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FAR EAST CONSORTIUM INTERNATIONAL LIMITED

遠東發展有限公司*

(Incorporated in the Cayman Islands with limited liability)

Website: <http://www.fecil.com.hk>

(Stock Code: 35)

PROPOSED SPIN-OFF AND SEPARATE LISTING OF PALASINO HOLDINGS LIMITED ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Reference is made to the announcement of the Company dated 2 June 2023 in relation to the Proposed Spin-off.

THE PROPOSED SPIN-OFF

The Proposed Spin-off is expected to be implemented by way of the Global Offering which will consist of the Hong Kong Public Offering and the International Offering (with the Preferential Offering to the Qualifying Shareholders), and a separate listing of the Palasino Shares on the Main Board of the Stock Exchange.

The proposed separate Listing constitutes a spin-off which is subject to the applicable requirements in PN15. The Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

* For identification purposes only

PALASINO'S APPLICATION FOR LISTING

On 27 September 2023, Palasino submitted a listing application form (Form A1) to the Stock Exchange to apply for the listing of, and permission to deal in, the Palasino Shares on the Main Board of the Stock Exchange. A redacted version of the Application Proof is expected to be available for viewing and downloading on the Stock Exchange's website at <http://www.hkexnews.hk/app/sehkappmainindex.html>.

Upon completion of the Proposed Spin-off and Listing, the Company is expected to have an interest of not less than 50% in Palasino and Palasino will remain as a subsidiary of the Company.

LISTING RULES IMPLICATIONS

The Proposed Spin-off constitutes a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for the Proposed Spin-off is expected to be more than 5% but less than 25%, the Proposed Spin-off will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

GENERAL

Shareholders and other investors are reminded that there is no assurance that the Listing Committee will approve the Proposed Spin-off and the Listing. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate.

As the Proposed Spin-off is conditional upon, among other things, the approval of the Listing Committee, the final decision of the Board and the board of Palasino, market conditions and other considerations, the Proposed Spin-off may or may not materialise. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

INTRODUCTION

Reference is made to the announcement of the Company dated 2 June 2023 in relation to the Proposed Spin-off.

THE PROPOSED SPIN-OFF

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THE SPIN-OFF GROUP

The Spin-off Group is principally engaged in the Czech Gaming Business and the German and Austrian Hotel Business.

REASONS AND BENEFITS OF THE PROPOSED SPIN-OFF

The Board considers that the Proposed Spin-off is commercially beneficial and in the interest of the Company and the Shareholders as a whole and the Proposed Spin-off will better position each of the Remaining Group and the Spin-off Group for further growth in their respective businesses and deliver clear benefits to both for the following reasons:

- (a) the Proposed Spin-off provides flexibility and a separate fund-raising platform for the Spin-off Group in raising future funds from the capital markets to support its growth. As Palasino will remain as a subsidiary of the Company upon completion of the Proposed Spin-off and Listing, the Company will continue to benefit from any potential upside in the businesses to be owned by the Spin-off Group through consolidation of financial results generated by the Spin-off Group;

- (b) the Proposed Spin-off would better reflect the value of the Spin-off Group on its own merits and increase its operational and financial transparency through which investors would assess the performance and potential of the Spin-off Group separately and independently from the Remaining Group; and
- (c) the Proposed Spin-off will allow the management of both the Remaining Group and the Spin-off Group to focus more effectively on their respective businesses, thereby enhancing efficiency in their respective decision-making processes and responsiveness to market changes.

ASSURED ENTITLEMENT AND FURTHER ANNOUNCEMENT

The Board will give due regard to the interests of the Shareholders by providing the Qualifying Shareholders with an Assured Entitlement to Palasino Shares under the Global Offering, subject to certain conditions, if the Board and the board of directors of Palasino decide to proceed with the Proposed Spin-off and the Global Offering, and the Listing Committee has given its approval to the Listing. Details of such Assured Entitlement have not yet been finalised. The Company will make further announcement(s) in this regard as and when appropriate.

