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 2023

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 2023, together with the comparative figures for the previous year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2023

	Notes	**2023** *HK$'000*	2022 *HK$'000*
REVENUE	4	**4,150,886**	4,729,976
Cost of sales		**(3,271,572)**	(3,792,418)
Gross profit		**879,314**	937,558
Other income and gains, net	4	**19,219**	38,572
Selling and distribution expenses		**(466,414)**	(525,483)
Administrative expenses		**(360,245)**	(358,217)
Other operating expenses, net		**(21,099)**	(19,743)
Finance costs	5	**(27,565)**	(23,815)
Share of profits and losses of associates		**6,758**	(3,644)
PROFIT BEFORE TAX	3 & 6	**29,968**	45,228
Income tax credit/(expense)	7	**13,390**	(25,416)
PROFIT FOR THE YEAR		**43,358**	19,812
Attributable to:			
Equity holders of the Company		**40,732**	12,634
Non-controlling interests		**2,626**	7,178
		43,358	19,812
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
- Basic and diluted	9	**HK10.6 cents**	HK3.3 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2023

	2023	2022
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**43,358**	19,812
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**(68,692)**	25,003
Release of exchange reserve for voluntary liquidation of a foreign operation	**-**	329
Share of other comprehensive income/(loss) of associates	**(3,809)**	1,722
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**(72,501)**	27,054
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Financial assets at fair value through other comprehensive income:		
- Changes in fair value	**494**	(8,792)
- Income tax effect	**(169)**	3,012
Defined benefit obligations:		
- Gains/(losses) on remeasurement	**421**	(183)
- Income tax effect	**(144)**	63
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	**602**	(5,900)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**(71,899)**	21,154
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**(28,541)**	40,966
Attributable to:		
Equity holders of the Company	**(30,470)**	33,036
Non-controlling interests	**1,929**	7,930
	(28,541)	40,966

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2023

	Notes	2023 HK$'000	2022 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**823,666**	915,068
Investment properties		**38,158**	41,615
Goodwill		**111,648**	119,848
Other intangible assets		**53,559**	63,094
Investments in associates		**175,782**	170,162
Financial assets at fair value through profit or loss		**32,304**	41,383
Financial assets at fair value through other comprehensive income		**11,102**	10,844
Prepayments, deposits and other receivables		**23,695**	24,146
Tax recoverable		**30,218**	-
Deferred tax assets		**8,768**	20,940
Total non-current assets		**1,308,900**	1,407,100
CURRENT ASSETS			
Inventories		**337,850**	406,389
Trade receivables	10	**661,136**	723,961
Prepayments, deposits and other receivables		**146,760**	155,679
Tax recoverable		**2,188**	1,052
Financial assets at fair value through profit or loss		**52,056**	46,840
Cash and cash equivalents		**735,180**	611,220
Total current assets		**1,935,170**	1,945,141
CURRENT LIABILITIES			
Trade payables, other payables and accruals	11	**530,326**	583,018
Interest-bearing bank borrowings		**1,096,174**	923,782
Lease liabilities		**107,781**	113,412
Tax payable		**17,805**	13,877
Total current liabilities		**1,752,086**	1,634,089
NET CURRENT ASSETS		**183,084**	311,052
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,491,984**	1,718,152

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

31 March 2023

	Note	**2023**	2022
		HK$'000	*HK$'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**-**	126,481
Lease liabilities		**155,839**	164,804
Other payables and accruals		**2,676**	3,491
Defined benefit obligations		**6,740**	7,088
Deferred tax liabilities		**21,847**	45,599
Total non-current liabilities		**187,102**	347,463
Net assets		**1,304,882**	1,370,689
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	12	**38,422**	38,425
Reserves		**1,236,794**	1,303,858
		1,275,216	1,342,283
Non-controlling interests		**29,666**	28,406
Total equity		**1,304,882**	1,370,689

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The 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 and financial assets at fair value through other comprehensive income, which have been measured at fair value. The financial statements are presented in Hong Kong dollars (“HK$”) and all values are rounded to the nearest thousand except when otherwise indicated.

