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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)

TERMINATION OF THE HOTEL MANAGEMENT AGREEMENT AND THE SALES AND MARKETING AGREEMENT

Reference is made to the announcement of International Entertainment Corporation (the “**Company**”) dated 29 June 2017 (the “**Announcement**”) in relation to the supplemental agreements to the Hotel Management Agreement and the Sales and Marketing Agreement, being the then continuing connected transactions.

Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

CESSATION OF CONTINUING CONNECTED TRANSACTIONS

The Board announces that the continuing connected transactions of the Company constituted by the Hotel Management Agreement and the Sales and Marketing Agreement (collectively, being the “**Agreements**”) under Chapter 14A of the Listing Rules have ceased to subsist as a result of the shareholding interest of Mediastar International Limited, the then substantial shareholder of the Company, drops below 10% of the entire issued share capital of the Company (the “**Reduction**”).

To the best of the knowledge of the Directors having made all reasonable enquiries, as a result of the Reduction, Mediastar International Limited is no longer a connected person of the Company.

TERMINATION OF THE HOTEL MANAGEMENT AGREEMENT AND THE SALES AND MARKETING AGREEMENT

The Board announces that on 28 June 2019, NCHI entered into a termination agreement (“**Termination Agreement**”) with NWHM (Philippines) and NWHML to terminate the Hotel Management Agreement and the Sales and Marketing Agreement with effect from 31 December 2019 (“**Termination Date**”). Pursuant to the Termination Agreement, no termination fee shall be payable by NCHI to NWHM (Philippines) and NWHML in respect of the early termination of the Hotel Management Agreement and the Sales and Marketing Agreement.

Pursuant to the Termination Agreement, each of NCHI and NWHM (Philippines) and NWHML (i) shall bear its own costs and disbursements of and incidental to the preparation and completion of the Termination Agreement; and (ii) hereby forever releases and discharges the other party from any and all liabilities, obligations, debts, claims, actions, causes of action or demands whatsoever which such party ever had, now has, or can, shall or may have, directly or indirectly, against the other party hereto arising out of any matters whatsoever relating to any of the Agreements and/or all other documents related to the Agreements.

REASONS FOR ENTERING INTO THE TERMINATION 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 “**Hotel**”). 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 scope of services rendered under the Hotel Management Agreement and the Sales and Marketing Agreement commenced from 1 January 2015 and the Directors are of the view that (i) the hotel operations team of the Company had learnt and accumulated relevant knowledge and skills in hotel management and hotel marketing during the period such that the team has built up sufficient experience to undertake the scope of work under the Agreements, if necessary; (ii) the business operations of the Hotel has stabilized; and (iii) the termination of the Agreements could reduce the operating costs of the Hotel. Hence, the Directors consider the Termination Agreement is in the interest of the Group and the Shareholders as a whole and do not expect that the termination of the Hotel Management Agreement and the Sales and Marketing Agreement will have any material adverse impact on the Group’s operations or financial position.

For and on behalf of the Board
International Entertainment Corporation
Dr. Choi Chiu Fai Stanley
Chairman

Hong Kong, 28 June 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.