

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



INTERNATIONAL ENTERTAINMENT CORPORATION

國際娛樂有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01009)

**VERY SUBSTANTIAL ACQUISITION
IN RESPECT OF THE PROPOSED ACQUISITION OF
(i) THE ENTIRE ISSUED SHARE CAPITAL OF
WIGAN ATHLETIC HOLDINGS LIMITED
AND
PART OF THE ISSUED SHARE CAPITAL OF
WIGAN ATHLETIC A.F.C. LIMITED;
AND
(ii) THE PROPERTIES**

Financial adviser to the Company

VEDA | CAPITAL
智 略 資 本

THE ACQUISITION

The Company is pleased to announce that on 21 May 2018 (after trading hours), the Buyer (as the purchaser), the Sellers and Huron (collectively, as the Vendors) and the Company (as the guarantor) entered into the Share Purchase Agreement, pursuant to which the Buyer has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Shares, representing the entire issued share capital (including both ordinary shares and preference shares) of the Target Company and the shareholding of the Trustees of the Whelan Family Bare Trust in WAFCL.

On 21 May 2018, the Buyer and the Company also entered into the Property Agreement A, the Property Agreement B and the Property Agreement C with the Property Seller A, the Property Seller B and the Property Seller C respectively for the acquisition of the Property A, the Property B and the Property C by the Buyer for the Properties Consideration.

The capital commitment for the Acquisition is the aggregate of:

- (a) £15,900,000 (equivalent to approximately HK\$169,494,000); and
- (b) the Working Capital Loans (in any event not exceeding £6,475,000 on the basis that the Long Stop Date was extended to 31 January 2019) (equivalent to approximately HK\$69,023,500),

which shall be settled by cash.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in the Listing Rules in respect of the Acquisition under the Share Purchase Agreement exceed(s) 100%, the entering into of the Share Purchase Agreement and the Property Agreements in aggregate constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. As such, the Share Purchase Agreement, the Property Agreements and the Acquisition contemplated thereunder are subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

An EGM will be held in due course for the purposes of considering and, if thought fit, approving the Share Purchase Agreement, the Property Agreements and the transactions contemplated thereunder (including the Acquisition) by way of poll.

A circular containing, among other things, (a) further details of the Acquisition; (b) the financial information of the Group; (c) the financial information of the Target Group; (d) the unaudited pro forma financial information of the Enlarged Group, as a result of Acquisition; (e) the valuation report of the Properties; (f) a notice convening the EGM; and (g) other information as required under the Listing Rules, will be despatched to the Shareholders on or before 12 June 2018 in order to allow sufficient time for the preparation of the necessary information for inclusion in the circular.

Reference is made to the announcement of the Company dated 5 February 2018 recording that the Company entered into a term sheet with the Sellers pursuant to which the Company is willing, in principle but subject to contract, to acquire (i) the entire issued share capital of the Target Company, which is the majority shareholder of WAFCL and Stadco; and (ii) the direct shareholding of the Trustees of the Whelan Family Bare Trust in WAFCL.

THE ACQUISITION

The Company is pleased to announce that on 21 May 2018 (after trading hours), the Buyer (as the purchaser), the Sellers and Huron (collectively, as the Vendors) and the Company (as the guarantor) entered into the Share Purchase Agreement, pursuant to which the Buyer has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Shares, representing the entire issued share capital (including both ordinary shares and preference shares) of the Target Company and the shareholding of the Trustees of the Whelan Family Bare Trust in WAFCL.

On 21 May 2018 (after trading hours), the Buyer and the Company also entered into the Property Agreement A, the Property Agreement B and the Property Agreement C with the Property Seller A, the Property Seller B and the Property Seller C respectively for the acquisition of the Property A, the Property B and the Property C by the Buyer at the Properties Consideration.

The capital commitment for the Acquisition is the aggregate of:

- (a) £15,900,000 (equivalent to approximately HK\$169,494,000); and
- (b) the Working Capital Loans (in any event not exceeding £6,475,000 (equivalent to approximately HK\$69,023,500) on the basis that the Long Stop Date was extended to 31 January 2019). In the event that the Long Stop Date was not extended and remained as 15 November 2018, the maximum amount of the Working Capital Loans would be £4,725,000 (equivalent to approximately HK\$50,368,500),

which shall be settled by cash.

THE SHARE PURCHASE AGREEMENT

Date : 21 May 2018

Parties : (i) The Buyer, as the purchaser
(ii) The Sellers
(iii) Huron (and together with the Sellers, the Vendors)
(iv) The Company, as the guarantor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors are Independent Third Parties and save for the Acquisition, there is no relationship or business arrangement between the Vendors and the Company and its connected persons.

Assets to be acquired

Pursuant to the Share Purchase Agreement and subject to the conditions, the Buyer has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Shares, representing the entire issued share capital (including both ordinary shares and preference shares) of the Target Company and approximately 16.67% of the entire issued preferred shares of WAFCL.

Capital commitment for the Acquisition

The capital commitment for the Acquisition is an aggregate of:

- (i) the Equity Sum;
- (ii) the Bank Repayment Amount;
- (iii) the WFL Repayment Amount;
- (iv) the Properties Consideration; and
- (v) the Working Capital Loans.

The aggregate sum of (i), (ii), (iii) and (iv) above shall not exceed £15,900,000 (equivalent to approximately HK\$169,494,000). In the event that the aggregate amount does exceed £15,900,000 (equivalent to approximately HK\$169,494,000) for any reason, then the Sellers shall procure that a corresponding amount of the Whelan Family Loans shall be waived or capitalised into Capitalisation Shares to ensure that only the sum of £15,900,000 (equivalent to approximately HK\$169,494,000) is payable in respect of the items (i) to (iv) above.

