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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)

MAJOR AND CONNECTED TRANSACTIONS

Financial adviser to the Company



References are made to the Announcements.

MAJOR AND CONNECTED TRANSACTIONS

The Disposal

The Company is pleased to announce that on 14 February 2020 (after trading hours), the Company (as the Vendor) and Next Leader Fund, L.P. (as the Purchaser) entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares, representing the entire issued share capital of the Disposal Company.

The total Consideration for the Sale Shares shall be GBP17,500,000 (equivalent to approximately HK\$175,350,000) and shall be paid by the Purchaser in cash to the Company as follows: (a) the deposit of GBP1,750,000 (equivalent to approximately HK\$17,535,000) (the “**Deposit**”) shall be payable to the Company (or as it may direct) by the Purchaser within seven (7) Business Days after the signing of the Sale and Purchase Agreement (the Deposit shall be applied towards partial satisfaction of the Consideration upon Completion); and (b) the Purchaser shall pay the remaining balance of the Consideration of GBP15,750,000 (equivalent to approximately HK\$157,815,000) to the Company (or as it may direct) upon Completion.

Upon Completion, the Group will cease to have any beneficial interest in any company in the Disposal Group, and all the companies in the Disposal Group will cease to be subsidiaries/members of the Company. The financial results of the Disposal Company will no longer be consolidated into the consolidated financial statements of the Company.

The Loan Agreement

As at the date of this announcement, the Club, an indirect subsidiary owned by the Disposal Company, was indebted to the Company of approximately GBP25,770,000 (equivalent to approximately HK\$258,215,400) as a result of the injection of daily working capital of the Disposal Company by the Company since the completion of the Acquisition and pursuant to the Sale and Purchase Agreement, pending Completion, the Company shall continue to provide funding to the Club to enable the Club to maintain and continue its day-to-day business operations provided that (a) the amount provided or to be provided by the Company to the Club from the date of the Sale and Purchase Agreement to the date of Completion (both days inclusive) shall not, in any event, exceed GBP28,770,000, or its equivalent in Hong Kong dollars (i.e. approximately HK\$288,275,400), and (b) for the avoidance of doubt, any such amount of such funding shall form part of the Facility.

LISTING RULES IMPLICATIONS

The Disposal

As one or more of the applicable percentage ratios set out in the Listing Rules in respect of the Disposal is more than 25% but all are less than 75%, the entering into of the Sale and Purchase Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, Dr. Choi, through Head and Shoulders Direct Investment, subscribed 51% of the limited partnership interests in the Purchaser and acts as one of the Limited Partners. Accordingly, the Purchaser is an associate of a connected person of the Company, and thus a connected person of the Company, therefore the Sale and Purchase Agreement and the transactions contemplated thereunder constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

As such, the Sale and Purchase Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

The Loan Agreement

Subject to and upon Completion, the Purchaser will indirectly hold approximately 86.24% of the entire issued ordinary shares of the Club, whereas the Disposal Company will become a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the Loan Agreement will also constitute a connected transaction for the Company. As one or more of the applicable percentage ratios for the Loan Agreement is more than 25% but all are less than 75%, the Loan Agreement is also subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

As the amount of the Loan Agreement granted to the Club exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the granting of the loan under the Loan Agreement is subject to the general disclosure obligations under Rule 13.13 of the Listing Rules and the disclosure set out in the paragraph headed “THE LOAN AGREEMENT” is made in compliance with such rule.

Dr. Choi has abstained from voting on the relevant Board resolutions for approving the Disposal and the Loan Agreement at the Board meeting since he has a material interest in the Disposal and the Loan Agreement. Save as disclosed above, none of the other Directors has a material interest in the Disposal and the Loan Agreement.

EGM

An EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder and the Loan Agreement by way of poll.

At the EGM, any Shareholder(s) with a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and the Loan Agreement is/are required to abstain from voting on the relevant resolution(s) to be put forward to the Independent Shareholders for approving the Sale and Purchase Agreement and the transactions contemplated thereunder and the Loan Agreement. As at the date of this announcement, Dr. Choi, being the chairman of the Board, an executive Director, a controlling Shareholder and beneficially interested in 764,223,268 Shares, representing approximately 55.82% of the issued share capital of the Company. As such, Dr. Choi and his associates are required to abstain from voting in favour of such resolution(s) at the EGM.

