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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)

DISCLOSEABLE TRANSACTION — THE PHASE 2 CONSTRUCTION CONTRACT

THE PHASE 2 CONSTRUCTION CONTRACT

The Company hereby announces that, on 30 May 2025, NCLI, an indirect wholly-owned subsidiary of the Company, entered into the Phase 2 Construction Contract with the Contractor, pursuant to which NCLI agreed to engage the Contractor to, and the Contractor agreed to, undertake the Phase 2 Construction Works at the Phase 2 Contract Price of approximately PHP1,053.14 million (equivalent to approximately HK\$136.91 million).

LISTING RULES IMPLICATIONS

Since the Previous Engagements and the entering into of the Phase 2 Construction Contract were conducted within a 12-month period, the Previous Engagements and the entering into of the Phase 2 Construction Contract were required to be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the entering into of the Phase 2 Construction Contract, whether on standalone basis or when aggregated with the Previous Engagements, exceeds 5% but is under 25%, the entering into of the Phase 2 Construction Contract, whether on standalone basis or when aggregated with the Previous Engagements, constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 14 February 2025 in relation to the entering into the Phase 1 Construction Contract between NCLI, an indirect wholly-owned subsidiary of the Company, and the Contractor in relation to engagement of the Contractor to undertake the Phase 1 Construction Works at the Hotel at the contract price of PHP1,471.68 million (equivalent to approximately HK\$191.32 million).

On 30 May 2025, NCLI entered into the Phase 2 Construction Contract with the Contractor, pursuant to which NCLI agreed to engage the Contractor to, and the Contractor agreed to, undertake the Phase 2 Construction Works at the Phase 2 Contract Price of approximately PHP1,053.14 million (equivalent to approximately HK\$136.91 million).

THE PHASE 2 CONSTRUCTION CONTRACT

Set out below are the principal terms of the Phase 2 Construction Contract:

Date: 30 May 2025

Parties: (1) NCLI; and
(2) the Contractor

Scope of Phase 2 Construction Works

Pursuant to the Phase 2 Construction Contract, NCLI agreed to engage the Contractor to, and the Contractor agreed to, undertake the Phase 2 Construction Works which comprise of, but not limited to, the designing, constructing, furnishing and demolition of walls finishes, ceilings and floors finishes, fixture cabinets and chandeliers, aircons, electricity systems, plumbing systems, fire-protection systems, in the ground floor and third floor of the Casino and the guest rooms and common areas of the Hotel.

Duration of Phase 2 Construction Works

The Phase 2 Construction Works are expected to complete by the end of 2025.

Liquidated damages

If the Contractor fails to satisfactorily complete the Phase 2 Construction Works within the specified completion time or within any agreed period of extension, after written notice from NCLI, the Contractor shall pay NCLI liquidated damages in the amount of one-tenth of 1% of the Phase 2 Contract Price per day of delay. The total liquidated damages shall not exceed 10% of the total Phase 2 Contract Price.

Phase 2 Contract Price and payment terms

Pursuant to the Phase 2 Construction Contract, the Phase 2 Contract Price is approximately PHP1,053.14 million (equivalent to approximately HK\$136.91 million). The Phase 2 Contract Price is payable by NCLI in the following manners:

- (i) 40% of the Phase 2 Contract Price, being approximately PHP421.26 million (equivalent to approximately HK\$54.76 million) (the “**Advance Payment**”), as advance payment, is payable within 14 calendar days after the signing of the Phase 2 Construction Contract, subject to the submission of the contractor’s all-risk insurance in the amount equivalent to the value of the Phase 2 Contract Price by the Contractor to the satisfaction of NCLI;
- (ii) 55% of the Phase 2 Contract Price, being approximately PHP579.22 million (equivalent to approximately HK\$75.30 million), as regular progress payment, is payable in instalments from time to time based on and proportionate to the actual progress of work completed by the Contractor, and each such payment billing issued by the Contractor is subject to the approval of NCLI’s authorized representative; and
- (iii) 5% of the Phase 2 Contract Price, being approximately PHP52.66 million (equivalent to approximately HK\$6.85 million), as retention money, is payable after the expiration of the defects liability period under the Phase 2 Construction Contract, being a period of one year from the date of completion, inspection and acceptance of the Construction Works.

