
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Four Seas Mercantile Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**FOUR SEAS MERCANTILE HOLDINGS LIMITED****四洲集團有限公司***(Incorporated in the Cayman Islands with limited liability)*

(Stock Code : 374)

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE NEW SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Four Seas Mercantile Holdings Limited to be held at Garden Room, 2nd Floor, New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Tuesday, 29 August 2023 at 12:00 noon is set out on pages 15 to 19 of this circular. A form of proxy for use at Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.fourseasgroup.com.hk).

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 12:00 noon on Sunday, 27 August 2023) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting if they so wish.

28 July 2023

CONTENTS

	<i>Page</i>
Definitions	1
 Letter from the Board	
1. Introduction	3
2. Proposed Re-election of Retiring Directors	4
3. Proposed Granting of General Mandate to Repurchase Shares	5
4. Proposed Granting of General Mandate to Issue New Shares	5
5. Annual General Meeting and Proxy Arrangement	6
6. Responsibility statement	6
7. Recommendation	6
 Appendix I – Details of the Retiring Directors Proposed to be Re-elected at the Annual General Meeting	7
 Appendix II – Explanatory Statement on the Share Buy-back Mandate	11
 Notice of Annual General Meeting	15

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Garden Room, 2nd Floor, New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Tuesday, 29 August 2023 at 12:00 noon, to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 15 to 19 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Company”	Four Seas Mercantile Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	The Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuance Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 10 of the notice of the Annual General Meeting as set out on pages 15 to 19 of this circular
“Latest Practicable Date”	21 July 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Share Buy-back Mandate”	a general mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 9 of the notice of the Annual General Meeting as set out on pages 15 to 19 of this circular
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time

References to time and dates in this circular are to Hong Kong time and dates.

LETTER FROM THE BOARD



FOUR SEAS MERCANTILE HOLDINGS LIMITED

四洲集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 374)

Executive Directors:

TAI Tak Fung, Stephen (*Chairman*)
WU Mei Yung, Quinly (*Vice Chairman*)
TAI Chun Kit (*Managing Director*)
WU Wing Biu
WONG Fu Hang, Derek

Registered Office:

Whitehall House
238 North Church Street
P.O. Box 1043
George Town
Grand Cayman KY1-1102
Cayman Islands

Independent Non-executive Directors:

CHAN Yuk Sang, Peter
Tsunao KIJIMA
CHEUNG Wing Choi

Principal Place of Business in

Hong Kong:
21/F., Manhattan Place
No. 23 Wang Tai Road
Kowloon Bay, Kowloon
Hong Kong

28 July 2023

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE NEW SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting to be held on 29 August 2023.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 101 of the Articles of Association, the Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.

Pursuant to Article 119 of the Articles of Association, unless and until the Company in a general meeting shall otherwise determine, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation, provided that every Director (including those appointed for a specific term or holding office as Chairman or Managing Director) shall be subject to retirement by rotation at least once every three years or within such other period as the Stock Exchange may from time to time prescribe or within such other period as the laws of such jurisdiction applicable to the Company. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election.

In accordance with Article 101 of the Articles of Association, Mr. Cheung Wing Choi who has been appointed by the Board on 1 April 2023 shall hold office until the Annual General Meeting.

In accordance with Article 119 of the Articles of Association, Ms. Wu Mei Yung, Quinly, Mr. Chan Yuk Sang, Peter and Mr. Tsunao Kijima shall retire at the Annual General Meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

Pursuant to Code Provision B.2.3 of the Corporate Governance Code set out in Appendix 14 of the Listing Rules, the further appointment of Mr. Chan Yuk Sang, Peter and Mr. Tsunao Kijima, being independent non-executive Directors, whom will be serving the Company for more than 9 years, should be subject to a separate resolution to be approved by the Shareholders.

Notwithstanding that Mr. Chan Yuk Sang, Peter and Mr. Tsunao Kijima have been serving as independent non-executive Directors for more than 9 years, they have confirmed their independence with reference to the factors set out in Rule 3.13 of the Listing Rules.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Nomination Policy and the Company's corporate strategy, and the independence of all independent non-executive Directors. The Nomination Committee has recommended to the Board on re-election of all the retiring Directors including Mr. Chan Yuk Sang, Peter and Mr. Tsunao Kijima, the aforesaid independent non-executive Directors who are due to retire at the Annual General Meeting.

