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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY INVOLVING ISSUE OF CONVERTIBLE BOND UNDER GENERAL MANDATE

Financial adviser to the Company

VEDA | CAPITAL
智 略 資 本

THE ACQUISITION

The Board is pleased to announce that on 30 April 2019 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and each of Mr. Ng and Mr. Wang, being the Vendors, entered into the Sale and Purchase Agreement pursuant to which the Purchaser has agreed to acquire, and each of Mr. Ng and Mr. Wang has agreed to sell, the NKT Sale Shares at the NKT Consideration of HK\$26,500,000 and WL Sale Shares at the WL Consideration of HK\$26,500,000, which shall be settled by way of issue of the Convertible Bond by the Company to each of Mr. Ng (or as he may direct) and Mr. Wang (or as he may direct) respectively.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and accordingly, the financial information of the Target Company will be consolidated into the accounts of the Group.

LISTING RULES IMPLICATIONS

As one or more of the percentage ratios pursuant to the Listing Rules applicable to the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Completion is subject to the fulfilment or waiver of the conditions precedent under the Sale and Purchase Agreement. As the Acquisition may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that on 30 April 2019 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and each of Mr. Ng and Mr. Wang, being the Vendors, entered into the Sale and Purchase Agreement pursuant to which the Purchaser has agreed to acquire, and each of Mr. Ng and Mr. Wang has agreed to sell, the NKT Sale Shares at the NKT Consideration of HK\$26,500,000 and WL Sale Shares at the WL Consideration of HK\$26,500,000, which shall be settled by way of issue of the Convertible Bond by the Company to each of Mr. Ng (or as he may direct) and Mr. Wang (or as he may direct) respectively.

THE SALE AND PURCHASE AGREEMENT

Date 30 April 2019 (after trading hours)

Parties

Purchaser: Baltic Success Limited, an indirect wholly-owned subsidiary of the Company

Vendors: (i) Mr. Ng; and
(ii) Mr. Wang

The entire issued share capital of the Target Company is owned as to 50% by Mr. Ng and 50% by Mr. Wang, respectively.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Mr. Ng and Mr. Wang is an Independent Third Party.

Subject matter

The NKT Sale Shares and the WL Sale Shares, being the entire issued share capital of the Target Company.

The NKT Sale Shares and the WL Sale Shares shall be sold free from any Encumbrances together with all rights of any nature attaching thereto at or after the date of the Sale and Purchase Agreement including but not limited to all dividends or distributions which may be paid, declared or made in respect thereof at any time on or after the Completion Date.

Consideration

Pursuant to the terms of the Sale and Purchase Agreement, the NKT Consideration and the WL Consideration will be HK\$26,500,000 and HK\$26,500,000 respectively and shall be settled by way of issue of the Convertible Bond by the Company to each of Mr. Ng (or as he may direct) and Mr. Wang (or as he may direct) respectively at Completion.

The Consideration was determined after arm's length negotiations between the Company and the Vendors with reference to, among other things, (i) the factors stated in the section headed "Reasons and Benefits for the Acquisition" set out below; and (ii) the adjusted net assets/liabilities values of the Target Company, Harbor View, Blue Marine and Pacific Bayview. Details of which, please refer to the paragraph headed "Adjusted net assets values of the Target Company, Harbor View, Blue Marine and Pacific Bayview" in this announcement.

Conditions precedent

Completion will be subject to the fulfilment or waiver, if applicable, of the following conditions precedent:

1. the warranties given by the Vendors remaining true, accurate and complete in all material respects and not misleading in any respect as of the Completion Date by reference to the facts and circumstances subsisting thereat;
2. the Vendors having complied with all their obligations under the Sale and Purchase Agreement which are required to be complied with before Completion;
3. the Purchaser or the Company being reasonably satisfied with the results of such enquiries, investigations and due diligence reviews of the business affairs, operations and financial position of any members of the Target Group by the Purchaser or the Company or any of its officers, employees, agents, professional advisers or other agents as the Purchaser or the Company in its discretion deems necessary, desirable or appropriate to undertake;
4. no change, event or circumstance having occurred which has or may have a material adverse effect on the Target Group as a whole;
5. all necessary approvals, waiver and consents required to be obtained by the Vendors from any authority or other third party in respect of the Sale and Purchase Agreement and/or the transactions contemplated thereunder having been obtained unconditionally and irrevocably, or where such approval or consent is given subject to conditions, on such conditions as are acceptable to the Purchaser or the Company;

