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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)

CONNECTED TRANSACTIONS IN RELATION TO THE SETTLEMENT DEEDS FOR THE LEGAL PROCEEDINGS IN AUSTRALIA

THE SETTLEMENT

The Board wishes to announce that on 26 June 2023 (after trading hours), FEC Care Park (an indirect wholly-owned subsidiary of the Company) entered into the Settlement Deeds with, amongst others, the other Care Park Parties and the Belteky Parties, pursuant to which the parties thereunder have agreed to settle the Legal Proceedings on the terms set out in the Settlement Deeds. Pursuant to the Settlement Deeds, the parties agreed that, amongst others, the parties must procure their respective solicitors to sign on the minutes of proposed consent orders and to seek orders from the court to, amongst others, dismiss the claims under the Legal Proceedings, and Warmlink shall transfer the CPG Transfer Shares to FEC Care Park and Chartbridge respectively.

LISTING RULES IMPLICATIONS

Mr. Robert Belteky is a director of CPG and is a connected person of the Company under the Listing Rules. Mrs. Marioara Belteky and SB, the wife and daughter of Mr. Robert Belteky, are associates of Mr. Robert Belteky and are connected persons of the Company under the Listing Rules. Warmlink, the trustee of the Belteky Investments Trust, is an associate of Mr. Robert Belteky and is a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Settlement Deeds (and the transactions contemplated thereunder) constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable Percentage Ratios exceeds 0.1% but all of the applicable Percentage Ratios are less than 5%, the entering into of the Settlement Deeds (and the transactions contemplated thereunder) are subject to reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

* *For identification purposes only*

INTRODUCTION

The Board wishes to announce that on 26 June 2023 (after trading hours), FEC Care Park entered into the Settlement Deeds with, amongst others, the other Care Park Parties and the Belteky Parties, pursuant to which the parties thereunder have agreed to settle the Legal Proceedings on the terms set out in the Settlement Deeds. Pursuant to the Settlement Deeds, the parties agreed that, amongst others, the parties must procure their respective solicitors to sign on the minutes of proposed consent orders and to seek orders from the court to, amongst others, dismiss the claims under the Legal Proceedings, and Warmlink shall transfer the CPG Transfer Shares to FEC Care Park and Chartbridge respectively.

BACKGROUND OF THE LEGAL PROCEEDINGS

Care Park Parties and Belteky Parties, amongst others, had some disputes, upon which the Care Park Parties commenced the Legal Proceedings. The Care Park Parties and the Belteky Parties, amongst others, have agreed to settle the Legal Proceedings on the terms set out in the Settlement Deeds.

THE SETTLEMENT

The principal terms of the Settlement Deeds are set out as follows:

First Settlement Deed

Date

26 June 2023

Parties

- (1) Care Park Parties
- (2) Belteky Parties

Subject matter

Pursuant to the First Settlement Deed, the parties agreed on a non-admission basis that, amongst others:

- (a) Warmlink shall, within 3 business days of the First Settlement Deed, execute the share transfer forms in respect of the Transfers;
- (b) Mr. Robert Belteky must, within 3 business days of the First Settlement Deed, resign as a director and secretary of CPG; and
- (c) the Care Park Parties and the Belteky Parties must procure their respective solicitors to sign on the minutes of proposed consent orders and to seek orders from the court to, amongst others, dismiss the claims under the Legal Proceedings.

Pursuant to the First Settlement Deed, the Care Park Parties and the Belteky Parties have agreed that the consideration for the Transfers shall be deemed to be paid.

Second Settlement Deed

Date

26 June 2023

Parties

- (1) Care Park Parties (save for Chartbridge)
- (2) PF
- (3) SB

Subject Matter

Pursuant to the Second Settlement Deed, the parties agreed on a non-admission basis that, amongst others:

- (a) within 14 days from the date of the First Settlement Deed, Care Park Pty Ltd shall pay SB a settlement sum of A\$27,000 in respect of SB's legal costs associated with the Legal Proceedings; and
- (b) the Care Park Parties (save for Chartbridge), PF and SB must procure their respective solicitors to sign on the minutes of proposed consent orders and to seek orders from the court to, amongst others, dismiss the claims under the Legal Proceedings.

