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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)

ANNOUNCEMENT OF RESULTS

FOR THE YEAR ENDED 31 MARCH 2021

RESULTS

The board of directors (the “Board”) of Four Seas Mercantile Holdings Limited (the “Company”) announce the preliminary consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2021, together with the comparative figures for the previous year, as follows:

**For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2021

		2021	2020
	Notes	HK\$'000	HK\$'000
REVENUE	4	4,579,837	2,928,037
Cost of sales		<u>(3,701,333)</u>	<u>(2,075,446)</u>
Gross profit		878,504	852,591
Other income and gains/(losses), net	4	28,318	22,601
Selling and distribution expenses		(464,200)	(539,632)
Administrative expenses		(349,692)	(284,693)
Other operating expenses		(19,452)	(27,501)
Finance costs	5	(28,997)	(31,790)
Share of profits and losses of associates		<u>11,664</u>	<u>8,748</u>
PROFIT BEFORE TAX	3 & 6	56,145	324
Income tax expense	7	<u>(24,497)</u>	<u>(14,603)</u>
PROFIT/(LOSS) FOR THE YEAR		<u>31,648</u>	<u>(14,279)</u>
Attributable to:			
Equity holders of the Company		30,127	(19,808)
Non-controlling interests		<u>1,521</u>	<u>5,529</u>
		<u>31,648</u>	<u>(14,279)</u>
EARNINGS/(LOSS) PER SHARE			
ATTRIBUTABLE TO ORDINARY			
EQUITY HOLDERS OF THE COMPANY			
- Basic and diluted	9	<u>HK7.8 cents</u>	<u>(HK5.2 cents)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2021

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
PROFIT/(LOSS) FOR THE YEAR	31,648	(14,279)
OTHER COMPREHENSIVE INCOME/(LOSS)		
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences:		
Exchange differences on translation of foreign operations	71,484	(57,164)
Share of other comprehensive income/(loss) of associates	3,433	(2,476)
<i>Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods</i>	74,917	(59,640)
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
Financial assets at fair value through other comprehensive income:		
- Changes in fair value	9,786	-
- Income tax effect	(3,353)	-
Defined benefit obligation:		
- Gains on remeasurement	1,847	-
- Income tax effect	(632)	-
<i>Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods</i>	7,648	-
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	82,565	(59,640)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	114,213	(73,919)
Attributable to:		
Equity holders of the Company	107,852	(78,192)
Non-controlling interests	6,361	4,273
	114,213	(73,919)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2021

		2021	2020
	Notes	HK\$'000	HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,026,594	937,966
Investment properties		42,469	19,037
Goodwill		125,396	42,858
Other intangible assets		74,285	321
Investments in associates		172,463	155,107
Financial assets at fair value through profit or loss		31,635	33,340
Financial assets at fair value through other comprehensive income		20,009	1
Prepayments, deposits and other receivables		31,111	28,426
Deferred tax assets		20,841	7,996
		<hr/>	<hr/>
Total non-current assets		1,544,803	1,225,052
CURRENT ASSETS			
Inventories		417,842	345,511
Trade receivables	10	781,444	528,382
Prepayments, deposits and other receivables		199,138	244,495
Tax recoverable		371	2,001
Financial assets at fair value through profit or loss		39,186	41,354
Derivative financial assets		828	-
Cash and cash equivalents		577,227	506,981
		<hr/>	<hr/>
Total current assets		2,016,036	1,668,724
CURRENT LIABILITIES			
Trade payables, other payables and accruals	11	599,803	330,391
Interest-bearing bank borrowings		963,052	699,424
Lease liabilities		123,651	133,074
Tax payable		21,907	7,543
		<hr/>	<hr/>
Total current liabilities		1,708,413	1,170,432
NET CURRENT ASSETS			
		<hr/>	<hr/>
		307,623	498,292
TOTAL ASSETS LESS CURRENT LIABILITIES			
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		1,852,426	1,723,344

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)*31 March 2021*

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	194,384	60,000
Lease liabilities	217,960	302,063
Other payables and accruals	4,524	-
Defined benefit obligations	7,284	-
Deferred tax liabilities	50,491	16,083
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Total non-current liabilities	474,643	378,146
	<hr/>	<hr/>
Net assets	1,377,783	1,345,198
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EQUITY		
Equity attributable to equity holders of the Company		
Issued capital	38,425	38,425
Reserves	1,338,898	1,268,904
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	1,377,323	1,307,329
Non-controlling interests	460	37,869
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Total equity	1,377,783	1,345,198
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, derivatives financial assets and defined benefit obligations which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2021. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

1. **BASIS OF PREPARATION** (continued)

Basis of consolidation (continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised HKFRSs are described below:

- (a) *Conceptual Framework for Financial Reporting 2018* (the "Conceptual Framework") sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (b) Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business.