6. if required, each company comprising the Target Group having obtained all required governmental and third party approvals, consents and waivers in connection with the Acquisition and the operation of the principal business of the Target Group;
7. no notice, order, judgment, action or proceeding of any court, arbitrator, authority, statutory or regulatory body having been served, issued or made which restrains, prohibits or makes unlawful any transaction contemplated by the Sale and Purchase Agreement or which is reasonably likely to materially and adversely affect the right of the Purchaser to own the legal and beneficial title to the Sale Shares, free from Encumbrances, following Completion;
8. the Purchaser having received a legal opinion in respect of certain matters relating to the Target Group issued by a Philippines legal adviser appointed by the Purchaser in such form and substance to the satisfaction of the Purchaser;
9. the Purchaser having received the valuation reports on properties of Harbor View and Pacific Bayview issued by an independent professional valuer appointed by the Purchaser in such form and substance to the satisfaction of the Purchaser;
10. approval for the listing of, and permission to deal in the Conversion Shares having been granted by the Listing Committee of the Stock Exchange and not having been revoked or withdrawn; and
11. all necessary approvals, waiver and consents required to be obtained by the Purchaser and the Company from any authority or other third party in respect of the Sale and Purchase Agreement and/or the transactions contemplated thereunder having been obtained unconditionally and irrevocably.

The Purchaser may waive any one or more of the above conditions precedent (1), (2), (3), (4), (6), (8) and (9) at any time before the 30 June 2019 (or such later date as the Vendors and the Purchaser may agree in writing) by notice in writing to the Vendors. None of the other conditions precedent are capable of being waived by Purchaser and/or the Vendors.

If the conditions precedents are not fulfilled or waived (if applicable) on or before 30 June 2019 (or such later date as the Vendors and the Purchaser may agree in writing), all rights and obligations of the parties under the Sale and Purchase Agreement shall cease and terminate, and none of the parties shall have any claim against the other save for claim (if any) in respect of the continuing provisions or any antecedent breach thereof.

Completion

Completion shall take place on the third Business Day after the above conditions precedent shall have been fulfilled or waived (or such other date as the Vendors and the Purchaser may agree in writing).

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

ISSUE OF THE CONVERTIBLE BOND

The principal terms of the Convertible Bond are as follows:

- Issuer** : The Company
- Aggregate Principal amount** : HK\$53,000,000
- Interest** : Nil
- Maturity** : The date falling on the fifth anniversary of the date of issue of the Convertible Bond or, if that is not a Business Day, the first Business Day thereafter (the “**Maturity Date**”).
- Conversion Period** : The period commencing from the 181st day after the date of issue of the Convertible Bond up to 4:00 p.m. (Hong Kong time) on the Maturity Date (the “**Conversion Period**”).
- Conversion Price** : HK\$1.01 per Conversion Share (subject to adjustments).
- Conversion Rights** :
- (a) **Right to convert:** The holder of the Convertible Bond (“**CB Holder**”) shall have the right to convert the Convertible Bond into Conversion Shares at any time during the Conversion Period, provided that no conversion right may be exercised to the extent that (1) as a result of such exercise, the public float of the Company as prescribed under the Listing Rules cannot be maintained or (2) as a result of such exercise, the CB Holder and/or parties acting in concert (as defined in the Takeovers Code) with it is required by regulatory authority to make a mandatory general offer to other Shareholders in accordance with the Takeovers Code, unless the CB Holder undertakes to the Company to fully comply with all applicable requirements under the Takeovers Code.
 - (b) **Minimum conversion amount:** the conversion right attaching to the Convertible Bond may be exercised, at the option of the CB Holder, at any time during the Conversion Period in amounts not less than a whole multiple of HK\$1,000,000 on such conversion, save that if at any time the outstanding principal amount of the Convertible Bond held by the CB Holder is less than HK\$1,000,000, or if the CB Holder intends to exercise the conversion rights attached to the entire principal amount of the Convertible Bond held by him, the CB Holder may convert the whole (but not part only) of such outstanding principal amount.