GENERAL

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder and the Loan Agreement. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the Disposal and the Loan Agreement; (ii) the recommendation of the Independent Board Committee; (iii) the advice of an independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iv) the valuation report in respect of the Properties held by the Disposal Company; (v) a notice convening the EGM; and (vi) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 6 March 2020.

As Completion is subject to the fulfilment of the conditions set out under the paragraph headed “Conditions precedent”, the Disposal may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares and other securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

References are made to the Announcements.

MAJOR AND CONNECTED TRANSACTIONS

The Company is pleased to announce that on 14 February 2020 (after trading hours), the Company (as the Vendor) and Next Leader Fund, L.P. (as the Purchaser) entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares, representing the entire issued share capital of the Disposal Company.

THE SALE AND PURCHASE AGREEMENT

Details of the Sale and Purchase Agreement and the transactions contemplated thereunder are set out below:

Date : 14 February 2020 (after trading hours)

Parties : (i) the Company, as the Vendor

(ii) Next Leader Fund, L.P., as the Purchaser

As at the date of this announcement, Next Leader Fund, L.P. is a Cayman Islands exempted limited partnership established on 30 January 2020 and NLL acts as the General Partner.

Save for the General Partner, the Purchaser has 2 Limited Partners, namely Head and Shoulders Direct Investment and Widespread Success Limited. Each of the General Partner, Head and Shoulders Direct Investment and Widespread Success Limited holds 1%, 51% and 48% interest in the Purchaser respectively.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Head and Shoulders Direct Investment which is wholly-owned by Dr. Choi, each of NLL, Widespread Success Limited and their respective ultimate beneficial owner is a third party independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement and subject to the conditions set out under the paragraph headed "Conditions precedent" below, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares, representing the entire issued share capital of the Disposal Company.

Consideration

The total Consideration for the Sale Shares shall be GBP17,500,000 (equivalent to approximately HK\$175,350,000) and shall be paid by the Purchaser in cash to the Company as follows:

- (a) the deposit of GBP1,750,000 (equivalent to approximately HK\$17,535,000) (the “**Deposit**”) shall be payable to the Company (or as it may direct) by the Purchaser within seven (7) Business Days after the signing of the Sale and Purchase Agreement (the Deposit shall be applied towards partial satisfaction of the Consideration upon Completion); and
- (b) the Purchaser shall pay the remaining balance of the Consideration of GBP15,750,000 (equivalent to approximately HK\$157,815,000) to the Company (or as it may direct) upon Completion.

The Consideration was determined after arm’s length negotiations between the Company and the Purchaser on normal commercial terms taking into account of, among other things, (i) the latest unaudited consolidated financial position of the Disposal Group as at 31 December 2019, in particular the net liabilities of the Disposal Group being HK\$82,820,000; (ii) the preliminary valuation of the Properties held by the Disposal Company based on market approach; (iii) the unsatisfying financial performance of the Disposal Company for the period ended 31 December 2019; and (iv) the uncertain prospect of the Club.

Conditions precedent

The completion of the Sale and Purchase Agreement is conditional upon the following conditions being satisfied on or before the Long Stop Date:

- (a) the granting of all necessary approval(s) and consent(s) required under the Listing Rules and all applicable laws and regulations of the Stock Exchange, the Securities and Futures Commission of Hong Kong, and all other relevant competent authorities in Hong Kong or elsewhere which are required or appropriate in connection with the Sale and Purchase Agreement and the transactions contemplated thereunder (including, without limitation, the Loan Agreement);
- (b) the passing of ordinary resolutions by the Independent Shareholders at the EGM (or any adjournment thereof), to be convened to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including, without limitation, the Loan Agreement) in accordance with the Listing Rules and the articles of association of the Company; and
- (c) IEC Wigan Athletic Holdings Limited, an indirect wholly-owned subsidiary of the Disposal Company, having received confirmation in writing from the Football League Limited that the Football League Limited approves and consents to the sale and purchase of the Sale Shares under and pursuant to the Sale and Purchase Agreement.