Equity Sum

The Equity Sum is the consideration for purchase of the Sale Shares, being the greater of:

- (a) £1.00 (equivalent to approximately HK\$10.66); and
- (b) £15,900,000 (equivalent to approximately HK\$169,494,000) minus the aggregate of (i) the Properties Consideration; (ii) the Bank Repayment Amount and (iii) the Whelan Family Loan Amount.

The Equity Sum shall be settled in cash.

Bank Repayment Amount

The Bank Repayment Amount is the amount owing by the Target Group to Barclays Bank Plc as at close of business on the day prior to Completion (other than any amounts owing on the credit cards of the Target Group incurred in the ordinary course of business). As at the date of this announcement, the amount owing by the Target Group to Barclays Bank Plc was approximately £4,000,000 (equivalent to approximately HK\$42,640,000).

Upon Completion, the Buyer shall procure that the Target Company pays the Bank Repayment Amount to Barclays Bank Plc in accordance with the Bank Payoff Letter.

WFL Repayment Amount

The WFL Repayment Amount is the lesser of:

- (a) the Whelan Family Loan Amount; and
- (b) £15,900,000 (equivalent to approximately HK\$169,494,000) minus the aggregate of
 - (i) the Properties Consideration; and
 - (ii) the Bank Repayment Amount.

As at the date of this announcement, the Whelan Family Loan Amount was approximately £10,367,000 (equivalent to approximately HK\$110,512,220).

Upon Completion, the Buyer shall procure the Target Company pays the WFL Repayment Amount to the solicitors of the Sellers in partial repayment of the Whelan Family Loans (such sum to be inclusive of the Deposit which will be paid on Completion to the solicitors of Sellers on behalf of the Sellers).

Properties Consideration

For the detail of the Properties Consideration, please refer to the section headed “The Property Agreements” below.

Working Capital Loans

Pursuant to the Share Purchase Agreement, certain of the Sellers (or their affiliates) or Huron shall make loans to the Target Company to meet the working capital requirements of the Target Group during the period from 24 April 2018 to Completion. Up to and including the date of this announcement, the Working Capital Loans made by certain of the Sellers and/or their affiliates or Huron to the Club from 24 April 2018 was £340,000 (equivalent to approximately HK\$3,624,400).

The Buyer shall procure that the Target Company repays the outstanding sum of the Working Capital Loans owed as at Completion. In any event the amount of the Working Capital Loans shall not exceed £6,475,000 on the basis that the Long Stop Date was extended to 31 January 2019 (equivalent to approximately HK\$69,023,500).

In the event that the Sellers advance more than an average of £700,000 (equivalent to approximately HK\$7,462,000) per calendar month (calculated pro-rata if less than a calendar month) for the relevant period, any such surplus working capital monies shall not be classified as the Working Capital Loans but shall be classified as the Whelan Family Loans.

As at the date of this announcement, the Deposit (i.e. £1,590,000) (equivalent to approximately HK\$16,949,400) has been deposited to the escrow account operated by an escrow agent in the Netherlands.

The capital commitment for the Acquisition was determined after arm’s length negotiations between the Buyer, the Sellers and Huron on normal commercial terms taking into account of, among other things, (i) the latest financial position of the Target Group as at 31 May

2017, in particular the net asset value of the Target Group being £30,073,669 (equivalent to approximately HK\$320,585,312); (ii) the Bank Repayment Amount on a dollar-to-dollar basis; (iii) the Properties Consideration; (iv) the Whelan Family Loan Amount; (v) the fact that the Club has secured promotion to the Championship League in the 2018 to 2019 season; and (vi) the future business prospects of the Target Group.

Having further considered that (i) total amount of the capital commitment for the Acquisition of £22,375,000 (equivalent to approximately HK\$238,517,500) which includes the amount of £15,900,000 (equivalent to approximately HK\$169,494,000) and the Working Capital Loans (on the basis that the Long Stop Date was extended to 31 January 2019) of £6,475,000 (equivalent to approximately HK\$69,023,500), which represents a discount of approximately 25.60% as compared to the net asset value of the Target Group of £30,073,669 (equivalent to approximately HK\$320,585,312) as at 31 May 2017; (ii) the Bank Repayment Amount is on a dollar-to-dollar basis; and (iii) the WFL Repayment Amount is capped at the remaining balance of £15,900,000 (equivalent to approximately HK\$169,494,000) after taken into account of the Properties Consideration and the Bank Repayment Amount while the excess (if any) will either be waived or capitalised into Capitalisation Shares, the Directors are of the view that the terms of the Share Purchase Agreement including but not limited to the capital commitment of the Acquisition are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Capitalisation Shares

To the extent that the Whelan Family Loan Amount (together with the Bank Repayment Amount and the Properties Consideration) exceeds £15,900,000 (equivalent to approximately HK\$169,494,000) the Sellers will procure that such excess is either waived or capitalised into Capitalisation Shares. These Capitalisation Shares will then be sold to the Buyer upon Completion for no further payment by the Group.

