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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)

VOLUNTARY ANNOUNCEMENT

TERM SHEET IN RESPECT OF PROPOSED ACQUISITION OF SHARES IN WIGAN ATHLETIC HOLDINGS LIMITED AND WIGAN ATHLETIC A.F.C. LIMITED

This announcement is made by International Entertainment Corporation (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

TERM SHEET

The board of directors (the “**Directors**”) of the Company is pleased to announce that, on 31 January 2018 (after trading hours), the Company entered into a term sheet (the “**Term Sheet**”) with David Whelan, Patricia Whelan, the trustees of the Whelan Family Bare Trust and Jayne Alison Best (collectively, the “**Sellers**”) pursuant to which the Company is willing, in principle but subject to contract, to acquire (i) the entire issued share capital of Wigan Athletic Holdings Limited (the “**Target Company**”), which is the majority shareholders of (a) Wigan Athletic A.F.C. Limited (the “**Club**”, which together with the Target Company, the “**Target Group**”) and (b) Wigan Football Company Limited (“**Stadco**”); and (ii) the direct shareholding of the trustees of the Whelan Family Bare Trust in the Club (the “**Proposed Acquisition**”).

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Sellers and their ultimate beneficial owner(s) (where applicable) are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

As soon as reasonably practicable following the signature of the Term Sheet, the Company and the Sellers will commence negotiation of a definitive share purchase agreement. The consideration payable for the Proposed Acquisition will be based on an enterprise value on a debt-free, cash-free basis and assuming a normalised level of working capital (the “**Consideration**”) using a locked box mechanism whereby the Consideration assumes a normalised level of working capital based on pre-agreed management accounts of Wigan Athletic Holdings Limited as at an agreed date. The Consideration will be subject to a set of assumptions and conditions.

Due Diligence

Pursuant to the Term Sheet, as soon as reasonably practicable after the signature of the Term Sheet by each of the parties thereto, the Company will use its reasonable endeavours to conclude its due diligence investigation of the Target Group within 14 days of the date of the Term Sheet, including its legal, accounting, financial, commercial and taxation affairs. The Sellers will cooperate with the Company including, without limitation, will provide all necessary information as the Company or its professional advisers may reasonably require in connection therewith in the Company’s due diligence efforts.

Exclusivity

During the period from the date of the Term Sheet to 14 February 2018 (the “**Exclusive Period**”), the Sellers shall not (and shall procure that the Sellers’ group shall not), and agree to cause each of its respective representatives, directors, officers, agents and employees to not, directly or indirectly, initiate, solicit, offer, seek or encourage any inquiry, proposal or offer from, participate in any discussions or negotiations with, or furnish or provide any information to any person or entity, other than the Company and its officers, employees, representative and agents concerning any proposal, arrangement or agreement with respect to or concerning any debt (other than from a financial institution or any member of the Seller’s group) including securitisation, cash flow, sale or similar financings or equity subscriptions or acquisitions, sales, transfers or conveyances of any of the equity of the Target Company, the Club or Stadco or the business or any material assets of the Target Company, the Club or Stadco whether directly or indirectly, by merger, tender offer, purchaser, statutory share exchange, joint venture or otherwise.

Throughout the Exclusive Period, the Club shall not enter into any transactions in relation to the playing squad without first notifying and consulting with the Company (including, for the avoidance of doubt, any agreements to sell or purchase any members of the current squad).

The Company and the Sellers agree that if negotiations are still ongoing between the parties and have not been terminated by either party but exchange of the Proposed Acquisition has not occurred by 14 February 2018, the Exclusive Period will be automatically extended to 28 February 2018.

Binding effect

Save for the provisions relating to confidentiality, exclusivity, costs and governing law and jurisdiction, the terms of the Term Sheet are not legally binding.

INFORMATION OF THE TARGET GROUP

The Target Group is principally engaged in operating the Wigan Athletic Football Club which is a professional association football club based in Wigan, Greater Manchester, England and was founded in 1932.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Group is principally engaged in hotel operations, and leasing of properties for casino and ancillary leisure and entertainment operations.

The Group has continued to review the existing principal businesses of the Group and look for potential business opportunities in order to diversify the Group's business. The Proposed Acquisition, if materialised, represents a good opportunity to diversify the income stream of the Company and broaden its revenue base.

GENERAL

The Proposed Acquisition, if materialised, may constitute a very substantial acquisition for the Company under Chapter 14 of the Listing Rules. If the Company proceeds with the Proposed Acquisition, it will enter into legally binding agreement(s) with the Sellers in respect of the Proposed Acquisition and will make further announcement as and when appropriate in compliance with the Listing Rules.

Shareholders and potential investors of the Company should note that, the terms of the Proposed Acquisition are still under negotiation and no formal and legally binding agreement in relation to the Proposed Acquisition has been entered into as at the date of this announcement. Accordingly, the Proposed Acquisition contemplated under the Term Sheet may or may not materialise. Shareholders and potential investors of the Company are reminded 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, 5 February 2018

As at the date of this announcement, the executive Directors are Dr. Choi Chiu Fai Stanley, Mr. Lam Yat Ming and Mr. Zhang Yan Min; and the independent non-executive Directors are Mr. Ren Yunan, Ms. Lu Gloria Yi, Mr. Sun Jiong and Mr. Ha Kee Choy Eugene.