The Company and the Purchaser have agreed that none of the above conditions are waivable.

Each of the Company and the Purchaser shall use all reasonable endeavours to procure the fulfilment of the above conditions as soon as reasonably practicable following the date of the Sale and Purchase Agreement and, in any event, on or before the Long Stop Date.

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

Completion

Subject always to the fulfilment of the above conditions at or before 5:00 p.m. on or before the Long Stop Date, Completion shall take place on the third Business Day after all the above conditions having been fulfilled by the Company and the Purchaser.

If either (i) the above conditions are fulfilled at or before 5:00 p.m. on or before the Long Stop Date, but the Purchaser shall fail to complete the purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement, or (ii) the above conditions are not fulfilled at or before 5:00 p.m. on or before the Long Stop Date due to the fault or default of the Purchaser, the Company may forthwith determine the Sale and Purchase Agreement by giving notice of termination in writing to the Purchaser to such effect, and the Company shall be entitled to forfeit the Deposit absolutely, and the Company shall also be entitled to recover from the Purchaser all further damages in excess of the Deposit so forfeited as the Company may sustain by reason of such default or failure on the part of the Purchaser.

INFORMATION ON THE DISPOSAL GROUP

The Disposal Company

The Disposal Company is a company incorporated in the British Virgin Islands and is principally engaged in investment holding. The Disposal Company is a wholly-owned subsidiary of the Company as at the date of this announcement.

The Disposal Company is an investment holding company incorporated on 18 December 2013 and remained dormant until the Group used it to acquire IEC Wigan Athletic Holdings Limited and the Properties, details of which are set out in the announcement of the Company dated 21 May 2018 and the circular of the Company dated 9 October 2018, and the Group has completed the acquisition on 7 November 2018 (the “**Acquisition**”).

As at the date of this announcement, the Disposal Company, (i) through IEC Sports Management, operates the 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; and (ii) through IEC Wigan Property, holds the Properties.

Further details of the structure of the Disposal Group are set out in the section “Shareholding structure of the Disposal Group” below.

The Properties

Property A

Property A is a building located at 1 Anjou Boulevard, Robin Park, Wigan, United Kingdom and it is adjacent to the DW Stadium which is home to Wigan Athletic Football Club and Wigan Warriors Rugby League Club.

Property A comprises a building erected on 2 parcels of land which is vacant at the date of this announcement.

Property B

Property B is located at Christopher Park, Woodrush Road, Standish Lower Ground, Wigan, United Kingdom.

Property B comprises a sport training ground with single storey buildings including changing rooms, stores, gymnasium, and offices erected on a parcel of land.

As at the date of this announcement, Property B is sublet to the Club.