Conditions precedent

The Share Purchase Agreement is conditional on the following conditions being satisfied or, except in the case of condition (d) or (e), waived by the Buyer:

- (a) the granting of the necessary approval(s) required under the Listing Rules and all applicable laws and regulations of Hong Kong Exchanges and Clearing Limited, the Stock Exchange, the Securities and Future Commission in Hong Kong and all other relevant competent authorities in Hong Kong in connection with the Share Purchase Agreement and the Transaction Documents;
- (b) the passing of the resolutions of the Shareholders at a duly convened and held EGM as required by the Listing Rules and the constitutional documents of the Company approving the Share Purchase Agreement and the transactions contemplated under the Share Purchase Agreement;
- (c) Wigan Council executing a deed of waiver in relation to certain historic share transfers to the Target Company (in the agreed form or with such amendments as they may reasonably require);
- (d) completion of the Deed of Severance and the Non-Stadium Lease Assignment;

- (e) the Target Company having received confirmation in writing from the Football League Limited that the Football League Limited consents to the acquisition of the Sale Shares by the Buyer; and
- (f) no Material Adverse Change having occurred after the date of the Share Purchase Agreement and prior to the date that each of the other conditions have been satisfied or waived.

If any of the conditions have not been satisfied in full or waived by the Buyer in writing on or before the Long Stop Date, then the Share Purchase Agreement shall cease to have effect as from such date and no party shall have any further or other obligation to the other save in respect of any antecedent breach upon the Long Stop Date.

If the Share Purchase Agreement ceases to have effect in accordance with its terms or is terminated:

- (a) if either of the condition (c) above (other than due to any failure by the Buyer and/or the Company to comply with its obligations under the Share Purchase Agreement) or condition (d) is not satisfied, the Deposit shall be released to the Buyer;
- (b) if the Buyer has validly terminated the Share Purchase Agreement in accordance with its rights due to (i) a material breach of that agreement by any of the Sellers; (ii) a Material Adverse Change of the Target Group; or (iii) the Sellers failing to deliver the necessary documents to the Buyer on Completion, the Deposit shall be released (if not already) to the Buyer; and
- (c) in any other case, the Deposit shall be released to the Sellers.

Pursuant to the Share Purchase Agreement, the Deposit is refundable to the Buyer.

As at the date of this announcement, none of the above conditions precedent has been fulfilled.

Completion

Completion shall take place on the third Business Day after all the conditions precedent under the Share Purchase Agreement having been fulfilled or waived (as the case may be) by the relevant parties.

On Completion, subject to the Share Purchase Agreement, the Buyer shall:

- (i) pay the Equity Sum to the Sellers. The Sellers shall be entitled to receive such amount in the proportions set out in the Share Purchase Agreement;
- (ii) release the Deposit from the escrow account to the solicitors of Sellers to in part repay the WFL Repayment Amount;
- (iii) procure that the Target Company pays the Bank Repayment Amount to Barclays Bank Plc in accordance with the Bank Payoff Letter;
- (iv) procure that the Target Company pays the WFL Repayment Amount to the solicitors of Sellers in partial repayment of the Whelan Family Loans (such sum to be inclusive of the Deposit paid to the solicitors of Sellers); and
- (v) procure that the Target Company pays to the solicitors of Sellers an amount equal to the Working Capital Loans, in repayment of the Working Capital Loans.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and each of WAFCL and the Stadco will become indirect non-wholly owned subsidiaries of the Company. The consolidated financial results of the Target Group will be consolidated into the financial statements of the Group.

THE PROPERTY AGREEMENTS

The principal terms of the Property Agreements are as follow:

The Property Agreement A

Date : 21 May 2018

Parties : (i) The Property Buyer, as the purchaser
(ii) The Property Seller A, as the vendor
(iii) The Company, as the guarantor

Asset to be acquired : the Property A

Purchase price : £1,200,000 (equivalent to approximately HK\$12,792,000) inclusive of VAT or such other amount as is determined by the Buyer's independent valuer following completion of a valuation of the Property A in accordance with terms of the then current edition of the RICS Red Book and notified to the Property Seller A prior to the date of completion of the Property Agreement A.

Long stop date : being same as the Long Stop Date
Completion date : Completion of Property Agreement A will take place on the same date as Completion

The Property Agreement B

Date : 21 May 2018
Parties : (i) The Property Buyer, as the purchaser
(ii) The Property Seller B, as the vendor
(iii) The Company, as the guarantor
Asset to be acquired : the Property B
Purchase price : £150,000 (equivalent to approximately HK\$1,599,000) or such other amount as is determined by the Buyer's independent valuer following completion of a valuation of the Property B in accordance with terms of the then current edition of the RICS Red Book and notified to the Property Seller B prior to the date of completion of the Property Agreement B.
Long stop date : being same as the Long Stop Date
Completion date : Completion of Property Agreement B will take place on the same date as Completion

The Property Agreement C

Date : 21 May 2018
Parties : (i) The Property Buyer, as the purchaser
(ii) The Property Seller C, as the vendor
(iii) The Company, as the guarantor
Asset to be acquired : the Property C
Purchase price : £1,350,000 (equivalent to approximately HK\$14,391,000) or such other amount as is determined by the Buyer's independent valuer following completion of a valuation of the Property C in accordance with terms of the then current edition of the RICS Red Book and notified to the Property Seller C prior to the date of completion of the Property Agreement C.
Long stop date : being same as the Long Stop Date

Completion date : Completion of Property Agreement C will take place on the same date as Completion

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Property Sellers are Independent Third Parties and save for the Acquisition, there is no relationship or business arrangement between the Property Sellers and the Company and its connected persons.

The total consideration for the acquisition of the Properties shall form part of the maximum consideration payable by the Buyer under the Share Purchase Agreement. The Properties Consideration shall be paid to the Property Sellers upon Completion and shall be satisfied by cash.

As at the date of this announcement, the Company has engaged an independent valuer to perform a valuation on the Properties A, B and C respectively, and market or income approach will be adopted where appropriate.