<u>Basis of consolidation</u>

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 2023. 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 following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	*Reference to the Conceptual Framework*
Amendments to HKAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to HKAS 37	*Onerous Contracts - Cost of Fulfilling a Contract*
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and the impact of the revised HKFRSs are described below:

(a) Amendments to HKFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting (the "Conceptual Framework") issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 April 2022. As there were no business combinations during the year, the amendments did not have any impact on the financial position and performance of the Group.

(b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by HKAS 2 *Inventories*, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 April 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 April 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

(d) *Annual Improvements to HKFRSs 2018-2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16 and HKAS 41. Details of the amendments that are applicable to the Group are as follows:

- HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. The Group has applied the amendment prospectively from 1 April 2022. As there was no modification or exchange of the Group’s financial liabilities during the year, the amendment did not have any impact on the financial position or 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.

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 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)

2023

	Hong Kong *HK$'000*	Mainland China *HK$'000*	Japan *HK$'000*	Total *HK$'000*
Segment revenue:				
Sales to external customers*	**1,831,336**	**750,532**	**1,569,018**	**4,150,886**
Intersegment sales	**41,598**	**205,754**	**78,260**	**325,612**
	1,872,934	**956,286**	**1,647,278**	**4,476,498**
Reconciliation:				
Elimination of intersegment sales				**(325,612)**
Revenue				**4,150,886**
Segment results	**72,720**	**9,073**	**578**	**82,371**
Reconciliation:				
Interest income				**5,463**
Dividend income and unallocated gains/(losses), net				**(7,370)**
Finance costs (other than interest on lease liabilities)				**(22,059)**
Share of profits and losses of associates				**6,758**
Corporate and other unallocated expenses				**(35,195)**
Profit before tax				**29,968**

2022

	Hong Kong *HK$'000*	Mainland China *HK$'000*	Japan *HK$'000*	Total *HK$'000*
Segment revenue:				
Sales to external customers*	1,843,958	929,929	1,956,089	4,729,976
Intersegment sales	40,797	208,343	51,029	300,169
	1,884,755	1,138,272	2,007,118	5,030,145
Reconciliation:				
Elimination of intersegment sales				(300,169)
Revenue				4,729,976
Segment results	70,001	4,313	15,694	90,008
Reconciliation:				
Interest income				2,076
Dividend income and unallocated gains/(losses), net				1,200
Finance costs (other than interest on lease liabilities)				(16,996)
Share of profits and losses of associates				(3,644)
Corporate and other unallocated expenses				(27,416)
Profit before tax				45,228

3. OPERATING SEGMENT INFORMATION (continued)

2023	**Hong Kong** *HK$'000*	**Mainland China** *HK$'000*	**Japan** *HK$'000*	**Total** *HK$'000*
Segment assets	**1,261,818**	**735,328**	**583,339**	**2,580,485**
Reconciliation:				
Elimination of intersegment receivables				**(384,013)**
Investments in associates				**175,782**
Corporate and other unallocated assets				**871,816**
Total assets				**3,244,070**
Segment liabilities	**556,106**	**280,985**	**350,284**	**1,187,375**
Reconciliation:				
Elimination of intersegment payables				**(384,013)**
Corporate and other unallocated liabilities				**1,135,826**
Total liabilities				**1,939,188**
Other segment information:				
Impairment of trade receivables	**402**	**3,025**	**-**	**3,427**
Write-down of slow-moving inventories	**467**	**2,416**	**127**	**3,010**
Depreciation and amortisation, except right-of-use assets	**23,215**	**43,498**	**13,425**	**80,138**
Depreciation of right-of-use assets	**96,009**	**19,297**	**7,456**	**122,762**
Impairment of items of property, plant and equipment, except right-of-use assets	**788**	**-**	**-**	**788**
Impairment of right-of-use assets	**1,212**	**-**	**-**	**1,212**
Loss on disposal/write-off of items of property, plant and equipment	**1,864**	**185**	**318**	**2,367**
Fair value loss on investment properties	**-**	**229**	**-**	**229**
Capital expenditure**	**26,695**	**18,074**	**1,447**	**46,216**
Non-current assets***	**323,220**	**412,377**	**291,434**	**1,027,031**

