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**FOUR SEAS MERCANTILE HOLDINGS LIMITED**

**四洲集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code : 374)

**ANNOUNCEMENT OF RESULTS  
FOR THE YEAR ENDED 31 MARCH 2025**

**RESULTS**

The board of directors (the “Board”) of Four Seas Mercantile Holdings Limited (the “Company”) announce the consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2025, together with the comparative figures for the previous year, as follows:

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>REVENUE</b>	4	<b>3,625,422</b>	3,898,222
Cost of sales		<u>(2,757,137)</u>	<u>(2,986,036)</u>
Gross profit		<b>868,285</b>	912,186
Other income and gains/(losses), net	4	<b>15,717</b>	(1,415)
Selling and distribution expenses		<b>(444,065)</b>	(459,497)
Administrative expenses		<b>(349,928)</b>	(347,365)
Other operating expenses, net		<b>(13,778)</b>	(18,638)
Finance costs	5	<b>(58,103)</b>	(48,646)
Share of profits and losses of joint ventures		<b>(610)</b>	(2,299)
Share of profits and losses of associates		<u><b>6,932</b></u>	<u>12,606</u>
<b>PROFIT BEFORE TAX</b>	3 & 6	<b>24,450</b>	46,932
Income tax expense	7	<u><b>(15,661)</b></u>	<u>(13,636)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>8,789</b></u>	<u>33,296</u>
Attributable to:			
Equity holders of the Company		<b>10,164</b>	34,657
Non-controlling interests		<u><b>(1,375)</b></u>	<u>(1,361)</u>
		<u><b>8,789</b></u>	<u>33,296</u>
<b>EARNINGS PER SHARE</b>			
<b>ATTRIBUTABLE TO ORDINARY</b>			
<b>EQUITY HOLDERS OF THE COMPANY</b>			
– Basic and diluted	9	<u><b>HK2.7 cents</b></u>	<u>HK9.0 cents</u>

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2025

	2025 HK\$'000	2024 HK\$'000
<b>PROFIT FOR THE YEAR</b>	<u>8,789</u>	<u>33,296</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences:		
Exchange differences on translation of foreign operations	10,677	(52,790)
Release of exchange fluctuation reserve for voluntary liquidation of foreign operations	(6,577)	(138)
Share of other comprehensive loss of associates	<u>(456)</u>	<u>(2,102)</u>
<i>Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods</i>	<u>3,644</u>	<u>(55,030)</u>
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
Financial assets at fair value through other comprehensive income:		
– Changes in fair value	9,664	6,545
– Income tax effect	(3,311)	(2,242)
Defined benefit obligations:		
– Gains on remeasurement	286	459
– Income tax effect	<u>(98)</u>	<u>(157)</u>
<i>Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods</i>	<u>6,541</u>	<u>4,605</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX</b>	<u>10,185</u>	<u>(50,425)</u>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>	<u>18,974</u>	<u>(17,129)</u>
Attributable to:		
Equity holders of the Company	20,551	(15,120)
Non-controlling interests	<u>(1,577)</u>	<u>(2,009)</u>
	<u>18,974</u>	<u>(17,129)</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000 (Restated)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		896,547	740,905
Investment properties		33,957	34,445
Goodwill		101,871	101,740
Other intangible assets		39,249	42,976
Investments in joint ventures		12,362	4,558
Investments in associates		186,995	181,046
Financial assets at fair value through profit or loss		16,964	22,361
Financial assets at fair value through other comprehensive income		24,877	16,515
Prepayments, deposits and other receivables		28,132	28,281
Tax recoverable		20,743	25,936
Deferred tax assets		10,810	9,413
Total non-current assets		1,372,507	1,208,176
<b>CURRENT ASSETS</b>			
Inventories		330,127	269,280
Trade receivables	10	592,404	625,047
Prepayments, deposits and other receivables		159,568	128,087
Tax recoverable		2,571	563
Financial assets at fair value through profit or loss		83,611	58,608
Cash and cash equivalents		631,977	625,940
		1,800,258	1,707,525
Non-current assets classified as held for sale		–	12,442
Total current assets		1,800,258	1,719,967
<b>CURRENT LIABILITIES</b>			
Trade payables, other payables and accruals	11	461,790	489,748
Interest-bearing bank borrowings		979,841	663,591
Lease liabilities		111,943	114,656
Tax payable		5,325	15,558
Total current liabilities		1,558,899	1,283,553
<b>NET CURRENT ASSETS</b>		241,359	436,414
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,613,866	1,644,590

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** (continued)*31 March 2025*

