THAT:

- (A) subject to paragraph (C) below, the exercise by the directors of the Company (“Directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to repurchase such securities are subject to and in accordance with all applicable laws, be and is hereby, generally and unconditionally approved;
- (B) the approval in paragraph (A) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (C) the aggregate nominal amount of share capital of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (A) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the time of passing this resolution; and
- (D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable law of Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

## NOTICE OF ANNUAL GENERAL MEETING

(III) “**THAT:**

conditional upon the passing of the ordinary resolutions numbered 4(I) and 4(II) in the notice convening this meeting being duly passed, the aggregate nominal amount of the shares in the capital of the Company which are repurchased by the Company pursuant to and in accordance with the said resolution numbered 4(II) shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the resolution numbered 4(I) set out in the notice convening this meeting.”

5. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

### **SPECIAL RESOLUTION**

“**THAT** the Articles of Association of the Company be and is hereby amended as follows:

by replacing the word “special” with the word “ordinary” after the words “at any general meeting convened and held in accordance with these Articles, by” appearing in the second line of the existing Article 86(5).”

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

Hong Kong, 27 July 2006

*Principal place of business in Hong Kong:*

Rooms 1502-05  
New World Tower 1  
16-18 Queen’s Road Central  
Hong Kong

As at the date of this notice, the board of directors of the Company comprises five executive directors, namely Dr. Cheng Kar Shun, Mr. Lo Lin Shing, Simon, Mr. To Hin Tsun, Gerald, Mr. Choi Wing Kin and Mr. So Kam Wing, 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 ANNUAL GENERAL MEETING

*Notes:*

1. Any member of the Company entitled to attend and vote at the meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member 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 general meeting of the Company. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member of the Company who is an individual or a member of the Company which is a corporation shall be entitled to exercise the same powers on behalf of the member of the Company which he or they represent as such member of the Company could exercise.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of 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 Room Nos. 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 holding the meeting or adjourned meeting 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 adjourned meeting, 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 member of the Company from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint holders of any share, 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.