LETTER FROM THE BOARD

The Board believes that Mr. Chan Yuk Sang, Peter and Mr. Tsunao Kijima, the retiring independent non-executive Directors are independent in judgement and character. In addition, the Board has assessed and reviewed their written confirmation of independence and considers that they meet the independent guidelines set out in Rule 3.13 of the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity. Hence, the Board recommends them to be re-elected at the Annual General Meeting.

Details of the retiring Directors are set out in Appendix I to this circular.

3. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 29 August 2022, a general mandate was granted to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Buy-back Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 9 of the notice of the Annual General Meeting as set out on pages 15 to 19 (i.e. a total of 38,422,164 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting).

The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Share Buy-back Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Buy-back Mandate is set out in Appendix II to this circular.

4. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE NEW SHARES

At the annual general meeting of the Company held on 29 August 2022, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 10 of the notice of the Annual General Meeting as set out on pages 15 to 19 of this circular (i.e. a total of 76,844,328 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to the Share Buy-back Mandate will also be proposed at the Annual General Meeting.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issuance Mandate.

LETTER FROM THE BOARD

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 15 to 19 of this circular.

Pursuant to the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.fourseasgroup.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 12:00 noon on Sunday, 27 August 2023) or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

7. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors, granting of the Share Buy-back Mandate and the Issuance Mandate are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
Four Seas Mercantile Holdings Limited
TAI Tak Fung, Stephen, *GBM, GBS, SBS, JP*
Chairman

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

(1) Ms. Wu Mei Yung, Quinly (“Ms. Wu”)

Ms. Wu Mei Yung, Quinly, PhD (*honoris causa*), aged 70, has been an executive director of the Company since June 1993. Ms. Wu is a co-founder and the vice chairman of the Company and its subsidiaries, responsible for overseeing and coordinating the policy setting of the Group. She is also a member of the executive committee and the remuneration committee of the Company. She has more than 40 years’ experience in the food and confectionery business. Ms. Wu is also a director of Careful Guide Limited and Special Access Limited, both of which are the substantial shareholders of the Company, and acts as a director of various subsidiaries of the Company. Save as disclosed above, Ms. Wu does not hold any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong and overseas.

Ms. Wu is the spouse of Mr. Tai Tak Fung, Stephen, the chairman and an executive director of the Company, and the mother of Mr. Tai Chun Kit, the managing director and an executive director of the Company. Ms. Wu is a sister of Mr. Wu Wing Biu, an executive director of the Company. Save as disclosed above, Ms. Wu does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms. Wu was deemed to be interested in 259,478,000 Shares within the meaning of Part XV of the SFO, representing approximately 67.53% of the total issued shares of the Company. Save as disclosed above, she does not have any other interest in the Shares within the meaning of Part XV of the SFO.

Ms. Wu has entered into a service contract with the Company for a term of two years commencing on 1 April 2022 and is subject to termination by either party by giving not less than three months’ written notice. She is also subject to retirement by rotation and re-election at the Company’s annual general meetings pursuant to Article 119 of the Articles of Association.

Ms. Wu’s emoluments comprises director’s fee, salary as well as other benefits in kind and allowance, which is determined by the Board following recommendations by the remuneration committee of the Company with reference to her experience, responsibilities and the prevailing market level of remuneration of executives of similar positions. Ms. Wu is also entitled to discretionary management bonus, which shall be decided at the sole discretion of the Board based on her performance in the preceding year. For the year ended 31 March 2023, the total emoluments paid to Ms. Wu amounted to HK\$1,937,000.

Save as disclosed above, there is no information that is required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Ms. Wu that need to be brought to the attention of the Shareholders of the Company.

**APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

(2) Mr. Chan Yuk Sang, Peter (“Mr. Chan”)

Mr. Chan Yuk Sang, Peter, aged 77, has been an independent non-executive director of the Company since July 2000. He is also the chairman of the remuneration committee and a member of the audit committee and the nomination committee of the Company. Mr. Chan has more than 30 years’ experience in the banking and finance industry. He was the chairman of a company listed on the Stock Exchange until July 2002 and a senior general manager of a local bank until November 1998. Mr. Chan was also an executive director of a joint Chinese foreign bank in Shenzhen until 1995. Mr. Chan has been an independent non-executive director of FDB Holdings Limited since January 2018, which is listed on the Main Board of the Stock Exchange. Save as disclosed above, Mr. Chan does not hold any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong and overseas.

Mr. Chan does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Chan did not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Chan has been appointed with an appointment letter by the Company without a specific term but is subject to retirement by rotation and re-election at the Company’s annual general meetings pursuant to Article 119 of the Articles of Association.

The director’s fee of Mr. Chan is determined by the Board following recommendations by the remuneration committee of the Company with reference to a variety of factors such as his experience, skills and the current market rate of similar positions. He is not entitled to any discretionary management bonus. For the year ended 31 March 2023, the director’s fee paid to Mr. Chan amounted to HK\$120,000.

Save as disclosed above, there is no information that is required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Chan that need to be brought to the attention of the shareholders of the Company.

**APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

(3) Mr. Tsunao Kijima (“Mr. Kijima”)

Mr. Tsunao Kijima, aged 75, has been an independent non-executive director of the Company since July 2011. He is a member of the audit committee of the Company. Mr. Kijima holds a Bachelor of Arts degree in Economics from Keio University in Japan. He has more than 45 years’ experience of worldwide trading of processed foods, beverages, snack foods and other food products. Mr. Kijima was the executive vice president of Mitsubishi Corporation and also the chief representative for China and Europe of Mitsubishi Corporation during different periods of time. He served as a non-executive director of Lianhua Supermarket Holdings Co., Ltd., whose shares are listed on the Main Board of the Stock Exchange, from 2001 to 2006. He was an independent non-executive director of the Company from 1997 to 2006. Mr. Kijima was a managing executive officer of Nissin Foods Holdings Co., Ltd., a company listed on the Tokyo Stock Exchange. He was also a non-executive director of Premier Foods Plc, a company listed on the London Stock Exchange. Save as disclosed above, Mr. Kijima does not hold any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong and overseas.

Mr. Kijima does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Kijima did not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Kijima has been appointed with an appointment letter by the Company without a specific term but is subject to retirement by rotation and re-election at the Company’s annual general meetings pursuant to Article 119 of the Articles of Association.

The director’s fee of Mr. Kijima is determined by the Board following recommendations by the remuneration committee of the Company with reference to a variety of factors such as his experience, skills and the current market rate of similar positions. He is not entitled to any discretionary management bonus. For the year ended 31 March 2023, the director’s fee paid to Mr. Kijima amounted to HK\$468,000.

Save as disclosed above, there is no information that is required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Kijima that need to be brought to the attention of the shareholders of the Company.

**APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

(4) Mr. Cheung Wing Choi (“Mr. Cheung”)

Mr. Cheung Wing Choi, aged 68, has been an independent non-executive Director since 1 April 2023. He is also the chairman of the audit committee, and a member of each of the nomination committee and the remuneration committee of the Company. Mr. Cheung holds a Bachelor of Commerce degree and a Postgraduate Diploma in Information Processing from University of Queensland in Australia. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, an associate member of the Chartered Institute of Management Accountants in the United Kingdom and a Chartered Global Management Accountant. He has over 30 years of professional and commercial experience both in Hong Kong and Australia. Mr. Cheung has been an independent non-executive director of Hong Kong Food Investment Holdings Limited, a substantial shareholder of the Company and is listed on the Main Board of the Stock Exchange, since August 2016. Save as disclosed above, Mr. Cheung does not hold any directorship in the last three years in other public companies, the securities of which are listed in any securities markets in Hong Kong and overseas.

Mr. Cheung does not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. Cheung did not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Cheung has been appointed with an appointment letter by the Company without a specific term of service, but is subject to retirement by rotation and re-election at the Company’s annual general meetings pursuant to Article 101 and Article 119 of the Articles of Association.