The Contractor guarantees that the maximum price of the Phase 2 Construction Contract will not exceed the Phase 2 Contract Price. The Phase 2 Contract Price will be funded by the internal resources of the Group and/or debt financings.

Basis for determination of the Phase 2 Contract Price

The Phase 2 Construction Contract was entered into through NCLI’s standard tender process. The Phase 2 Contract Price was determined based on the most competitive tender price submitted and with reference to (i) the scope of the Phase 2 Construction Works, (ii) the prevailing market rate for carrying out similar construction works and (iii) the Contractor’s submitted construction plans and technical capabilities and experiences.

INFORMATION OF THE PARTIES

NCLI

NCLI is a domestic corporation registered and organised under the laws of the Philippines and is principally engaged in the participation in gaming operations in the Philippines, NCLI is an indirect wholly-owned subsidiary of the Company.

The Contractor

The Contractor is a domestic corporation registered and organised under the laws of the Philippines and is principally engaged in general construction. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Contractor is ultimately owned as to 40% by Andong Shi, and each of the Contractor and its ultimate beneficial owner is an Independent Third Party.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE PHASE 2 CONSTRUCTION CONTRACT

The Company is an investment holding company and the Group is principally engaged in hotel operation in Manila in the Philippines, leasing of properties equipped with entertainment equipment and operation of gaming business at the hotel complex of the Group in Manila in the Philippines, and operation of live poker events in Macau.

As disclosed in the announcements of the Company dated 27 September 2023 and 9 May 2024, the Group was granted by PAGCOR the Provisional License to establish and operate the Casino and pursuant to the Provisional License, the Group is required to make the total investment commitment of no less than US\$1.0 billion (equivalent to approximately HK\$7.82 billion) and up to US\$1.2 billion (equivalent to approximately HK\$9.38 billion) for the establishment and operation of the Casino and the Hotel. Operation of the Casino has commenced in May 2024.

As further disclosed in the announcement of the Company dated 14 February 2025, the Group has planned to carry out a series of renovation work at the Hotel with a view to maintaining the Hotel in good service and condition, and upgrading infrastructures and facilities of the Hotel to complement the operation of the Casino, and the Phase 1 Construction Contract was entered into on 14 February 2025. As part of the planned renovation at the Hotel and Casino, the Phase 2 Construction Works will continue to improve the appearance and condition of hotel facilities, modernize outdated amenities, enhance overall quality of the Hotel and elevate customers experiences at both the Casino and Hotel. As previously disclosed, the series of renovation work will create additional gaming space on the ground floor of the Casino, as a result, the maximum number of gaming tables in the Casino will increase from the current number of approximately 80 to over 110, and the maximum number of slot machines in the Casino will increase from the current number of approximately 500 to over 920. The Company is optimistic that the enlargement in gaming capacity of the Casino will improve the future revenue of the Casino.

Further, having considered the entering into of the Phase 2 Construction Contract is in line with the Group's business strategies, and the terms of the Phase 2 Construction Contract are reached after the Group's standard tender process with reference to various factors, including but not limited to prevailing market rates of similar construction works, the Board is of the view that the terms of the Phase 2 Construction Contract are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Previous Engagements

During the past twelve months immediately preceding the date of this announcement, the Group and the Contractor had several engagements or contract in relation to the provision of renovation works or construction works for the improvements of the Hotel. The Previous Engagements included (i) the July 2024 Engagement for carrying out works on the power supply system of the Hotel in the contract price of approximately PHP21.65 million (equivalent to approximately HK\$2.81 million); (ii) the December 2024 Engagement for the procurement of supplies and materials for preliminary construction work to be carried out in the Hotel and Casino in the contract price of PHP63.35 million (equivalent to approximately HK\$8.24 million); (iii) the January 2025 Engagement for the procurement of supplies and materials for construction work to be carried out in the Casino in the contract price of PHP100 million (equivalent to approximately HK\$13 million); and (iv) the Phase 1 Construction Contract. For details of the Phase 1 Construction Contract, please refer to the announcement of the Company dated 14 February 2025.