	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000 (Restated)
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing bank borrowings	<b>271,231</b>	235,634
Lease liabilities	<b>104,938</b>	140,455
Other payables and accruals	<b>2,182</b>	2,129
Defined benefit obligations	<b>5,881</b>	5,759
Deferred tax liabilities	<b>9,763</b>	10,861
	<hr/>	<hr/>
Total non-current liabilities	<b>393,995</b>	394,838
	<hr/>	<hr/>
Net assets	<b>1,219,871</b>	1,249,752
	<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the Company</b>		
Issued capital	<b>38,012</b>	38,422
Reserves	<b>1,159,117</b>	1,185,196
	<hr/>	<hr/>
	<b>1,197,129</b>	1,223,618
	<hr/>	<hr/>
<b>Non-controlling interests</b>	<b>22,742</b>	26,134
	<hr/>	<hr/>
Total equity	<b>1,219,871</b>	1,249,752
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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants 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.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2025. 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).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has 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.

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.

## 1. BASIS OF PREPARATION (continued)

### Basis of consolidation (continued)

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and 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 HKFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the "2020 Amendments")</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the "2022 Amendments")</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised HKFRS Accounting Standards are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) (continued)

The Group has reassessed the terms and conditions of its liabilities as at 1 April 2023 and 2024 upon initial application of the amendments. As at 1 April 2024, the Group had an interest-bearing bank loan with carrying amounts of HK\$195,250,000, which was repayable within 12 months. The loan was drawn down from a 3-year banking facility expiring on 31 July 2026 and the Group has the right to roll over the loan for another year. Prior to the initial application of the amendments, the interest-bearing bank loan was classified as a current liability as the Group did not have an unconditional right to defer the settlement for at least 12 months after the reporting period. Upon initial application of the amendments, the loan was reclassified as a non-current liability since the Group has the right to roll over the interest-bearing bank loan for at least twelve months after 1 April 2024 under its existing loan facility.

As at 1 April 2023, the classification of the Group's liabilities as current or non-current remained unchanged because the Group did not have the right to roll over its loans for another year, and therefore, the amendments did not have any impact on the financial position of the Group as at 1 April 2023. Accordingly, the consolidated statement of financial position as of 1 April 2023 is not presented upon initial application of the amendments.

The quantitative impact on the consolidated statements of financial position is summarised below:

	<b>Increase/(decrease)</b>	
	<b>As at</b>	<b>As at</b>
	<b>31 March</b>	<b>31 March</b>
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>CURRENT LIABILITIES</b>		
Interest-bearing bank borrowings	<u>(242,581)</u>	<u>(195,250)</u>
Total current liabilities	<u>(242,581)</u>	<u>(195,250)</u>
<b>NET CURRENT ASSETS</b>	<u>242,581</u>	<u>195,250</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>242,581</u>	<u>195,250</u>
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing bank borrowings	<u>242,581</u>	<u>195,250</u>
Total non-current liabilities	<u><u>242,581</u></u>	<u><u>195,250</u></u>

## **2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)**

### **(b) (continued)**

The adoption of the amendments did not have any impact on the basic and diluted earnings per share attributable to ordinary equity holders of the parent company, profit or loss, other comprehensive income and the consolidated statements of cash flows for the years ended 31 March 2025 and 2024.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

## **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 joint ventures and associates and corporate and other unallocated expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, tax recoverable, investments in joint ventures and 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)

2025

	Hong Kong <i>HK\$'000</i>	Mainland China <i>HK\$'000</i>	Japan <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue:</b>				
Sales to external customers*	1,774,086	586,546	1,264,790	3,625,422
Intersegment sales	<u>42,433</u>	<u>191,931</u>	<u>38,606</u>	<u>272,970</u>
Total segment revenue	1,816,519	778,477	1,303,396	3,898,392
<i>Reconciliation:</i>				
Elimination of intersegment sales				<u>(272,970)</u>
Total revenue				<u><u>3,625,422</u></u>
<b>Segment results</b>	<b>89,682</b>	<b>(10,570)</b>	<b>13,866</b>	<b>92,978</b>
<i>Reconciliation:</i>				
Interest income				4,572
Dividend income and unallocated gains, net				1,033
Finance costs (other than interest on lease liabilities)				(46,074)
Share of profits and losses of joint ventures				(610)
Share of profits and losses of associates				6,932
Corporate and other unallocated expenses				<u>(34,381)</u>
Profit before tax				<u><u>24,450</u></u>