Property C

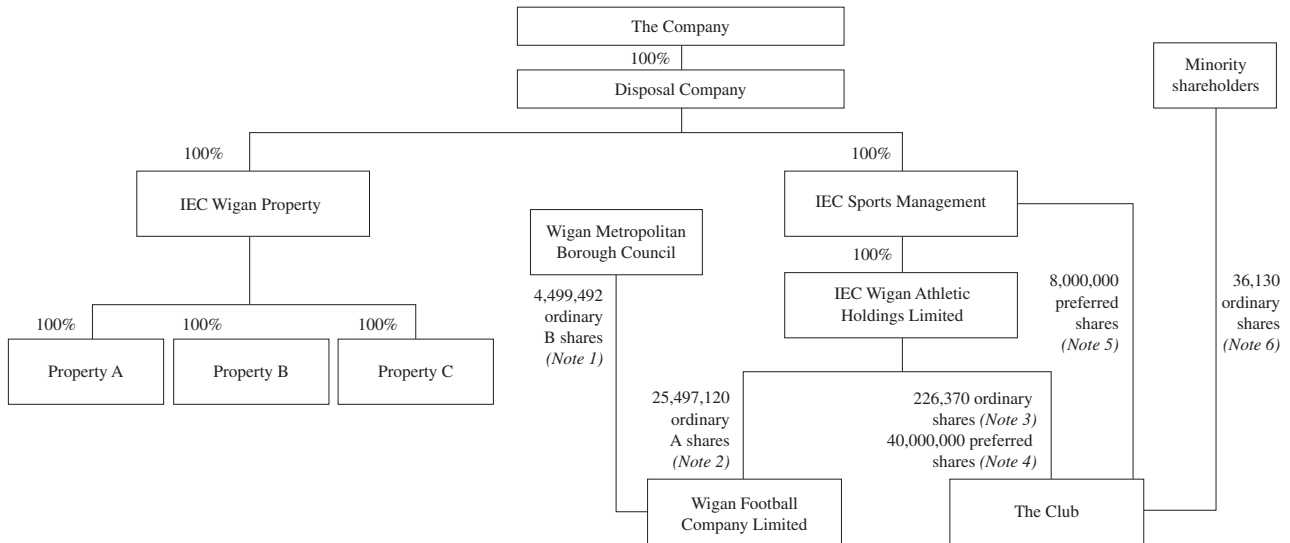
Property C is Euxton Lane Sports and Social Club located at Euxton Lane, Euxton Chorley, United Kingdom.

Property C comprises a sport training ground with single storey administrative offices, canteen, break out area, changing facilities, hydrotherapy centre, medical centre, stores, gymnasium and 3 full sized football training pitches, one of which has under surface heating together with warm up areas and a tarmac surfaced car park erected on a parcel of land.

As at the date of this announcement, Property C is sublet to the Club.

Shareholding structure of the Disposal Group

Set out below is the shareholding structure of the Disposal Group as at the date of this announcement:



Notes:

1. representing the entire issued ordinary B shares of Wigan Football Company Limited
2. representing the entire issued ordinary A shares of Wigan Football Company Limited
3. representing approximately 86.24% of the entire issued ordinary shares of the Club
4. representing approximately 83.33% of the entire issued preferred shares of the Club which are non-voting shares and are not convertible
5. representing approximately 16.67% of the entire issued preferred shares of the Club which are non-voting shares and are not convertible
6. representing approximately 13.76% of the entire issued ordinary shares of the Club

Financial information of the Disposal Group

Set out below is the financial information extracted from the unaudited consolidated management accounts of the Disposal Group for the relevant period ended 31 December 2019 as prepared under the Hong Kong Accounting Standards:

	For the period from 8 November 2018 to 31 December 2019 <i>HK\$'000</i> <i>(approximately)</i> <i>(unaudited)</i>
Revenue	158,767
Net (loss) profit before taxation	(108,793)
Net (loss) profit after taxation	(73,113)
Total assets	462,456
Net liabilities	82,820

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Group will cease to have any beneficial interest in any company in the Disposal Group, and all the companies in the Disposal Group will cease to be subsidiaries/members of the Company. The financial results of the Disposal Company will no longer be consolidated into the consolidated financial statements of the Company.

For illustration purposes only, the unaudited gain expected to be derived from the Disposal is approximately HK\$258,170,000, representing the difference between the amount of the Consideration and the unaudited consolidated net liabilities of the Disposal Group of approximately HK\$82,820,000 as at 31 December 2019. The expected unaudited gain is subject to audit.

USE OF PROCEEDS

After deducting expenses relating to the Disposal, it is expected that the Company will receive the net proceeds of approximately HK\$172,470,000, which is intended to be used for general working capital of the Group and for any potential investment opportunities that might occur.

INFORMATION ON THE PURCHASER

The Purchaser, Next Leader Fund, L.P., is a Cayman Islands exempted limited partnership established on 30 January 2020. As at the date of this announcement, NLL acts as the General Partner and will be responsible for making all investment decisions, while the Limited Partners are passive investors with no control on the investments of the Purchaser.

