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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)

INSIDE INFORMATION MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE DISPOSAL

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board hereby announces that on 18 November 2019 (after trading hours), the Company entered into the MOU with NLL for the discussion of the Possible Disposal.

If NLL is satisfied with the results of the due diligence audit of the Target Company and proceeds with the Possible Disposal, the Company and NLL shall start discussions, preparation and negotiations of the Definitive Agreements.

If the Definitive Agreements materialize, the Possible Disposal may constitute a notifiable and connected transaction of the Company under the Listing Rules. Further announcement(s) will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

The Board wishes to emphasize that no binding agreement in relation to the Possible Disposal has been entered into as at the date of this announcement. As such, the Possible Disposal may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by International Entertainment Corporation (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

THE MOU

The board of directors (the “**Director(s)**”) of the Company (the “**Board**”) hereby announces that on 18 November 2019 (after trading hours), the Company (as the vendor) and Next Leader Limited (as a counterparty) (“**NLL**”) (collectively, the “**Parties**”, and each a “**Party**”) entered into a memorandum of understanding (the “**MOU**”) in relation to the possible disposal by the Company of the entire issued share capital of Newworth Ventures Limited (the “**Target Company**”), a direct wholly-owned subsidiary of the Company (the “**Possible Disposal**”) as at the date of this announcement.

Pursuant to the MOU, NLL intends to set up and manage a fund structure under the laws of the Cayman Islands (the “**Fund**”) and act as the general partner of the Fund, and the Fund (as the potential purchaser) will be the entity to enter into the Definitive Agreements (as defined below) with the Company if NLL is satisfied with the results of the due diligence audit of the Target Company. It is the intention that Dr. Choi Chiu Fai Stanley, the chairman of the Board, an executive Director and a controlling shareholder of the Company, will subscribe for 51% interests of the Fund upon its establishment and act as the limited partner of the Fund, with the remaining 49% interests of the Fund is expected to be subscribed by individual(s) or corporate(s) who is/are third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules) and act as the limited partner(s) of the Fund. Accordingly, the Fund shall be an associate of a connected person of the Company, and thus a connected person of the Company under Chapter 14A of the Listing Rules.

The Target Company is principally engaged in the operation of 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.

Due diligence

Pursuant to the terms of the MOU, NLL shall be permitted to conduct a legal, financial and technical due diligence audit of the Target Company for a period of one (1) month from the date of the MOU (the “**Due Diligence Period**”). The Company shall provide, in a timely manner, all the documents, materials and information which may be requested by NLL, its representatives and/or any of its advisors. The Due Diligence Period may be extended for an additional period of one (1) month upon the written request of NLL.

Definitive Agreements

The Company and NLL shall start discussions, preparation and negotiations for the definitive agreements to implement the transactions contemplated under the MOU (the “**Definitive Agreements**”) upon completion of the satisfactory due diligence audit by NLL.

Termination

The MOU may be terminated under the following grounds:

- (a) either the Company or NLL have the option to terminate the MOU if the Definitive Agreements are not executed within six (6) months from the date of the MOU;
- (b) by mutual agreement of the Company and NLL; and

(c) by the non-defaulting Party, in the event of default by the other Party.

Binding effect

Except for some general and boiler plate provisions on matters comprising, among other things, confidentiality, cost obligations and governing law, the MOU shall not be legally binding and no legally binding or enforceable obligations or liabilities will be incurred by the Parties in respect of the Possible Disposal unless and until the Definitive Agreements have been executed.

GENERAL

If the Definitive Agreements materialize, the Possible Disposal may constitute a notifiable and connected transaction of the Company under the Listing Rules. Further announcement(s) will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

The Board wishes to emphasize that no binding agreement in relation to the Possible Disposal has been entered into as at the date of this announcement. As such, the Possible Disposal may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 18 November 2019

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.