3. OPERATING SEGMENT INFORMATION (continued)

2022	**Hong Kong** *HK$'000*	**Mainland China** *HK$'000*	**Japan** *HK$'000*	**Total** *HK$'000*
Segment assets	1,300,289	890,697	670,873	2,861,859
Reconciliation:				
Elimination of intersegment receivables				(412,059)
Investments in associates				170,162
Corporate and other unallocated assets				732,279
Total assets				3,352,241
Segment liabilities	553,554	320,518	409,800	1,283,872
Reconciliation:				
Elimination of intersegment payables				(412,059)
Corporate and other unallocated liabilities				1,109,739
Total liabilities				1,981,552
Other segment information:				
Impairment of trade receivables	672	2,425	47	3,144
Write-down of slow-moving inventories	438	861	553	1,852
Depreciation and amortisation, except right-of-use assets	24,790	43,978	18,008	86,776
Depreciation of right-of-use assets	107,525	26,262	10,338	144,125
Loss on disposal of a subsidiary	1,405	-	-	1,405
Impairment of items of property, plant and equipment, except right-of-use assets	164	-	-	164
Impairment of right-of-use assets	836	900	-	1,736
Loss on disposal/write-off of items of property, plant and equipment	1,122	61	194	1,377
Fair value gain on investment properties	-	-	(75)	(75)
Capital expenditure**	20,404	36,379	1,043	57,826
Non-current assets***	323,468	488,428	327,729	1,139,625

* The revenue information above is based on the locations of the customers, except for a subsidiary within the Japan segment whose sales to external customers of HK$52,766,000 (2022: HK$75,510,000) arising from Mainland China.

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

*** The non-current assets information above is based on the locations of the assets, except for a subsidiary within the Japan segment whose non-current assets of HK$26,000 (2022: HK$33,000) is based in Mainland China, and excludes financial instruments, deferred tax assets, tax recoverable and investments in associates.

4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	2023	2022
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Sale of goods	**4,150,886**	4,729,976

Revenue from contracts with customers

(i) Disaggregated revenue information

	2023	2022
	HK$'000	*HK$'000*
Primary geographical markets:		
Hong Kong	**1,831,336**	1,843,958
Mainland China	**750,532**	929,929
Japan*	**1,569,018**	1,956,089
	4,150,886	4,729,976
Timing of revenue recognition:		
At a point in time	**4,150,886**	4,729,976

* Including revenue from contracts with customers of approximately HK$52,766,000 (2022: HK$75,510,000) arising from Mainland China.

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:

	2023	2022
	HK$'000	*HK$'000*
Sale of goods	**2,397**	3,160

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

An analysis of revenue is as follows: (continued)

Revenue from contracts with customers (continued)

(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:

	2023	2022
	HK$'000	*HK$'000*
Amounts expected to be recognised as revenue:		
Within one year	**2,090**	2,397

The amounts of transaction prices allocated to remaining performance obligations are expected to be recognised as revenue within one year.

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

An analysis of other income and gains, net is as follows:

	2023	2022
	HK$'000	*HK$'000*
Other income		
Bank interest income	**4,789**	656
Dividend income	**3,659**	1,417
Government subsidies*	**75**	17,687
Rental income from investment properties operating leases:		
Other lease payments, including fixed payments	**3,129**	3,385
Interest income	**674**	1,420
Refund of consumption tax	**11,108**	-
Others	**7,043**	9,164
	30,477	33,729
Gains/(losses), net		
Gain on bargain purchase	**-**	4,985
Net fair value gains/(losses) on investment properties	**(229)**	75
Net fair value losses on financial assets at fair value through profit or loss	**(11,029)**	(434)
Fair values changes of derivative financial instruments, net	**-**	217
	(11,258)	4,843
	19,219	38,572

* Government subsidies included in "Other income" above were subsidies granted by the Hong Kong Government under the Anti-Epidemic Fund, but excluding grants from the Employee Support Scheme of HK$21,017,000 (2022: Nil) which were included in "Cost of sales", "Selling and distribution expenses" and "Administrative expenses" in the consolidated statement of profit or loss, as detailed in note 6. As at the end of the reporting period, there were no unfulfilled conditions and contingencies relating to these subsidies.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2023	2022
	HK$'000	*HK$'000*
Interest on bank and trust receipt loans	**22,059**	16,996
Interest on lease liabilities	**5,506**	6,819
	27,565	23,815

