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

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

* For identification purposes only

INTRODUCTION

References are made to the announcements of the Company dated 27 September 2023, 23 February 2024, 14 March 2024, 15 March 2024, 18 March 2024, 25 March 2024 and 26 March 2024 (the “**Announcements**”) in relation to the Proposed Spin-off. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus has been partially exercised by the Sole Overall Coordinator (for itself and on behalf of the International Underwriters), on Friday, 19 April 2024 (after trading hours), in respect of 10,990,000 Palasino Shares, representing approximately 7.69% of the total number of the Palasino Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, to (among other things) facilitate the return to the Selling Shareholder of the 10,990,000 Palasino Shares borrowed under the stock borrowing agreement dated 21 March 2024 which were used to cover over-allocations in the International Offering.

Pursuant to the partial exercise of the Over-allotment Option, Palasino will issue and allot 6,594,000 new Palasino Shares (the “**New Shares under Over-allotment**”) and the Selling Shareholder will sell 4,396,000 Palasino Shares (the “**Sale Shares under Over-allotment**”).

The New Shares under Over-allotment will be issued and allotted by Palasino at HK\$2.60 per Palasino Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and Accounting and Financial Reporting Council transaction levy of 0.00015%), being the Offer Price per Palasino Offer Share under the Global Offering.

Immediately following the partial exercise of the Over-allotment Option, the interest of the Group in Palasino will decrease from approximately 73.21% to approximately 72.07%, and Palasino will remain as a subsidiary of the Company.

The additional net proceeds of approximately HK\$15.3 million to be received by Palasino from the issue and allotment of the New Shares under Over-allotment, after deduction of underwriting commissions and other expenses, will be used by Palasino for the purposes and in the proportions as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus. The additional net proceeds of approximately HK\$10.2 million to be received by the Selling Shareholder from the sale of the Sale Shares under Over-allotment, after deduction of underwriting commissions and other expenses, will be used by the Group for general working purposes.

Approval for the listing of and permission to deal in the New Shares under Over-allotment has already been granted by the Listing Committee of the Stock Exchange. Listing of and dealings in the New Shares under Over-allotment are expected to commence on the Main Board of the Stock Exchange at 9:00 a.m. on Tuesday, 23 April 2024.

Pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong), the stabilisation period in connection with the Global Offering ended on Saturday, 20 April 2024, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. The portion of the Over-Allotment Option which has not been exercised by the Sole Overall Coordinator (for itself and on behalf of the International Underwriters) lapsed on Saturday, 20 April 2024.

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

Hong Kong, 22 April 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.