### 3. OPERATING SEGMENT INFORMATION (continued)

2024

	Hong Kong <i>HK\$'000</i>	Mainland China <i>HK\$'000</i>	Japan <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue:</b>				
Sales to external customers*	1,851,052	682,460	1,364,710	3,898,222
Intersegment sales	<u>49,134</u>	<u>193,734</u>	<u>46,156</u>	<u>289,024</u>
Total segment revenue	1,900,186	876,194	1,410,866	4,187,246
<u>Reconciliation:</u>				
Elimination of intersegment sales				<u>(289,024)</u>
Total revenue				<u><u>3,898,222</u></u>
<b>Segment results</b>	107,278	15,055	4,670	127,003
<u>Reconciliation:</u>				
Interest income				8,102
Dividend income and unallocated losses, net				(19,830)
Finance costs (other than interest on lease liabilities)				(41,093)
Share of profits and losses of joint ventures				(2,299)
Share of profits and losses of associates				12,606
Corporate and other unallocated expenses				<u>(37,557)</u>
Profit before tax				<u><u>46,932</u></u>

### 3. OPERATING SEGMENT INFORMATION (continued)

2025

	Hong Kong HK\$'000	Mainland China HK\$'000	Japan HK\$'000	Total HK\$'000
<b>Segment assets</b>	<b>1,399,619</b>	<b>667,855</b>	<b>479,423</b>	<b>2,546,897</b>
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(365,042)
Investments in joint ventures				12,362
Investments in associates				186,995
Corporate and other unallocated assets				<u>791,553</u>
Total assets				<u><u>3,172,765</u></u>
<b>Segment liabilities</b>	<b>480,528</b>	<b>276,168</b>	<b>295,080</b>	<b>1,051,776</b>
<i>Reconciliation:</i>				
Elimination of intersegment payables				(365,042)
Corporate and other unallocated liabilities				<u>1,266,160</u>
Total liabilities				<u><u>1,952,894</u></u>
<b>Other segment information:</b>				
Impairment of trade receivables	944	2,118	6	3,068
Write-down of slow-moving inventories	7	2,800	148	2,955
Depreciation and amortisation, except right-of-use assets	24,510	41,150	8,993	74,653
Depreciation of right-of-use assets	116,119	17,409	7,221	140,749
Impairment of items of property, plant and equipment, except right-of-use assets	593	–	–	593
Impairment of right-of-use assets	1,646	–	–	1,646
Loss/(gain) on disposal/write-off of items of property, plant and equipment	(313)	8	1,639	1,334
Fair value loss on investment properties	–	432	51	483
Capital expenditure**	249,146	21,618	344	271,108
Non-current assets***	<u>498,398</u>	<u>355,157</u>	<u>218,069</u>	<u>1,071,624</u>

### 3. OPERATING SEGMENT INFORMATION (continued)

2024

	Hong Kong HK\$'000	Mainland China HK\$'000	Japan HK\$'000	Total HK\$'000
<b>Segment assets</b>	1,172,523	671,100	490,082	2,333,705
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(350,502)
Investments in joint ventures				4,558
Investments in associates				181,046
Corporate and other unallocated assets				759,336
<b>Total assets</b>				<b>2,928,143</b>
<b>Segment liabilities</b>	536,954	264,116	302,179	1,103,249
<i>Reconciliation:</i>				
Elimination of intersegment payables				(350,502)
Corporate and other unallocated liabilities				925,644
<b>Total liabilities</b>				<b>1,678,391</b>
<b>Other segment information:</b>				
Impairment of trade receivables	715	280	630	1,625
Write-down/(reversal of write-down) of slow-moving inventories	(115)	3,466	(430)	2,921
Depreciation and amortisation, except right-of-use assets	22,168	45,920	11,491	79,579
Depreciation of right-of-use assets	106,204	17,031	7,304	130,539
Impairment of items of property, plant and equipment, except right-of-use assets	250	–	1,391	1,641
Impairment of right-of-use assets	1,550	–	–	1,550
Loss on disposal/write-off of items of property, plant and equipment	542	1,459	201	2,202
Fair value loss/(gain) on investment properties	–	437	(54)	383
Capital expenditure**	13,953	39,740	1,065	54,758
Non-current assets***	303,849	384,889	231,328	920,066

\* 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\$69,821,000 (2024: HK\$73,158,000) 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, plant and machinery, 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\$46,000 (2024: HK\$54,000) is based in Mainland China, and excludes financial instruments, deferred tax assets, tax recoverable and investments in joint ventures and associates.