Upon Completion, the Properties shall be transferred to the Property Buyer.

INFORMATION ON THE TARGET GROUP

The Target Group is principally engaged in operating the Wigan Athletic Football Club which is a professional association football club based in Wigan, Greater Manchester, England and was founded in 1932. The Target Group is also operating a sport stadium, namely DW Stadium, with conference and other facilities.

As at the date of this announcement, the issued ordinary shares of the Target Company are owned as to approximately 58.88% (i.e. 32,252,251 ordinary shares) by David Whelan, approximately 5.93% (i.e. 3,250,001 ordinary shares) by Patricia Whelan, approximately 30.81% (i.e. 16,878,001 ordinary shares) by the Trustees of the Whelan Family Bare Trust and approximately 4.38% (i.e. 2,400,001 ordinary shares) by Jayne Best, and all the issued preference shares of the Target Company are owned by David Whelan.

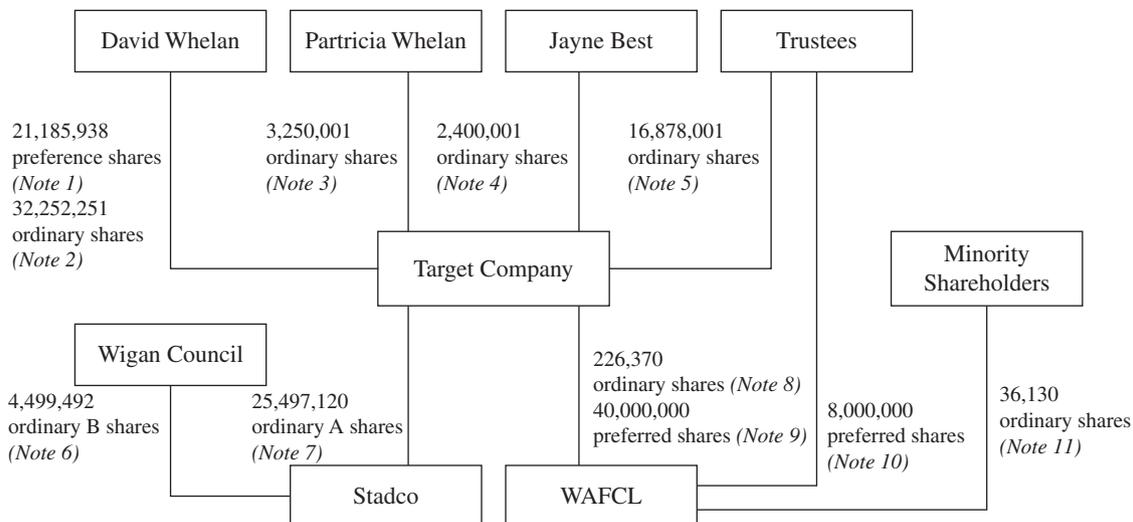
Both WAFCL and the Stadco are the non-wholly owned subsidiaries of the Target Company. As at the date of this announcement, the Target Company owns (i) 226,370 ordinary shares of WAFCL (representing approximately 86.24% of the entire issued ordinary shares of the Club); (ii) 40,000,000 preferred shares of the Club (representing approximately 83.33% of the entire issued preferred shares of the Club); and (iii) all ordinary A shares of the Stadco (representing approximately 85.00% of the entire issued share capital of Stadco). The Trustees of the Whelan Family Bare Trust holds the remaining 8,000,000 preferred shares of the Club (representing approximately 16.67% of the entire issued preferred shares of the Club). All the ordinary B shares of the Stadco are owned by Wigan Council.

The preferred shares of WAFCL are non-voting shares and are not convertible.

Shareholding structure

Set out below is the shareholding structure of the Target Group (a) as at the date of this announcement; and (b) immediately upon Completion

