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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)

MAJOR TRANSACTION IN RELATION TO LEASING OF PREMISES

THE OFFER LETTER

The Board wishes to announce that on 20 November 2026, the Lessee (an indirect wholly-owned subsidiary of the Company) accepted the Offer Letter dated 11 November 2026 issued by the Lessor, pursuant to which the Lessee accepted the offer to rent from the Lessor the Premises for a term of ten (10) years commencing from the Commencement Date (being 15 February 2027 or such other date as may be specified by the Lessor), with an option to renew for a further term of five (5) years subject to the approval of the Lessor. Upon the Lessee's acceptance of the Offer Letter and payment of the requisite sum to the Lessor, the Offer Letter constitutes a legally binding contract between the Lessor and the Lessee for the leasing of the Premises on the terms and conditions set out in the Offer Letter until superseded by the Lease. Pursuant to the terms of the Offer Letter, the Lessee shall execute and return the Lease and the Admission Application within one (1) month after delivery of the relevant engrossments to the Lessee or its solicitors. As at the date of this announcement, the Lessee has signed and returned the Offer Letter to the Lessor.

LISTING RULES IMPLICATIONS

Pursuant to HKFRS 16, the Company will recognise the Lease as a right-of-use asset on its consolidated statement of financial position. Accordingly, the entering into of the Offer Letter and the Lease will be regarded as an acquisition of assets by the Group under the Listing Rules. The unaudited value of the right-of-use asset to be recognised by the Group is estimated to be approximately HK$377 million, being the present value of the aggregate lease payments payable under the term of the Lease in accordance with HKFRS 16. The actual value of the right-of-use asset to be recognised by the Group will be subject to review and final audit by the auditors of the Company.

As one or more of the applicable percentage ratios in respect of the value of the right-of-use asset to be recognised by the Group for the Lease exceeds 25% but all of them are less than 100%, the transaction contemplated under the Offer Letter and the Lease constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN APPROVAL PURSUANT TO RULE 14.44 OF THE LISTING RULES

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Offer Letter, the Lease and the transaction contemplated thereunder, and no Shareholder is required to abstain from voting on the resolution(s) for approving the same if the Company were required to convene a general meeting for the approval of the Offer Letter, the Lease and the transaction contemplated thereunder.

The Company has obtained approval of the transaction pursuant to Rule 14.44 of the Listing Rules by way of written approval of Careful Guide Limited, Special Access Limited and Capital Season Investments Limited, which together hold approximately 56.81% of the issued share capital of the Company as at the date of this announcement. Careful Guide Limited, Special Access Limited and Capital Season Investments Limited hold 70,000,000 Shares, 33,050,000 Shares and 112,878,000 Shares as at the date of this announcement, respectively. The aforesaid three companies, which are under the direct or indirect control of Mr. Tai (chairman of the Company, executive Director and spouse of Ms. Wu) and Ms. Wu (executive Director and spouse of Mr. Tai), are a closely allied group of corporate shareholders. Accordingly, such written approval from Careful Guide Limited, Special Access Limited and Capital Season Investments Limited will be accepted in lieu of holding a general meeting of the Company for the approval of the Offer Letter, the Lease and the transaction contemplated thereunder.

GENERAL

Subject to compliance with the Listing Rules, a circular (for information purposes only) of the Company containing, among other matters, further details of the terms of the Offer Letter and the Lease, and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 11 December 2026.

THE OFFER LETTER

The principal terms of the Offer Letter are set out below:

Date:	11 November 2026 (issued by the Lessor), accepted by the Lessee on 20 November 2026
Parties:	Four Seas Mercantile Limited (as the Lessee) Hong Kong Science and Technology Parks Corporation (as the Lessor)
Premises:	Subsection 3 of Section S of Tseung Kwan O Town Lot No. 39 and The Extensions Thereto Together with the building thereon, No. 8 Chun Cheong Street, Tseung Kwan O InnoPark, Tseung Kwan O, Sai Kung, New Territories, Hong Kong. The Premises comprise the lot and the whole of the building erected thereon, with an approximate site area of 12,277 sq. m. and an approximate gross floor area of 30,692 sq. m.
Lease Term:	Ten (10) years commencing from and inclusive of the Commencement Date with an option to renew for a term of five (5) years.
Usage	Production and office for: (i) Centralised food processing complex for the Group; and (ii) Distribution centre for the Group's produced food products and food products imported from overseas.
Rent:	The rent payable under the Offer Letter and the Lease was determined following a tender process conducted by the Lessor for the en-bloc leasing of the Premises. The rent of HK$3,140,800 per calendar month for the first three (3) years of the term (exclusive of management and service charges, Government rent, rates and other outgoings) represents the bidding rent submitted by the Lessee under the tender, which was accepted by the Lessor. In determining the bidding rent, the Lessee took into consideration, among other things, (i) the reserve price set by the Lessor under the tender; (ii) the location, site area of the Premises and its suitability as an en-bloc industrial facility for the Group's food processing and distribution operations; and (iii) the Group's operational requirements and expected business development.