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

An analysis of revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
<i>Revenue from contracts with customers</i>		
Sale of goods	<u>3,625,422</u>	<u>3,898,222</u>

#### Revenue from contracts with customers

##### (i) Disaggregated revenue information

	2025 HK\$'000	2024 HK\$'000
<i>Primary geographical markets:</i>		
Hong Kong	1,774,086	1,851,052
Mainland China	586,546	682,460
Japan*	<u>1,264,790</u>	<u>1,364,710</u>
Total revenue	<u>3,625,422</u>	<u>3,898,222</u>
<i>Timing of revenue recognition:</i>		
At a point in time	<u>3,625,422</u>	<u>3,898,222</u>

\* Including revenue from contracts with customers of approximately HK\$69,821,000 (2024: HK\$73,158,000) 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:

	2025 HK\$'000	2024 HK\$'000
Sale of goods	<u>2,118</u>	<u>2,090</u>

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

	2025 HK\$'000	2024 HK\$'000
Amounts expected to be recognised as revenue:		
Within one year	<u>2,583</u>	<u>2,118</u>

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

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

	2025 HK\$'000	2024 HK\$'000
<b>Other income</b>		
Bank interest income	4,572	6,612
Dividend income	1,569	1,039
Rental income from investment properties operating leases:		
Other lease payments, including fixed payments	2,959	3,037
Other interest income	–	1,490
Others	<u>7,636</u>	<u>7,659</u>
Total other income	<u>16,736</u>	<u>19,837</u>
<b>Gains/(losses), net</b>		
Net fair value losses on investment properties	(483)	(383)
Net fair value losses on financial assets at fair value through profit or loss	<u>(536)</u>	<u>(20,869)</u>
Total losses, net	<u>(1,019)</u>	<u>(21,252)</u>
Total other income and gains/(losses), net	<u>15,717</u>	<u>(1,415)</u>

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank and trust receipt loans	46,074	41,093
Interest on lease liabilities	12,029	7,553
Total	<u>58,103</u>	<u>48,646</u>

## 6. PROFIT BEFORE TAX

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of inventories sold	2,754,182	2,983,115
Depreciation of items of property, plant and equipment, except right-of-use assets	70,813	75,514
Depreciation of right-of-use assets	140,749	130,539
Amortisation of other intangible assets	3,840	4,065
Loss on disposal/write-off of items of property, plant and equipment, net*	1,334	2,202
Gain on derecognition of right-of-use assets, net	(224)	(726)
Impairment of items of property, plant and equipment, except right-of-use assets*	593	1,641
Impairment of right-of-use assets*	1,646	1,550
Foreign exchange differences, net	599	(3,774)
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	1,000	1,450
Impairment of trade receivables*	3,068	1,625
Loss/(gain) on voluntary liquidation of subsidiaries*	(6,577)	143
Write-down of slow-moving inventories, net**	<u>2,955</u>	<u>2,921</u>

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

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

## 7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current – Hong Kong	11,265	18,314
Current – Elsewhere	7,774	7,828
Deferred	<u>(3,378)</u>	<u>(12,506)</u>
Total tax charge for the year	<u><u>15,661</u></u>	<u><u>13,636</u></u>

## 8. DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interim – HK3.0 cents (2024: HK3.0 cents) per ordinary share	11,466	11,528
Proposed final dividend – HK6.5 cents (2024: HK6.5 cents) per ordinary share	<u>24,706</u>	<u>24,974</u>
	<u><u>36,172</u></u>	<u><u>36,502</u></u>

The calculation of final dividend is based on 380,099,640 ordinary shares (2024: 384,221,640 ordinary shares).

During the year ended 31 March 2025, the Company repurchased a total of 4,122,000 ordinary shares (2024: Nil) and 4,098,000 ordinary shares (2024: Nil) were cancelled on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). As of 31 March 2025, the remaining 24,000 repurchased shares were yet to be cancelled but would be cancelled subsequently. All the repurchased but not yet cancelled shares will not be entitled to receive the final dividend for this financial year.

The proposed final dividend for the year is 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 outstanding during the year.

The calculation of basic earnings per share are based on:

	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b>
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculation	<b>10,164</b>	34,657
	<b>Number of shares</b>	
	<b>2025</b>	<b>2024</b>
<b>Shares</b>		
Weighted average number of ordinary shares outstanding during the year used in the basic and diluted earnings per share calculation	<b>383,081,059</b>	384,221,640

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2025 and 2024.

