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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 INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025**

**INTERIM RESULTS**

The board of directors (the “Board”) of Four Seas Mercantile Holdings Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2025, as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2025</b>	<b>2024</b>
		<b>Unaudited</b>	<b>Unaudited</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
	<i>Notes</i>		
<b>REVENUE</b>	3	<b>1,770,284</b>	1,716,129
Cost of sales		<u>(1,354,192)</u>	<u>(1,302,630)</u>
Gross profit		<b>416,092</b>	413,499
Other income and gains, net	3	<b>8,692</b>	14,970
Selling and distribution expenses		<b>(209,622)</b>	(202,233)
Administrative expenses		<b>(161,358)</b>	(166,915)
Other operating expenses		<b>(7,919)</b>	(6,523)
Finance costs	4	<b>(24,474)</b>	(26,344)
Share of profits and losses of joint ventures		<b>(83)</b>	(505)
Share of profits and losses of associates		<u><b>3,593</b></u>	<u>3,732</u>
<b>PROFIT BEFORE TAX</b>	2 & 5	<b>24,921</b>	29,681
Income tax expense	6	<u><b>(13,733)</b></u>	<u>(11,407)</u>
<b>PROFIT FOR THE PERIOD</b>		<u><b>11,188</b></u>	<u>18,274</u>
Attributable to:			
Equity holders of the Company		<b>13,080</b>	20,462
Non-controlling interests		<u><b>(1,892)</b></u>	<u>(2,188)</u>
		<u><b>11,188</b></u>	<u>18,274</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>			
– Basic and diluted	8	<u><b>HK3.4 cents</b></u>	<u>HK5.3 cents</u>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended	
	30 September	
	2025	2024
	Unaudited	Unaudited
	HK\$'000	HK\$'000
<b>PROFIT FOR THE PERIOD</b>	<b>11,188</b>	18,274
<b>OTHER COMPREHENSIVE INCOME</b>		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences:		
Exchange differences on translation of foreign operations	8,153	12,019
Share of other comprehensive income of associates	913	8
<i>Net other comprehensive income that may be reclassified to profit or loss in subsequent periods</i>	<b>9,066</b>	12,027
<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	3,687	560
– Income tax effect	(1,263)	(192)
<i>Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods</i>	<b>2,424</b>	368
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>11,490</b>	12,395
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>22,678</b>	30,669
Attributable to:		
Equity holders of the Company	24,457	32,488
Non-controlling interests	(1,779)	(1,819)
	<b>22,678</b>	30,669

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 September 2025 Unaudited HK\$'000	31 March 2025 Audited HK\$'000
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		866,112	896,547
Investment properties		34,340	33,957
Goodwill		102,916	101,871
Other intangible assets		37,806	39,249
Investments in joint ventures		20,098	12,362
Investments in associates		191,751	186,995
Financial assets at fair value through profit or loss		16,771	16,964
Financial assets at fair value through other comprehensive income		28,973	24,877
Prepayments, deposits and other receivables		30,136	28,132
Tax recoverable		21,019	20,743
Deferred tax assets		10,590	10,810
		<b>1,360,512</b>	<b>1,372,507</b>
<b>CURRENT ASSETS</b>			
Inventories		329,227	330,127
Trade receivables	9	620,098	592,404
Prepayments, deposits and other receivables		199,758	159,568
Tax recoverable		2,226	2,571
Financial assets at fair value through profit or loss		89,597	83,611
Cash and cash equivalents		524,044	631,977
		<b>1,764,950</b>	<b>1,800,258</b>
<b>CURRENT LIABILITIES</b>			
Trade payables, other payables and accruals	10	456,018	461,790
Interest-bearing bank borrowings		1,051,640	979,841
Lease liabilities		104,331	111,943
Tax payable		9,807	5,325
		<b>1,621,796</b>	<b>1,558,899</b>
<b>NET CURRENT ASSETS</b>		<b>143,154</b>	<b>241,359</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,503,666</b>	<b>1,613,866</b>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(continued)**