The rent for the remainder of the term shall be reviewed on the first day of each of the fourth (4th), seventh (7th) and tenth (10th) years of the term of the Lease to the prevailing market rents of the Premises, to be mutually agreed between the parties or, failing agreement, determined by an independent valuer, provided that such rent shall not in any event be lower than the rent payable immediately before the relevant review date.

The rent for the Premises shall be payable monthly in advance on the first day of each calendar month. The rent is exclusive of management and service charges (currently HK$42,970 per annum, subject to increase by the Lessor from time to time), government rent, rates and other outgoings, all of which shall be borne by the Lessee.

The rent under the Offer Letter and the Lease are expected to be funded by the internal resources of the Group.

Deposit: A deposit of HK$9,920,343, equivalent to three (3) months' rent, management and service charges and Government rent and rates, payable upon execution of the Lease, which may be provided by way of a bank guarantee in lieu of cash.

Lease: The parties shall enter into the formal Lease substantially in the form of the draft lease annexed to the Offer Letter (subject to such amendments as the Lessor may make). The Lessee shall execute and return the Lease and the Admission Application within one (1) month after delivery of the relevant engrossments to the Lessee or its solicitors.

If the Lessee fails to execute and return the Lease and make the requisite payments (including the deposit) within the prescribed time, or fails to comply with the terms of the Offer Letter, the Lessor shall have the option to (a) terminate the Offer Letter and forfeit the Advance Payment as liquidated damages, without prejudice to its right to claim for further losses and damages; or (b) continue to treat the Offer Letter as valid and subsisting and deem the Lease to have been executed by the Lessee.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE OFFER LETTER

The Group is principally engaged in food businesses covering manufacturing, trading, distribution, retailing and related operations in Hong Kong, Japan and the PRC. It operates several food manufacturing plants in Hong Kong.

The Lease will be entered into by the Lessee in its ordinary and usual course of business. The Premises will provide the Group with suitable manufacturing and distribution space in a purpose-designed advanced industrial estate environment. The Premises will serve as a centralised food processing complex and distribution centre for the Group's produced and imported food products.

By consolidating certain production, processing and storage functions at a single modern facility, the lease is expected to generate operational efficiencies and synergy effects across the Group's existing manufacturing plants in Hong Kong. It will support core production, processing, storage and related activities through purpose-built space tailored to food manufacturing and logistics needs, while improving space utilisation, workflow integration and overall efficiency. The location within a dedicated industrial estate also aligns with the Group's focus on food safety, quality control and regulatory compliance.

Following commencement of operations at the Premises, the Group intends to relocate the operations of its existing production and storage facilities in Tuen Mun and Kwai Chung to the Premises. In addition, the arrangement will facilitate the Group's long-term business development by enhancing capacity and strengthening its Hong Kong manufacturing and distribution base.

The Directors consider that the terms and conditions of the Offer Letter and the Lease are on normal commercial terms, fair and reasonable, and that the entering into of each of the Offer Letter and the Lease is in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Company is a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange. The Group is principally engaged in food businesses covering manufacturing, trading, distribution, retailing and related operations in Hong Kong, Japan and the PRC. It operates several food manufacturing plants in Hong Kong.

The Lessee is a company incorporated in Hong Kong with limited liability and is principally engaged in food businesses. It is an indirect wholly-owned subsidiary of the Company.

The Lessor is a statutory body corporate formed under the Hong Kong Science and Technology Parks Corporation Ordinance (Chapter 565 of the Laws of Hong Kong), which is principally engaged in (i) facilitating the research and development and application of technologies in manufacturing and service industries in Hong Kong; (ii) supporting the development, transferring and use of new or advanced technologies in Hong Kong; (iii) establishing or developing any premises where activities related to these purposes; and (iv) carrying out, managing and controlling the land and other facilities comprised in such premises.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Lessor and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

Pursuant to HKFRS 16, the Company will recognise the Lease as a right-of-use asset on its consolidated statement of financial position. Accordingly, the entering into of the Offer Letter and the Lease will be regarded as an acquisition of assets by the Group under the Listing Rules. The unaudited value of the right-of-use asset to be recognised by the Group is estimated to be approximately HK$377 million, being the present value of the aggregate lease payments payable under the term of the Lease in accordance with HKFRS 16. The actual value of the right-of-use asset to be recognised by the Group will be subject to review and final audit by the auditors of the Company.