6. PROFIT BEFORE TAX

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

	2023	2022
	HK$'000	*HK$'000*
Cost of inventories sold	**3,268,562**	3,790,566
Government subsidies#	**(21,092)**	(17,687)
Depreciation of items of property, plant and equipment, except right-of-use assets	**75,788**	81,442
Depreciation of right-of-use assets	**122,762**	144,125
Amortisation of other intangible assets	**4,350**	5,334
Loss on disposal/write-off of items of property, plant and equipment, net*	**2,367**	1,377
Loss on disposal of a subsidiary*	**-**	1,405
Gain on derecognition of right-of-use assets	**(1,129)**	(200)
Impairment of items of property, plant and equipment, except right-of-use assets*	**788**	164
Impairment of right-of-use assets*	**1,212**	1,736
Foreign exchange differences, net	**2,917**	(1,948)
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	**1,232**	1,370
Impairment of trade receivables*	**3,427**	3,144
Write-down of slow-moving inventories**	**3,010**	1,852

* Included in "Other operating expenses, net" 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.

\# Government subsidies were subsidies granted by the Hong Kong Government under the Anti-Epidemic Fund, including grants from the Employee Support Scheme of HK$21,017,000 (2022: Nil) and other subsidies of HK$75,000 (2022: HK$17,687,000), which aims to retain employment and combat COVID-19. There are no unfulfilled conditions or contingencies relating to these subsidies. For the year ended 31 March 2023, government subsidies from the Employee Support Scheme of HK$12,540,000 (2022: Nil), HK$3,936,000 (2022: Nil) and HK$4,541,000 (2022: Nil) were included in "Cost of sales", "Selling and distribution expenses" and "Administrative expenses", respectively, and other subsidies of HK$75,000 (2022: HK$17,687,000) were included in "Other income and gains/(losses), net", in the consolidated statement of profit or loss.

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 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.

	2023	2022
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**18,242**	16,754
Current – Elsewhere		
Charge for the year	**10,189**	11,840
Underprovision/(overprovision) in prior years *(Note)*	**(33,627)**	184
Deferred	**(8,194)**	(3,362)
Total tax charge/(credit) for the year	**(13,390)**	25,416

Note: During the year, Miyata Co., Ltd. ("Miyata"), a subsidiary of the Group, received the notification of tax correction from the Japanese tax authority for the income tax refund of HK$32,300,000 (2022: Nil) in respect of Miyata's overpayment of income tax in prior years.

8. DIVIDENDS

	2023	2022
	HK$'000	*HK$'000*
Interim – HK3.0 cents (2022: HK3.0 cents)		
per ordinary share	**11,528**	11,528
Proposed final dividend – HK6.5 cents		
(2022: HK6.5 cents) per ordinary share	**24,974**	24,977
	36,502	36,505

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 PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amounts is based on the profit 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 calculation of basic earnings per share are based on:

	2023	2022
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**40,732**	12,634

	Number of shares	
	2023	2022
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**384,251,804**	384,257,640

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2023 and 2022.

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:

	2023	2022
	HK$'000	*HK$'000*
Within 1 month	**340,685**	356,815
1 to 2 months	**129,874**	152,090
2 to 3 months	**63,394**	76,868
Over 3 months	**127,183**	138,188
	661,136	723,961

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$109,000 (2022: HK$69,000), 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$312,370,000 (2022: HK$371,864,000). An ageing analysis of the trade payables at the end of the reporting period, based on the invoice date, is as follows:

	2023	2022
	HK$'000	*HK$'000*
Within 1 month	**238,336**	331,429
1 to 2 months	**58,473**	25,572
2 to 3 months	**10,489**	7,599
Over 3 months	**5,072**	7,264
	312,370	371,864

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

Included in the trade payables are amounts due to the Group's associates of HK$44,559,000 (2022: HK$42,537,000) and subsidiaries of Hong Kong Food Investment Holdings Limited, a substantial shareholder of the Company, of HK$523,000 (2022: HK$945,000), 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. SHARE CAPITAL