## 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 loss allowance, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	326,173	381,903
1 to 2 months	110,462	89,312
2 to 3 months	68,909	66,949
Over 3 months	86,860	86,883
	<u>592,404</u>	<u>625,047</u>
Total	<u>592,404</u>	<u>625,047</u>

## 11. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

Included in trade payables, other payables and accruals is trade payables balance of HK\$258,832,000 (2024: HK\$266,196,000). An ageing analysis of the trade payables at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	193,224	189,509
1 to 2 months	51,425	57,589
2 to 3 months	12,054	8,329
Over 3 months	2,129	10,769
	<u>258,832</u>	<u>266,196</u>
Total	<u>258,832</u>	<u>266,196</u>

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. COMPARATIVE AMOUNTS

As further explained in note 2, due to the implementation of the Amendments to HKAS 1 during the current year, the presentation and disclosures of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been restated to conform with the current year's presentation and disclosures.

## **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 2025. Subject to the approval by the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on Friday, 29 August 2025 (the “AGM”), the said final dividend will be paid in cash on Wednesday, 24 September 2025 to shareholders of the Company whose names appear on the register of members of the Company as at the close of business on Monday, 8 September 2025. 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 2025 are HK9.5 cents (2024: 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 Monday, 25 August 2025 to Friday, 29 August 2025, both days inclusive, for the purpose of ascertaining shareholders’ eligibility to attend and vote at the AGM. The record date will be Friday, 29 August 2025. 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 Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 22 August 2025; and
- (ii) from Thursday, 4 September 2025 to Monday, 8 September 2025, both days inclusive, for the purpose of ascertaining shareholders’ entitlement to the proposed final dividend for the year ended 31 March 2025. The record date will be Monday, 8 September 2025. 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 Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 3 September 2025. The proposed final dividend is subject to the shareholders’ approval at the AGM. The record date for entitlement to the proposed final dividend is Monday, 8 September 2025 and the payment of final dividend will be made on Wednesday, 24 September 2025.

## **BUSINESS REVIEW AND PROSPECTS**

During the year under review, the global economy faced ongoing volatility, driven by escalating geopolitical tensions. The consumer market remained under pressure while the operating environment was challenging. The Group continued to be proactive, demonstrating resilience and determination, while maintaining steady progress. By capitalising on its strong brand, diverse strategies, and strong market insights, the Group effectively navigated these challenges, ensured stable growth, and positioned itself to seize future opportunities.

The Group is committed to expanding its business in Hong Kong, Mainland China and Japan, using the connectivity of these markets to drive growth, synergy, efficiency and competitiveness. In Hong Kong, flagship store “Seas of Flavour” leverages the Group’s strong brand by blending physical shop, online platform, marketing venue, and innovative products to fuel expansion. The Group’s relocation to the Four Seas Group Centre sets a solid foundation for future success. In Mainland China, beginning with the Greater Bay Area, the Group taps into the vast domestic market through its online and offline sales channels to introduce international snacks, set food trends, and expand nationwide, while promoting Chinese food globally under the Four Seas brand in parallel. In Japan, Miyata Co., Ltd. (“Miyata”) contributes to the Group’s efforts in four areas, including products, platforms, pricing, and market. The Group brings unique Japanese products to Hong Kong and Greater Bay Area cities while exporting Hong Kong and Mainland-made foods to Japan through Miyata’s network, offering Japanese consumers fresh and exciting flavours.

## **RESULTS**

In the annual results for the year ended 31 March 2025, the Group’s consolidated revenue was HK\$3,625,422,000 (2024: HK\$3,898,222,000). The profit for the year attributable to equity holders of the Company was HK\$10,164,000 (2024: HK\$34,657,000).

During the year under review, consumer markets in Hong Kong, Mainland China, and Japan experienced a slowdown, leading to lower turnover compared to the previous year. Consumer spending became more cautious amid slower economic growth under the backdrop of relatively high interest rates and ongoing geopolitical tension across the Group’s operating regions.

## **BUSINESS REVIEW AND PROSPECTS (continued)**

### **RESULTS (continued)**

Facing a weak consumer goods market, the Group proactively sold products at more affordable prices. Although this led to a short-term decrease in revenue, it successfully attracted more customers, brought maximum benefits, and further strengthened the Group's market leadership. Additionally, the negative impacts above-mentioned were partially mitigated by the Group's proactive cost control initiatives, which included measures such as streamlining operational processes, negotiating better terms with suppliers, and optimizing labour costs through workforce restructuring and scheduling efficiencies. Besides, the weaker Renminbi and Japanese yen against the Hong Kong Dollar supported the Group's performance, keeping results in line with market expectations.

#### **Hong Kong**

Sales derived from the Hong Kong segment amounted to HK\$1,774,086,000 (2024: HK\$1,851,052,000), accounting for 49% of the Group's total sales. The businesses in Hong Kong have been affected by various factors, including elevated interest rates, slower economic growth and a growing shift toward cross-border shopping and dining. These dynamics have created a challenging outlook for the consumer market. Nonetheless, the foundation of the Group remains robust, with strong market support for food distribution, wholesale, and retail operations.