	<b>30 September</b> <b>2025</b> <b>Unaudited</b> <b>HK\$'000</b>	31 March 2025 Audited HK\$'000
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing bank borrowings	<b>181,194</b>	271,231
Lease liabilities	<b>87,129</b>	104,938
Other payables and accruals	<b>2,268</b>	2,182
Defined benefit obligations	<b>5,976</b>	5,881
Deferred tax liabilities	<b>9,882</b>	9,763
	<hr/>	<hr/>
Total non-current liabilities	<b>286,449</b>	393,995
	<hr/>	<hr/>
Net assets	<b>1,217,217</b>	1,219,871
	<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the Company</b>		
Issued capital	<b>38,010</b>	38,012
Reserves	<b>1,158,704</b>	1,159,117
	<hr/>	<hr/>
	<b>1,196,714</b>	1,197,129
<b>Non-controlling interests</b>	<b>20,503</b>	22,742
	<hr/>	<hr/>
Total equity	<b>1,217,217</b>	1,219,871
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## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements are prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited and the Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The accounting policies adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2025, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to HKAS 21

*Lack of Exchangeability*

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

## 2. 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 Chinese Mainland 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.

## 2. OPERATING SEGMENT INFORMATION (continued)

### Six months ended 30 September 2025

	Hong Kong Unaudited HK\$'000	Chinese Mainland Unaudited HK\$'000	Japan Unaudited HK\$'000	Total Unaudited HK\$'000
<b>Segment revenue:</b>				
Sales to external customers*	855,306	295,484	619,494	1,770,284
Intersegment sales	<u>25,905</u>	<u>87,653</u>	<u>17,257</u>	<u>130,815</u>
	881,211	383,137	636,751	1,901,099
<i>Reconciliation:</i>				
Elimination of intersegment sales				<u>(130,815)</u>
Revenue				<u><u>1,770,284</u></u>
<b>Segment results</b>	<b>48,658</b>	<b>(2,939)</b>	<b>1,642</b>	<b>47,361</b>
<i>Reconciliation:</i>				
Interest income				1,481
Dividend income and unallocated gains, net				3,341
Finance costs (other than interest on lease liabilities)				(19,146)
Share of profits and losses of joint ventures				(83)
Share of profits and losses of associates				3,593
Corporate and other unallocated expenses				<u>(11,626)</u>
<b>Profit before tax</b>				<u><u>24,921</u></u>
<b>Other segment information:</b>				
Write-down of slow-moving inventories	5	1,354	–	1,359
Impairment of trade receivables	75	–	57	132
Loss on disposal/write-off of items of property, plant and equipment	1,129	91	32	1,252
Depreciation and amortisation, except right-of-use assets	12,537	8,524	4,243	25,304
Depreciation of right-of-use assets	<u>53,451</u>	<u>8,495</u>	<u>3,558</u>	<u>65,504</u>

## 2. OPERATING SEGMENT INFORMATION (continued)

### Six months ended 30 September 2024

	<b>Hong Kong Unaudited HK\$'000</b>	<b>Chinese Mainland Unaudited HK\$'000</b>	<b>Japan Unaudited HK\$'000</b>	<b>Total Unaudited HK\$'000</b>
<b>Segment revenue:</b>				
Sales to external customers*	838,566	294,368	583,195	1,716,129
Intersegment sales	20,615	101,466	16,350	138,431
	<u>859,181</u>	<u>395,834</u>	<u>599,545</u>	<u>1,854,560</u>
<i>Reconciliation:</i>				
Elimination of intersegment sales				<u>(138,431)</u>
Revenue				<u><u>1,716,129</u></u>
<b>Segment results</b>	45,506	1,483	3,304	50,293
<i>Reconciliation:</i>				
Interest income				3,318
Dividend income and unallocated gains, net				7,354
Finance costs (other than interest on lease liabilities)				(20,919)
Share of profits and losses of joint ventures				(505)
Share of profits and losses of associates				3,732
Corporate and other unallocated expenses				<u>(13,592)</u>
<b>Profit before tax</b>				<u><u>29,681</u></u>
<b>Other segment information:</b>				
Write-down of slow-moving inventories	3	878	–	881
Impairment of trade receivables	72	–	6	78
Loss on disposal/write-off of items of property, plant and equipment	121	128	270	519
Depreciation and amortisation, except right-of-use assets	10,446	20,533	5,259	36,238
Depreciation of right-of-use assets	<u>52,648</u>	<u>8,086</u>	<u>3,768</u>	<u>64,502</u>

\* 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\$39,205,000 (2024: HK\$28,072,000) arising from Chinese Mainland.