Mr. Cheung is entitled to receive a director’s fee of HK\$120,000 per annum, which is determined by the Board following recommendations by the remuneration committee of the Company with reference to a variety of factors such as his experience, skills and the current market rate of similar positions. He is not entitled to any discretionary management bonus.

Save as disclosed above, there is no information that is required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Cheung that need to be brought to the attention of the Shareholders of the Company.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Buy-back Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 384,221,640 Shares.

Subject to the passing of the ordinary resolution set out in item 9 of the notice of the Annual General Meeting in respect of the granting of the Share Buy-back Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. being 384,221,640 Shares, the Directors would be authorised under the Share Buy-back Mandate to repurchase, during the period in which the Share Buy-back Mandate remains in force, a total of 38,422,164 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE BUY-BACK

The Directors believe that the granting of the Share Buy-back Mandate is in the best interests of the Company and the Shareholders.

Shares buy-back may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders.

3. FUNDING OF SHARE BUY-BACK

The Company may only apply funds legally available for share buy-back in accordance with its memorandum and articles of association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

Shares shall not be repurchased for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. The Directors propose that repurchases of Shares under the Share Buy-back Mandate in these circumstances would be financed from the Company's internal resources or existing banking facilities.

4. IMPACT OF SHARE BUY-BACK

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2023) in the event that the Share Buy-back Mandate was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not intend to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months up to and including the Latest Practicable Date were as follows:

Month	Share Prices (per Share)	
	Highest HK\$	Lowest HK\$
2022		
July	2.900	2.580
August	2.750	2.650
September	2.650	2.560
October	2.600	2.600
November	2.600	2.450
December	2.800	2.500
2023		
January	2.680	2.350
February	2.900	2.580
March	2.660	2.660
April	2.660	2.660
May	2.660	2.400
June	2.700	2.430
July (<i>up to the Latest Practicable Date</i>)	2.620	2.620

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase Shares pursuant to the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

7. TAKEOVERS CODE

If as a result of a buy-back of Shares pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, Special Access Limited ("SAL") and Careful Guide Limited ("CGL"), the substantial Shareholders of the Company (as defined in the Listing Rules), were interested in 74,250,000 Shares and 70,000,000 Shares representing approximately 19.32% and 18.22% of the total number of Shares in issue respectively, making an aggregate holding of 144,250,000 Shares representing approximately 37.54% of the total number of Shares in issue. SAL is wholly owned by Mr. Tai Tak Fung, Stephen and his spouse, Ms. Wu Mei Yung, Quinly, executive Directors of the Company, and CGL is wholly owned by Mr. Tai Tak Fung, Stephen. Besides, as at the Latest Practicable Date, Hong Kong Food Investment Holdings Limited ("Hong Kong Food"), a substantial Shareholder of the Company (as defined in the Listing Rules) and the shares of which are listed on the Main Board of the Stock Exchange, was interested in 115,228,000 Shares, representing approximately 29.99% of the total number of Shares in issue. Hong Kong Food is owned as to approximately 0.07% by the Company, as to approximately 2.59% by Mr. Tai Tak Fung, Stephen, as to approximately 20.38% by SAL, and as to approximately 11.91% by CGL. As Ms. Wu Mei Yung, Quinly is the spouse of Mr. Tai Tak Fung, Stephen, Ms. Wu Mei Yung, Quinly is deemed to be interested in Mr. Tai Tak Fung, Stephen's interests in the Shares and vice versa. Mr. Tai Tak Fung, Stephen and Ms. Wu Mei Yung, Quinly are taken to have an interest under the SFO in the 115,228,000 Shares by virtue of their interests in Hong Kong Food. Therefore, Mr. Tai Tak Fung, Stephen and Ms. Wu Mei Yung, Quinly are taken to have interest in 259,478,000 Shares, representing approximately 67.53% of the total number of Shares in issue. In the event that the Directors exercise the proposed Share Buy-back Mandate in full, the aggregate shareholding of Mr. Tai Tak Fung, Stephen and Ms. Wu Mei Yung, Quinly acting in concert would be increased to approximately 75.03% of the total number of Shares in issue.