The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 April 2020. The amendments did not have any impact on the financial position and performance of the Group.

- (c) Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate ("RFR"). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.
- (d) Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on geographical areas and has three reportable operating segments as follows:

- (i) the Hong Kong segment is engaged in the manufacturing and trading of snack foods, confectionery, beverages, frozen food products, ham and ham-related products, noodles and the retailing of snack foods, confectionery and beverages, provision of catering services, and the operations of restaurants;
- (ii) the Mainland China segment is engaged in the manufacturing and trading of snack foods, confectionery, beverages, frozen food products, ham and ham-related products, noodles, and the operations of restaurants; and
- (iii) the Japan segment is engaged in the wholesaling and distribution of snack foods and confectionery.

During the year, management has identified the Japan segment as a new operating segment upon the acquisition of Miyata Holding Co., Ltd. and its subsidiaries.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income, dividend income and unallocated gains/losses, non-lease-related finance costs, share of profits and losses of associates and corporate and other unallocated expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, tax recoverable, investments in associates, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, derivative financial assets and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank borrowings, tax payable and deferred tax liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. OPERATING SEGMENT INFORMATION (continued)

2021

	Hong Kong HK\$'000	Mainland China HK\$'000	Japan HK\$'000	Total HK\$'000
Segment revenue:				
Sales to external customers	1,729,182	863,114	1,987,541	4,579,837
Intersegment sales	41,776	201,987	15,559	259,322
	1,770,958	1,065,101	2,003,100	4,839,159
<i>Reconciliation:</i>				
Elimination of intersegment sales				(259,322)
Revenue				4,579,837
Segment results	68,845	24,054	(1,500)	91,399
<i>Reconciliation:</i>				
Interest income				7,336
Dividend income and unallocated gains/(losses), net				(4,256)
Finance costs (other than interest on lease liabilities)				(19,307)
Share of profits and losses of associates				11,664
Corporate and other unallocated expenses				(30,691)
Profit before tax				56,145

2020

	Hong Kong HK\$'000	Mainland China HK\$'000	Total HK\$'000
Segment revenue:			
Sales to external customers	1,993,865	934,172	2,928,037
Intersegment sales	24,361	170,821	195,182
	2,018,226	1,104,993	3,123,219
<i>Reconciliation:</i>			
Elimination of intersegment sales			(195,182)
Revenue			2,928,037
Segment results	25,444	1,315	26,759
<i>Reconciliation:</i>			
Interest income			6,813
Dividend income and unallocated gains/(losses), net			2,832
Finance costs (other than interest on lease liabilities)			(20,617)
Share of profits and losses of associates			8,748
Corporate and other unallocated expenses			(24,211)
Profit before tax			324

3. OPERATING SEGMENT INFORMATION (continued)

2021	Hong Kong	Mainland		
	China	Japan	Total	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment assets	1,479,228	913,795	724,877	3,117,900
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(419,621)
Investments in associates				172,463
Corporate and other unallocated assets				690,097
Total assets				<u>3,560,839</u>
Segment liabilities	590,939	336,374	445,530	1,372,843
<i>Reconciliation:</i>				
Elimination of intersegment payables				(419,621)
Corporate and other unallocated liabilities				1,229,834
Total liabilities				<u>2,183,056</u>
Other segment information:				
Impairment/ (reversal of impairment) of trade receivables	(6)	(869)	113	(762)
(Reversal of write-down)/write-down of slow-moving inventories	(330)	5,211	3,047	7,928
Depreciation and amortisation, except right-of-use assets	25,871	37,715	19,508	83,094
Depreciation of right-of-use assets	116,169	25,378	9,778	151,325
Impairment of items of property, plant and equipment, except right-of-use assets	3,918	-	-	3,918
Impairment of right-of-use assets	4,082	-	-	4,082
Loss on disposal of items of property, plant and equipment	116	2,273	1,423	3,812
Fair value loss on investment properties	-	-	292	292
Capital expenditure*	21,991	45,165	1,320	68,476
Non-current assets**	411,927	494,395	362,422	1,268,744