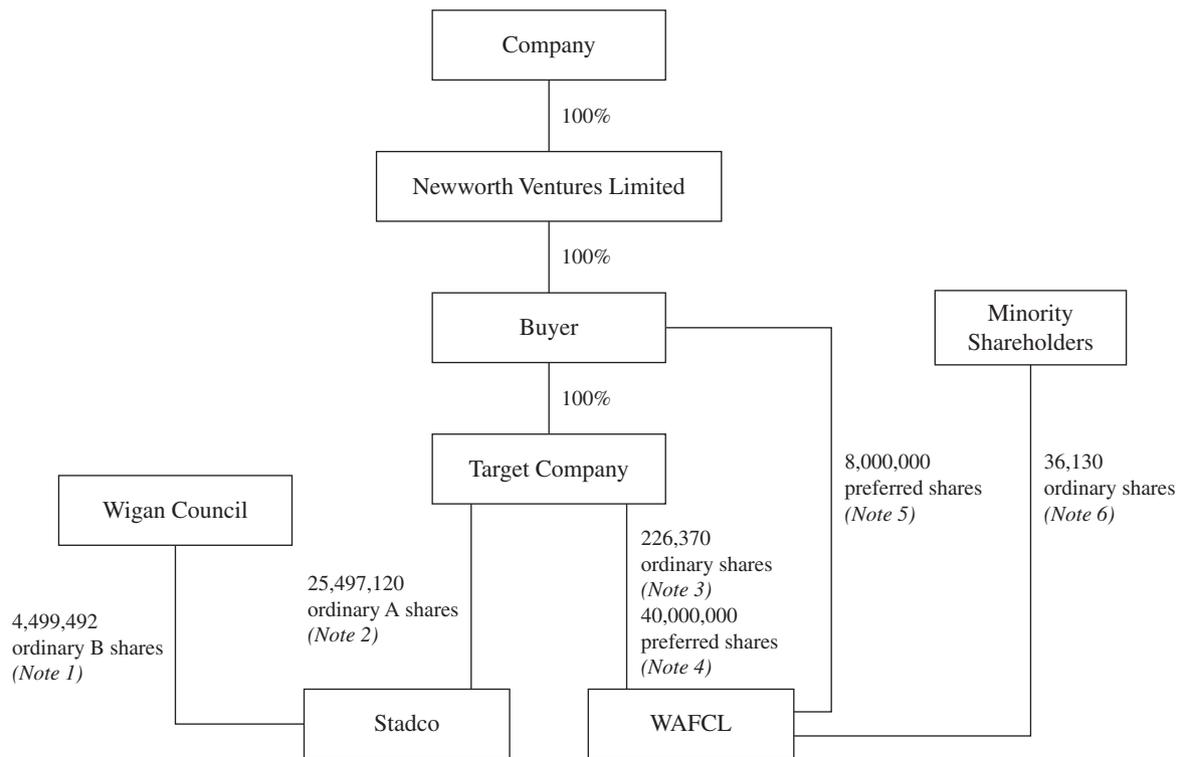
(a) As at the date of this announcement



Note:

1. representing the entire issued preference shares of the Target Company
2. representing approximately 58.88% of the entire issued ordinary shares of the Target Company
3. representing approximately 5.93% of the entire issued ordinary shares of the Target Company
4. representing approximately 4.38% of the entire issued ordinary shares of the Target Company
5. representing approximately 30.81% of the entire issued ordinary shares of the Target Company
6. representing the entire issued ordinary B shares of Stadco
7. representing the entire issued ordinary A shares of Stadco
8. representing approximately 86.24% of the entire issued ordinary shares of WAFCL
9. representing approximately 83.33% of the entire issued preferred shares of WAFCL
10. representing approximately 16.67% of the entire issued preferred shares of WAFCL
11. representing approximately 13.76% of the entire issued ordinary shares of WAFCL

(b) *Immediately upon Completion*



Note:

1. representing the entire issued ordinary B shares of Stadco
2. representing the entire issued ordinary A shares of Stadco
3. representing approximately 86.24% of the entire issued ordinary shares of WAFCL
4. representing approximately 83.33% of the entire issued preferred shares of WAFCL
5. representing approximately 16.67% of the entire issued preferred shares of WAFCL
6. representing approximately 13.76% of the entire issued ordinary shares of WAFCL

As at the date of this announcement, the Company has no intention and has not entered into any understanding, arrangement or undertaking to acquire the remaining interest in WAFCL held by the minority shareholders of WAFCL or the remaining interest in Stadco held by the Wigan Council.

Financial information of the Target Group

Set out below are the key financial information of the Target Company for the two years ended 31 May 2017 which were prepared in accordance with the United Kingdom Generally Accepted Accounting Practice:

	For the year ended 31 May 2017	For the year ended 31 May 2016
	<i>GBP'000</i>	<i>GBP'000</i>
	(audited)	(audited)
Revenue	27,352	18,018
Net (loss) profit before taxation	(1,625)	(5,246)
Net (loss) profit after taxation	(1,625)	(5,200)
Total Assets	51,005	61,179
Net Assets	30,074	31,699

INFORMATION ON THE PROPERTIES

Property A is a disused restaurant adjacent to the DW Stadium and the freehold is owned by Sharpe Investments (Wigan) Limited.

Property B is sports academy facility held by David Whelan on a lease commencing on 18 May 2012 and ending on 17 May 2111. The property is sublet to WAFCL on an underlease for a term commencing on 18 January 2013 and ending on 17 January 2038.

Property C is a sports training ground and the freehold is owned by Huron. The property has been sublet to WAFCL on an underlease for a term commencing on 14 May 2018 for a period of 12 months.

INFORMATION ON THE SELLERS AND THE PROPERTY SELLERS

David Whelan started life as a professional footballer but whose professional career was sadly brought to an end in the final of the Football Association Challenge Cup (the “**FA Cup**”) in 1960 when his leg was broken in a bad tackle. Since then, he has spent his entire career in retail, sports and leisure. He was the founder of JJB Sports plc, who during the 1990’s became the largest independent sports retailer in the UK with over 450 stores. In 1995, David Whelan bought a stake in WAFCL and during the next 10 years oversaw their promotion from the 4th tier of the football league to the Premier League. The Club enjoyed 8 years in the top flight Premier League which culminated in them winning the FA Cup in 2013. In 2007, he sold his shares in JJB Sports plc before buying back 53 health clubs and retail stores in 2009 and renaming them DW Sports & Fitness. Since then David Whelan has been chairman of Dave Whelan Sports Limited, an operator of health clubs and sports retail stores in the UK.

Patricia Whelan is the wife of David Whelan and Jayne Best is the daughter of David Whelan. Neither of them has any active involvement in the running of the Club.

David Whelan, Patricia Whelan and Jayne Best are the trustees of the Whelan Family Bare Trust, a trust for the benefit of certain members of the Whelan family.

Property Seller A, Sharpe Investments (Wigan) Limited, is property investment company incorporated in England and Wales and is a wholly owned subsidiary of Dave Whelan Sports Limited, which is wholly owned by David Whelan, Patricia Whelan and Jayne Best.

Property Seller B, David Whelan, is one of the Sellers pursuant to the Share Purchase Agreement.

Property Seller C, Huron, is a property investment company incorporated in England and Wales and is wholly owned by Jayne Best.