INFORMATION ON THE GROUP

The Company is an investment holding company and the principal activities of the Group are property development, property investment, hotel operations and management, car park operations and facilities management, gaming and related operations and securities and financial product investments.

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GENERAL

A redacted version of the Application Proof is expected to be available for viewing and downloading on the Stock Exchange's website at <http://www.hkexnews.hk/app/sehkappmainindex.html>. The Application Proof contains, among other things, certain business and financial information relating to the Spin-off Group. Shareholders should note that the Application Proof is in draft form and the information contained in it is subject to change which may be material.

Shareholders and other investors are reminded that there is no assurance that the Listing Committee will approve the Proposed Spin-off and the Listing. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate.

As the Proposed Spin-off is conditional upon, among other things, the approval of the Listing Committee, the final decision of the Board and the board of Palasino, market conditions and other considerations, the Proposed Spin-off may or may not materialise. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Application Proof”	the redacted version of the application proof of the prospectus of Palasino
“Assured Entitlement”	the entitlement of the Qualifying Shareholders to apply for the Palasino Shares on an assured basis under the Preferential Offering to be determined on the basis of their respective shareholdings in the Company at 4:30 p.m. on the Record Date
“Board”	the board of Directors
“Company”	Far East Consortium International Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Czech Gaming Business”	one integrated casino and resort and two full-service casinos operating in the Czech Republic, offering slot machines and table games
“Director(s)”	director(s) of the Company from time to time
“German and Austrian Hotel Business”	three hotels in Germany and one hotel in Austria that offer accommodation, catering, conference, and leisure services
“Global Offering”	the Hong Kong Public Offering and the International Offering

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Public Offering”	the offer of the Palasino Shares to the public in Hong Kong for subscription
“International Offering”	the international placing of the Palasino Shares with certain professional and institutional and other investors (including the Preferential Offering)
“Listing”	the proposed listing of the Palasino Shares on the Main Board of the Stock Exchange
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear in the register of members of the Company at 4:30 p.m. on the Record Date and whose address(es) as shown in such register are in any of the specified territories and any Shareholders or beneficial Shareholders at that time who are otherwise known by the Company to be resident in any of the specified territories
“Palasino”	Palasino Holdings Limited (百樂皇宮控股有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability on 6 July 2023, and a subsidiary of the Company which will indirectly wholly own Palasino Group upon completion of the Reorganisation
“Palasino Group”	Trans World Hotels & Entertainment, a.s., a company incorporated in the Czech Republic with limited liability on 6 September 1995, and a subsidiary of the Company holding (directly and through its subsidiaries) the Czech Gaming Business and the German and Austrian Hotel Business
“Palasino Share(s)”	share(s) in the share capital of Palasino
“PN15”	Practice Note 15 to the Listing Rules
“Preferential Offering”	the preferential offering of the Palasino Shares to the Qualifying Shareholders as the Assured Entitlement in the Global Offering

“Proposed Spin-off”	the proposed spin-off and separate listing of the Palasino Shares on the Main Board of the Stock Exchange
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear in the register of members of the Company at 4:30 p.m. on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	the record date for determining the Assured Entitlement of the Qualifying Shareholders to the Palasino Shares being offered by the Company in the Preferential Offering under the Global Offering
“Remaining Group”	the Company and its subsidiaries (excluding the Spin-off Group)
“Reorganisation”	the reorganisation of the Spin-off Group, upon completion of which Palasino Group will become an indirect wholly-owned subsidiary of Palasino
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Spin-off Group”	Palasino and its subsidiaries, as if the Reorganisation had been completed
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

By order of the Board of
Far East Consortium International Limited
Wai Hung Boswell CHEUNG
Company Secretary

Hong Kong, 27 September 2023

As at the date of this announcement, the Board comprises five executive directors, namely Tan Sri Dato’ David CHIU, Mr. Cheong Thard HOONG, Mr. Dennis CHIU, Mr. Craig Grenfell WILLIAMS and Ms. Wing Kwan Winnie CHIU; and three independent non-executive directors, namely Mr. Kwong Siu LAM, Mr. Wai Hon Ambrose LAM and Mr. Lai Him Abraham SHEK.