
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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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)

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

A notice convening an Annual General Meeting of Four Seas Mercantile Holdings Limited to be held at Garden Room, 2nd Floor, New World Millennium Hong Kong Hotel (formerly Hotel Nikko Hongkong), 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Thursday, 28 August 2014 at 12:00 noon is set out on pages 14 to 17 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed with this circular. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.fourseasgroup.com.hk).

Whether or not you are able to attend the Annual General Meeting, you should complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof.

Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting or any adjourned meeting thereof if they so wish.

* For identification purpose only

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DEFINITIONS

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

| | |
|---------------------------|--|
| “Annual General Meeting” | an annual general meeting of the Company to be held at Garden Room, 2nd Floor, New World Millennium Hong Kong Hotel (formerly Hotel Nikko Hongkong), 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Thursday, 28 August 2014 at 12:00 noon to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 14 to 17 of this circular, or any adjournment thereof |
| “Articles of Association” | the articles of association of the Company currently in force |
| “Board” | the board of Directors |
| “Buyback Mandate” | as defined in paragraph 2(i) of the Letter from the Board |
| “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 |
| “Director(s)” | director(s) of the Company |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Issuance Mandate” | as defined in paragraph 2(ii) of the Letter from the Board |
| “Latest Practicable Date” | 22 July 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “SFO” | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the capital of the Company |
| “Shareholder(s)” | holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

DEFINITIONS

| | |
|-------------------|--|
| “Subsidiary(ies)” | company(ies) which is/are for the time being subsidiary(ies) (within the meaning of Section 15 of the Companies Ordinance (Chapter 622) of the Laws of Hong Kong) of the Company, whether incorporated in Hong Kong or elsewhere |
| “Takeovers Code” | The Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong as amended from time to time |

LETTER FROM THE BOARD



FOUR SEAS MERCANTILE HOLDINGS LIMITED

四洲集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 374)

Executive Directors:

TAI Tak Fung, Stephen (*Chairman*)
WU Mei Yung, Quinly (*Managing Director*)
MAN Wing Cheung, Ellis
YIP Wai Keung
WU Wing Biu
NAM Chi Ming, Gibson

Registered Office:

Caledonian House
69 Dr. Roy's Drive
P.O. Box 1043 KY1-1102
George Town
Grand Cayman
Cayman Islands

Independent Non-Executive Directors:

LEUNG Mei Han
CHAN Yuk Sang, Peter
Tsunao KIJIMA

*Principal Place of Business
in Hong Kong:*

Four Seas Group Building
No. 1 Hong Ting Road
Sai Kung
Hong Kong

29 July 2014

To the Shareholders

Dear Sir/Madam,

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

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the granting of the Buyback Mandate to the Directors; (ii) the granting of the Issuance Mandate to the Directors; (iii) the extension of the Issuance Mandate by adding to it the aggregate nominal amount of Shares repurchased by the Company pursuant to the Buyback Mandate; and (iv) the proposed re-election of the retiring Directors.

* For identification purpose only

LETTER FROM THE BOARD

2. PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE NEW SHARES

At the annual general meeting of the Company held on 23 August 2013, general mandates were granted to the Directors to exercise the powers to repurchase and issue Shares respectively. Such mandates will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase and issue Shares if and when appropriate, the following ordinary resolutions will be proposed at the Annual General Meeting to approve:

- (i) the granting of the Buyback Mandate to the Directors to buyback Shares on the Stock Exchange of not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of proposed ordinary resolution contained in item 8 of the notice of the Annual General Meeting as set out on pages 14 to 17 of this circular (i.e. based on the issued share capital of the Company as of the Latest Practicable Date, an aggregate nominal amount of Shares up to HK\$3,862,656.40 can be repurchased (equivalent to 38,626,564 Shares) on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting);
- (ii) the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of proposed ordinary resolution contained in item 9 of the notice of the Annual General Meeting as set out on pages 14 to 17 of this circular (i.e. based on the issued share capital of the Company as of the Latest Practicable Date, an aggregate nominal amount of Shares up to HK\$7,725,312.80 can be issued (equivalent to 77,253,128 Shares) on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting); and
- (iii) the extension of the Issuance Mandate by adding the aggregate nominal amount of Shares repurchased by the Company pursuant to the Buyback Mandate.

With reference to the Issuance Mandate, the Directors wish to state that they have no immediate plan to issue any new Shares pursuant thereto.