**2. OPERATING SEGMENT INFORMATION (continued)****As at 30 September 2025**

	<b>Hong Kong</b>	<b>Chinese</b>	<b>Japan</b>	<b>Total</b>
	<b>Unaudited</b>	<b>Mainland</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>HK\$'000</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Segment assets</b>	<b>1,431,703</b>	<b>717,784</b>	<b>450,647</b>	<b>2,600,134</b>
<i>Reconciliation:</i>				
Elimination of intersegment receivables				<b>(379,741)</b>
Investment in joint ventures				<b>20,098</b>
Investments in associates				<b>191,751</b>
Corporate and other unallocated assets				<b>693,220</b>
Total assets				<b>3,125,462</b>
<b>Segment liabilities</b>	<b>477,626</b>	<b>279,908</b>	<b>277,929</b>	<b>1,035,463</b>
<i>Reconciliation:</i>				
Elimination of intersegment payables				<b>(379,741)</b>
Corporate and other unallocated liabilities				<b>1,252,523</b>
Total liabilities				<b>1,908,245</b>

## 2. OPERATING SEGMENT INFORMATION (continued)

As at 31 March 2025

	<b>Hong Kong Audited HK\$'000</b>	<b>Chinese Mainland Audited HK\$'000</b>	<b>Japan Audited HK\$'000</b>	<b>Total Audited HK\$'000</b>
<b>Segment assets</b>	1,399,619	667,855	479,423	2,546,897
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(365,042)
Investment 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>	480,528	276,168	295,080	1,051,776
<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>

### 3. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2025</b>	<b>2024</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue from contracts with customers</b>		
(i) Disaggregated revenue information		
<i>Primary geographical markets:</i>		
Hong Kong	<b>855,306</b>	838,566
Chinese Mainland	<b>295,484</b>	294,368
Japan*	<b>619,494</b>	583,195
	<b>1,770,284</b>	1,716,129
<i>Timing of revenue recognition:</i>		
At a point in time	<b>1,770,284</b>	1,716,129

\* Including revenue from contracts with customers of HK\$39,205,000 (2024: HK\$28,072,000) arising from Chinese Mainland.

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:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2025</b>	<b>2024</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Sale of goods	<b>2,583</b>	2,118

### 3. REVENUE, OTHER INCOME AND GAINS, NET (continued)

An analysis of revenue is as follows: (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) as at 30 September 2025 and 31 March 2025 are as follows:

	<b>30 September 2025 Unaudited HK\$'000</b>	31 March 2025 Audited HK\$'000
Amounts expected to be recognised as revenue:		
Within one year	<u><u>2,979</u></u>	<u><u>2,583</u></u>

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

### 3. REVENUE, OTHER INCOME AND GAINS, NET (continued)

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

	Six months ended 30 September	
	2025	2024
	Unaudited	Unaudited
	HK\$'000	HK\$'000
<b>Other income</b>		
Bank interest income	1,481	3,318
Dividend income	1,199	627
Rental income from investment properties operating leases:		
Other lease payments, including fixed payments	1,484	1,554
Others	2,386	2,744
	<hr/>	<hr/>
Total other income	6,550	8,243
	<hr/>	<hr/>
<b>Gains, net</b>		
Net fair value gains on financial assets at fair value through profit or loss	2,142	6,727
	<hr/>	<hr/>
Total other income and gains, net	8,692	14,970
	<hr/> <hr/>	<hr/> <hr/>

### 4. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 September	
	2025	2024
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Interest on bank and trust receipt loans	19,146	20,919
Interest on lease liabilities	5,328	5,425
	<hr/>	<hr/>
	24,474	26,344
	<hr/> <hr/>	<hr/> <hr/>