3. OPERATING SEGMENT INFORMATION (continued)

2020	Hong Kong	Mainland	Total
	<i>HK\$'000</i>	<i>China</i>	<i>HK\$'000</i>
Segment assets	1,674,757	880,860	2,555,617
<i>Reconciliation:</i>			
Elimination of intersegment receivables			(408,621)
Investments in associates			155,107
Corporate and other unallocated assets			591,673
Total assets			<u>2,893,776</u>
Segment liabilities	661,387	512,762	1,174,149
<i>Reconciliation:</i>			
Elimination of intersegment payables			(408,621)
Corporate and other unallocated liabilities			783,050
Total liabilities			<u>1,548,578</u>
Other segment information:			
Impairment of trade receivables	10,649	5	10,654
Write-down of slow-moving inventories	393	3,144	3,537
Depreciation and amortisation, except right-of-use assets	25,427	36,239	61,666
Depreciation of right-of-use assets	116,182	24,053	140,235
Impairment of items of property, plant and equipment, except right-of-use assets	2,768	691	3,459
Impairment of right-of-use assets	2,322	1,071	3,393
Loss on disposal of items of property, plant and equipment	140	343	483
Capital expenditure*	22,499	21,220	43,719
Non-current assets**	456,204	543,978	1,000,182

* Capital expenditure consists of additions to property, plant and equipment, excluding right-of-use assets arising from leased buildings.

** The non-current assets excludes financial instruments, deferred tax assets and investments in associates.

4. REVENUE, OTHER INCOME AND GAINS/(LOSSES), NET

An analysis of revenue is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<i>Revenue from contracts with customers</i>		
Sale of goods	<u>4,579,837</u>	<u>2,928,037</u>

Revenue from contracts with customers

(i) Disaggregated revenue information

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<i>Primary geographical markets:</i>		
Hong Kong	1,729,182	1,993,865
Mainland China	863,114	934,172
Japan	<u>1,987,541</u>	<u>-</u>
	<u>4,579,837</u>	<u>2,928,037</u>
<i>Timing of revenue recognition:</i>		
At a point in time	<u>4,579,837</u>	<u>2,928,037</u>

The amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period are as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Sale of goods	<u>4,127</u>	<u>4,254</u>

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon delivery of the goods and payment is generally due within one to three months, extending up to four to five months for major customers, from delivery, except for new customers, where payment in advance is normally required.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within one year	<u>3,160</u>	<u>4,127</u>

All remaining performance obligations are expected to be recognised within one year.

4. REVENUE, OTHER INCOME AND GAINS/(LOSSES), NET (continued)

An analysis of other income and gains/(losses), net is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Other income		
Bank interest income	2,005	6,813
Dividend income	2,471	5,040
Government subsidies	12,471	5,760
Rental income from investment properties operating leases:		
Other lease payments, including fixed payments	3,272	1,212
Interest income	5,331	-
Others	9,495	5,984
	<u>35,045</u>	<u>24,809</u>
Gains/(losses), net		
Net fair value losses on investment properties	(292)	-
Net fair value losses on financial assets at fair value through profit or loss	(6,435)	(2,208)
	<u>(6,727)</u>	<u>(2,208)</u>
	<u><u>28,318</u></u>	<u><u>22,601</u></u>

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest on bank and trust receipt loans	19,307	20,617
Interest on lease liabilities	9,690	11,173
	<u>28,997</u>	<u>31,790</u>

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Cost of inventories sold	3,693,405	2,071,909
Government subsidies [#]	(50,300)	-
Depreciation of items of property, plant and equipment, except right-of-use assets	77,884	61,447
Depreciation of right-of-use assets	151,325	140,235
Amortisation of other intangible assets	5,210	219
Loss on disposal/write-off of items of property, plant and equipment, net*	3,812	483
Gain on derecognition of right-of-use assets, net	(10)	(1,831)
(Gain)/ loss on remeasurement of lease liabilities, net	1	(53)
Impairment of items of property, plant and equipment, except right-of-use assets*	3,918	3,459
Impairment of right-of-use assets*	4,082	3,393
Foreign exchange differences, net	5,203	(5,944)
Direct operating expenses (including repairs and maintenance) arising from a rental-earning investment property	1,234	789
(Reversal of impairment)/ impairment of trade receivables*	(762)	10,654
Write-down of slow-moving inventories**	<u>7,928</u>	<u>3,537</u>

* Included in "Other operating expenses" in the consolidated statement of profit or loss.

** The write-down of slow-moving inventories is included in "Cost of sales" in the consolidated statement of profit or loss.

Included in employee benefit expense is the government subsidies on the grants from the Employment Support Scheme of the Hong Kong Government totaling HK\$50,300,000, which aims to retain employment and combat COVID-19. There are no unfulfilled conditions or contingencies relating to these subsidies.