- (c) **Quantity of Conversion Shares:** The number of Conversion Shares to be issued on conversion of the Convertible Bond will be determined by dividing the principal amount of the relevant Convertible Bond (or, in the case of a conversion of only part of the Convertible Bond represented by the certificate of the Convertible Bond, the principal amount thereof being converted) by the Conversion Price in effect on the date of conversion, rounded down to the nearest integral number.
- (d) **Extinction of right to repayment:** The right of the converting CB Holder to repayment of the principal amount of the Convertible Bond, and premium (if any), being converted shall be extinguished and released on the date of conversion.
- (e) **Fractions of Shares:** Fractions of Conversion Shares will not be issued on conversion and such number shall be rounded down to the nearest whole integral number and no cash adjustments will be made in respect thereof.

Voting : The CB Holder will not be entitled to attend or vote at any meetings of the Company.

Redemption : **(1) Mandatory redemption**

- (a) upon the occurrence of an event of default and at any time thereafter, the CB Holder may, unless such event of default has been waived in writing by it, by notice in writing require the Company to redeem the whole (but not part) of the outstanding principal amount of the Convertible Bond at the redemption amount whereupon such sum shall become due and payable on the Business Day falling after 10 Business Days of the date of such notice; or
- (b) any Convertible Bond which remains outstanding by 4:00 p.m. (Hong Kong time) on the Maturity Date shall be redeemed by the Company at a redemption amount equal to the principal amount of the Convertible Bond together with interest accrued thereon (if any) and such sum shall be payable to the CB Holder on the Business Day immediately following the Maturity Date.

(2) Early redemption

at any time on or after the 181st day after the date of issue of the Convertible Bond but before the Maturity Date, the Company may by not less than 10 Business Days' notice, notify the CB Holder of its intention to redeem the outstanding sum of the Convertible Bond in full on a specified date at a redemption amount which is equal to 100% of the principal amount of such outstanding sum.

- Transferability** : The Convertible Bond or any amount outstanding under the Convertible Bond may be transferred to any person prior to the Maturity Date provided that any such transfer shall be in whole multiples of HK\$1,000,000 (or such amount as may represent the entire principal amount thereof). Any transfer of the Convertible Bond to any connected person (as such expression is defined in the Listing Rules) of the Company shall be subject to the requirements (if any) that the Stock Exchange may impose from time to time.
- Ranking** : The Conversion Shares will in all respects rank *pari passu* with the Shares in issue on the relevant date he is or they are registered as such in the Company's register of members as if the Conversion Shares issued on conversion or subscription had been issued on such date (except for any right excluded by mandatory provisions of applicable law).
- Adjustments to Conversion Price** : The Conversion Price will be subject to adjustment in the following events:
- (a) consolidation, subdivision or reclassification in relation to the Shares;
 - (b) capitalisation of profits or reserves;
 - (c) dividend or distribution in cash or any distribution in specie;
 - (d) rights issues of Shares or options over Shares;
 - (e) rights issues of other securities;
 - (f) issues at less than 80% of the average of the daily closing prices of the Shares for the fifteen (15) consecutive trading days ending on and including the trading day immediately preceding a particular date ("**Current Market Price**");

- (g) other issues at less than 80% of the Current Market Price;
- (h) modification of rights of conversion to other securities (other than the Convertible Bonds) etc.; and
- (i) other offers to Shareholders at less than 80% of the Current Market Price.