As at the date of this announcement, save for NLL being the General Partner, the Purchaser has 2 Limited Partners, namely, Head and Shoulders Direct Investment and Widespread Success Limited. Each of the General Partner, Head and Shoulders Direct Investment and Widespread Success Limited holds 1% , 51% and 48% interest in the Purchaser respectively.

Both of NLL and Widespread Success Limited are wholly-owned by Mr. AU-YEUNG Wai Kay.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Head and Shoulders Direct Investment which is wholly-owned by Dr. Choi, each of NLL, Widespread Success Limited and their respective ultimate beneficial owner is a third party independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

THE LOAN AGREEMENT

As at the date of this announcement, the Club, an indirect subsidiary owned by the Disposal Company, was indebted to the Company of approximately GBP25,770,000 (equivalent to approximately HK\$258,215,400) as a result of the injection of daily working capital of the Disposal Company by the Company since the completion of the Acquisition and pursuant to the Sale and Purchase Agreement, pending Completion, the Company shall continue to provide funding to the Club to enable the Club to maintain and continue its day-to-day business operations provided that (a) the amount provided or to be provided by the Company to the Club from the date of the Sale and Purchase Agreement to the date of Completion (both days inclusive) shall not, in any event, exceed GBP28,770,000, or its equivalent in Hong Kong dollars (i.e. approximately HK\$288,275,400), and (b) for the avoidance of doubt, any such amount of such funding shall form part of the Facility.

Hence, upon Completion, the Company (as the lender) and the Club (as the borrower) will enter into the Loan Agreement, pursuant to which the aggregate principal amount of the Facility shall be GBP28,770,000 (equivalent to approximately HK\$288,275,400), to document and regulate the loan that has been provided or to be provided pending Completion to the Club by the Company. The proceeds of the Facility shall be used exclusively for meeting the Club's general funding and working capital requirements.

The principal terms of the Loan Agreement

The principal terms of the Loan Agreement are set out as below:

- Parties : (i) the Company, as the lender
(ii) the Club, as the borrower
- Loan facility : an aggregate principal amount of GBP28,770,000 (equivalent to approximately HK\$288,275,400)
- Repayment date : The date falling 12 months after the date of the Loan Agreement.

The Company shall be entitled to demand repayment of the loan together with all accrued interest and all other monies then outstanding in connection with the Loan Agreement at any time before the repayment date described above by giving not less than 21 days' prior notice in writing to the Club.
- Interest : 8% per annum
- Interest period : 6 months
- Prepayment : The Club may prepay all or part of the principal amount drawn and for the time being outstanding under the Facility on any last day of an interest period provided that the Club shall have given to the Company not less than 7 days' prior written notice specifying the amount and the date of prepayment.
- Default : If the Club fails to pay any sum payable under the Loan Agreement when due, the Club shall pay interest on such sum from and including the due date to the date of actual payment (as well after as before judgment) at the rate of 20% per annum. Interest at the rate or rates determined from time to time as aforesaid shall accrue from day to day, shall be calculated on the basis of the actual number of days elapsed and a 360 day year and shall be payable from time to time on demand.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND THE LOAN AGREEMENT

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, through the Disposal Company, operates the 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.

Despite having benefited from its expected promotion to the Football League Championship, the income (including the fees received from sponsorships, broadcasting and media rights) and the profitability of the Club were not significantly improved as expected.

During the Acquisition, the Company has developed a business plan in respect of increasing profitability of the Club and stadium operations through investing and developing the football fans' and supporters' sensation and experience at the academy, however, the performance of the Club is under performance despite significant amount of working capital has been spent by the Group. As at the date of this announcement, the Club only ranks 22nd in the Football League Championship out of 24 teams and is unlikely to be promoted to the Premier League in the next season which is out of the Board's expectation.

On top of the Club's performance, the prospect of United Kingdom remain uncertain too. The Board considers that the Brexit, which has formally effected on 31 January 2020, and the recent fallouts could have material long-term impact on the United Kingdom's economy and the future growth of the country which may damage investors' confidence on the country and also reduce local consumer spending, which could further deteriorate the performance of the Disposal Company. Therefore, the Directors (excluding the independent non-executive Directors whose opinion will be set forth in the circular of the Company after having been advised by the independent financial adviser) is of the view that the Disposal could allow the Group to reallocate its resources to other business segments which are more profitable and crucial for the Group's principal business and to capture suitable investment opportunities that might occur.