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	19,085	11,741
Current – Elsewhere		
Charge for the year	9,279	3,449
Overprovision in prior years	(1,906)	(333)
Deferred	(1,961)	(254)
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Total tax charge for the year	24,497	14,603
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8. DIVIDENDS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interim – HK3.0 cents (2020: HK3.0 cents) per ordinary share	11,528	11,528
Proposed final dividend – HK6.5 cents (2020: HK6.5 cents) per ordinary share	24,977	24,977
	<hr/>	<hr/>
	36,505	36,505
	<hr/> <hr/>	<hr/> <hr/>

The proposed final dividend for the year are subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings/(loss) per share amounts is based on the profit/(loss) for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares in issue during the year.

The calculations of basic earnings/(loss) per share are based on:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic earnings/(loss) per share calculation	<u><u>30,127</u></u>	<u><u>(19,808)</u></u>
	Number of shares	
	2021	2020
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings/(loss) per share calculation	<u><u>384,257,640</u></u>	<u><u>384,257,640</u></u>

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 March 2021 and 2020 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2021 and 2020.

10. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of one to three months, extending up to four to five months for major customers.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 1 month	411,019	180,692
1 to 2 months	150,757	98,978
2 to 3 months	80,759	84,474
Over 3 months	138,909	164,238
	<u>781,444</u>	<u>528,382</u>

Included in the trade receivables are amounts due from subsidiaries of Hong Kong Food Investment Holdings Limited, a substantial shareholder of the Company, of HK\$276,000 (2020: Nil), which is repayable on credit terms similar to those offered to the major customers of the Group.

11. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

Included in trade payables, other payables and accruals is trade payables balance of HK\$394,296,000 (2020: HK\$178,219,000). An ageing analysis of the trade payables at the end of the reporting period, based on the invoice date, is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 1 month	294,577	146,416
1 to 2 months	68,513	16,873
2 to 3 months	13,249	7,919
Over 3 months	17,957	7,011
	<u>394,296</u>	<u>178,219</u>

11. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS (continued)

Included in the trade payables are amounts due to the Group's associates of HK\$44,154,000 (2020: HK\$45,616,000) and subsidiaries of Hong Kong Food Investment Holdings Limited, a substantial shareholder of the Company, of HK\$165,000 (2020: HK\$91,000), which are normally settled on 30-day to 60-day terms.

The trade payables are non-interest-bearing and are normally settled on 30-day to 60-day terms. Other payables are non-interest-bearing and have an average term of three months.

12. BUSINESS COMBINATION

On 16 April 2020, Four Seas (Japan) Holdings Company Limited ("Four Seas Japan"), an indirect wholly-owned subsidiary of the Group, acquired the option shares under the terms of the Share Sale Agreement dated 15 November 2019 (as supplemented by the Supplemental Agreement dated 31 March 2020), representing an additional 55% of the then issued share capital of Miyata Holding Co., Ltd. ("Miyata") at a cash consideration of approximately HK\$71. Upon completion of the acquisition of the option shares, the equity interest of Four Seas Japan in Miyata increased from 15% to 70%, and Miyata became a subsidiary of Four Seas Japan. Miyata Co., Ltd. ("MYC"), a renowned snack food and confectionery distributor in Japan specialised in the wholesaling and distribution of confectionery, is a wholly-owned subsidiary of Miyata. The acquisition was made as part of the Group's strategy to expand its confectionery distribution and product development business in Japan and create synergetic effects with the other businesses of the Group. The Group measures the non-controlling interest in Miyata at the non-controlling interest's proportionate share of Miyata's identifiable net assets.

12. BUSINESS COMBINATION (continued)

The fair value of the identifiable assets and liabilities of Miyata and its subsidiaries as at the date of acquisition were as follows:

	Fair value recognised on acquisition <i>HK\$'000</i>
Property, plant and equipment	212,032
Investment properties	22,699
Investments in associates	3,509
Financial assets at fair value through other comprehensive income	10,293
Financial assets at fair value through profit or loss	368
Derivative financial assets	800
Deferred tax assets	19,574
Other intangible assets	81,068
Inventories	82,133
Trade receivables	337,151
Prepayments, deposits and other receivables	39,827
Pledged bank deposits	54,939
Cash and cash equivalents	195,235
Trade payables, other payables and accruals	(320,282)
Interest-bearing bank borrowings	(655,755)
Lease liabilities	(28,709)
Loans from shareholder	(122,502)
Derivative financial liabilities	(601)
Tax payable	(2,724)
Defined benefit obligations	(8,261)
Deferred tax liabilities	(38,529)
Total identifiable net liabilities at fair value	<hr style="width: 100%; border: 0.5px solid black;"/> (117,735)
Non-controlling interests	35,321
	<hr style="width: 100%; border: 0.5px solid black;"/> (82,414)
Goodwill on acquisition	82,415
Satisfied by cash	<hr style="width: 100%; border: 0.5px solid black;"/> 1 <hr style="width: 100%; border: 1.5px solid black;"/>

12. BUSINESS COMBINATION (continued)

A goodwill of HK\$82,415,000 arising from the acquisition is attributable mainly to the benefit of the integration of the MYC's products with those of the Group and the synergies arising thereof.