## 5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Six months ended 30 September	
	2025	2024
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Cost of inventories sold	1,352,833	1,301,749
Depreciation of items of property, plant and equipment (excluding right-of-use assets)	23,298	34,314
Depreciation of right-of-use assets	65,504	64,502
Amortisation of other intangible assets	2,006	1,924
Loss on disposal/write-off of items of property, plant and equipment*	1,252	519
Impairment of trade receivables*	132	78
	<u>1,352,833</u>	<u>1,301,749</u>

\* These items are included in "Other operating expenses" in the unaudited condensed consolidated statement of profit or loss.

## 6. 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 period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	Six months ended 30 September	
	2025	2024
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Current – Hong Kong		
Charge for the period	8,831	10,147
Current – Elsewhere		
Charge for the period	5,966	3,444
Deferred	(1,064)	(2,184)
	<u>13,733</u>	<u>11,407</u>

The share of tax attributable to joint ventures and associates amounting to Nil (2024: Nil) and HK\$533,000 (2024: HK\$557,000) respectively are included in "Share of profits and losses of joint ventures" and "Share of profits and losses of associates" in the unaudited condensed consolidated statement of profit or loss.

## 7. DIVIDEND

	Six months ended 30 September	
	2025	2024
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Interim – HK3.0 cents (2024: HK3.0 cents) per ordinary share	<b>11,401</b>	11,526

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding during the period.

The calculations of basic and diluted earnings per share are based on:

	Six months ended 30 September	
	2025	2024
	Unaudited	Unaudited
	HK\$'000	HK\$'000
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculation	<b>13,080</b>	20,462
	<b>Number of shares</b>	
	2025	2024
	Unaudited	Unaudited
<b>Shares</b>		
Weighted average number of ordinary shares outstanding during the period used in the basic and diluted earnings per share calculation	<b>380,089,925</b>	384,221,060

The Group had no potentially dilutive ordinary shares outstanding during the six months ended 30 September 2025 and 2024.

## 9. 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 trade receivables as at 30 September 2025 and 31 March 2025, based on the invoice date and net of provisions, is as follows:

	<b>30 September 2025 Unaudited HK\$'000</b>	31 March 2025 Audited HK\$'000
Within 1 month	<b>329,790</b>	326,173
1 to 2 months	<b>122,722</b>	110,462
2 to 3 months	<b>70,989</b>	68,909
Over 3 months	<b>96,597</b>	86,860
	<b>620,098</b>	592,404

Included in the trade receivables are amounts due from subsidiaries of Hong Kong Food Investment Holdings Limited, a substantial shareholder of the Company, of HK\$305,000 (31 March 2025: HK\$216,000), which is repayable on credit terms similar to those offered to the major customers of the Group.

## 10. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

Included in trade payables, other payables and accruals is trade payables balance of HK\$261,687,000 (31 March 2025: HK\$258,832,000). An ageing analysis of the trade payables as at 30 September 2025 and 31 March 2025 based on the invoice date, is as follows:

	<b>30 September 2025 Unaudited HK\$'000</b>	31 March 2025 Audited HK\$'000
Within 1 month	<b>201,929</b>	193,224
1 to 2 months	<b>47,988</b>	51,425
2 to 3 months	<b>8,118</b>	12,054
Over 3 months	<b>3,652</b>	2,129
	<b>261,687</b>	258,832

Included in the trade payables are amounts due to the Group's associates of HK\$43,991,000 (31 March 2025: HK\$34,233,000), and subsidiaries of Hong Kong Food Investment Holdings Limited, a substantial shareholder of the Company, of HK\$1,558,000 (31 March 2025: HK\$855,000), which are normally settled on 30-day to 60-day terms.