Excluded Events

- : No adjustment shall be made to the Conversion Price as a result of (a) where Shares are allotted or issued pursuant to any exercise of the conversion rights; or (b) where Shares or other securities (including rights or options) are issued, offered, exercised, allotted or granted by the Company or any of its subsidiaries to such eligible participants or their personal representatives pursuant to the share option scheme of the Company or any of its subsidiaries prior to the date of issue of the Convertible Bond; or (c) where Shares are allotted or issued pursuant to the options granted and/or the convertible notes or bonds or warrants issued by the Company remaining outstanding as at the date of issue of the Convertible Bond; or (d) where Shares are allotted or issued pursuant to any agreement(s) entered into by the Company or any of its subsidiaries prior to the date of issue of the Convertible Bond; or (e) where Shares are allotted or issued as consideration for the acquisition or purchase of any asset, business or undertaking to be made by the Company; or (f) where Shares are allotted and issued pursuant to the exercise of any options or rights to subscribe for Shares granted by the Company or any of its subsidiaries provided that the exercise price of such options are fixed at the time of the grant of such options or rights and such exercise price does not trigger any adjustment event abovementioned.

Listing

- : No application will be made by the Company for the listing of the Convertible Bond on the Stock Exchange or any other stock exchanges.

The Company will apply to the Stock Exchange for the listing of and permission to deal in the Conversion Shares to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bond.

Conversion Shares

Based on the Conversion Price of HK\$1.01 per Conversion Share, a maximum of 52,475,246 Conversion Shares will be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bond in full.

The 52,475,246 Conversion Shares represent approximately 3.83% of the existing issued share capital of the Company as at the date of this announcement and represent approximately 3.69% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares in full.

The aggregate nominal value of the Conversion Shares (with a par value of HK\$1.00 each) will be HK\$52,475,246.

The Conversion Shares shall be allotted and issued pursuant to the General Mandate.

Conversion Price

The Conversion Price of HK\$1.01 per Conversion Share represents (i) the closing price of HK\$1.01 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement; (ii) a premium of approximately 3.06% over the average of the closing prices of HK\$0.98 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and (iii) a premium of approximately 1.30% over the average of the closing prices of HK\$0.997 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

The Conversion Price was determined after arm's length negotiations among the Vendors and the Company with reference to recent closing prices of the Shares as quoted on the Stock Exchange up to and including the date of the Sale and Purchase Agreement. The Directors consider that the Conversion Price is fair and reasonable and in the best interests of the Company and its Shareholders as a whole.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding in the Company (a) as at the date of this announcement; and (b) after full conversion of the Convertible Bond (assuming no further Shares will be issued or repurchased from the date of this announcement up to the date upon which the Convertible Bond are fully converted) are as follows:

	As at the date of this announcement		Immediately after full conversion of the Convertible Bond	
	Number of Shares	Approx. %	Number of Shares	Approx. %
Brighten Path Limited (Note)	764,223,268	55.82	764,223,268	53.75
Public Shareholders	604,933,967	44.18	604,933,967	42.55
Mr. Ng	—	—	26,237,623	1.85
Mr. Wang	—	—	26,237,623	1.85
Total	<u>1,369,157,235</u>	<u>100.00</u>	<u>1,421,632,481</u>	<u>100.00</u>

Note:

Brighten Path Limited is wholly-owned by Head and Shoulders Direct Investment Limited, which in turn is wholly-owned by Dr. Choi Chiu Fai Stanley, the chairman of the Board and an executive Director. Thus, Head and Shoulders Direct Investment Limited and Dr. Choi Chiu Fai Stanley are deemed to be interested in the 764,223,268 Shares held by Brighten Path Limited pursuant to the SFO.

INFORMATION ON THE GROUP AND THE PURCHASER

The Company is an investment holding company and the Group is engaged in hotel operations and leasing of properties equipped with entertainment equipment at the hotel complex of the Group in Metro Manila in the Philippines. The Group also operates Wigan Athletic Football Club which is a professional association football club based in Wigan, Greater Manchester, England and a sports stadium, namely the DW Stadium, with conference and other facilities.