INFORMATION ON THE BUYER AND THE PROPERTY BUYER

Hamsard 3467 Limited, being the Buyer, is an investment holding company incorporated in England and Wales. It is wholly owned by Newworth Ventures Limited, a wholly owned direct subsidiary of the Company.

Hamsard 3483 Limited, being the Property Buyer, is a property investment holding company incorporated in England and Wales with limited liability and is an indirect subsidiary of the Company wholly owned by the Buyer.

INFORMATION ON THE GROUP

The Company is an investment holding company. The Group is principally engaged in hotel operations, and leasing of properties for casino and ancillary leisure and entertainment operations. The Company operates in two segments: Hotel and Leasing. Hotel segment includes operation of hotel business. Leasing segment includes leasing of investment properties equipped with entertainment equipment.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group has continued to review the existing principal businesses of the Group and look for potential business opportunities in order to diversify the Group's business. The principal activity of the Target Group is operating the Club, a professional football club, and a sport stadium, namely DW Stadium, with conference and other facilities.

The Club is a well-established football club with a long history. As at the date of this announcement, it is currently ranked at first place in the EFL League One. According to the "EFL Regulation" the two clubs finishing in the highest positions in League One will be promoted to the higher division in the EFL, Championship League, in the following season. The EFL announced on 21 April 2018 that the Club has secured its place in the Championship League in the following season.

According to the report "Annual review of football finance 2017" issued by Deloitte LLP, in 2015/16 season, the revenue of League One's football clubs is approximately £136 million whilst the Championship League's football clubs generated a combined revenue of approximately £556 million. The revenue generated from Championship League's football clubs was expected to be over £600 million in 2016/17. The European football market's total

revenues were approximately €24.6 billion in 2015/16, which represents a 13% increase on 2014/15. As such, the Company is optimistic about the prospects of the football business in England and across the rest of Europe.

By securing promotion to a higher division, the Group expects that the Club will benefit from this promotion to the Championship League. The income (including the fees received from sponsorships, broadcasting and media rights) and the profitability of the Club are expected to be significantly improved.

The Company has developed a business plan around increasing profitability of the Club and stadium operations through firstly investment and development of the football performance operation at academy and first team level. The Company will look to develop further the football performance model around elite performance and academy development to support the 1st team club operation. On the football business side, the Company will implement a business plan around increasing match day and non-match day revenues through development of sponsorship, hospitality, retail, ticketing and fan engagement strategies to increase overall turnover. After conducting a detailed review of current operations, the Company will look to strengthen the human resources function and facilities infrastructure around the above revenue areas through targeted investment in people and facilities.

It is the Company's intention, upon Completion, to appoint two UK-based individuals to the board of directors of the Target Company and its subsidiaries who have knowledge and experience in the English football business. These two UK-based individuals will assist the Company and the Target Group in implementing its business plan.

Having considered the above, the Board is of the view that the proposed Acquisition, if completed, represents a good opportunity to diversify the income stream of the Company and broaden its revenue base and the Acquisition is in the interest of the Company and the Shareholders as a whole.

As at the date of this announcement, the Vendors and their respective associates do not have any agreement, arrangement or understanding (verbal or written; implied or express), or any past or present business relationships with the Company or its connected persons and their respective associates.

As at the date of this announcement, the Company has no intention or plan, or has entered into any agreements to acquire any new businesses or downsize or dispose its existing business.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in the Listing Rules in respect of the Acquisition under the Share Purchase Agreement exceed(s) 100%, the entering into of the Share Purchase Agreement and the Property Agreements in aggregate constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. As such, the Share Purchase Agreement, the Property Agreements and the Acquisition contemplated thereunder are subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

An EGM will be held in due course for the purposes of considering and, if thought fit, approving the Share Purchase Agreement, the Property Agreement and the transactions contemplated thereunder (including the Acquisition) by way of poll.

A circular containing, among other things, (a) further details of the Acquisition; (b) the financial information of the Group; (c) the financial information of the Target Group; (d) the unaudited pro forma financial information of the Enlarged Group, as a result of Acquisition; (e) the valuation report of the Properties; (f) a notice convening the EGM; and (g) other information as required under the Listing Rules, will be despatched to the Shareholders on or before 12 June 2018 in order to allow sufficient time for the preparation of the necessary information for inclusion in the circular.

DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Sale Shares and the Properties pursuant to the Share Purchase Agreement and the Property Agreements
“Bank Deed of Release”	the deed of release to be entered into between the relevant members of the Target Group, Barclays Bank Plc and David Whelan to effect the release of the personal guarantees granted by David Whelan in favour of Barclays Bank Plc guaranteeing the obligations of WAFCL and the security granted by the Target Group in favour of Barclays Bank Plc
“Bank Payoff Letter”	the payoff letter in the agreed form to be entered into between Barclays Bank Plc and WAFCL to confirm the understanding of the parties regarding the repayment of the Bank Repayment Amount and the entry into of the Bank Deed of Release
“Bank Repayment Amount”	the amount owing by the Target Group to Barclays Bank Plc as at close of business on the day prior to Completion (other than any amounts owing on the credit cards of the Target Group incurred in the ordinary course of business)
“Board”	the board of Directors
“Buyer”	Hamsard 3467 Limited an investment holding company incorporated in England and Wales. It is an indirect subsidiary of the Company, which is wholly owned by Newworth Ventures Limited, a wholly owned direct subsidiary of the Company