On 24 November, 2020, Miyata was merged to MYC (the "Merger"). MYC, being the surviving company after the Merger, succeeded all the assets, liabilities, rights and obligations of Miyata which ceased to exist after the Merger becoming effective.

Up to 31 March 2021, the Group incurred transaction costs of approximately HK\$29,617,000 for the acquisition. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit or loss.

Since the acquisition, Miyata contributed approximately HK\$1,987,541,000 to the Group's revenue and loss of HK\$5,199,000 to the consolidated profit for the period.

Had the combination taken place at the beginning of the year, the revenue and the profit of the Group for the period would have been approximately HK\$4,795,430,000 and HK\$29,904,000, respectively.

PROPOSED FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK 6.5 cents in cash per ordinary share for the year ended 31 March 2021. Subject to the approval by the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on Tuesday, 31 August 2021 (the "AGM"), the said final dividend will be paid in cash on Friday, 24 September 2021 to shareholders of the Company whose names appear on the register of members of the Company as at the close of business on Wednesday, 8 September 2021. Together with the interim dividend of HK3.0 cents per ordinary share, the total dividends per ordinary share for the financial year ended 31 March 2021 are HK 9.5 cents (2020: HK9.5 cents).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods, and no transfer of shares will be registered during such periods:

- (i) from Wednesday, 25 August 2021 to Tuesday, 31 August 2021, both days inclusive, for the purpose of ascertaining shareholders' eligibility to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company should ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 24 August 2021; and

- (ii) from Monday, 6 September 2021 to Wednesday, 8 September 2021, both days inclusive, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend for the year ended 31 March 2021. In order to qualify for the said proposed final dividend, unregistered holders of shares of the Company should ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 3 September 2021. The proposed final dividend is subject to the shareholders' approval at the AGM. The record date for entitlement to the proposed final dividend is Wednesday, 8 September 2021 and the payment of final dividend will be made on Friday, 24 September 2021.

BUSINESS REVIEW AND PROSPECTS

The Group grew steadily amid the pandemic in the year under review. While the global economy was hit hard by COVID-19, Hong Kong also faced unprecedented market challenges. The Group overcame all adversities with its solid foundation, far-sighted strategies, flexible business policies and effective marketing plans.

During the review period, the Group's interest in Miyata Holding Co., Ltd. and its subsidiaries ("Miyata") increased from 15% to 70% which led to the incorporation of a wide range of its food and snack items into the Group's product portfolio, which gave the Group a head start in the market. With the distribution of the renowned Japanese fruit liqueur CHOYA Umeshu and various well-known Japanese ice-cream brands that have become very popular with consumers, the Group fuelled its growth and introduced Hong Kong to novel food items while maintaining its leading status in the local and mainland food market.

The Group is celebrating its 50th anniversary this year. Its dedication to its clients and innovative approach have helped it become a household food brand in the city and secure the unwavering support of local and mainland consumers. Aiming to cater to diverse consumer palates and market demand cutting across age groups, the Group will spare no effort in continuing to develop a multifaceted food business, bolstering its own brands as well as expanding local and overseas markets.

RESULTS

In the annual results for the year ended 31 March 2021, the Group's consolidated revenue was HK\$4,579,837,000 (2020: HK\$2,928,037,000). The Profit for the year attributable to equity holders of the Company stood at HK\$30,127,000 (2020: loss HK\$19,808,000). Sales derived from the Hong Kong segment amounted to HK\$1,729,182,000 (2020: HK\$1,993,865,000), accounting for 38% of the Group's total sales. Sales in Mainland China amounted to HK\$863,114,000 (2020: HK\$934,172,000), accounting for 19% of the Group's total sales. Sales in Japan amounted to HK\$1,987,541,000 (2020: Nil), accounting for 43% of the Group's total sales.

In the year under review, with the Group's interest in Miyata increased from 15% to 70%, the results of Miyata were accounted for in the consolidated financial statements of the Group in accordance with the requirements of applicable accounting standards. The acquisition will help the business growth of the Group in the medium to long term.