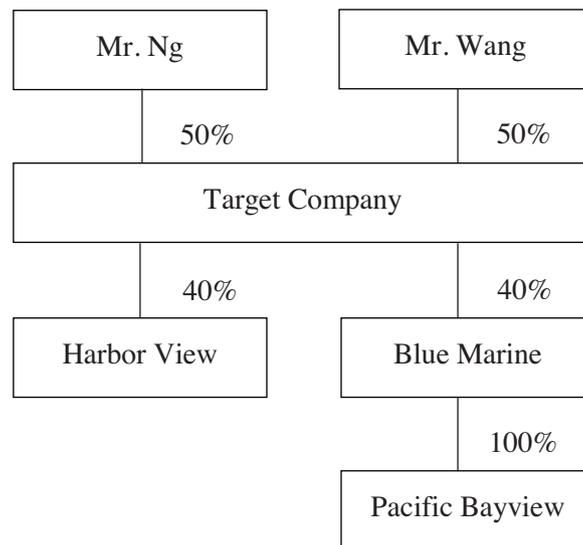
The Purchaser is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company. The Group owns and/or leases properties which are used for hotel operations, and leasing of properties for casino and ancillary leisure and entertainment operations.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in the British Virgin Islands with limited liability on 26 July 2002 and principally engaged in investment holdings. As at the date of this announcement, the Target Company is owned as to 50% by Mr. Ng and 50% by Mr. Wang, respectively.

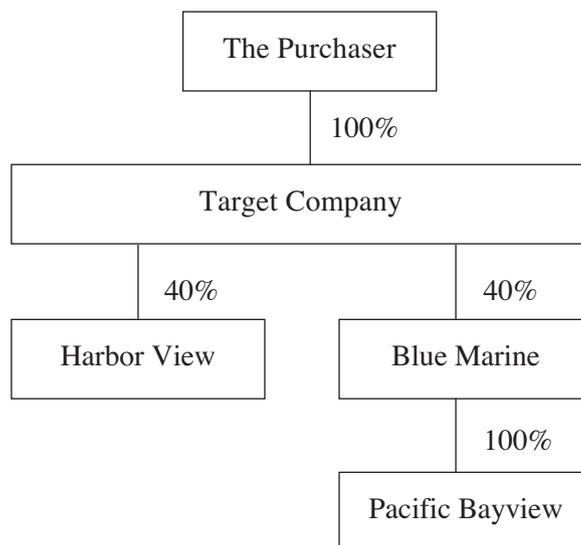
Existing structure of the Target Group

Set out below is the existing structure of the Target Group as at the date of this announcement.



Structure of the Target Group upon Completion:

Set out below is the structure of the Target Group upon Completion.



Financial information of the Target Company

The Target Company, being an investment holding vehicle, did not generate any revenue and profit for the two financial years ended 31 December 2017 and 2018 respectively.

As at 28 February 2019

	<i>US\$</i>	<i>HK\$</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>Approximately</i>	<i>Approximately</i>
Total assets of the Target Company	4,298,987	33,532,099
Net assets value of the Target Company	2	16

For illustrative purposes only, in order to form part of the basis of the Consideration:

As at 28 February 2019

	<i>US\$</i>	<i>HK\$</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>Approximately</i>	<i>Approximately</i>
Net assets value of the Target Company	2	16

Adjustment:

Less: the cost of investment in Harbor View and Blue Marine (due to the elimination effect)	(60,148)	(469,154)
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Adjusted net liabilities value of the Target Company (the “Adjusted Target Company NLV”)

(60,146)	(469,138)
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Information of Harbor View

Harbor View is a corporation duly organised and existing under the laws of the Philippines and is beneficially owned as to 40% by the Target Company as at the date of this announcement. The remaining 60% of Harbor View is beneficially owned by a Filipino Independent Third Party.