#### **Mainland China**

Sales in Mainland China were HK\$586,546,000 (2024: HK\$682,460,000), accounting for 16% of the Group's total turnover. In terms of Renminbi, sales in Mainland China were RMB543,299,000 (2024: RMB624,963,000). The slowdown in revenue from Mainland China was partly due to consumers being relatively cautious about their spending and having a strong desire to save, and also due to the weak Renminbi during the review period, resulting in a corresponding decrease when converted to Hong Kong dollars.

#### **Japan**

Sales in Japan were HK\$1,264,790,000 (2024: HK\$1,364,710,000), accounting for 35% of the Group's total turnover. In terms of Japanese yen, revenue in Japan was JPY24,703 million (2024: JPY25,179 million). During the review period, the continuous rise in commodity prices in Japan has led to a stronger tendency for consumers to save and weak consumption growth. In addition, Japanese yen was weakened generally, resulting in a corresponding decline in sales revenue when converted to Hong Kong dollars.

## **BUSINESS REVIEW AND PROSPECTS (continued)**

### **BUSINESS REVIEW**

#### **Distribution Business**

Food distribution is the core business of the Group, underpinned by long-term partnerships, a robust distribution network, and a diverse range of products. With a commitment to innovation and excellence, the Group delivers high-quality food to consumers.

The Group has an extensive distribution network, including department stores, supermarkets, convenience stores, fast food chains, wholesalers, retailers, restaurants, bars, hotels, airlines, as well as its own “Okashi Land” Japanese snack stores, “YOKU MOKU” cookies stores, “Japanese Ice Cream House” and the newly launched flagship store “Seas of Flavour”, selling the products it covers comprehensively to meet the diverse needs of Hong Kong consumers. The Group establishes long-term partnerships with renowned food manufacturers and acts as an agent for many food products from various countries and regions worldwide. Food categories covered milk powder, biscuits, cakes, candies, chocolates, chips, snacks, instant noodles, beverages, alcohol, soy sauce, seasonings, ham, sausages, chicken, beef, pork, seafood, and vegetables. These products satisfied various needs of Hong Kong consumers.

The Group also focuses on the distribution of high-quality food products related to people’s livelihood, including Japanese eggs, Japanese dairy products, “Imuraya” tofu, and Japanese rice. Japanese eggs, in particular, achieved outstanding sales performance and became a stable income source for the Group.

#### **Manufacturing Business**

The Group believes that food safety is fundamental to building consumer trust. It places great emphasis on food quality and hygiene to safeguard consumer health, achieving the goal of “Safe and Happy Eating.” The Group’s food quality meets international standards and is highly praised, receiving multiple quality food certifications, including “HACCP”, “ISO 9001”, “ISO 22000”, and “GMP” system certifications, the “Q-Mark License” of the Hong Kong Q-Mark Certification Scheme for over 30 years, and the “HKQAA Hong Kong Registration – Oil” from the Hong Kong Quality Assurance Agency, underscoring its unwavering commitment to food safety.

The Group operates 17 food processing plants in Hong Kong and the Mainland China, producing a range of speciality food, with a one-stop production and flexible sales strategy, targeting different market needs and consolidating its leading position in the industry. For example, Calbee Four Seas Co., Ltd., has two food production plants – one in Tseung Kwan O Industrial Estate in Hong Kong and the other one in Shantou, Mainland China– producing popular snacks like potato chips, shrimp strips and corn sticks, for which there is high demand in both Hong Kong and Mainland China.

## **BUSINESS REVIEW AND PROSPECTS (continued)**

### **BUSINESS REVIEW (continued)**

#### **Retail and Catering Businesses**

The Group's Chinese and Japanese restaurants are highly regarded in Guangdong and Hong Kong. During the year, the catering operations in Hong Kong and the Mainland China continued to attract customers, with brands including "Shiki • Etsu" Japanese restaurant, "Kung Tak Lam" Shanghai vegetarian restaurant, "Sushiyoshi" Japanese omakase restaurant, Mainland China's "Sushi Oh" revolving sushi restaurant and the "Panxi" restaurant in Guangzhou – continuing to be loved by diners. During the year under review, the Group launched the "Noble Chiu Chow Restaurant" in Tsim Sha Tsui and "The CHOYA Ginza BAR" in Causeway Bay, which specialises in umeshu tasting, further invigorating the Group's catering businesses. Additionally, Murray Catering Company Limited, which focuses on providing lunchboxes and tuck-shop services to Hong Kong schools, has achieved widely recognised success in its operations.