The terms of the Settlement Deeds (including the basis of the consideration of the Transfers) were determined after arm's length negotiations with reference to, among other things, the unaudited net assets value of CPG as at 30 September 2022, the merits of the claims of the Care Park Parties under the Legal Proceedings and the merits of the claims of the Belteky Parties and SB under the Legal Proceedings.

INFORMATION OF CPG AND THE CPG TRANSFER SHARES

CPG is a company incorporated in Australia principally engaging in the car park operations and facilities management. Immediately before the Transfers, CPG was owned (directly or indirectly) as to 77.75% by the Company, 8.25% by Chartbridge and 14% by Warmlink. After the Transfers, CPG will be owned (directly or indirectly) as to 90.41% by the Company and 9.59% by Chartbridge, and will continue to be an indirect non-wholly owned subsidiary of the Company.

CPG was incorporated on 27 April 2009. Warmlink acquired the CPG Transfer Shares following the completion of the relevant transactions as announced by the Company on 7 May 2009 (the "**Announcement**") and Warmlink remained the holder of the CPG Transfer Shares until immediately before the Transfers. Please refer to the Announcement for details of the original acquisition cost of the CPG Transfer Shares.

FINANCIAL INFORMATION OF CPG

The following are the financial information of CPG as at and for the financial years ended 31 March 2021 and 31 March 2022, and the six months ended 30 September 2022, and are extracted from the audited consolidated financial statements and the unaudited consolidated management accounts of CPG and its subsidiaries, respectively:

	For the six months ended 30 September 2022 (unaudited) (HK\$'000)	For the year ended 31 March 2022 (audited) (HK\$'000)	For the year ended 31 March 2021 (audited) (HK\$'000)
(Loss) before taxation and extraordinary items	(48,180)	(212,413)	(85,094)
(Loss) after taxation and extraordinary items	(48,026)	(150,523)	(82,199)
	As at 30 September 2022 (unaudited) (HK\$'000)	As at 31 March 2022 (audited) (HK\$'000)	As at 31 March 2021 (audited) (HK\$'000)
Net assets	355,601	465,444	517,739

REASONS FOR AND BENEFITS OF THE SETTLEMENT

Based on the assessment of the Company on the potential outcome of the Legal Proceedings and the time, costs and effort to continue the Legal Proceedings, the Board considers that the Settlement (including the Transfers) will, amongst others, minimize the time, costs and effort in conducting the Legal Proceedings.

Taking into account the above reasons, the Directors (including the independent non-executive Directors, but excluding Mr. Craig Grenfell WILLIAMS who had abstained from voting on the relevant board resolutions) are of the view that (i) the terms of the Settlement Deeds (and the transactions contemplated thereunder) are fair and reasonable; (ii) the Settlement is on normal commercial terms or better; and (iii) the Settlement is in the interests of the Company and the Shareholders as a whole.

Mr. Craig Grenfell WILLIAMS is an executive Director and a beneficiary of The Craig Williams Family Trust, while Chartbridge is the trustee of The Craig Williams Family Trust, Chartbridge is a party to the First Settlement Deed. To avoid any potential of conflict of interest, Mr. Craig Grenfell WILLIAMS had voluntarily abstained from voting on the board resolutions to approve the Settlement Deeds (and the transactions contemplated thereunder). Save as disclosed above, none of the Directors (including the independent non-executive Directors) have a material interest in the Settlement Deeds.

INFORMATION OF CHARTBRIDGE

Chartbridge is the trustee of The Craig Williams Family Trust. Mr. Craig Grenfell WILLIAMS, an executive director of the Company, his children and his lawfully wedded spouse or widow for the time being are the beneficiaries of The Craig Williams Family Trust. Chartbridge is an associate of Mr. Craig Grenfell WILLIAMS and a connected person of the Company under the Listing Rules.

INFORMATION OF THE GROUP AND FEC CARE PARK

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.