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

3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

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

LETTER FROM THE BOARD

In accordance with article 119 of the Company's Articles of Association, Mr. Tai Tak Fung, Stephen, Mr. Chan Yuk Sang, Peter and Mr. Tsunao Kijima, shall retire at the Annual General Meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

Mr. Yip Wai Keung will retire from the Board following the conclusion of the Annual General Meeting due to his retirement. Mr. Yip has confirmed that he has no disagreement with the Board and there is no matter in relation to his retirement that needs to be brought to the attention of the Shareholders of the Company.

Mr. Chan Yuk Sang, Peter who has been serving as Independent Non-executive Director of the Company for more than 9 years, has confirmed his independence, which has been reviewed and assessed by the nomination committee of the Company, with reference to the factors set out in Rule 3.13 of the Listing Rules. During his years of appointment, Mr. Chan has demonstrated his ability to provide an independent view to the Company's matters. The Company considers Mr. Chan is still independent in accordance with the independence guidelines as set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

Details of the above three retiring Directors are set out in Appendix II to this circular.

4. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 14 to 17 of this circular.

Pursuant to the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by show of hands. An announcement on the poll vote results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.fourseasgroup.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

LETTER FROM THE BOARD

5. RECOMMENDATION

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

Yours faithfully,
For and on behalf of the Board
TAI Tak Fung, Stephen, *GBS, SBS, JP*
Chairman

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE

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

1. REASONS FOR BUYBACK OF SHARES

The Directors believe that the proposed granting of the Buyback Mandate is in the best interests of the Company and its Shareholders.

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

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 386,265,640 Shares of HK\$0.10 each.

Subject to the passing of the ordinary resolution set out in item 8 of the notice of the Annual General Meeting in respect of the granting of the Buyback Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Directors would be authorised under the Buyback Mandate to repurchase, during the period in which the Buyback Mandate remains in force, an aggregate nominal amount of Shares up to HK\$3,862,656.40 (equivalent to 38,626,564 Shares), representing 10% of the aggregate amount of Shares in issue as at the date of the Annual General Meeting, on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association, the laws of the Cayman Islands and other applicable laws, as the case may be.

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

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2014) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Buyback Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

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

| Month | Share prices (per Share) | |
|--|-------------------------------------|------------------------|
| | Highest HK\$ | Lowest HK\$ |
| 2013 | | |
| July | 3.00 | 2.77 |
| August | 3.09 | 2.85 |
| September | 2.99 | 2.77 |
| October | 3.60 | 2.87 |
| November | 3.91 | 3.18 |
| December | 5.43 | 3.90 |
| 2014 | | |
| January | 5.84 | 5.00 |
| February | 5.64 | 5.25 |
| March | 5.75 | 5.29 |
| April | 5.50 | 4.90 |
| May | 5.08 | 4.61 |
| June | 5.00 | 4.66 |
| July (up to the Latest Practicable Date) | 5.02 | 4.62 |

6. TAKEOVERS CODE

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

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE

To the best knowledge of the Company, as at the Latest Practicable Date, Special Access Limited (“SAL”) and Careful Guide Limited (“CGL”) were interested in 74,250,000 Shares and 70,000,000 Shares representing 19.22% and 18.12% of the total issued share capital of the Company respectively, making an aggregate holding of 144,250,000 Shares representing 37.34% of the total issued share capital of the Company. SAL is wholly owned by Mr. Tai Tak Fung, Stephen and his spouse, Ms. Wu Mei Yung, Quinly, executive directors of the Company and CGL is wholly owned by Mr. Tai Tak Fung, Stephen. Besides, as at the Latest Practicable Date, Hong Kong Food Investment Holdings Limited (“HKFH”), a substantial shareholder of the Company and the shares of which are listed on the main board of the Stock Exchange, was interested in 115,228,000 Shares, representing 29.83% of the total issued share capital of the Company. HKFH is owned as to 0.07% by the Company, as to 2.59% by Mr. Tai Tak Fung, Stephen, as to 20.38% by SAL, and as to 11.91% by CGL. As Ms. Wu Mei Yung, Quinly is the spouse of Mr. Tai Tak Fung, Stephen, Ms. Wu Mei Yung, Quinly is deemed to be interested in Mr. Tai Tak Fung, Stephen’s interests in the Shares and vice versa. Mr. Tai Tak Fung, Stephen and Ms. Wu Mei Yung, Quinly are considered to have deemed interests in the 115,228,000 Shares of the Company by virtue of their interests in HKFH. Therefore, Mr. Tai Tak Fung, Stephen and Ms. Wu Mei Yung, Quinly are deemed to be interested in 259,478,000 Shares, representing 67.17% of the total issued share capital of the Company. In the event that the Directors exercise the proposed Buyback Mandate in full, the aggregate holding of Mr. Tai Tak Fung, Stephen and Ms. Wu Mei Yung, Quinly acting in concert would be increased to approximately 74.64% of the Company’s total issued share capital.