In the retail market, the Group's brands – such as "Okashi Land" Japanese snack special stores, "Japanese Ice Cream House" Japanese specialty ice cream and snack stores, "Miyata Store" and "YOKU MOKU" cookie stores, have become iconic snacks destinations in Hong Kong, attracting a large group of customer base. Recently, the Group further expanded its presence by opening the 20,000-square-foot "Seas of Flavour" in Causeway Bay and a 6,000-square-foot flagship "Four Seas Okashi Land" store in Shenzhen's Luohu District, near Sungang Metro Station. These outlets showcase the Group's premium distributed and self-produced food products. The "Seas of Flavour", the Group's largest retail space in Hong Kong, offers an immersive experience with global delicacies and innovative interactive displays, delivering the latest in snack indulgence to consumers.

#### **BRAND DEVELOPMENT**

Established in 1971 and listed on the stock exchange in 1993, the Group has grown alongside Hong Kong, with the city as its headquarters. With over 50 years of dedicated operations, the Group has expanded from wholesale distribution to retail business, from food manufacturing to catering, achieving comprehensive diversification while consistently pursuing innovation across the supply chain. The Group stands as a leader in the local snack and food market, with its brand being both well-known and reputable.

As one of the largest food enterprises in Hong Kong, the Group adheres to the business philosophy of keeping pace with the times and being innovative, serving Hong Kong consumers while playing the important role of snack diplomat, and actively expanding into the Mainland China and overseas markets. The acquisition five years ago of Miyata, a business with over 90 years of history in Japan, has enabled the Group to form a large sales network spanning across Mainland China, Hong Kong, and Japan, while realising the "interconnection" of food, introducing and promoting food from various regions, and facilitating the exchange of food cultures.

## **CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENTAL PROTECTION**

The Group upholds the spirit of “Taking from Society, Giving Back to Society”, actively contributing to Hong Kong’s social development through welfare initiatives, volunteer efforts, and youth programmes. By embedding sustainability into every facet of its operations, the Group supports diverse causes, including beach clean-ups and the annual Hong Kong Tree Planting Day. Under its “Four Seas with Love” motto, the Group works with communities to build a sustainable future for Hong Kong. During the year under review, Four Seas Group received the “Super MD” title from the Employee Retraining Board (EDB) for the year 2025 – 2030. Calbee Four Seas Co., Ltd. was awarded the “Caring Company” by the Hong Kong Council of Social Service for 20 consecutive years and was recognised as a signatory of the Labour Department’s “Good Employer Charter” for three consecutive terms (2018, 2020, and 2024), earning the “Supportive Family-friendly Good Employer” accreditation. Additionally, the Group was honoured as a “10-Year Good MPF Employer” and a “Best All-round MPF Employer” by the Mandatory Provident Fund Schemes Authority.

The Group has also been acknowledged in multiple areas: “YOKU MOKU” was recognised as a “Quality Tourism Services” merchant by the Hong Kong Tourism Board; “Okashi Land” was awarded the “Top Mark” and “The Hong Kong Q-Mark Service (Cyan) Scheme” by the Hong Kong Brand Development Council and the Chinese Manufacturers’ Association of Hong Kong; “Sushiyoshi” was named one of the “100 Top Tables 2024” by the South China Morning Post; “LOTTE Ice Cream” was honoured as “Star Supermarket Brand (Ice Cream)” at the PARKnSHOP Super Brand Awards 2024 and “Outstanding Sales Performance Awards” from 7-Eleven.

Environmental responsibility is deeply embedded in the Group’s values and business practices. It has dedicated resources towards minimising environmental impact through various initiatives and operational improvements. Further details of the Group’s environmentally focused efforts are provided in our Environment, Social and Governance Report 2025.

## **PROSPECTS AND GROWTH**

The Group's business strategy is centred on "Rooted in Hong Kong, Expanding to Mainland China, and Reaching Out to the World". In light of the prevailing global economic trends, the Group plans proactively for the future. Despite economic uncertainties across the globe, it remains confident in its future development. The Group will continue to present new products, flavours, styles, and experiences to the customers. This will fuel future growth and maintain the Group's leading position in the food industry. Hong Kong is a culinary paradise that seamlessly blends local and international flavours. The Group is committed to enhancing its role in international exchanges, facilitating the introduction of food delights from Hong Kong, Mainland China and Japan to the global stage.