“Capitalisation Documents”	the (a) board minutes (b) written resolutions and (c) deed of capitalisation to be entered into by, inter alia, certain of the Sellers and/or Huron with the Target Company to effect the capitalisation of certain loans made by, inter alia, the Sellers and/or Huron to the Target Company
“Capitalisation Shares”	the Individual Capitalisation Shares, the Trustee Capitalisation Shares and the Huron Capitalisation Shares
“Company”	International Entertainment Corporation, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 01009)
“Completion”	the completion of the Acquisition
“Current Stadium Lease”	the lease of land and buildings lying to the north of Robin Park Road, Wigan dated 4 August 1999 entered into between Wigan Council and Stadco
“Deed of Severance”	the deed of severance of the Current Stadium Lease relating to the assignment of Stadco’s interest in the Non-Stadium Land to Huron to be entered into between Stadco, Wigan Council and Huron in a form proposed by Huron (acting reasonably and in accordance with the Stadium Lease Heads of Terms) with such amendments as are agreed between the Buyer, the Sellers, Wigan Council and Huron (each acting reasonably) prior to Completion
“Deposit”	the sum of £1,590,000 (equivalent to approximately HK\$16,949,400) deposited by the Buyer with an escrow agent in accordance with the Share Purchase Agreement
“Director(s)”	director(s) of the Company
“EFL”	English Football League
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and approve, among other things, the Sale and Purchase Agreement, the Property Agreements and the transactions contemplated thereunder
“Enlarged Group”	the Group as enlarged by the Acquisition

“Equity Sum”	the consideration for purchase of the Sale Shares, being the greater of (a) £1.00 (equivalent to approximately HK\$10.66); and (b) £15,900,000 (equivalent to approximately HK\$169,494,000) minus the aggregate of (i) the Properties Consideration; (ii) the Bank Repayment Amount; and (iii) the Whelan Family Loan Amount
“EUR” or “€”	Euro, the lawful currency of the European Union
“GBP” or “£”	British Pound, the lawful currency of the UK
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huron”	Huron Property Investments Limited, a company incorporated in England and Wales and beneficially wholly owned by Jayne Best
“Huron Capitalisation Shares”	the ordinary shares of £0.01 each in the Target Company to be issued to Huron pursuant to the Capitalisation Documents
“Independent Third Party(ies)”	third party(ies) independent of, and not connected with, the Company and its connected persons
“Individual Capitalisation Shares”	the ordinary shares of £0.01 each in the Target Company to be issued to any of the Sellers (other than the Trustees) pursuant to the Capitalisation Documents
“Individual Shares”	total 37,902,253 ordinary shares of £0.01 each and 21,185,938 preference shares of £1.00 each in the Target Company held by David Whelan, Patricia Whelan and Jayne Best, and which together with the Target Trust Shares, represents the entire issued share capital of the Target Company as at the date of this announcement, and the Individual Capitalisation Shares (if any)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	15 November 2018, which may be extended to a date not later than 31 January 2019 pursuant to the terms and conditions of the Share Purchase Agreement

“Material Adverse Change”	<p>any of:</p> <ul style="list-style-type: none"> (a) any event which occurs after the date of the Share Purchase Agreement and prior to Completion which results in, or is reasonably likely to result in: (1) the DW Stadium not being available for the playing of football matches by the Club for at least two consecutive months (ignoring whether or not spectators could attend such matches); and (2) a liability to (i) any Target Group Company; or (ii) the entire Target Group taken as a whole, in either case which is in excess of £1,000,000 (equivalent to approximately HK\$10,660,000); or (b) a catastrophic event after the date of the Share Purchase Agreement and prior to Completion resulting in injury or death to a significant numbers of the players of the Club; or (c) the Target Group entering into administration, receivership or administrative receivership or liquidation
“Non-Stadium Land”	<p>the part of the land registered at HM Land Registry with title number GM824601 shown edged and hatched red on the plan attached to the Stadium Lease Heads of Terms, which is currently used as a soccer and leisure centre, changing rooms and associated car parking</p>
“Non-Stadium Lease”	<p>the amended form of the Current Stadium Lease in so far as it applies to the Non-Stadium Land to be annexed to the Deed of Severance in the agreed form (or with such amendments as are agreed between the Buyer, the Sellers, Wigan Council and Huron (each acting reasonably)) prior to Completion</p>
“Non-Stadium Lease Assignment”	<p>the deed of assignment of the Non-Stadium Land to be entered into between Stadco and Huron in such form as is proposed by Huron (acting reasonably and in accordance with the Stadium Lease Heads of Terms) with such amendments as are agreed between Stadco and Huron (each acting reasonably) prior to Completion</p>
“Properties”	<p>the Property A, the Property B and the Property C</p>

“Properties Consideration”	£2,700,000 (equivalent to approximately HK\$28,782,000) inclusive of VAT, the aggregate consideration under the Property Agreements or such other amount as is determined by the Buyer’s independent valuer following completion of a valuation of the Properties in accordance with terms of the then current edition of the RICS Red Book and notified to the relevant Property Seller prior to the date of completion of the Property Agreement
“Property A”	the land lying to the north of Anjou Boulevard, Wigan being the whole of the property registered at the Land Registry under title numbers GM875381 and GM875534
“Property Agreement A”	the conditional purchase agreement dated 21 May 2018 entered into among the Property Buyer, the Company and the Property Seller A in relation to the sale and purchase of the Property A
“Property Agreement B”	the conditional purchase agreement dated 21 May 2018 entered into among the Property Buyer, the Company and the Property Seller B in relation to the sale and purchase of the Property B
“Property Agreement C”	the conditional purchase agreement dated 21 May 2018 entered into among the Property Buyer, the Company and the Property Seller C in relation to the sale and purchase of the Property C
“Property Agreements”	the Property Agreement A, the Property Agreement B and the Property Agreement C
“Property B”	the land at Christopher Park, Woodrush Road, Standish Lower Ground, Wigan being all of the land registered at the Land Registry with title number MAN193806
“Property Buyer”	Hamsard 3483 Limited, a property investment holding company incorporated in England and Wales with limited liability. It is an indirect subsidiary of the Company, and wholly owned by the Buyer
“Property C”	the Euxton Lane Sports and Social Club, Euxton Lane, Euxton, Chorley PR7 6DL being the whole of the property registered at the Land Registry under title number LA789078
“Property Seller A”	Sharpe Investments (Wigan) Limited, a company incorporated in England and Wales and a wholly owned subsidiary of Dave Whelan Sports Limited which is wholly owned by David Whelan, Patricia Whelan and Jayne Best