The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

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

7. GENERAL

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

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

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Buyback Mandate in accordance with the Listing Rules and the laws of the Cayman Islands.

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE

8. REPURCHASES OF SHARES MADE BY THE COMPANY

The Company has repurchased a total of 1,644,000 Shares on the Stock Exchange in the six months preceding the Latest Practicable Date, with details as follows:

| Repurchase Date | Number of Shares repurchased | Purchase price per Share | |
|------------------------|---|-------------------------------------|-------------------------------|
| | | Highest <i>HK\$</i> | Lowest <i>HK\$</i> |
| 7 July 2014 | 854,000 | 4.97 | 4.65 |
| 11 July 2014 | 366,000 | 5.00 | 4.94 |
| 16 July 2014 | 424,000 | 5.02 | 4.98 |
| | <hr/> | | |
| | 1,644,000 | | |
| | <hr/> <hr/> | | |

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

Mr. TAI Tak Fung, Stephen, GBS, SBS, JP, PhD (*honoris causa*), aged 66, has been an executive director of the Company since June 1993. Mr. Tai is the founder and chairman of the Group, in charge of corporate and policy planning. He is also the chairman of the executive committee and the nomination committee of the Company. Apart from being awarded the Gold Bauhinia Star and Silver Bauhinia Star by the Government of the Hong Kong Special Administrative Region, Mr. Tai has also been appointed as Justice of the Peace. He holds the Visiting Professor of South China Normal University and South China Agricultural University, member of the Board of Trustees of Jinan University. He is a Standing Committee Member of the National Committee of the Chinese People's Political Consultative Conference and a Standing Committee Member of the Guangdong Provincial Committee of the Chinese People's Political Consultative Conference ("CPPCC"). Mr. Tai holds several public positions, including the president of the Hong Kong Foodstuffs Association, the president of Hong Kong Japan Confectionery, Biscuit & Foodstuffs Association, the president of Friends of Hong Kong Association, the founding chairman of the Hong Kong CPPCC (Provincial) Members Association, the chairman of the Hong Kong Guangdong Chamber of Foreign Investors, and Economic Adviser of Jilin City. He received a number of awards and accolades, including the Worldwide Prominent Chiu Chow Business Leader Award 2012-2013, the World Outstanding Chinese Award, the Philanthropist Award of the Grand Charity Ceremony 2011, the 30th Food Industry Distinguished Service Award, the Award of the Ministry of Agriculture, Forestry and Fisheries of Japan for the Overseas Promotion of Japanese Food, the Outstanding Contribution Award of the China National Food Industry, the China Food Safety Annual Conference Award of Distinguished Management Entrepreneur, the Social Responsibility Contribution Award, "Honourable Citizen of Shantou City", "Honourable Citizen of Guangzhou City" and "Honourable Citizen of Jilin City" in Mainland China. He is also the chairman and an executive director of Hong Kong Food Investment Holdings Limited, a substantial shareholder of the Company and the shares of which are listed on the main board of the Stock Exchange, and a director of Careful Guide Limited and Special Access Limited, both of which are the substantial shareholders of the Company, and a director of various subsidiaries of the Company. Save as disclosed above, Mr. Tai has not held any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong and overseas.

Mr. Tai is the spouse of Ms. Wu Mei Yung, Quinly, the managing director and an executive director of the Company, and a brother-in-law of Mr. Wu Wing Bui, an executive director of the Company. Save as disclosed above, Mr. Tai does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Tai was interested in 259,478,000 Shares within the meaning of Part XV of the SFO. Save as disclosed above, he does not have any other interest in the Shares which is required to be disclosed pursuant to Part XV of the SFO.