Shares

	2023	2022
	HK$'000	*HK$'000*
Authorised:		
1,000,000,000 ordinary shares of HK$0.10 each	**100,000**	100,000
Issued and fully paid:		
384,221,640 (2022: 384,257,640) ordinary shares of HK$0.10 each	**38,422**	38,425

A summary of movements in the Company's share capital is as follows:

	Number of ordinary shares	**Nominal value of ordinary shares**
		HK$'000
At 1 April 2021, 31 March 2022 and 1 April 2022	**384,257,640**	**38,425**
Repurchase and cancellation of shares *(Note)*	**(36,000)**	**(3)**
At 31 March 2023	**384,221,640**	**38,422**

Note: The Company repurchased 36,000 of its shares on the Hong Kong Stock Exchange at a total consideration of HK$92,000. The repurchased shares were cancelled during the year and the total amount paid for the purchase of the shares of HK$3,000 and HK$89,000 have been charged to retained profits and share premium account of the Company, respectively.

PROPOSED FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK6.5 cents in cash per ordinary share for the year ended 31 March 2023. Subject to the approval by the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on Tuesday, 29 August 2023 (the "AGM"), the said final dividend will be paid in cash on Tuesday, 26 September 2023 to shareholders of the Company whose names appear on the register of members of the Company as at the close of business on Wednesday, 6 September 2023. 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 2023 are HK9.5 cents (2022: 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, 23 August 2023 to Tuesday, 29 August 2023, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 22 August 2023; and

(ii) from Monday, 4 September 2023 to Wednesday, 6 September 2023, both days inclusive, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend for the year ended 31 March 2023. 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 1 September 2023. 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, 6 September 2023 and the payment of final dividend will be made on Tuesday, 26 September 2023.

BUSINESS REVIEW AND PROSPECTS

During the year under review, the Group leveraged its agile strategies and excellent brands to respond to the impact of the pandemic. In the later part of the year under review, the business outlook gradually improved as the pandemic began to ease in various places resulting in Hong Kong lifting most pandemic restrictions and Mainland China and Hong Kong resuming border crossings. The Group proactively seized post-pandemic business opportunities, aiming to achieve stable yet progressive growth while maintaining operational stability. Facing inflation, continued interest rate hikes and fluctuations in Japanese yen exchange rate and other external factors, the Group's business costs continued to rise during the year under review. But, leveraging its strong corporate strength and foundation, the Group adopted appropriate measures to cope with the situation.

After the Group's full acquisition of Miyata Co., Ltd., a renowned Japanese snack and confectionery distributor, and its subsidiaries ("Miyata"), the Group leveraged Miyata's wide range of snack and food items to expand its business and further enhance synergies. Miyata's products are popular in Hong Kong and Mainland China, and the Group will continue to introduce more Miyata products to satisfy customer demand in the two markets and consolidate brand strength. At the same time, with the aim of injecting business drivers for future sustainable development, the Group will also tap into the Japanese market through Miyata, allowing Japanese customers to enjoy the Group's food products manufactured in Mainland China factories.

RESULTS

In the annual results for the year ended 31 March 2023, the Group's consolidated revenue was HK$4,150,886,000 (2022: HK$4,729,976,000). The profit for the year attributable to equity holders of the Company stood at HK40,732,000 (2022: HK$12,634,000).

Revenue from the Mainland China and Japan segments during the year, when converted into Hong Kong dollars, declined compared to that of last year, partly due to the depreciation of the renminbi and Japanese yen against the Hong Kong dollar. The Group's profit was eroded by the overall inflationary pressure in the business environment. In the second half of the year under review, the cost of sales as a percentage of revenue increased. But since the Group needs time to raise product prices, the lag affected the Group's profits. The depreciation of the Japanese yen in the first half of the year under review lowered the cost of imports from Japan, improving the overall gross profit. But the appreciation of the Japanese yen in the second half of the year relative to that of the first half offset some of the benefits from the depreciation of the Japanese yen in the initial six months.

In addition, the Group recorded a share of profits from its associates of approximately HK$6,758,000 for the year ended 31 March, 2023, compared with a share of loss of HK$3,644,000 last year, representing an improvement of HK$10,402,000.