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

## **INTERIM DIVIDEND**

The Board has resolved to declare an interim dividend of HK3.0 cents (2024: HK3.0 cents) in cash per ordinary share for the six months ended 30 September 2025, payable to shareholders whose names appear in the register of members of the Company at the close of business on Friday, 19 December 2025. The record date will be on Friday, 19 December 2025 and the said dividend will be paid on Friday, 16 January 2026.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Wednesday, 17 December 2025 to Friday, 19 December 2025, both dates inclusive, during such period no transfer of shares will be registered. In order to qualify for the interim dividend for the six months ended 30 September 2025, all share 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 Tuesday, 16 December 2025.

## **BUSINESS REVIEW AND PROSPECTS**

### **RESULTS**

For the six months ended 30 September 2025, the Group's consolidated revenue was HK\$1,770,284,000 (2024: HK\$1,716,129,000). The profit for the period attributable to equity holders of the Company stood at HK\$13,080,000 (2024: HK\$20,462,000). Sales derived from the Hong Kong segment amounted to HK\$855,306,000 (2024: HK\$838,566,000), accounting for 48% of the Group's total sales. Sales in the Chinese Mainland amounted to HK\$295,484,000 (2024: HK\$294,368,000), accounting for 17% of the Group's total sales. Sales in Japan amounted to HK\$619,494,000 (2024: HK\$583,195,000), accounting for 35% of the Group's total sales. The decrease in profit was mainly attributable to a challenging business environment caused by weak consumer sentiment in Hong Kong and the Chinese Mainland, for which the Group actively introduced new products and launched marketing campaigns to mitigate the impact.

Although the profit for the six months ended 30 September 2025 represented a year-on-year decrease from the corresponding period of the previous year, it was higher than the profit attributable to shareholders for the financial year ended 31 March 2025, which amounted to HK\$10,164,000. This improvement demonstrated the effectiveness of the Group's competitive pricing strategy, underpinned by its strong brand foundation and robust procurement capabilities, in sustaining profitability.

## **BUSINESS REVIEW**

During the period under review, global economic growth gradually regained momentum under the easing of the interest rate environment. However, market performance remained volatile as trade wars persisted amid ongoing geopolitical tensions. The Group remained proactive in the face of uncertainties and changes, by actively introducing new products, expanding into new markets, acquiring new customers, and launching new marketing campaigns. At the same time, the Group sought to attract consumers and address their evolving preferences by optimising sales activities and leveraging the product promotion capabilities of the brand-new flagship concept store, the “Seas of Flavour”. Additionally, the Group enhanced its operational efficiency by carefully managing costs without compromising quality, ensuring stable business performance and laying a solid foundation for future growth. In Japan, the Group’s wholly owned subsidiary, Miyata Co., Ltd. (“Miyata”), continued to make a positive contribution to its ongoing development. The Group further achieved synergies with both the Chinese Mainland and Japanese operations, capitalising on new business opportunities. By leveraging the strong Four Seas brand and its extensive food supply network, Miyata successfully introduced a diverse range of snack products from the Chinese Mainland and Hong Kong to the Japanese market. This strategic move complemented Miyata’s existing local and international food offerings, allowing it to stay ahead of competitors and maintain its market leadership.

### **Distribution Business**

Food distribution has always been the core business of the Group. The Group has established close ties with renowned food manufacturers worldwide, including those from Japan, South Korea, Thailand, Indonesia, Malaysia, Singapore, France, Germany, the Netherlands, the United States, and the Chinese Mainland, sourcing high-quality food items to offer a rich and diverse selection that ranges from milk powder, cookies, cakes, candies, chocolates, chips, snacks, and instant noodles to both alcoholic and non-alcoholic beverages, soy sauce, ham, and sausages. With the full launch of the flagship store “Seas of Flavour” in Causeway Bay, covering over 20,000 square feet, the Group has maximised the promotional potential of its products. For instance, the Group successfully introduced the new Pokka Sapporo drinks for reducing swelling and fatigue, opening a new market for functional health products. Given the popularity of Japanese specialty ice cream products among food enthusiasts, the Group has continued to introduce the new OHAYO Brulee Ice Cream. This flavour is available at various locations, offering consumers a chance to savour this exciting new taste. In addition, the “Fortune comes with the opening of Four Seas Good Luck Biscuit” – Four Seas Good Luck Biscuit – has also become a favourite among consumers, bringing them not only tasty snacks but also a messenger of blessing. Our flagship product, Calbee Potato Crisps, has also introduced a new flavour. The Calbee Hot & Spicy Flavoured Shrimp Crisps has been met with continued support from food lovers since their launch.

