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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)

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

**BASIS OF ASSURED ENTITLEMENT OF QUALIFYING
SHAREHOLDERS IN
THE PREFERENTIAL OFFERING**

* For identification purposes only

The Board is pleased to announce that it has determined the basis of the Assured Entitlement of qualifying Shareholders to Reserved Shares in the Preferential Offering, if and when made. The basis of the Assured Entitlement is one (1) Reserved Share for every integral multiple of 198 Shares held by qualifying Shareholders as at 4:30 p.m. on Monday, 11 March 2024, being the Record Date.

As the size, structure and expected timetable of the Global Offering have not yet been finalised, the basis of the Assured Entitlement of qualifying Shareholders to Reserved Shares in the Preferential Offering as set out in this announcement is subject to change. In the event that there is a change in relation to the basis of the Assured Entitlement of qualifying Shareholders to Reserved Shares in the Preferential Offering, further announcement(s) will be made by the Company.

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 should be aware that there is no assurance that the Proposed Spin-off will take place or as to when it may take place. If the Proposed Spin-off does not proceed for any reason, the Preferential Offering will not proceed. 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

References are made to the announcements of the Company dated 27 September 2023, 23 February 2024 and 14 March 2024 (the “**Announcements**”) in relation to the Proposed Spin-off. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

BASIS OF THE ASSURED ENTITLEMENT IN THE PREFERENTIAL OFFERING

The Board is pleased to announce that the basis of the Assured Entitlement of the qualifying Shareholders to the Palasino Shares (the “**Reserved Shares**”) in the Preferential Offering, if and when made, has been determined.

The basis of the Assured Entitlement is one (1) Reserved Share for every integral multiple of 198 Shares held by qualifying Shareholders as at 4:30 p.m. on Monday, 11 March 2024, being the Record Date.

Qualifying Shareholders should note that their Assured Entitlement to the Reserved Shares may not represent a full board lot of 1,000 Palasino Shares. The Reserved Shares allocated to qualifying Shareholders will be rounded down to the closest whole number if required. No odd lot matching services will be provided and dealings in odd lots of the Palasino Shares may be at a price below the prevailing market price for full board lots.

The Assured Entitlement of qualifying Shareholders to Reserved Shares are not transferable and there will be no trading in nil-paid entitlements on the Stock Exchange.

Qualifying Shareholders may apply for a number of Reserved Shares which is greater than, less than or equal to their Assured Entitlement or may apply only for excess Reserved Shares under the Preferential Offering.

A valid application for a number of the Reserved Shares which is less than or equal to a qualifying Shareholder's Assured Entitlement under the Preferential Offering will be accepted in full, subject to the terms and conditions of the Preferential Offering.

Where a qualifying Shareholder applies for a number of Reserved Shares which is greater than the qualifying Shareholder's Assured Entitlement under the Preferential Offering, the number of Reserved Shares of the relevant Assured Entitlement will be satisfied in full (subject to the terms and conditions as mentioned above), but the excess portion of such application will only be satisfied to the extent that there are sufficient available Reserved Shares not taken up by other qualifying Shareholders as their Assured Entitlement under the Preferential Offering. Details of how such excess portion will be satisfied will be further described in the prospectus to be published by Palasino in relation to the Global Offering (the "**Prospectus**").

Qualifying Shareholders who hold less than 198 Shares on the Record Date and therefore will not have an Assured Entitlement to the Reserved Shares will still be entitled to participate in the Preferential Offering by applying only for excess Reserved Shares. Such application will only be satisfied to the extent that there are sufficient available Reserved Shares not taken up by other qualifying Shareholders as their Assured Entitlement under the Preferential Offering.

If the Preferential Offering proceeds, details of the Preferential Offering, including the terms and conditions for applications (including excess applications) for the Reserved Shares under the Preferential Offering, will be set out in the Prospectus.

GENERAL

In connection with the Global Offering, the price of the Palasino Shares may be stabilised in accordance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). Details of any intended stabilisation and how it will be regulated under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) will be disclosed in the Prospectus.

As the size, structure and expected timetable of the Global Offering have not yet been finalised, the basis of the Assured Entitlement of qualifying Shareholders to Reserved Shares in the Preferential Offering as set out in this announcement is subject to change. In the event that there is a change in relation to the basis of the Assured Entitlement of qualifying Shareholders to Reserved Shares in the Preferential Offering, further announcement(s) will be made by the Company.

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 should be aware that there is no assurance that the Proposed Spin-off will take place or as to when it may take place. If the Proposed Spin-off does not proceed for any reason, the Preferential Offering will not proceed. 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).

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

Hong Kong, 15 March 2024

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