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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)

BUSINESS UPDATE

This announcement is made by International Entertainment Corporation (the “**Company**”, together with its subsidiaries, the “**Group**”) on voluntary basis to keep the shareholders of the Company (the “**Shareholders**”) and potential investors informed on certain latest business updates of the Group.

References are made to (i) the announcements of the Company dated 10 June 2020, 18 June 2020, 22 June 2020, 18 September 2020, 5 November 2020 and 26 February 2021 (collectively, the “**Provisional License Announcements**”); and (ii) the circular of the Company dated 21 July 2021 (the “**Circular**”) and the announcement of the Company dated 30 August 2021 (the “**Cooperation Announcement**”) in relation to, among other things, the entering into of the Cooperation Agreement. Capitalised terms used in this announcement shall have the same meanings as those defined in the Provisional License Announcements and the Circular, unless the context requires otherwise.

Provisional License Agreement

As disclosed in the Provisional License Announcements, MSPI received the draft Provisional License Agreement in relation to the grant of Provisional License from PAGCOR on 4 November 2020 and parties thereto expected that the Provisional License Agreement will be entered into on or before 28 February 2022.

As at the date of this announcement, (i) MSPI and PAGCOR are still negotiating the terms of the draft Provisional License Agreement, including the development scale and timeline of the Integrated Resort; and (ii) the Group has not yet identified suitable land to expand the Hotel Premises, hence the Provisional License Agreement has yet been executed as at the date of this announcement.

Any material development, including but not limited to, the Provisional License Agreement, the Integrated Resort of the Hotel Premises and the respective transactions contemplated thereunder, will be disclosed by the Company by way of announcement(s) as and when appropriate.

Update on the cooperation under the Cooperation Agreement

As disclosed in the Circular and the Cooperation Announcement, upon the execution of the Cooperation Agreement on 9 August 2021, MSPI and PAGCOR had jointly established the Management Committee as a governing body for the management and operations of the Casino, in which MSPI has the authority to participate in the management of the Casino through the Management Committee.

Since the establishment of the Management Committee and up to the date of this announcement, the representatives of MSPI, through the Management Committee, have been participating in the Casino operations. The representatives of MSPI have attended the Management Committee monthly meetings to transact the business of the Casino, including but not limited to, (i) review the operational performance and understand the fluctuation of operational performance; (ii) plan the business framework, flow and model for the operation and development; (iii) review and approve on the budget planning, forecasting and variance analysis; (iv) review and approve expenditures in excess of pre-approved budgets; (v) prepare marketing and promotion proposal and timetable; (vi) review and monitor capital injection commitment; and (vii) ensure compliance to relevant laws, rules and regulations issued or promulgated by pertinent authorities and requiring all department heads of Casino to report any non-compliance issue or potential non-compliance issue occur (collectively, the “**Management Functions**”). Apart from the Management Functions, MSPI also undertakes certain functions in connection with the Casino operation such as provision of food and beverages service and marketing and promotion function of the Casino.

As further disclosed in the Circular, the Company expected that upon the execution of the Cooperation Agreement, the classification of the Group’s business segment would be changed from “leasing” to “casino management” and the Company would reclassified the use of its properties from “leasing a property” to “held for own use”.

In view of MSPI’s participation in the Casino operation and its operation in hotel business, the Company considered it is more appropriate to present the Group’s business segments as “gaming operation”, “hotel operation” while the segment of “live events” remains unchanged. The use of properties of the Group will remain the same as “leasing a property”.

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

Hong Kong, 28 February 2022

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 Mr. Ha Kee Choy Eugene, Mr. Lau Ka Ho and Mr. Cheng Hong Wai.