As one or more of the applicable percentage ratios in respect of the value of the right-of-use asset to be recognised by the Group for the Lease exceeds 25% but all of them are less than 100%, the transaction contemplated under the Offer Letter and the Lease constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN APPROVAL PURSUANT TO RULE 14.44 OF THE LISTING RULES

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Offer Letter, the Lease and the transaction contemplated thereunder, and no Shareholder is required to abstain from voting on the resolution(s) for approving the same if the Company were required to convene a general meeting for the approval of the Offer Letter, the Lease and the transaction contemplated thereunder.

The Company has obtained approval of the transaction pursuant to Rule 14.44 of the Listing Rules by way of written approval of Careful Guide Limited, Special Access Limited and Capital Season Investments Limited, which together hold approximately 56.81% of the issued share capital of the Company as at the date of this announcement. Careful Guide Limited, Special Access Limited and Capital Season Investments Limited hold 70,000,000 Shares, 33,050,000 Shares and 112,878,000 Shares as at the date of this announcement, respectively. The aforesaid three companies, which are under the direct or indirect control of Mr. Tai (chairman of the Company, executive Director and spouse of Ms. Wu) and Ms. Wu (executive Director and spouse of Mr. Tai), are a closely allied group of corporate shareholders. Accordingly, such written approval from Careful Guide Limited, Special Access Limited and Capital Season Investments Limited will be accepted in lieu of holding a general meeting of the Company for the approval of the Offer Letter, the Lease and the transaction contemplated thereunder.

GENERAL

Subject to compliance with the Listing Rules, a circular (for information purposes only) of the Company containing, among other matters, further details of the terms of the Offer Letter and the Lease, and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 11 December 2026.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

"Admission Application"	the admission application to be signed by the Lessee, the form of which is attached to the Offer Letter
"Advance Payment"	one (1) month's rent, management and service charges and one (1) quarter's Government rent and rates, comprising the application deposit of HK$300,000 paid by the Lessee prior to the date of the Offer Letter and the sum of HK$3,331,581 paid by the Lessee upon acceptance of the Offer Letter
"Board"	the board of the Directors
"Commencement Date"	15 February 2027, or such other date as may be specified by the Lessor in accordance with the Offer Letter or the Lease
"Company"	Four Seas Mercantile Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock code 0374)

"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKFRS 16"	Hong Kong Financial Reporting Standard 16 "Leases" issued by the Hong Kong Institute of Certified Public Accountants
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Lease"	the formal lease to be entered into between the Lessor and the Lessee in respect of the Premises, substantially in the form of the draft lease annexed to the Offer Letter
"Lessee"	Four Seas Mercantile Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"Lessor"	Hong Kong Science and Technology Parks Corporation, being a statutory body corporate formed under the Hong Kong Science and Technology Parks Corporation Ordinance (Chapter 565 of the Laws of Hong Kong)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Tai"	Mr. Tai Tak Fung, Stephen, an executive Director and Chairman of the Company
"Ms. Wu"	Ms. Wu Mei Yung, Quinly, the spouse of Mr. Tai, an executive Director and Vice Chairman of the Company
"Offer Letter"	the offer to lease dated 11 November 2026 issued by the Lessor to the Lessee and accepted by the Lessee on 20 November 2026, setting out the principal terms of the lease of the Premises

"Premises"	Subsection 3 of Section S of Tseung Kwan O Town Lot No. 39 and The Extensions Thereto Together with the building thereon, No. 8 Chun Cheong Street, Tseung Kwan O InnoPark, Tseung Kwan O, Sai Kung, New Territories, Hong Kong
"PRC"	the People's Republic of China
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the issued Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

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

Hong Kong, 20 November 2026

As at the date of this announcement, the executive directors of the Company are Mr. TAI Tak Fung, Stephen, Ms. WU Mei Yung, Quinly, Mr. TAI Chun Kit, Mr. WU Wing Biu and Mr. TSE Siu Wan and the independent non-executive directors of the Company are Mr. CHAN Yuk Sang, Peter, Mr. Tsunao KIJIMA and Mr. CHEUNG Wing Choi.