The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

8. SHARE BUY-BACK MADE BY THE COMPANY

During the period from 31 January 2023 up to and including the Latest Practicable Date, the Company has repurchased a total of 36,000 Shares of the Company on the Stock Exchange and the details are set out below.

Date of Repurchase	No. of Shares	Price Per Share	
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>
31 January 2023	6,000	2.42	2.42
1 February 2023	30,000	2.60	2.58

The Company repurchased a total of 36,000 Shares were subsequently cancelled. Save as disclosed above, the Company has not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



FOUR SEAS MERCANTILE HOLDINGS LIMITED

四洲集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 374)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Four Seas Mercantile Holdings Limited (the “Company”) will be held at Garden Room, 2nd Floor, New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Tuesday, 29 August 2023 at 12:00 noon for the following purposes:

1. To receive the audited consolidated financial statements of the Company and the reports of the directors and independent auditor for the year ended 31 March 2023.
2. To declare a final dividend of HK6.5 cents per ordinary share for the year ended 31 March 2023.
3. To re-elect Ms. Wu Mei Yung, Quinly as director of the Company.
4. To re-elect Mr. Chan Yuk Sang, Peter as director of the Company.
5. To re-elect Mr. Tsunao Kijima as director of the Company.
6. To re-elect Mr. Cheung Wing Choi as director of the Company.
7. To authorise the board of directors of the Company (the “Board”) to fix the directors’ remuneration.
8. To re-appoint Ernst & Young as the auditor of the Company and to authorise the Board to fix the auditor’s remuneration.

NOTICE OF ANNUAL GENERAL MEETING

9. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;
- (b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be repurchased under the mandate in paragraph (a) above as a percentage of the total number of issued shares of the Company at the date immediately before and after such consolidation or subdivision shall be the same; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

10. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company;
 - (iii) the issue of shares which may be awarded under a share scheme of the Company; and
 - (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

NOTICE OF ANNUAL GENERAL MEETING

11. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 9 and 10 of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item 10 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 9 of the Notice, provided that such number of shares shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution).”

For and on behalf of the Board
Four Seas Mercantile Holdings Limited
TAI Tak Fung, Stephen, GBM, GBS, SBS, JP
Chairman

Hong Kong, 28 July 2023

Notes:

1. All resolutions at the Annual General Meeting will be taken by poll except where the chairman decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint more than one proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder of the Company present in person or by proxy shall be entitled to one vote for each share held by him.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 12:00 noon on Sunday, 27 August 2023) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the Annual General Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the Annual General Meeting, the Register of Members of the Company will be closed from Wednesday, 23 August 2023 to Tuesday, 29 August 2023, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall 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.

NOTICE OF ANNUAL GENERAL MEETING

5. For determining the entitlement to the proposed final dividend for the year ended 31 March 2023 (subject to approval by the shareholders at the Annual General Meeting), the Register of Members of the Company will be closed from Monday, 4 September 2023 to Wednesday, 6 September 2023, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, unregistered holders of shares of the Company shall 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.
6. A circular containing further details concerning items 3, 4, 5, 6, 9, 10 and 11 set out in the above notice will be sent to all shareholders of the Company together with the 2023 Annual Report.
7. If tropical cyclone warning signed number 8 or above is hoisted, "extreme conditions" caused by super typhoons or a black rainstorm warning signal is in force at or at any time between 10:00 a.m. and 12:00 noon on the date of Annual General Meeting, the Annual General Meeting will be postponed. Shareholders are requested to visit the website of the Company at www.fourseasgroup.com.hk and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk for details of alternative meeting arrangements. The Annual General Meeting will be held as scheduled when an amber or red rainstorm warning signal is in force. Shareholders should decide on their own whether they would attend the Annual General Meeting under bad weather conditions bearing in mind their own situations and if they do so, they are advised to exercise care and caution.
8. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this Notice, the executive 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 and the independent non-executive directors of the Company are Mr. CHAN Yuk Sang, Peter, Mr. Tsunao KIJIMA and Mr. CHEUNG Wing Choi.