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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

This announcement is made by International Entertainment Corporation (the “**Company**” and its subsidiaries collectively the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, according to the information currently available and based on the preliminary review of the unaudited consolidated management accounts of the Group for the financial year ended 30 June 2024 (the “**Year**”), it is expected that the Group may record a loss attributable to the owners of the Company of no less than HK\$135 million for the Year as compared to a profit attributable to the owners of the Company of approximately HK\$18.3 million for the financial year ended 30 June 2023 (the “**Previous Year**”).

The anticipated net loss attributable to the owners of the Company for the Year was mainly due to:

- (i) an increase in general and administrative expenses of approximately HK\$126.8 million including one-time expenses of approximately HK\$40.9 million in the Year for the establishment and operation of a casino and the development of an integrated resort by the Group in the City of Manila, the Philippines as a result of the granting of the provisional license (the “**Provisional License**”) by the Philippine Amusement and Gaming Corporation on 27 September 2023 to establish and operate the same;
- (ii) an increase in interest expenses on bank borrowings of approximately HK\$37.4 million in the Year, for the establishment and operation of a casino and the development of an integrated resort by the Group under the Provisional License; and
- (iii) an increase in net foreign exchange loss in the Year.

As at the date of this announcement, the Company is still in the course of working out with the auditors about any impairment loss may be arising from expected credit losses. If any impairment loss is recorded, the expected loss will increase. Shareholders should note that the Group may or may not have an impairment loss for the Year.

Despite the Group is expecting to record an increase in revenue of approximately HK\$15.3 million, or 7.4% as compared to the Previous Year, the Directors consider the revenue to be generated under the Gaming Operation segment subsequent to the granting of the Provisional License has yet been materialised for a full year since its commencement on 9 May 2024. The Group considers the grant of the Provisional License will enhance its future earning capability and potential of the Group. The grant of the Provisional License will be a milestone development of the Group which denotes that the Group is able to operate and manage casino business and gaming activities independently.

The Company is in the process of finalising the annual results of the Group for the Year. The financial information contained in this announcement is only based on the preliminary assessments with reference to the unaudited consolidated management accounts of the Group for the Year and information currently available to the management of the Company. Such information has not been reviewed by the audit committee of the Company, or audited by the auditor of the Company. The announcement of the annual results of the Group for the Year is expected to be published in September 2024.

Shareholders and potential investors are therefore advised to exercise caution when dealing in the shares and/or other securities of the Company.

By order of the Board
International Entertainment Corporation
Ho Wong Meng
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 9 September 2024

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Ho Wong Meng and Mr. Aurelio Jr. Dizon Tablante, and three independent non-executive Directors, namely Mr. Lau Ka Ho, Mr. Cheng Hong Wai and Mr. Leung Wai Tai.