Listing Rules Implications

Since the Previous Engagements and the entering into of the Phase 2 Construction Contract were conducted within a 12-month period, the Previous Engagements, and the entering into of the Phase 2 Construction Contract were required to be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the entering into of the Phase 2 Construction Contract, whether on standalone basis or when aggregated with the Previous Engagements, exceeds 5% but is under 25%, the entering into of the Phase 2 Construction Contract, whether on standalone basis or when aggregated with the Previous Engagements, constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless otherwise stated or the context requires otherwise, the terms and expressions in this announcement have the following meanings:

“Board”	the board of Directors
“Casino”	the casino in the Hotel operated by the Licensee under the Provisional License and/or regular casino gaming license from PAGCOR
“Company”	International Entertainment Corporation, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1009)

“Contractor”	Kimberland Construction Inc., a domestic corporation registered and organized under the laws of the Philippines and an Independent Third Party
“December 2024 Engagement”	the previous engagement of the Contractor by NCLI in December 2024 for the procurement of supplies and materials for preliminary construction work to be carried out in the Hotel and Casino in the contract price of PHP63.35 million (equivalent to approximately HK\$8.24 million)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China
“Hotel”	the hotel and integrated resort of the Group locating in Manila City in the Philippines
“Independent Third Party(ies)”	any persons or company(ies) and their respective ultimate beneficial owners, to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“January 2025 Engagement”	the previous engagement of the Contractor by NCLI in January 2025 for the procurement of supplies and materials for construction work to be carried out in the Casino in the contract price of PHP100 million (equivalent to approximately HK\$13 million)
“July 2024 Engagement”	the previous engagement of the Contractor by NCLI in July 2024 for carrying out works on the power supply system of the Hotel in the contract price of approximately PHP21.65 million (equivalent to approximately HK\$2.81 million)
“Licensee”	the licensee to the Provisional License, namely MSPI and NCLI or any one of them
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MSPI”	Marina Square Properties, Inc., a domestic corporation registered and organised under the laws of the Philippines, an indirect wholly-owned subsidiary of the Company

“NCLI”	New Coast Leisure, Inc., a domestic corporation registered and organised under the laws of the Philippines, an indirect wholly-owned subsidiary of the Company
“New Hotel Land”	the parcels of land adjacent to the Hotel
“PAGCOR”	the Philippine Amusement and Gaming Corporation, the regulatory and licensing authority for gaming and gambling in the Philippines
“Phase 1 Construction Contract”	the construction service agreement dated 14 February 2025 entered into between NCLI and the Contractor in respect of the Phase 1 Construction Works carried out at the Hotel
“Phase 1 Construction Works”	the phase 1 renovation and construction works at the Hotel carried out by the Contractor pursuant to the Phase 1 Construction Contract
“Phase 2 Construction Contract”	the construction service agreement dated 30 May 2025 entered into between NCLI and the Contractor in respect of the Phase 2 Construction Works to be carried out at the Hotel
“Phase 2 Construction Works”	the phase 2 renovation and construction works at the Hotel to be carried out by the Contractor pursuant to the Phase 2 Construction Contract as further elaborated in the paragraph headed “Scope of Phase 2 Construction Works” in this announcement
“Phase 2 Contract Price”	the aggregate contract price of PHP1,053,140,480 (equivalent to approximately HK\$136.91 million) payable by NCLI under the Phase 2 Construction Contract
“Philippines”	the Republic of the Philippines
“PHP”	Philippine Peso, the lawful currency of the Philippines
“Previous Engagements”	collectively, the July 2024 Engagement, December 2024 Engagement and January 2025 Engagement and the Phase 1 Construction Contract
“Provisional License”	the provisional license issued by PAGCOR in favor of MSPI and NCLI as Licensee to establish and operate the Casino, as the same maybe amended, supplemented or modified from time to time in accordance with the terms of the Provisional License Agreement

“Provisional License Agreement”	the provisional license agreement dated 27 September 2023 entered into between MSPI and NCLI as the Licensee and PAGCOR as the licensor, in relation to, among others, the grant of the Provisional License by PAGCOR to the Licensee
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

In this announcement, unless the context requires otherwise, amounts denominated in PHP have been translated to HK\$ at the exchange rate of PHP1.00:HK\$0.13 for illustration purpose only. Such conversions shall not be construed as representations that amounts in PHP were or may have been converted into HK\$ at such rate or any other exchange rates.

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

Hong Kong, 30 May 2025

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 Ms. Danica Ramos Lumawig.