BUSINESS REVIEW AND PROSPECTS (continued)

BUSINESS REVIEW

The Group rose to the challenges of COVID-19. It maintained steady development of offering food items to consumers. The Group was helped by government subsidies related to COVID-19, which partly offset the pandemic's adverse impact on the retailing and catering industries. The one-off legal and professional expenses incurred for the acquisition of Miyata has also impacted the results of the Group.

With various promotional events, the Group continued to introduce a diverse range of Japanese foods and explored more opportunities in the food distribution segment. Japanese ice cream has been a particularly big success, with brands such as Meiji, Lotte, Glico, Imuraya, SEIKA from Kagoshima, SEIHYO from Niigata, TAKESHITA, and BLUE SEAL from Okinawa, receiving hearty support from local consumers. Not only has the Group set up special counters at supermarket chains, it has also opened specialty stores called "Japan Ice-cream House" for direct sale. In addition, thanks to the wide range of food items from the celebrated Japanese confectionery distributor Miyata, the Group has instantly gained market share. Distributing Japanese eggs and the famed Japanese plum liqueur CHOYA, both at reasonable prices, has also helped it make rapid gains in the market.

Distribution Business

Food distribution, an integral part of the Group's business, has been developing steadily over the years. The lockdown restrictions that forced consumers to stay indoors has offered a market opportunity for the food distribution business. The Group has a comprehensive sales strategy and an extensive distribution network comprising department stores, supermarkets, convenience stores, fast-food restaurants, wholesalers, retailers, restaurants, bars, hotels, and airlines. It also operates food specialty stores, such as the "Okashi Land" Japanese snack stores, "YOKU MOKU" cookie stores, and "Japan Ice-cream House". Distribution network of the Group has become multi-faceted.

The Group is always on the lookout for crave-satisfying food products around the world from Mainland China, Japan, Korea, Thailand, Indonesia, Malaysia, Singapore, the United Kingdom, France, Germany, the Netherlands, the United States and many other countries. The products it distributes include ice cream, snacks, milk powder, health food, plum liqueur, sauce, ham and sausage. The Group aims to continue to tickle consumers' taste buds with exceptional products.

BUSINESS REVIEW AND PROSPECTS (continued)

BUSINESS REVIEW (continued)

Distribution Business (continued)

Aiming to further explore the Japanese market and strengthen its food distribution business, the Group has completed its acquisition of certain interest in Miyata. Miyata is an established brand in Japan with a vast customer base of supermarket chains and convenient stores including national retail leaders AEON, Daiso and Muji, along with regional retailers, wholesalers, exporters and overseas clients. It also sources a wide range of quality confectionery products from overseas suppliers in Mainland China, United States, Malaysia and South Korea.

Manufacturing Business

Products of the Group's manufacturing business had a good demand in the period under review as citizens often cooked at home during the pandemic, forcing them to focus on food safety. Food hygiene, safety and quality have always been the first priority of the Group, whose motto is: "Eating Safely, Eating Happily". The Group has set up a sound monitoring system to ensure its products are safe, high-quality and delicious. Through stringent quality control and advanced production monitoring systems, the Group takes great pride in the quality of its products. It has received numerous accreditations such as the "HACCP", "ISO 9001", "ISO 22000" and "GMP" certifications, the Hong Kong Q-Mark License given to participants of the "Hong Kong Q-Mark Scheme for over 30 years", and the Hong Kong Cooking Oil Registration Scheme Companion Certification, awarded by the Hong Kong Quality Assurance Agency. The certifications are a testimony to the quality of the Group's food products and the standards it demands of itself.

The Group has 18 plants in Hong Kong and Mainland China, where it manufactures a wide range of unique food products. With its one-stop production and targeted sales strategies, it is capable of meeting market demand and bolstering its leading status in the industry. Located in Tseung Kwan O Industrial Estate, Calbee Four Seas factory produces snack such as potato chips which are hot selling items in Hong Kong. Market demand for its products is high.

BUSINESS REVIEW AND PROSPECTS (continued)

BUSINESS REVIEW (continued)

Retailing and Catering Business

The Group's catering business weathered the storm of the lockdown policies in the wake of the global outbreak of COVID-19. Its subsidiary Chinese and Japanese restaurants are known and loved for their appetizing dishes, efficient management and remarkable services. These include Japanese restaurant "Shiki • Etsu", Shanghai vegetarian restaurant "Kung Tak Lam", "Sushiyoshi" and "QJIKI" in Hong Kong, as well as "Panxi Restaurant" and "Sushi Oh" in the mainland. Many customers still like to visit Sushiyoshi of the Group even during the pandemic period.

