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## **INTERNATIONAL ENTERTAINMENT CORPORATION**

**國際娛樂有限公司**

**(formerly known as Cyber On-Air Group Company Limited**

**創博數碼科技集團有限公司)**

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

**(Stock Code: 8118)**

### **INCREASE IN ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS AND CHANGE OF NAME**

As announced by the Company on 6 December 2004, COAA, a wholly owned subsidiary of the Company, will from time to time enter into transactions with NWPCS in the provision of installation work of cellular base stations in accordance with the terms of the Project Services Agreement and the maximum aggregate value of the Transactions for the period from 1 May 2004 to 30 April 2005 would be HK\$4 million.

The Directors propose that the 2005 Cap Amount and the 2006 Cap Amount of the turnover arising from services provided under the Project Services Agreement be increased to HK\$8 million and HK\$1 million respectively. Under Rule 20.35 of the GEM Listing Rules, the Transactions and the 2005 Cap Amount are subject to the reporting, announcement and independent shareholders' approval requirements set out in Rules 20.45 to 20.48 of the GEM Listing Rules. Under Rule 20.34 of the GEM Listing Rules, the Transactions and the 2006 Cap Amount are subject to reporting and announcement requirements but are exempt from the independent shareholders' approval requirements.

An EGM will be convened at which an ordinary resolution will be proposed to approve the Transactions and the 2005 Cap Amount. A circular containing, among other things, (i) information on the Project Services Agreement; (ii) the recommendations of the independent board committee of the Company in relation to the terms of the Transactions and the 2005 Cap Amount; (iii) the advice of the independent financial adviser to the independent board committee of the Company and the Independent Shareholders in relation to the terms of the Transactions and the 2005 Cap Amount; and (iv) a notice convening the EGM, will be despatched to Shareholders as soon as practicable.

### **THE CONTINUING CONNECTED TRANSACTIONS**

As announced by the Company on 6 December 2004, COAA, a wholly owned subsidiary of the Company, will from time to time enter into transactions with NWPCS in the provision of installation work of cellular base stations in accordance with the terms of the Project Services Agreement.

Mediastar, a wholly owned subsidiary of CTF, became a substantial shareholder of the Company on 30 April 2004 when the Company issued 120,000,000 Shares to Mediastar. As at the date of this announcement, Mediastar is interested in approximately 43.45% of the issued share capital of the Company while CTF and its subsidiaries have an aggregate of approximately 35.26% of interests in the share capital of NWD, which has an approximately 70.92% interest in the share capital of NWM. NWPCS, a wholly owned subsidiary of NWM, is regarded as a connected person of the Company under the GEM Listing Rules and the Transactions constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

Pursuant to the Project Services Agreement, COAA will provide project services for the installation work of cellular base stations to NWPCS up to 30 April 2005 in its ordinary and usual course of business. The credit term for the Transactions is 30 days. The fee payable by NWPCS to COAA for the provision of installation work of cellular base stations pursuant to the Project Services Agreement is determined on normal commercial terms (on arm's length basis or on terms no less favourable to the Group than to independent third parties). As announced by the Company on 6 December 2004, it was expected that the maximum aggregate value of the Transactions for the period from 1 May 2004 to 30 April 2005 would be HK\$4 million, and that the annual turnover arising from services provided under the Project Services Agreement to be generated for the year ending 31 March 2005 would be more than 2.5% but less than 25% of applicable percentage ratios of the Company as specified in Rule 19.07 of the GEM Listing Rules and not more than HK\$4 million.

#### **INCREASE IN THE ANNUAL CAP FOR THE CONTINUING CONNECTED TRANSACTIONS**

The turnover of the Group arising from the provision of installation work of cellular base stations by COAA to NWPCS for the period from 1 May 2004 to 31 December 2004 amounted to approximately HK\$2.6 million. Based on the orders placed by NWPCS, the Directors expect that the demand from NWPCS for the Group's project services for the installation work of cellular base stations under the Project Services Agreement will rise. As a result, the Directors propose that the 2005 Cap Amount and the 2006 Cap Amount of the turnover arising from services provided under the Project Services Agreement be increased to HK\$8 million and HK\$1 million respectively. Under Rule 20.35 of the GEM Listing Rules, the Transactions and the 2005 Cap Amount are subject to the reporting, announcement and independent shareholders' approval requirements set out in Rules 20.45 to 20.48 of the GEM Listing Rules. Under Rule 20.34 of the GEM Listing Rules, the Transactions and the 2006 Cap Amount are subject to reporting and announcement requirements but are exempt from the independent shareholders' approval requirements.