Further, the Consideration represents a premium over the consideration paid under the Acquisition and the Group stands to reap a return on investment of GBP1,600,000 (equivalent to approximately HK\$16,032,000) or a return of approximately 10.06% over the initial acquisition consideration.

As disclosed under the paragraph headed "The Loan Agreement", the Loan Agreement serves to document and regulate the loan provided or to be provided (pending Completion) to the Club with a view to keep the Club afloat and its business in ordinary course pending Completion.

Regarding the Loan Agreement, comparing with the prevailing interest rate for time deposits being offered by banks to the public, the interest rate under the Loan Agreement is attractive and favourable for the Company. The Company considers that the Loan Agreement will generate a stable interest income and offer a higher return to the Group when comparing with the interest to be earned by making a Hong Kong dollar time deposit with financial institutions in Hong Kong.

Having considered the above, the Directors (excluding the independent non-executive Directors whose opinion will be set forth in the circular of the Company after having been advised by the independent financial adviser) are of the view that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder and the Loan Agreement are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Disposal

As one or more of the applicable percentage ratios set out in the Listing Rules in respect of the Disposal is more than 25% but all are less than 75%, the entering into of the Sale and Purchase Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, Dr. Choi, through Head and Shoulders Direct Investment, subscribed 51% of the limited partnership interests in the Purchaser and acts as one of the Limited Partners. Accordingly, the Purchaser is an associate of a connected person of the Company, and thus a connected person of the Company, therefore the Sale and Purchase Agreement and the transactions contemplated thereunder constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

As such, the Sale and Purchase Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

The Loan Agreement

Subject to and upon Completion, the Purchaser will indirectly hold approximately 86.24% of the entire issued ordinary shares of the Club, whereas the Disposal Company will become a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the Loan Agreement will also constitute a connected transaction for the Company. As one or more of the applicable percentage ratios for the Loan Agreement is more than 25% but all are less than 75%, the Loan Agreement is also subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

As the amount of the Loan Agreement granted to the Club exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the granting of the loan under the Loan Agreement is subject to the general disclosure obligations under Rule 13.13 of the Listing Rules and the disclosure set out in the paragraph headed "THE LOAN AGREEMENT" is made in compliance with such rule.

Dr. Choi has abstained from voting on the relevant Board resolutions for approving the Disposal and the Loan Agreement at the Board meeting since he has a material interest in the Disposal and the Loan Agreement. Save as disclosed above, none of the other Directors has a material interest in the Disposal and the Loan Agreement.

EGM

An EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder and the Loan Agreement by way of poll.

At the EGM, any Shareholder(s) with a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and the Loan Agreement is/are required to abstain from voting on the relevant resolution(s) to be put forward to the Independent Shareholders for approving the Sale and Purchase Agreement and the transactions contemplated thereunder and the Loan Agreement. As at the date of this announcement, Dr. Choi, being the chairman of the Board, an executive Director, a controlling Shareholder and beneficially interested in 764,223,268 Shares, representing approximately 55.82% of the issued share capital of the Company. As such, Dr. Choi and his associates are required to abstain from voting in favour of such resolution(s) at the EGM.

GENERAL

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder and the Loan Agreement. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the Disposal and the Loan Agreement; (ii) the recommendation of the Independent Board Committee; (iii) the advice of an independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iv) the valuation report in respect of the Properties held by the Disposal Company; (v) a notice convening the EGM; and (vi) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 6 March 2020.