BUSINESS REVIEW AND PROSPECTS (continued)

RESULTS (continued)

Hong Kong

Sales derived from the Hong Kong segment amounted to HK$1,831,336,000 (2022: HK$1,843,958,000), accounting for 44% of the Group's total sales. The Group's revenue in Hong Kong remained stable despite the impact of the pandemic.

Mainland China

Sales in Mainland China amounted to HK$750,532,000 (2022: HK$929,929,000), accounting for 18% of the Group's total sales. In terms of renminbi, sales in Mainland China was RMB655,487,000 (2022: RMB766,636,000). In Mainland China during the year under review, due to the implementation of more pandemic-oriented measures, the Group's revenue in Mainland China segment saw a relatively bigger decrease.

Japan

Revenue from Japan was HK$1,569,018,000 (2022: HK$1,956,089,000), accounting for 38% of the Group's total revenue. In terms of Japanese yen, revenue from Japan came to JPY27,052 million (2022: JPY28,226 million). Due to the significant impact of the pandemic on global logistics, the Group's revenue from Japan segment registered a slight decrease during the year under review. During the year under review, Miyata received net refunds of approximately HK$39 million from its local authorities in respect of overpayments of income tax and consumption tax in prior years, after deducting professional fees incurred. The Group's profit was thus positively impacted.

BUSINESS REVIEW AND PROSPECTS (continued)

BUSINESS REVIEW

Distribution Business

Food distribution is the Group's core business. In recent years, the Group has diversified its food distribution portfolio to include staples like Japanese eggs, Japanese milk, "Imuraya" tofu and Japanese rice, which has been well received by the market, adding another impetus to the Group's long-term growth. The Group has also developed the very popular "Miyata" branded ice cream products for sale in the Hong Kong market. A large part of the products relating to these newly developed businesses are procured by Miyata and sold in the Hong Kong market, showing that the synergies from the acquisition of Miyata have been realised. Simultaneously, the Group continues to sell many popular Japanese ice cream brands such as "Meiji", "Lotte", "Glico", "Imuraya", "Seika" from Kagoshima, "Seihyo" from Niigata, "Takeshita" and "Blue Seal" which are unique to Okinawa, notching up impressive sales. Currently, the Group is the largest importer of ice cream products from Japan for sale in the Hong Kong market, which greatly benefits the Group's food distribution business development in Hong Kong.

The pandemic has brought business opportunities to the Group's food distribution business because many people have changed their lifestyle and started cooking more at home. This has led to increased consumption of certain food items the Group sells, such as ham and sausage. The Group has a large diversified distribution network. In addition to selling the products through a variety of channels like department stores, supermarkets, convenience stores, fast food restaurants, wholesalers, retailers, Chinese restaurants, bars, hotels and airlines, they are also sold in the Group's own operated retail outlets like "Okashi Land" Japanese snack specialty store, "YOKU MOKU" cookie shop, "Japanese Ice Cream House" and "Miyata Store" to cater the diverse needs of Hong Kong consumers.

The Group also cooperates with well-known food producers around the world, bringing a wide range of products from more than ten countries and regions, covering ice cream, eggs, tofu, rice, milk, snacks, powdered milk, plum wine, soy sauce, ham and sausages. The Group will continue to identify more well-known brands to bring fresh flavors and innovative experiences to consumers.

BUSINESS REVIEW AND PROSPECTS (continued)

BUSINESS REVIEW (continued)

Manufacturing Business

The Group has always regarded food hygiene, safety and quality as the top priority and adheres to the principle of "Eat with Peace of mind, Eat with Enjoyment". In order to build consumer confidence, the Group has always maintained a strict attitude in selling and producing food. A sound monitoring system has been established to ensure product safety, quality and taste. With a meticulous quality control modern production monitoring system, the Group's food manufacturing plants meet widely recognised international standards, and has won many quality food certifications, including HACCP, ISO9001, ISO22000 and GMP system certifications, the Hong Kong Q-Mark License given to participants of the "Hong Kong Q-Mark Scheme for over 30 years", and the "HKQAA - Cooking Oil Registration Scheme Companion", awarded by the Hong Kong Quality Assurance Agency. With the quality of the Group's products being of the highest level, there is no room left for doubt.