The major assets of Harbor View are Land A and Land B. According to the property valuation report as at 1 February 2019, which adopted the market comparison approach, the market values of Land A and Land B were PHP247,471,000 (equivalent to approximately HK\$37,121,650) and PHP1,260,971,000 (equivalent to approximately HK\$189,146,650), respectively.

As at the date of this announcement, (i) Land A is leased to the Group for car parking purposes and (ii) Land B is leased to the Group for hotel operations, by Harbor View respectively.

Set out below is the summary of the key financial information of Harbor View for the two financial years ended 31 December 2017 and 2018:

	Year ended 31 December	
	2017	2018
	<i>(Audited)</i>	<i>(Unaudited)</i>
	<i>Approximately</i>	<i>Approximately</i>
Revenue	PHP6,960,000/HK\$1,044,000	PHP22,445,077/HK\$3,366,762
Loss before taxation	PHP(13,862,110)/HK\$(2,079,317)	PHP(43,586,692)/HK\$(6,538,004)
Loss after taxation	PHP(18,211,085)/HK\$(2,731,663)	PHP(43,588,388)/HK\$(6,538,258)
	As at 28 February 2019	
	<i>PHP</i>	<i>HK\$</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>Approximately</i>	<i>Approximately</i>
Total assets of Harbor View	763,285,232	114,492,785
Net liabilities value of Harbor View	(117,960,428)	(17,694,064)

For illustrative purposes only, the table below sets forth the reconciliation of the net assets value of Harbor View as at 28 February 2019 with the valuations of Land A and Land B as at 1 February 2019 as afore-mentioned:

	<i>PHP</i> <i>Approximately</i>	<i>HK\$</i> <i>Approximately</i>
Net liabilities value of Harbor View as at 28 February 2019		
Adjustment:	(117,960,428)	(17,694,064)
Less:		
Aggregate book value of Land A and Land B as at 28 February 2019	731,820,631	109,773,095
Add:		
Market value of Land A as at 1 February 2019	247,471,000	37,120,650
Market value of Land B as at 1 February 2019	<u>1,260,971,000</u>	<u>189,145,650</u>
Adjusted net asset value of Harbor View as at 28 February 2019 (“Adjusted Harbor View NAV”)	<u>658,660,941</u>	<u>98,799,141</u>

Information of Blue Marine and Pacific Bayview

Each of Blue Marine and Pacific Bayview is a corporation duly organised and existing under the laws of the Philippines. As at the date of this announcement, Blue Marine is beneficially owned as to 40% by the Target Company and Pacific Bayview is wholly-owned by Blue Marine. The remaining 60% of Blue Marine is beneficially owned by a Filipino Independent Third Party.

Blue Marine is principally engaged in investment holdings. The major assets of Pacific Bayview are the ownership rights of 6 commercial condominium units and 15 residential condominium units of Marina Residential Suites, which is a mixed-use condominium operated by the Group. As at the date of this announcement, 12 of the Condominium Unites (6 commercial condominium units and 6 residential condominium units) are leased to the Group and the remaining 9 residential condominium units are leased to an Independent Third Party.

According to the property valuation report as at 1 February 2019, the market value of the Condominium Unites are PHP514,811,000 (equivalent to approximately HK\$77,221,650).

Set out below is the summary of the key consolidated financial information of Blue Marine for the two financial years ended 31 December 2017 and 2018:

	Year ended 31 December	
	2017	2018
	<i>(Audited)</i>	<i>(Unaudited)</i>
	<i>Approximately</i>	<i>Approximately</i>
Revenue	PHP22,681,459/HK\$3,402,219	PHP22,179,592/HK\$3,326,939
Loss before taxation	PHP(2,503,494)/HK\$(375,524)	PHP(18,293,634)/HK\$(2,744,045)
Loss after taxation	PHP(4,749,362)/HK\$(712,404)	PHP(18,357,202)/HK\$(2,753,580)

	As at 28 February 2019	
	<i>PHP</i>	<i>HK\$</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>Approximately</i>	<i>Approximately</i>
Total assets of Blue Marine	208,752,167	31,312,825
Net liabilities value of Blue Marine	(31,257,724)	(4,688,659)