As Completion is subject to the fulfilment of the conditions set out under the paragraph headed “Conditions precedent”, the Disposal may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares and other securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

DEFINITIONS

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

“Announcements”	the announcements of the Company dated 18 November 2019 and 13 December 2019 in relation to the memorandum of understanding and supplemental memorandum of understanding entered into between the Company and NLL regarding the possible disposal of the entire issued share capital of the Disposal 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

“Club”	Wigan Athletic A.F.C. Limited, an indirect subsidiary of the Company and a member of the Group as at the date of this announcement
“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 Disposal
“Consideration”	GBP17,500,000 (equivalent to approximately HK\$175,350,000), being the total purchase price for the Sale Shares payable by the Purchaser to the Company (or as it may direct) in cash
“Director(s)”	director(s) of the Company
“Disposal”	the proposed disposal of the Sale Shares pursuant to the Sale and Purchase Agreement
“Disposal Company”	Newworth Ventures Limited, a company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of the Company
“Disposal Group”	the Disposal Company and its subsidiaries
“Dr. Choi”	Dr. Choi Chiu Fai Stanley, being the chairman of the Board, an executive Director, a controlling shareholder of the Company, and beneficially interested in 764,223,268 Shares, representing approximately 55.82% of the issued share capital of the Company as at the date of this announcement
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder and the Loan Agreement by way of poll
“Facility”	a loan facility of an aggregate principal amount of GBP28,770,000 (equivalent to approximately HK\$288,275,400) made or to be made available to the Club by the Company pursuant to the Loan Agreement
“GBP”	British Pound, the lawful currency of the UK
“General Partner”	NLL, being the general partner of the Purchaser
“Group”	the Company and its subsidiaries

“Head and Shoulders Direct Investment”	Head and Shoulders Direct Investment (Series C Class 1) Limited, a company incorporated in British Virgin Islands and wholly-owned by Dr. Choi. It subscribed 51% of the limited partnership interest in the Purchaser and acts as one of the Limited Partners
“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
“IEC Sports Management”	IEC Sports Management Limited, a company incorporated in England and Wales and is principally engaged in investment holding. It is wholly-owned by the Disposal Company as at the date of this announcement
“IEC Wigan Property”	IEC Wigan Property Holdings Limited, a company incorporated in England and Wales and is principally engaged in investment holding. It is wholly-owned by the Disposal Company as at the date of this announcement
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors (namely Ms. Lu Gloria Yi, Mr. Sun Jiong and Mr. Ha Kee Choy Eugene) formed for the purpose of giving a recommendation to the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder and the Loan Agreement, and as to the voting action therefor
“Independent Shareholder(s)”	the Shareholders, other than Dr. Choi and his associates who are required to abstain from voting under the Listing Rules at the EGM, who do not have material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and the Loan Agreement
“Limited Partners”	Head and Shoulders Direct Investment and Widespread Success Limited, being the limited partners of the Purchaser
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	a loan agreement to be entered into between the Company and the Club upon Completion in respect of the Facility
“Long Stop Date”	the date falling three (3) months after the date of the Sale and Purchase Agreement, or such later date as the Company and the Purchaser may subsequently agree in writing

“NLL”	Next Leader Limited, a company incorporated in the Cayman Islands and is beneficially wholly-owned by Mr. AU-YEUNG Wai Kay
“Properties”	the Property A, the Property B and the Property C
“Property A”	a building located at 1 Anjou Boulevard, Robin Park, Wigan, United Kingdom
“Property B”	the Christopher Park Training Ground located at Christopher Park, Woodrush Road, Standish Lower Ground, Wigan, United Kingdom
“Property C”	the Euxton Lane Sports and Social Club located at Euxton Lane, Euxton Chorley, United Kingdom
“Purchaser”	Next Leader Fund, L.P.
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 14 February 2020 entered into between the Company and the Purchaser in relation to the sale and purchase of, among other things, the Sale Shares
“Sale Shares”	47,672,721 issued shares of the Disposal Company, representing the entire issued shares of the Disposal Company beneficially owned by the Company as at the date of this announcement
“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
“UK”	the United Kingdom
“Vendor”	the Company
“%”	per cent

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

Hong Kong, 14 February 2020

As at the date of this announcement, the Board comprises two executive Directors, namely Dr. Choi Chiu Fai Stanley 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 “GBP” in this announcement was translated into HK\$ at the rate of GBP1 = HK\$10.02. 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.