The Group has 17 factories in Hong Kong and Mainland China to produce a variety of food items fitting its one-stop production and sales strategy to meet the needs of different markets and consolidate its leading position in the industry. For example, Calbee Four Seas food factory located in Tseung Kwan O Industrial Estate produces snacks such as potato chips that are popular in Hong Kong and firmly occupies a leading position in the Hong Kong market with strong demand for its products. The Group's "Maid Brand" ham and sausage products are similarly leaders in these product categories in the Hong Kong market because of their excellent quality and are well received by consumers.

Retailing and Catering Businesses

During the year under review, the situation gradually improved after the fifth wave of the pandemic in Hong Kong. Mainland China also optimised its prevention and control policies at the end of last year to pave the way for society to return to normal. However, Hong Kong and many regions in Mainland China were affected by pandemic prevention measures during much of the year, which affected the Group's catering business. Despite this, the Group's well-known Chinese and Japanese restaurants in Guangdong and Hong Kong, including "Shiki • Etsu" Japanese Restaurant, "Kung Tak Lam" Shanghai Vegetarian Restaurant and "Sushiyoshi" in Hong Kong; "Panxi" garden restaurant and "Sushi Oh" Japanese conveyor belt sushi restaurants in Guangdong, continued to be favored by diners. The Group's Panxi Restaurant benefited from the lifting of pandemic restrictions during the recent Chinese New Year, attracting a large number of diners with its beautiful dining environment and generating higher revenue than any period last year.

BUSINESS REVIEW AND PROSPECTS (continued)

BUSINESS REVIEW (continued)

Retailing and Catering Businesses (continued)

The Group's food retail stores also benefit from the Group's branching out to the staple food distribution business. On top of selling confectionery and snacks, the Group's own operated retail outlets, such as "Okashi Land" Japanese snack specialty store and "Miyata Store", are also selling staple food such as Japanese eggs, Japanese milk, "Imuraya" tofu and Japanese rice. This has attracted more consumers, gained long-term patrons and expanded the customer base.

The Group has always brought delicious Japanese trendy snacks to consumers. With the rapid development of digital technology, the Group is keeping up with the times and promoting business development with an online-offline dual-track approach. Seizing the growth momentum of e-commerce, the Group's products are already being sold on multiple major e-commerce platforms, including Taobao, Tmall and JD.com. The Group also leverages the most popular live streaming sales by online influencers and other methods to stimulate sales volume with the goal of expanding its market share in Mainland China and unlocking more business opportunities.

BRAND DEVELOPMENT

The Group has accompanied Hong Kong for over 50 years, creating famous food brands that are known to all in the city. It is growing steadily and is popular and is loved by local, mainland and overseas consumers. The Group was founded in 1971 and listed on the Exchange in 1993, building a reputation that has been passed down from generation to generation. At the beginning, the Group focused on the Japanese snacks distribution business. It gradually expanded into food manufacturing, retail and catering businesses, laying the foundation for the development of the "Four Seas" brand. As a leader in the local snacks and food market, it is actively expanding into the mainland and overseas markets. It plays an important role as a "snack diplomat", bringing foreign delicacies into Mainland China and promoting local specialties to overseas markets, facilitating cultural exchanges in cuisines and growing with society.

CORPORATE SOCIAL RESPONSIBILITY

Over the past three years during the pandemic, the Group has been committed to fulfilling its corporate social responsibility and promoting Hong Kong’s public welfare with the spirit of “taking from society and giving back to society”. Sparing no effort in this, it has focused on community development and youth affairs. It has sponsored activities organised by bodies such as schools and youth organisations, 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 sprit of “Eating Happily” to society and to cheer people up in these challenging times.

In addition, the Group's contributions to both the industry and the wider community have been well recognized. During the year under review, the Group was awarded numerous honours, including the Outstanding Sales Performance Awards presented by 7-Eleven to the Group’s ice-cream and “Calbee” products; the Diamond Honour Brand Award for “Calbee” presented by Park n Shop; Caring Company Award 20 Years Plus presented by Hong Kong Council of Social Services to the Group; and “Manpower Developer 2013-2025” presented by the Employees Retraining Board to the Group. All of the above achievements show the recognition of the Group by the general public.