For illustrative purposes only, the table below sets forth the reconciliation of the consolidated net assets value of the Blue Marine as at 28 February 2019 with the valuation of the Condominium Unites as at 1 February 2019 as afore-mentioned:

	<i>PHP</i>	<i>HK\$</i>
	<i>Approximately</i>	<i>Approximately</i>
Net liabilities value of Blue Marine as at 28 February 2019	(31,257,724)	(4,688,659)
Adjustment:		
Less:		
Book value of the Condominium Unites as at 28 February 2019	152,891,605	22,933,741
Add:		
Market value of the Condominium Unites as at 1 February 2019	<u>514,811,000</u>	<u>77,221,650</u>
Adjusted net asset value of Blue Marine as at 28 February 2019 ("Adjusted Blue Marine NAV")	<u><u>330,661,671</u></u>	<u><u>49,599,250</u></u>

Adjusted net assets values of the Target Company, Harbor View, Blue Marine and Pacific Bayview

The Consideration was determined with reference to, among other things, the adjusted net assets/liabilities values of the Target Company, Harbor View, Blue Marine and Pacific Bayview as set out below.

	<i>(Approximately)</i>	<i>(Approximately)</i>
Adjusted Target Company NLV	US\$(60,146)	HK\$(469,138)
Adjusted Harbor View NAV x 40% <i>(Note)</i>	PHP263,464,376	HK\$39,519,656
Adjusted Blue Marine NAV x 40% <i>(Note)</i>	PHP132,264,668	<u>HK\$19,839,700</u>
Adjusted NAV of the Target Group		<u>HK\$58,890,218</u>

Note:

As the Target Company holds 40% of Harbor View and 40% of Blue Marine, the above table only reflect 40% of their respective adjusted net assets value.

Based on the above adjustment, the Consideration of HK\$53,000,000 represents an approximately 10% discount to the Adjusted NAV of the Target Group.

REASONS AND BENEFITS FOR THE ACQUISITION

The Company is an investment holding company and the Group is engaged in hotel operations, leasing of properties equipped with entertainment equipment at the hotel complex of the Group in Metro Manila in the Philippines. The Group also operates Wigan Athletic Football Club which is a professional association football club based in Wigan, Greater Manchester, England. The Group also operates a sports stadium, namely the DW Stadium, with conference and other facilities.

The Group has continued to review the existing principal businesses strategies of the Group and look for potential business opportunities in order to optimise the capital resources of the Group. The tourism industry in the Philippines has experienced steady growth, with higher disposable incomes, increasingly discerning market demographic and other positive factors have driven the booming development of Philippines. The Acquisition will allow the Group to invest and gain exposure in land and properties in a premium location in Philippines and strengthen the Group's property investment portfolio. Given the promising long-term economic and hospitality prospects of Manila and the Philippines, there is potential for attractive capital appreciation for this investment over the long term.

In addition, currently (i) Land A is leased to the Group for parking purpose; (ii) Land B is leased to the Group and is where the hotel complex is situated; and (iii) 12 of the Condominium Unites are leased to the Group for operation. The Board believes that the Group can bolster the continuity and sustainability of its operation in Philippines by mitigating the risk of early termination or non-renewal of leases and alleviating its rental expenses burden.

Hence, the Board is of the view that the Acquisition and the terms and conditions of the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the percentage ratios pursuant to the Listing Rules applicable to the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Completion is subject to the fulfilment or waiver of the conditions precedent under the Sale and Purchase Agreement. As the Acquisition may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares pursuant to the Sale and Purchase Agreement
“Blue Marine”	Blue Marine Properties, Inc., a corporation duly organised and existing under the laws of the Philippines and is owned as to 40% by the Target Company
“Board”	the board of Directors
“Business Day”	any day(s) (except any Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“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
“Completion Date”	the third Business Day after the condition precedent under the Sale and Purchase Agreement shall have been fulfilled or waived (or such other date as the Vendors and the Purchaser may agree in writing) on which Completion is to take place
“Condominium Unites”	six (6) commercial condominium units and fifteen (15) residential condominium units of Marina Residential Suites owned by Pacific Bayview

