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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: 01009)

ESTIMATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors of the Company that based on the preliminary assessment of the latest unaudited management accounts of the Group and the information currently available, the profit of the Group for the year ended 31 March 2017 is expected to increase by approximately 30% to 50% as compared to the profit of the Group of approximately HK\$45.2 million for the year ended 31 March 2016.

The Company would like to draw the attention of the Shareholders and potential investors of the Company that the Profit Alert as set out in this announcement does not meet the requirements under Rule 10 of the Takeovers Code.

Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on the Profit Alert when assessing the merits and demerits of the Offer and when dealing in the shares of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

This announcement is made by International Entertainment Corporation (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”).

The board of directors (the “Board”) of the Company wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors of the Company that based on the preliminary assessment of the latest unaudited management accounts of the Group and the information currently available, the profit of the Group for the year ended 31 March 2017 is expected to increase by approximately 30% to 50% as compared to the profit of the Group of approximately HK\$45.2 million for the year ended 31 March 2016 (the “Profit Alert”). The expected increase in the profit of the Group for the year ended 31 March 2017 was mainly attributable to, among other things, the combined effect of (i) an increase in gross profit as compared to the last corresponding period mainly due to a decrease in depreciation (included in cost of sales) after partial set off in a decrease in revenue; (ii) the recognition of a slight gain on the change in fair value of financial assets at fair value through profit or loss for the year ended 31 March 2017 as compared to the loss recognised for the year ended 31 March 2016; and (iii) a one-off gain on the change in fair value of contingent consideration provision of HK\$16.6 million recognised for the year ended 31 March 2016.

The information contained in this announcement can only be treated as a preliminary assessment by the management of the Group based on the latest unaudited management accounts of the Group and the information currently available, and is not based on any figures nor information that has been audited, confirmed and/or reviewed by the auditor of the Company. Shareholders and potential investors of the Company are advised to read the annual results announcement of the Company for the year ended 31 March 2017 which is expected to be published in June 2017.

References are made to the joint announcements dated 14 February 2017, 7 March 2017, 30 March 2017 and 27 April 2017 jointly issued by Brighten Path Limited (the “Offeror”) and the Company in relation to, among other things, an unconditional mandatory cash offer by Head & Shoulders Securities Limited for and on behalf of the Offeror to acquire all the issued shares of the Company (other than those already owned by the Offeror and parties acting in concert with it) (the “Offer”).

The Company would like to draw the attention of the Shareholders and potential investors of the Company that as the Profit Alert is published during the offer period, it constitutes a profit forecast under Rule 10 of The Hong Kong Code on Takeovers and Mergers (the “Takeovers Code”) and would need to be reported by both the Company’s financial adviser and its accountants or auditor in accordance with Rule 10.4 of the Takeovers Code and their reports must be included in the next document to be sent to the Shareholders under Rule 10.4 of the Takeovers Code.

As the Company is required to publish the Profit Alert as soon as practicable pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO and given the time constraints, the Company encounters genuine practicable difficulties in meeting the requirements under Rule 10 of the Takeovers Code. The reports as required under Rule 10.4 of the Takeovers Code will be contained in the next document to be sent by the Company to the Shareholders if the Company has not published its annual results announcement for the year ended 31 March 2017 when such document is published.

The Company would like to draw the attention of the Shareholders and potential investors of the Company that the Profit Alert as set out in this announcement does not meet the requirements under Rule 10 of the Takeovers Code.

Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on the Profit Alert when assessing the merits and demerits of the Offer and when dealing in the shares of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

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

Hong Kong, 8 May 2017

As at the date of this announcement, the Board comprises seven executive directors, namely Dr. Cheng Kar Shun, Mr. Lo Lin Shing, Simon, Mr. To Hin Tsun, Gerald, Mr. Cheng Kam Chiu, Stewart, Mr. Cheng Kam Biu, Wilson, Dr. Cheng Chi Kong and Mr. Cheng Chi Him, and four independent non-executive directors, namely Mr. Cheung Hon Kit, Mr. Kwee Chong Kok, Michael, Mr. Lau Wai Piu and Mr. Tsui Hing Chuen, William.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.