PROSPECTS AND GROWTH

The Group maintains a positive attitude towards the future. Despite challenges, the Group will actively respond and has the confidence to adapt to market changes. In response to the cost increases caused by inflation, it has adopted measures such as adjusting product prices to offset the negative factors. On the other hand, the business trend will move upwards and benefit the Group as the pandemic subsides, borders reopen and consumer sentiment continues to improve. These developments will bring positive factors for the Group. The Group will continue to steadily seek progress, effectively control production, sales and administrative costs, and seize new market opportunities in the future.

Business in Hong Kong

With roots in Hong Kong, the Group will continue to pursue progress and perfection in the future. On the one hand, it will strive to maintain its leading position in Hong Kong’s food distribution and retail businesses, sourcing delicacies from all over the world and introducing more types of Japanese food so that customers can enjoy overseas flavors anytime, anywhere to increase market share. On the other hand, the Group will leverage the advantages of Miyata, which has a large number of Japanese products and a wide network, to strengthen the synergy across the Group’s brands and sales channels. After Hong Kong lifted all pandemic restrictions and fully resumed border crossing with the mainland, the shadow of the pandemic has lifted and society gradually returning to normal. The economic outlook, meanwhile, remains promising. These favourable conditions are conducive to the Group’s business development.

PROSPECTS AND GROWTH (continued)

Business in Mainland China

With Chinese Mainland ending nearly three years of strict pandemic prevention measures and the official expectation of GDP growth reaching 5% this year, the mainland market is expected to have long-term development potential. The Group is one of the first listed companies in the Nan Sha District Special Economic Zone in Guangdong. With its sales network spanning the entire mainland, the Group's products are well-received by consumers across China. Seizing the opportunity arising the planned development of the Guangdong-Hong Kong-Macao Greater Bay Area, the Group will continue to expand its presence in the mainland market by leveraging its various competitive advantages. In addition, the Group will also make good use of its factories in Mainland China to expand its own brands and develop the mainland market.

Business in Japan

After the full acquisition of Miyata, the Group will continue to invest more resources to develop the Japanese market in the future. The synergies between the Group and Miyata have gradually materialised and have become an important driver for the Group's business growth. The Group will continue to develop new products and fully utilize Miyata's vast distribution network to sell mainland-produced food items such as chestnuts and crackers to Japan, providing Japanese consumers with more diversified and quality choices. At the same time, leveraging Miyata's sourcing network, the Group can procure more Japanese food items and introduce them to the Hong Kong and Mainland China markets. This benefits the Group's long-term growth and expansion.

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 2023, the Group held cash and cash equivalents of HK$735,180,000. As at 31 March 2023, the Group had banking facilities of HK$2,929,826,000 of which 37% had been utilised. The Group had a gearing ratio of 86% as at 31 March 2023. 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.

STAFF EMPLOYMENT AND REMUNERATION POLICIES

The total number of employees of the Group as at 31 March 2023 was approximately 2,800. 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

During the year under review, the Company repurchased certain of its shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), details of which are summarised as follows:

Month of repurchase	Number of shares repurchased	Price per share Highest *HK$*	Price per share Lowest *HK$*	Aggregate consideration *HK$'000*
January 2023	6,000	2.42	2.42	14
February 2023	30,000	2.60	2.58	78
	36,000			92

All the repurchased shares were cancelled by the Company. The issued share capital of the Company was reduced by the nominal value of these cancelled shares. The premium paid on the repurchase was charged to the share premium account. An amount equivalent to the par value of the ordinary shares cancelled was transferred from retained profits to the capital redemption reserve.

The repurchase of the Company's shares during the year was effected by the directors, pursuant to the mandates granted by shareholders at the annual general meetings held on 29 August 2022, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

Except as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (whether on the Stock Exchange or otherwise) during the year ended 31 March 2023.

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 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") .

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 2023.

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 2023.

AUDIT COMMITTEE

The Audit Committee of the Company comprises all the three independent non-executive directors, namely Mr. Cheung Wing Choi (Chairman 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 2023.

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 2023 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 2023 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 2023, 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. WU Wing Biu and Mr. WONG Fu Hang, Derek as executive directors, Mr. CHEUNG Wing Choi, 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 2023