“Property Seller B”	David Whelan
“Property Seller C”	Huron
“Property Sellers”	the Property Seller A, the Property Seller B and the Property Seller C
“RICS Red Book”	RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors
“Sale Shares”	the Target Shares and the WAFCL Trust Shares
“Sellers”	David Whelan, Patricia Whelan, Jayne Best and the Trustees
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Purchase Agreement”	the conditional share purchase agreement dated 21 May 2018 entered into among the Buyer, the Sellers, Huron and the Company in relation to the sale and purchase of, among other things, the Sale Shares
“Stadco”	Wigan Football Company Limited, a company incorporated in England and Wales, with issued share capital of 25,497,120 ordinary A shares of £1.00 each and 4,499,492 ordinary B shares of £1.00 each
“Stadium Lease Heads of Terms”	the heads of terms relating to the Current Stadium Lease in the agreed form
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Wigan Athletic Holdings Limited, a private company limited by shares incorporated in England and Wales, with issued share capital of 54,780,254 ordinary shares of £0.01 each and 21,185,398 preference shares of £1.00 each
“Target Group”	the Target Company and its subsidiaries (and each such company shall be a “Target Group Company”)
“Target Shares”	the Individual Shares, the Target Trust Shares and the Huron Capitalisation Shares (if any)

“Target Trust Shares”	16,878,001 ordinary shares of £0.01 each in the Target Company held by the Trustees of the Whelan Family Bare Trust, which together with the Individual Shares, represents the entire issued share capital of the Target Company as at the date of this announcement, and the Trustee Capitalisation Shares (if any)
“Transaction Documents”	each of the documents referred to in the Share Purchase Agreement as being in the agreed form and any other agreement or document entered into from time to time between any of the Sellers, Huron and the Buyer pursuant to or in connection with the Share Purchase Agreement
“Trustees”	David Whelan, Patricia Whelan and Jayne Best as trustees of the Whelan Family Bare Trust and holders of 16,878,001 ordinary shares of the Target Company and 8,000,000 preferred shares of WAFCL
“Trustee Capitalisation Shares”	the ordinary shares of £0.01 each in the Target Company to be issued to the Trustees pursuant to the Capitalisation Documents.
“UK”	the United Kingdom
“VAT”	value added tax and any substituted or similar tax
“Vendors”	Sellers and Huron
“WAFCL” or the “Club”	Wigan Athletic A.F.C. Limited, a company incorporated in England and Wales, with issued share capital of 262,500 ordinary shares of £0.50 each and 48,000,000 preference shares of £1.00 each
“WAFCL Trust Shares”	8,000,000 preferred shares of £1.00 each, representing approximately 16.67% of the entire issued preferred shares of WAFCL
“Whelan Family Loans”	aggregate of the (i) the loans made by certain of the Sellers and/or their affiliates or Huron to members of the Target Group prior to the date of the Share Purchase Agreement; and (ii) the Working Capital Loans to the extent that as at Completion the Working Capital Loans exceed £Y, where Y = £700,000 (equivalent to approximately HK\$7,462,000) per month calculated for the period 24 April 2018 to Completion (calculated pro-rata on a per diem basis for any part of a month during that period), but excluding for the avoidance of doubt, all amounts owing in the ordinary course of trading as at Completion

“Whelan Family Loan Amount”	the amount of the Whelan Family Loans
“WFL Repayment Amount”	the lesser of (a) the Whelan Family Loan Amount; and (b) £15,900,000 (equivalent to approximately HK\$169,494,000) minus the aggregate of (i) the Properties Consideration; and (ii) the Bank Repayment Amount
“Wigan Council”	Wigan Metropolitan Borough Council
“Working Capital Loans”	the loans to be made by certain of the Sellers (or their affiliates) or Huron to the Target Company to meet the working capital requirements of the Club (i) after the date of the Share Purchase Agreement and up to and including Completion; and (ii) during the period from 24 April 2018 to the date of the Share Purchase Agreement, provided that the average amount of such loans shall not exceed £700,000 (equivalent to approximately HK\$7,462,000) per month and any surplus will be classified as Whelan Family Loans
“%”	per cent

By order of the Board
International Entertainment Corporation
Dr. Choi Chiu Fai Stanley
Chairman

Hong Kong, 21 May 2018

As at the date of this announcement, the executive Directors are Dr. Choi Chiu Fai Stanley, Mr. Lam Yat Ming and Mr. Zhang Yan Min; and the independent non-executive Directors are Mr. Ren Yunan, Ms. Lu Gloria Yi, Mr. Sun Jiong and Mr. Ha Kee Choy Eugene.

For the purposes of illustration only, any amount denominated in “GBP” or “£” in this announcement was translated into HK\$ at the rate of GBP1 or £1= HK\$10.66. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.