The Group will continue to actively seek new suppliers and widen product sources, seizing opportunities in quality food distribution businesses. These include products such as Japanese eggs, unique Japanese beverages, Japanese-style cakes, Japanese dairy products, and high-quality Japanese rice. The Group aims to meet the changing tastes and preferences of consumers through its well-established and extensive distribution network, along with its own retail channels, including “Okashi Land”, a Japanese snack specialty store; “YOKU MOKU”, a cookie specialty store; and the “Japan Ice-cream House”.

### **Manufacturing Business**

The Group has always prioritised food safety, strictly ensuring product quality through enhanced scientific management and food safety controls. Committed to upholding the principle of “Eating Safely, Eating Happily”, the Group ensures that its products meet international standards. The Group has received multiple authoritative international certifications, including “HACCP”, “ISO 9001”, “ISO 22000”, and “GMP” systems. Moreover, the Group has held the “Hong Kong Q-Mark Scheme for over 30 years”, and the “HKQAA Hong Kong Registration – Oil”, awarded by the Hong Kong Quality Assurance Agency, highlighting its stringent food safety standards.

The Group’s food processing factories are located across both Hong Kong and the Chinese Mainland. It implements a one-stop production and sales strategy to flexibly respond to diverse market conditions, solidifying the Group’s leadership position in the industry. For instance, the Group’s Calbee Four Seas Co., Ltd. has two major food production bases in Tseung Kwan O Industrial Estate in Hong Kong and Shantou City in the Chinese Mainland. It specialises in the research and production of snacks such as chips, prawn crackers, and corn sticks, which are popular not only in the Hong Kong market but also among consumers in the Chinese Mainland market.

### **Retail and Catering Businesses**

The retail and catering businesses represent a significant part of the Group’s diversified development. The Group continuously pursues innovation, stays in tune with the times and leads food trends. Its catering operations in both Hong Kong and the Chinese Mainland are renowned for their high quality. During the period under review, the Group continued to receive strong support and appreciation from diners. Notable establishments include “Shiki • Etsu” Japanese cuisine, “Kung Tak Lam” Shanghai vegetarian cuisine, as well as the “Panxi Restaurant” set in a picturesque garden in Guangzhou, and the “Sushi Oh” conveyor belt sushi restaurants in Guangzhou.

In the retail market, in addition to the “Seas of Flavour” located in Causeway Bay serving as a flagship store that offers a new experience on the brands carried by the Group and product promotion, the Group’s carefully crafted “Okashi Land”, Japanese snack specialty stores, “Japan Ice-cream House”, featuring unique ice cream and snacks, and “YOKU MOKU” cookie stores, have successfully developed a loyal customer base in Hong Kong, becoming foodie paradises. The Group’s “Miyata Store” operates as a flagship outlet for authentic Japanese imported foods, which are highly sought after by local consumers. Since its opening, the Group has introduced the most authentic Japanese delicacies, offering everything from premium Wagyu beef and rich plum wine to Japanese candies and snacks, each product meticulously selected for its quality. The Group will actively seek opportunities to promote and showcase high-quality food products, both those it represents and those it produces, allowing consumers in different regions to enjoy a diverse range of delights from around the world.

## **BRAND DEVELOPMENT**

The Four Seas Group has a long history, having been established in 1971 and celebrating over half a century of remarkable achievements. In 1993, the Group successfully listed on the Stock Exchange of Hong Kong, marking a new phase in its development. Initially focused on the distribution and wholesale business, the Group gradually expanded into the retail sector and then ventured into food manufacturing and the catering industry. Today, the Four Seas Group is a well-known and respected food enterprise with a business footprint that spans Japan, South Korea, and Southeast Asia, and extending to developed economies, such as the United States, the United Kingdom, France, and Canada, reaching customers globally.

