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FOUR SEAS MERCANTILE HOLDINGS LIMITED
四洲集團有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 374)

PROFIT WARNING

This announcement is made by Four Seas Mercantile Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company and potential investors that based on the information currently available to the management, the Group is expected to record a decrease in the range of approximately 90% to 95% in its unaudited consolidated profit attributable to equity holders of the Company for the six months ended 30 September 2018 as compared with the corresponding period last year.

Reference is made to the annual report of the Company for the year ended 31 March 2018 and other previous announcements of the Company related to the agreement that the Company entered into on 20 March 2017 to dispose of a property located in Sai Kung, the New Territories. Completion of the property disposal took place on 19 May 2017 and the Company realized a before tax gain on disposal of HK$302,300,000 for the six months ended 30 September 2017. The decrease in the Company's unaudited consolidated profit for the six months ended 30 September 2018 as compared with the same period last year is primarily for the reason that no such one-off gain will be recorded for the six months ended 30 September 2018.

* *For identification purpose only*

The information contained in this announcement is only based on the preliminary review by the Company's management and is not based on any figures or information that has been audited or reviewed by the auditor or the audit committee of the Company. Shareholders and potential investors are advised to read carefully the results announcement of the Company for the six months ended 30 September 2018, which is expected to be published in late November 2018.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Four Seas Mercantile Holdings Limited
NAM Chi Ming, Gibson
Executive Director

Hong Kong, 26 October 2018

As at the date of this announcement, the executive directors of the Company are Mr. TAI Tak Fung, Stephen, Ms. WU Mei Yung, Quinly, Mr. TAI Chun Kit, Mr. MAN Wing Cheung, Ellis, Mr. WU Wing Biu and Mr. NAM Chi Ming, Gibson and the independent non-executive directors of the Company are Ms. LEUNG Mei Han, Mr. CHAN Yuk Sang, Peter and Mr. Tsunao KIJIMA.