“Consideration”	the total of NKT Consideration and WL Consideration, being an aggregate of HK\$53,000,000 to be satisfied by the Purchaser to the Vendors for the sale and purchase of the Sale Shares
“Conversion Price”	the initial conversion price of HK\$1.01 per Conversion Share (subject to adjustment)
“Conversion Share(s)”	a maximum of 52,475,246 new Shares to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bond
“Convertible Bond”	the 5-year zero coupon convertible bond in the aggregate principal amount of HK\$53,000,000 to be issued by the Company to each of Mr. Ng (or as he may direct) and Mr. Wang (or as he may direct) upon Completion
“Director(s)”	the directors of the Company
“Encumbrance(s)”	any interest or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 5 September 2018 to allot, issue and deal with up to a maximum of 273,831,447 new Shares, being 20% of the then issued share capital of the Company as at the date of the said annual general meeting
“Group”	the Company and its subsidiaries
“Harbor View”	Harbor View Properties and Holdings, Inc., a corporation duly organised and existing under the laws of the Philippines and is owned as to 40% by the Target Company
“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
“Independent Third Party(ies)”	third party(ies) independent of, and not connected with, the Company and its connected persons
“Land A”	parcels of land (Lot 4-A and 4-B, Block 362) located at Romero Salas Street, Brgy. 668, Zone 072, Ermita, City of Manila

“Land B”	parcel of land located at 1588 M.H. Del Pilar cor. Pedro Gil, Malate, City of Manila
“Last Trading Day”	30 April 2019, being the last day on which the Shares were traded on the Stock Exchange prior to the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Ng”	Mr. Ng Kheng Teck, being one of the Vendors in respect of the NKT Sale Shares
“Mr. Wang”	Mr. Wang Liduan, being one of the Vendors in respect of the WL Sale Shares
“NKT Consideration”	HK\$26,500,000 to be satisfied by the Purchaser to Mr. Ng for the sale and purchase of the NKT Sale Shares
“NKT Sale Shares”	50% of the entire issued share capital of the Target Company to be sold by Mr. Ng
“Pacific Bayview”	Pacific Bayview Properties, Inc., a corporation duly organised and existing under the laws of the Philippines, and is wholly-owned by Blue Marine and indirectly owned as to 40% by the Target Company
“PHP”	Philippine Peso, the lawful currency of the Republic of the Philippines
“Purchaser”	Baltic Success Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 30 April 2019 pursuant to which the Purchaser has agreed to acquire, and the Vendors have agreed to sell, the Sale Shares
“Sale Shares”	the total of NKT Sale Shares and WL Sale Shares, being the entire issued share capital of the Target Company
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, modified and supplemented from time to time
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“Target Company”	Oriental-Invest Properties Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target Company, Harbor View, Blue Marine and Pacific Bayview
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendors”	Mr. Ng and Mr. Wang
“WL Consideration”	HK\$26,500,000 to be satisfied by the Purchaser to Mr. Wang for the sale and purchase of the WL Sale Shares
“WL Sale Shares”	50% of the entire issued share capital of the Target Company to be sold by Mr. Wang
“%”	per cent

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

Hong Kong, 30 April 2019

As at the date of this announcement, the Board comprises three executive Directors, namely Dr. Choi Chiu Fai Stanley, Mr. Zhang Yan Min and Mr. Chan Chun Yiu Thomas, and three independent non-executive Directors, namely Ms. Lu Gloria Yi, Mr. Sun Jiong and Mr. Ha Kee Choy Eugene.

For the purposes of illustration only, any amount denominated in “PHP” in this announcement were translated into HK\$ at the rate of PHP1.00 = HK\$0.15 and any amount denominated in “US\$” in this announcement were translated into HK\$ at the rate of US\$1.00 = HK\$7.80. 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.