As one of the largest food enterprises in Hong Kong, the Group adheres to the philosophy of keeping pace with the times and being innovative. It maintains stringent standards for food hygiene, safety, and quality. To achieve this, the Group has established a comprehensive set of monitoring standards to ensure that every product meets the stipulated safety, quality, and taste requirements, earning the trust and affection of consumers.

Following the acquisition of Miyata, the Group successfully established a comprehensive food sales platform encompassing the Chinese Mainland, Hong Kong, and Japan. This initiative not only opened new avenues for growth and enhanced sales capabilities but also expanded the customer base. By integrating the strengths and expertise of Miyata with those of the Group’s other businesses, strong synergy in cross-brand sales was achieved, creating multiple wins.

The Group has consistently embraced the role of a “snack diplomat”, actively exploring markets in the Chinese Mainland and abroad while promoting the “interconnectivity” of culinary cultures. By introducing local delicacies from various regions, the Group is gradually realising its ultimate goal of facilitating cross-border snack consumption, enabling consumers worldwide to easily enjoy delicious dishes from around the globe. This approach not only underscores the Group’s international vision and ambitious outlook but also fosters the exchange and integration of global culinary cultures.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Group adheres to the principle of “Taking from Society, Giving Back to Society”, firmly embracing its corporate social responsibility and committed to promoting social development. It actively engages in community service, volunteer work, and youth development programs. Pursuing sustainable development across its operations, the Group tirelessly supports various organisations and fulfills its social responsibility commitments under the motto of “Four Seas with Love”.

Over the years, the Group’s various businesses have received strong recognition within the industry. During the period under review, Calbee Four Seas Co., Ltd. was honoured by the Mandatory Provident Fund Schemes Authority as a “Best All-round MPF Employer”. On the market front, due to the outstanding performance of the Group’s sales of HARIBO products in the Chinese Mainland market, the Group received “Excellence Award 2025 (Market Turnaround)” from HARIBO; additionally, the performance of the “Four Seas” brand products at Wellcome Supermarket has been exceptionally well, and to acknowledge this remarkable achievement, Wellcome Supermarket awarded the Group the “Golden Brand of the Year”; and “Calbee” was presented with the 7-Eleven “2024 Outstanding Sales Performance Award (Potato Chips & Biscuits Category)”. These honours fully demonstrate the strong resilience and market leadership of the Group’s brands in the face of adversity.

## **PROSPECTS AND GROWTH**

The Group has a strong financial strength and a solid foundation, developing steadily towards its vision of being “Rooted in Hong Kong, Expanding to the Chinese Mainland, and Reaching Out to the World”. In the face of an uncertain global political and economic landscape, the Group has proactively prepared and responded to challenges. By leveraging the synergistic advantages of flexible strategies, a rich product portfolio, a diversified customer base, extensive markets, and cross-border operations, the Group remains confident in its future prospects. Hong Kong serves as the anchor for the Group, the Chinese Mainland as the base for products, and Japan as the hub for brands. With a focus on these three key markets, the Group will continuously explore and innovate, bringing new flavours, styles, and experiences to consumers worldwide, thereby injecting fresh momentum into future growth and maintaining its leadership position in the food industry.

## **Business in Hong Kong**

The Group responds to market changes and challenges by leveraging its competitive advantages, which include a rich and diverse product portfolio, extensive distribution channels, and a broad sourcing network. It focuses resources on developing high-margin snack products and seizing business opportunities to achieve optimal revenue efficiency. Furthermore, the Group will capitalise on the promotional power of its star products, using popular items to drive customer traffic, cross-promote other products, and enhance overall store revenue. Additionally, the Group aims to fully unlock the potential of the “Seas of Flavour” in Causeway Bay, showcasing the appeal of this integrated platform that combines exhibition, marketing, and delicacies. It will invite Japanese snack brands seeking to enter Hong Kong and the Chinese Mainland markets to establish a presence, assisting in product promotion, gauging market response, and providing consumers both in the Chinese Mainland and abroad with novel gastronomic experiences.