### **Business in Hong Kong**

The Group continues to drive the comprehensive development of the "Seas of Flavour" in Causeway Bay. Spanning over 20,000 square feet, the store serves as an integrated platform combining exhibitions, marketing, and retail of gourmet specialities, offering local and international food enthusiasts a unique experience. Customers can indulge in the Group's diverse culinary offerings while exploring a dynamic and innovative environment. This initiative not only expands the Group's sales channels but also enhances the promotional impact of its brand, supported by strong online sales. Furthermore, the Group will collaborate with JD.com, a leading e-commerce platform in Mainland China, to further strengthen its e-commerce presence in Hong Kong. With the steady recovery of tourist arrivals and renewed economic activities, the Group is confident that its distribution, manufacturing, and catering businesses will sustain growth momentum.

### **Business in Mainland China**

Against the backdrop of a global economic downturn, the Mainland China economy has performed relatively steadily. The Group has built a strong reputation in Mainland China by offering a wide range of high-quality food products and attentive services. Looking ahead, the Group will align with national development initiatives to increase the market share, especially in the Guangdong-Hong Kong-Macao Greater Bay Area, creating more business opportunities. Additionally, the Group continues to drive business development through both online and offline channels, selling on major e-commerce platforms such as Taobao, Tmall, and JD.com. By leveraging the momentum of e-commerce and employing popular influencer marketing strategies, the Group aims to boost sales and expand its market presence in Mainland China. Furthermore, the Group will enhance its visibility through offline initiatives, including the flagship store "Four Seas Okashi Land". Meanwhile, the Group is actively promoting Chinese food globally, driving its international expansion.

## **PROSPECTS AND GROWTH (continued)**

### **Business in Japan**

The acquisition of Miyata lays a solid foundation for the growth of Four Seas Group in the future. The Group will leverage Miyata's procurement network to introduce more high-quality Japanese food products to Hong Kong and Mainland China. Furthermore, the Group will utilise this platform to bring high-quality food from Hong Kong and Mainland China to the Japanese market, enhancing its role in international exchanges and fostering connectivity among the food markets of Hong Kong, Mainland China, and Japan to achieve synergistic benefits. The Group is confident that the business strategy will enhance its performance, given Japan's reputation for exceptional snacks and the strong demand for Japanese cuisine in both Hong Kong and Mainland China. Looking ahead, the Group will continue to expand the Japanese market, optimising and integrating its operations to support the overall success of the Group.

## **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 2025, the Group held cash and cash equivalents of HK\$631,977,000. As at 31 March 2025, the Group had banking facilities of HK\$2,709,158,000 of which 46% had been utilised. The Group had a net debt gearing ratio of 52% as at 31 March 2025. This is expressed as the total bank borrowings less cash and cash equivalents divided by 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. The Interest-Bearing Bank Borrowings which are classified as non-current liabilities are either repayable over one year or the Group has the right to roll over for another year.

## **STAFF EMPLOYMENT AND REMUNERATION POLICIES**

The total number of employees of the Group as at 31 March 2025 was approximately 2,600. 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

For the year ended 31 March 2025, the Company repurchased certain of its shares on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), details of which are set out as follows:

Month of repurchase	Number of shares repurchased	Price per share		Aggregate consideration HK\$’000
		Highest HK\$	Lowest HK\$	
September 2024	34,000	2.5	2.5	85
December 2024	2,522,000	2.6	2.48	6,478
January 2025	1,542,000	2.58	2.5	3,977
March 2025	24,000	2.6	2.5	60
	<u>4,122,000</u>			<u>10,600</u>

As of the date of this announcement, the Company repurchased a total of 4,122,000 shares and 4,098,000 shares were cancelled.

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 2024, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

Save 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) for the year ended 31 March 2025 (including sale of treasury shares (as defined under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”))). As at 31 March 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

## CORPORATE GOVERNANCE

The Group strives to maintain high standards of corporate governance to enhance shareholders’ value and safeguard shareholders’ interests. The Company’s directors are of the view that the Company has met the code provisions listed in the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Listing Rules for the year ended 31 March 2025.

## **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 C3 to 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 2025.

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 2025.

## **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 2025.

## **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 2025 as set out in the preliminary announcement have been agreed by the Company’s auditors to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by the Company’s auditors in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company’s auditors on the preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

The Company’s 2025 annual results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.fourseasgroup.com.hk](http://www.fourseasgroup.com.hk). The annual report of the Company for the year ended 31 March 2025, containing information required by the Listing Rules, will be published on the above websites in due course and despatched to shareholders upon request.

## **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 Bui and Mr. TSE Siu Wan as executive directors, Mr. CHAN Yuk Sang, Peter, Mr. Tsunao KIJIMA and Mr. CHEUNG Wing Choi 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, 27 June 2025