The Group's Japanese snacks store "Okashi Land" has been dedicated to bringing Japanese on-trend refreshments to consumers in the local market and has recently added special counters for Japanese ice cream. To keep pace with rapidly advancing technology, the Group partnered with Zen-Noh International Hong Kong Limited to present alluring Japanese lunchboxes "Nagomi Bento". To serve consumers better, the Group has set up an ordering spot at Kowloon Bay and joined hands with the online food and grocery delivery platform foodpanda, broadening its business into the virtual world and allowing a wider base of consumers with instant and wider access to its products irrespective of their geographical location.

BRAND DEVELOPMENT

Now celebrating its golden jubilee, the Group is a household brand in the industry with a wide following among local, mainland and foreign consumers. Founded in 1971 and listed on the Hong Kong Stock Exchange in 1993, it has grown with the city itself and takes great pride in its products. During its early days, the Group focused on the distribution of Japanese snacks. It then expanded into food manufacturing, retailing and catering, laying the foundation to scale up its business. A leader in the local confectionery and food market, it has marched into Mainland China and foreign markets, serving as a "snack diplomat" that bridges the gastronomic gap between countries by introducing overseas delicacies to Mainland China and taking unique Chinese food products to foreign markets. Thus fostering cultural exchange, the Group is confident of even greater success going forward.

Mr. Tai Tak Fung, chairman of the Group, was conferred the 2020 Hong Kong Distinguished Brand Leader Award by the Hong Kong Brand Development Council in recognition of his efforts in promoting "Four Seas" to become a household brand in Hong Kong. This shows the penetration of "Four Seas" brand which has been well received by the consumers.

CORPORATE SOCIAL RESPONSIBILITY

The Group upholds the spirit of giving back to society by promoting and participating in social and community services in the city. Its emphasis on community building and youth development has brought it numerous awards. Last year, as the community struggled in the pandemic, the Group engaged in a charity event called “City Food Drive” to raise food for vulnerable families. It has also sponsored activities organised by bodies such as Junior Police Call, schools, elderly and women’s organisations, and Kaifong welfare organisations, among others, to take Four Seas products to different segments of the community and contribute to public welfare. In doing so, the Group hopes to spread its spirit of “Eating Happily” to society and to cheer people up in these hard times.

Its efforts have been highly appreciated both within and outside the industry. Four Seas Group has been awarded “Manpower Developer 2013-2021 of Manpower Developer Award Scheme” by Employees Retraining Board; Calbee Four Seas Company Limited has been awarded for six consecutive years “Good MPF Employer 6 Years” and “Best All-round MPF Employer” by the Mandatory Provident Fund Schemes Authority; Kung Tak Lam Shanghai Vegetarian Cuisine has awarded “The Plate MICHELIN” by “The MICHELIN Guide Hong Kong Macau 2020”; Four Seas Group has been recognised as “Hong Kong Outstanding Enterprise” and the “Hong Kong Excellent Enterprise Award” by the Economic Digest; and Okashi Land has been awarded “Hong Kong Top Brand Mark (Top Mark) “ by Hong Kong Brand Development Council and The Chinese Manufacturers' Association of Hong Kong. All these show the recognition of the Group by the general public.

PROSPECTS AND GROWTH

With decades of experience in operating a multifaceted business, the Group is confident of a bright future. In the coming year, it will stick to the development strategy of “Based in Hong Kong, Yearning for Mainland and Looking around the World”. Taking Hong Kong as its base, the Group will foster business development by maintaining its leading role in the local market while continuing to try preserve its competitive edge in the mainland, and exploring all opportunities in Japan and other regions.

Business in Hong Kong

Rooted in Hong Kong, the Group will endeavour to make progress while ensuring stability. The priority will be to maintain its leading position in the local retailing and distribution industry. It will also scour savoury snacks around the world to add to its portfolio and satisfy the market’s appetite for overseas delicacies, increasing its market share. The Group will leverage its capital, resources, factories in the mainland, as well as its distribution network, together with its strength in the Japanese confectionery distribution and the product development business of Miyata, to create cross-branding and sales synergy. It plans to tap into the markets of Hong Kong and the mainland with exclusive Japanese confectionery products while introducing Four Seas to the Japanese market, increasing its presence in the global food distribution industry and creating a food retailing platform that covers Mainland China, Hong Kong and Japan.

The Group has put much effort in promoting the business of selling Japanese eggs which has received a good response. This business is expected to bring an additional stream of steady income to the Group. The business of selling CHOYA plum liqueur had been commenced smoothly. The Group will promote this business in full force.

