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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)

PROFIT WARNING AND INSIDE INFORMATION

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

(1) PROFIT WARNING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited management accounts of the Group for the year ended 30 June 2020 (the “**Year**”) and information currently available to the Board, the Group is expected to record a consolidated net loss after taxation of approximately HK\$300 million to HK\$350 million during the Year as compared with a consolidated net loss after taxation of approximately HK\$93 million during the fifteen-month period ended 30 June 2019. The loss is mainly attributable to the fair value loss of the investment properties and the decrease in the leasing income during the Year, which were affected by the COVID-19 pandemic and the lockdown policy in Manila.

(2) DISPOSAL GROUP AUDIT WORK

Reference is made to the announcement of the Company dated 29 May 2020 (the “**Disposal Announcement**”) in relation to the completion of the disposal of the Disposal Group. Capitalised terms used in the following section of this announcement shall have the same meanings as those defined in the Disposal Announcement, unless the context requires otherwise.

Upon the completion of the Disposal on 29 May 2020, the Group ceased to have beneficial interest in any member in the Disposal Group and all the companies in the Disposal Group ceased to be subsidiaries/members of the Company.

After the completion of the Disposal, the Company had discussed with the management of the Disposal Group and the auditor of the Company (the “**Auditor**”) for the audit arrangement. However, due to the ongoing COVID-19 pandemic in the United Kingdom and the local lockdown rules implemented by the government, the audit field work could not be arranged in June 2020.

The Board was notified that on 1 July 2020, five major subsidiaries of the Disposal Group in the United Kingdom, including but not limited to Wigan Athletic A.F.C. Limited, were put into administration and administrators (the “**Administrators**”) were appointed on the same date. Despite the Company’s repeated negotiations with the Administrators for performing the audit work of the Disposal Group (the “**Disposal Group Audit Work**”), the Administrators informed that they are unable to assist in the Disposal Group Audit Work given that they are in the process of selling the business and assets of the Disposal Group. As such, it is expected that the audited results of the Disposal Group may not be prepared and released within the prescribed time (i.e. on or before 30 September 2020) which in turn may render the consolidated financial results of the Company for the Year containing a qualified opinion (the “**Audit Issue**”).

The Company will use its best endeavours to negotiate with the Administrators in order to complete the Disposal Group Audit Work. The Company is also liaising with the Auditor with respect to the Audit Issue. The Company will comply with all relevant requirements, and where necessary, make further announcement(s) in accordance with the Listing Rules as and when appropriate.

The information contained in this announcement is based on a preliminary assessment of the information currently available to the Group, which have not been audited or reviewed by the Auditor or the audit committee of the Company. The Company is in the process of finalising its results for the Year. Shareholders and potential investors are advised to read carefully the results announcement of the Company for the Year which is expected to be published by the end of September 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 11 September 2020

As at the date of this announcement, the Board comprises two executive Directors, namely Dr. Choi Chiu Fai Stanley and Mr. Ho Wong Meng, and three independent non-executive Directors, namely Ms. Lu Gloria Yi, Mr. Ha Kee Choy Eugene and Mr. Lau Ka Ho.