FEC Care Park is an investment holding company and is an indirect wholly-owned subsidiary of the Company.

INFORMATION OF WARMLINK

Warmlink is the trustee of the Belteky Investments Trust. Mr. Robert Belteky, Mrs. Marioara Belteky and SB are the beneficiaries of the Belteky Investments Trust.

LISTING RULES IMPLICATIONS

Mr. Robert Belteky is a director of CPG and is a connected person of the Company under the Listing Rules. Mrs. Marioara Belteky and SB, the wife and daughter of Robert Belteky, are associates of Mr. Robert Belteky and are connected persons of the Company under the Listing Rules. Warmlink, the trustee of the Belteky Investments Trust, is an associate of Mr. Robert Belteky and a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Settlement Deeds (and the transactions contemplated thereunder) constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable Percentage Ratios exceeds 0.1% but all of the applicable Percentage Ratios are less than 5%, the entering into of the Settlement Deeds (and the transactions contemplated thereunder) are subject to reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“A\$”	Australian dollars, the lawful currency of Australia
“associate(s)”	has the meaning as ascribed under the Listing Rules
“Belteky Parties”	Mr. Robert Belteky, Mrs. Marioara Belteky, Warmlink (in its own capacity and as trustee of the Belteky Investments Trust), Belteky Nominees Pty Ltd (a company which is beneficially owned by Mr. Robert Belteky and Mrs. Marioara Belteky) and Care Park Investment Hungary Kft (a company whereby Mr. Robert Belteky is a director)
“Board”	board of Directors
“Care Park Parties”	Care Park Pty Ltd, CPG, Care Park Finance Pty Ltd, Care Park UK Ltd, Care Park Properties Pty Ltd, Care Park Operation Hungary Kft, FEC Care Park, and Chartbridge (in its own capacity and as trustee of The Craig Williams Family Trust). Care Park Pty Ltd, Care Park Finance Pty Ltd, Care Park UK Ltd, Care Park Properties Pty Ltd and Care Park Operation Hungary Kft are wholly owned subsidiaries of CPG
“Chartbridge”	Chartbridge Pty Ltd, a company incorporated in Australia
“Company”	Far East Consortium International Limited (遠東發展有限公司*), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 35)
“CPG”	Care Park Group Pty Ltd, a company incorporated in Australia, an indirect non-wholly owned subsidiary of the Company
“CPG Transfer Shares”	14% of the shares on issue in CPG held by Warmlink
“Director(s)”	the directors of the Company
“FEC Care Park”	FEC Care Park Holdings (Australia) Pty Ltd, a company incorporated in Australia, an indirect wholly owned subsidiary of the Company
“First Settlement Deed”	the deed of settlement entered into between the Care Park Parties and the Belteky Parties in respect of the Settlement

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Legal Proceedings”	Proceedings number VID11/2023 in the Victoria District Registry, Federal Court of Australia relating to, among other things, certain claims between the Care Park Parties and the Belteky Parties
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Percentage Ratios”	have the meaning ascribed to such term in Rule 14.07 of the Listing Rules
“PF”	Mr. Paul Feltrin, a director of certain subsidiaries of CPG and a connected person of the Company under Listing Rules
“PRC”	the People’s Republic of China
“SB”	Ms. Samantha Belteky
“Second Settlement Deed”	the deed of settlement entered into between the Care Park Parties (save for Chartbridge), PF and SB in respect of the Settlement
“Settlement”	settlement under the Settlement Deeds, including the Transfers and the dismissal of the claims under the Legal Proceedings
“Settlement Deeds”	collectively, the First Settlement Deed and the Second Settlement Deed
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfers”	the transfers of the CPG Transfer Shares to Chartbridge and FEC Care Park at a nominal consideration of A\$134 and A\$1,266 respectively

“Warmlink”

Warmlink Pty Ltd, a company incorporated in Australia and also the trustee of the Belteky Investments Trust, whose beneficiaries are Mr. Robert Belteky, Mrs. Marioara Belteky and SB

“%”

per cent.

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

Hong Kong, 26 June 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.