Business in Mainland China

Though impacted by COVID-19, the Group’s business in Mainland China benefited from the swift recovery of China’s economy. With the mainland market as the future focus of development, the Group will put all its advantages to use in order to expand in conjunction with the Guangdong, Hong Kong and Macao development plan under the Greater Bay Area. As one of the first pioneer enterprises in Nansha New District, the Group’s products have become popular products with an extensive sales network covering the whole country. Apart from traditional retail channels, it is also diligently boosting exports and e-commerce of international food products. It has joined online trading platforms, such as Taobao, Tmall, Tmall Global and Jingdong, inviting key opinion leaders for product promotions. These steps have helped the sales and created promising opportunities. The Group will also take advantage of self-owned factories to promote its products through various channels and foster its own brand.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flows and facilities granted by its principal bankers. As at 31 March 2021, the Group held cash and cash equivalents of HK\$577,227,000. As at 31 March 2021, the Group had banking facilities of HK\$2,905,787,000 of which 40% had been utilized. The Group had a gearing ratio of 84% as at 31 March 2021. This is expressed as the total bank borrowings to equity attributable to equity holders of the Company. Bank borrowings of the Group, denominated in Hong Kong dollars, Japanese yen and Renminbi, mainly comprise trust receipt loans and bank loans (the “Interest-Bearing Bank Borrowings”) at prevailing market interest rates. The Interest-Bearing Bank Borrowings which are classified as current liabilities are repayable on demand or within one year and the Interest-Bearing Bank Borrowings which are classified as non-current liabilities are repayable in the second to third year.

STAFF EMPLOYMENT AND REMUNERATION POLICIES

The total number of employees of the Group as at 31 March 2021 was approximately 3,000. Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 March 2021.

CORPORATE GOVERNANCE

The Company and management are committed to maintaining good corporate governance with an emphasis on the principles of transparency, accountability and independence to all shareholders. The Company believes that good corporate governance is essential to continual growth and enhancement of shareholders' value. The Company periodically reviews its corporate governance practices with reference to the latest development of corporate governance. Throughout the year under review, the Company has applied the principles of and complied with most of the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") except for the following deviations:

Code Provision A.4.1

Under the code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election.

Currently, all independent non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company (the "Articles of Association"). As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

Code Provision A.4.2

Under the code provision A.4.2, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In accordance with the Articles of Association, any director appointed to fill a casual vacancy shall hold office only until the next following annual general meeting and shall then be eligible for re-election. The Board considers that such a deviation is not material as casual vacancy seldom appears and interval between the appointment made to fill casual vacancy and the immediate following annual general meeting is short.

Further information on the Company's corporate governance practices will be set out in the Corporate Governance Report contained in the Company's 2021 Annual Report, which will be sent to the shareholders in due course.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the Company’s code of conduct regarding securities transactions by directors of the Company (the “Code of Conduct”). Having made specific enquiry of all directors of the Company, the directors have confirmed that they have complied with the required standard of dealings as set out in the Code of Conduct throughout the year ended 31 March 2021.

The Company has also established the Code for Securities Transactions by Relevant Employees (the “Employees Code”) on no less exacting terms than the Model Code for securities transactions by the employees who are likely to be in possession of inside information of the Company. No incident of non-compliance of the Employees Code by the employees was noted by the Company throughout the year ended 31 March 2021.

AUDIT COMMITTEE

The Audit Committee of the Company comprises all the three independent non-executive directors, namely Ms. Leung Mei Han (Chairperson of the Audit Committee), Mr. Chan Yuk Sang, Peter and Mr. Tsunao Kijima. The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed with the management in relation to risk management and internal control systems and financial reporting matters including a review of the Group’s consolidated financial statements for the year ended 31 March 2021.

SCOPE OF WORK OF THE COMPANY’S AUDITOR

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2021 as set out in this preliminary announcement have been agreed by the Company’s auditor, Ernst & Young, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by Ernst & Young on this preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The Company's 2021 annual results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company's website at www.fourseasgroup.com.hk. The annual report of the Company for the year ended 31 March 2021, containing information required by the Listing Rules, will be despatched to shareholders and published on the above websites in due course.

APPRECIATION

The Board of the Company would like to take this opportunity to thank our shareholders and business partners for their continuous support and the fellow directors and our staff for their dedication and hard work throughout the reporting year.

THE BOARD

As at the date of this announcement, the 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 Bui and Mr. NAM Chi Ming, Gibson as executive directors, Ms. LEUNG Mei Han, Mr. CHAN Yuk Sang, Peter and Mr. Tsunao KIJIMA as independent non-executive directors.

On behalf of the Board
Four Seas Mercantile Holdings Limited
TAI Tak Fung, Stephen, *GBM, GBS, SBS, JP*
Chairman

Hong Kong, 29 June 2021