#### **INFORMATION ON THE GROUP AND REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS**

The principal activities of the Group are provision of project services, network solutions, application solutions, technology project and multimedia services, and the acquisition, financing, production and worldwide licensing of theatrical feature films in a variety of genres. In November 2004, the Company entered into a conditional sale and purchase agreement for the acquisition of the hotel and entertainment operations in the Philippines and Macau.

The Directors consider that the Transactions are in line with the existing activities of the Group and further strengthen the Group's position as a project services provider in the market.

The Directors (including the independent non-executive Directors) consider that the Transactions are on normal commercial terms and in the ordinary and usual course of business of the Group and the terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INFORMATION ON NWM**

NWM and its subsidiaries are principally engaged in offering a host of quality mobile services including voice service and customized data services tailored to the specific needs of individual customer groups via advanced mobile technology.

## **GENERAL**

An EGM will be convened at which an ordinary resolution (the “Resolution”) will be proposed to approve the Transactions and the 2005 Cap Amount. Voting on the EGM in respect of the Resolution shall be taken by poll. NWPCS and its associates and any Shareholder with a material interest are required to abstain from voting on the Resolution. Mediastar will abstain from voting on the Resolution.

An independent board committee of the Company will be established to advise the Independent Shareholders in relation to the terms of the Transactions and the 2005 Cap Amount. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in relation to the terms of the Transactions and the 2005 Cap Amount.

Pursuant to the GEM Listing Rules, the Company must send a circular to the Shareholders and the Stock Exchange and arrange for its publication in accordance with Chapter 16 of the GEM Listing Rules within 21 days after publication of this announcement. The circular must be despatched to the Shareholders at the same time as or before the Company gives notice of the EGM to approve the Transactions and the 2005 Cap Amount. A circular containing, among other things, (i) information on the Project Services Agreement; (ii) the recommendations of the independent board committee of the Company in relation to the terms of the Transactions and the 2005 Cap Amount; (iii) the advice of the independent financial adviser to the independent board committee of the Company and the Independent Shareholders in relation to the terms of the Transactions and the 2005 Cap Amount; and (iv) a notice convening the EGM, will be despatched to Shareholders as soon as practicable.

## **CHANGE OF NAME**

Reference is made to the announcements of the Company dated 19 November 2004 and 17 December 2004 and the circular of the Company dated 24 November 2004 in relation to, among others, the proposed change of name of the Company from “Cyber On-Air Group Company Limited 創博數碼科技集團有限公司” to “International Entertainment Corporation 國際娛樂有限公司”.

The Board is pleased to announce that the Certificate of Incorporation on Change of Name regarding the change of name of the Company to “International Entertainment Corporation 國際娛樂有限公司” was issued by the Registrar of Companies in the Cayman Islands on 20 January 2005 (Cayman time). The change of name of the Company took effect on 17 December 2004. The Company will carry out the necessary filing procedures on the change of name with the Registrar of Companies in Hong Kong. Further announcement will be made by the Company in relation to the timetable for the exchange of share certificates and the change of stock short name of the Company.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“2005 Cap Amount”	the maximum aggregate value of the Transactions for the period from 1 May 2004 to 31 March 2005
“2006 Cap Amount”	the maximum aggregate value of the Transactions for the period from 1 April 2005 to 30 April 2005
“associate”	has the meaning ascribed to it in the GEM Listing Rules
“Board”	the board of Directors
“COAA”	Cyber On-Air (Asia) Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“Company”	International Entertainment Corporation (formerly known as Cyber On-Air Group Company Limited), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the GEM
“CTF”	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability
“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider the Transactions and the 2005 Cap Amount
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Independent Shareholders”	Shareholders other than Mediastar International Limited and other than any Shareholder with a material interest in the Transactions
“Mediastar”	Mediastar International Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of CTF
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange
“NWM”	New World Mobile Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“NWPCS”	New World PCS Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of NWM

“Project Services Agreement”	the agreement dated 16 May 2003 entered into between COAA and NWPCS for the provision of installation work of cellular base stations, as modified by the addendums entered into between NWPCS and COAA on 22 April 2004 and 7 October 2004
“Share(s)”	share(s) of HK\$1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	transaction(s) entered into, from time-to-time, between COAA and NWPCS for the provision of installation work of cellular base stations in accordance with the terms of the Project Services Agreement

By order of the Board  
**Kwok Chi Kin**  
*Company Secretary*

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

*Executive Directors:*

Cheng Kar Shun (*Chairman*)  
Lo Lin Shing, Simon  
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, 26 January 2005

*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 Group. 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 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).*