## **Business in the Chinese Mainland**

The Chinese Mainland economy has maintained overall stability and made steady progress amid global economic turbulence, supported by unique advantages. Notably, the Guangdong-Hong Kong-Macao Greater Bay Area now has a total population exceeding 87 million and a thriving economy, with regional GDP surpassing RMB14 trillion. Its food culture and tastes are similar to those of Hong Kong, presenting significant development potential. The Group will continue to seize every business opportunity in the Chinese Mainland. In addition to persistently driving dual-track online and offline development through the platform economy to expand its sales footprint in the Chinese Mainland market, the Group is capitalising on the global trend of innovation and entrepreneurship by collaborating with Guangzhou Hua Shang College to launch an online sales programme for students. This initiative encourages students to start their own businesses via e-commerce platforms, with products supplied through the “Okashi Land” platform. Preparatory work for the program is currently underway. The Group will continuously optimise its domestic development, making strategic preparations to capture broader and promising market prospects, while persistently introducing high-quality gourmet foods from around the world into the Chinese Mainland market and taking domestic food products to overseas markets, promoting Chinese food globally, driving its international expansion.

## **Business in Japan**

During the period under review, Miyata continued to provide synergistic benefits to the Group's operations, with the Japanese market performing positively and serving as a key driver of the Group's business growth. Japan boasts a significant confectionery and snack market. Miyata's customer base includes renowned nationwide supermarket and convenience store chains such as AEON, Daiso, and MUJI, along with regional retailers and wholesalers. In addition to its domestic and international food import supply, which includes products from Korea and the Middle East, Miyata benefits from the strong support of the Four Seas Group, securing a diverse and attractively priced food supply from the Chinese Mainland and Hong Kong. This has significantly enhanced its competitive edge against local Japanese peers, resulting in good performance.

Looking ahead, the Group will continue to leverage its abundant resources and extensive distribution network to play the role of a "snack diplomat", fostering interconnection of foods among Hong Kong, the Chinese Mainland, and Japan to create greater synergies.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group generally finances its operations with internally generated cash flows and facilities granted by its principal bankers. As at 30 September 2025, the Group held cash and cash equivalents of HK\$524,044,000. As at 30 September 2025, the Group had banking facilities of HK\$2,747,169,000 of which 45% had been utilised. The Group had a net debt gearing ratio of 59% as at 30 September 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 30 September 2025 was approximately 2,500. Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the period from April to October 2025, the Company purchased 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\$
		Highest HK\$	Lowest HK\$	
August 2025	16,000	2.60	2.50	40,800
September 2025	50,000	2.55	2.50	126,000
October 2025	6,000	2.50	2.50	15,000
	<u>72,000</u>			<u>181,800</u>

As of the date of this announcement, such repurchased shares were yet to be cancelled but would be cancelled subsequently.

The repurchases of the Company’s shares in (i) August 2025 and (ii) September and October 2025 were effected by the directors, pursuant to the mandates granted by shareholders at the annual general meetings held on (i) 29 August 2024 and (ii) 29 August 2025 respectively, 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 six months ended 30 September 2025 (including sale of treasury shares (as defined under the Listing Rules)). As at 30 September 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 six months ended 30 September 2025.

\* The amendments to the CG Code effective on 1 July 2025 will apply to the corporate governance reports and annual reports of the Company for financial years commencing on or after 1 July 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 six months ended 30 September 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 six months ended 30 September 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 reviewed the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 September 2025 and discussed with the management on the accounting principles and practices adopted by the Group, risk management, internal controls and financial reporting matters.

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

This 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 interim report of the Company for the six months ended 30 September 2025, containing information required by the Listing Rules, will be published on the above websites (and will be despatched to shareholders of the Company upon request of the shareholders).

## **APPRECIATION**

The Board would like to express its sincere appreciation to the Group's shareholders, business partners and staff for giving their continuous support to the Group.

## **THE BOARD**

As at the date of this announcement, the directors of the Company are Mr. TAI Tak Fung, Stephen, Ms. WU Mei Yung, Quinly, Mr. TAI Chun Kit, Mr. WU Wing Biu and Mr. 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, 28 November 2025