Mr. Tai has entered into a service contract with the Company for a term of two years commencing on 1 April 2014 and is subject to termination by either party by giving not less than three months' written notice. He is also subject to retirement by rotation and re-election at the Company's annual general meetings pursuant to Article 119 of the Articles of Association.

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

According to the service contract, Mr. Tai is entitled to emoluments of approximately HK\$3,920,000 per annum comprising director's fee, salary as well as other benefits in kind and allowances, which has been determined by the Board based on Mr. Tai's experience, responsibilities and the prevailing market level of remuneration of executives of similar positions. Mr. Tai is not entitled to any discretionary management bonus.

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

Mr. Chan Yuk Sang, Peter, aged 68, has been an independent non-executive director of the Company since July 2000. He is also the chairman of the remuneration committee and a member of the audit committee and the nomination committee of the Company. Mr. Chan was the chairman of a company listed on the Stock Exchange until July 2002. He was a senior general manager of a local bank until November 1998. Mr. Chan was also a director of a listed company in Hong Kong from 1993 to 1995 and an executive director of a joint Chinese foreign bank in Shenzhen until 1995. He has more than 30 years' experience in the banking and finance industry. Mr. Chan is currently an independent non-executive director of GOME Electrical Appliances Holding Limited and Imagi International Holdings Limited, companies whose shares are listed on the main board of the Stock Exchange. He was an independent non-executive director of Opes Asia Development Limited from April 2011 to July 2012, which is listed on the main board of the Stock Exchange. Save as disclosed above, Mr. Chan has not held any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong and overseas.

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

As at the Latest Practicable Date, Mr. Chan does not have any interest in the Shares which is required to be disclosed pursuant to Part XV of the SFO.

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

According to the appointment letter, the director's fee of Mr. Chan in the amount of HK\$80,000 per annum is determined by the Board based on the current market rate of similar positions. He is not entitled to any discretionary management bonus.

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

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

Mr. Tsunao Kijima, aged 66, has been appointed as an independent non-executive director of the Company since July 2011. He is a member of the audit committee of the Company. Mr. Kijima holds a Bachelor of Arts degree in Economics from Keio University in Japan. He is the managing director and chief business officer of Nissin Foods Holdings Co., Ltd., a company listed on the Tokyo Stock Exchange and Osaka Securities Exchange. Mr. Kijima was the executive vice president of Mitsubishi Corporation and also the chief representative for China and Europe of Mitsubishi Corporation during different periods of time. He has more than 35 years' experience of worldwide trading of processed foods, beverages, snack foods and other food products. Mr. Kijima served as a non-executive director of Lianhua Supermarket Holdings Co., Ltd., a company whose shares are listed on the main board of the Stock Exchange, from 2001 to 2006. He was an independent non-executive director of the Company from 1997 to 2006. Save as disclosed above, Mr. Kijima has not held any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong and overseas.

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

As at the Latest Practicable Date, Mr. Kijima does not have any interest in the Shares which is required to be disclosed pursuant to Part XV of the SFO.

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

According to the appointment letter, the director's fee of Mr. Kijima in the amount of HK\$80,000 per annum is determined by the Board based on the current market rate of similar positions. He is not entitled to any discretionary management bonus.

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

NOTICE OF THE ANNUAL GENERAL MEETING



FOUR SEAS MERCANTILE HOLDINGS LIMITED

四洲集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 374)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Four Seas Mercantile Holdings Limited (the “Company”) will be held at Garden Room, 2nd Floor, New World Millennium Hong Kong Hotel (formerly Hotel Nikko Hongkong), 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Thursday, 28 August 2014 at 12:00 noon for the following purposes:

1. To receive the Audited Consolidated Financial Statements of the Company and the Reports of the Directors and Independent Auditors for the year ended 31 March 2014.
2. To declare a final dividend for the year ended 31 March 2014.
3. To re-elect Mr. Tai Tak Fung, Stephen as Director.
4. To re-elect Mr. Chan Yuk Sang, Peter as Director.
5. To re-elect Mr. Tsunao Kijima as Director.
6. To authorise the board of directors to fix the directors’ remuneration.
7. To re-appoint Ernst & Young as auditors of the Company and to authorise the board of directors to fix auditors’ remuneration.
8. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the Directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase its Shares in accordance with all applicable laws, rules and regulations;
- (b) the total nominal amount of Shares of the Company to be purchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the said mandate shall be limited accordingly; and

* For identification purpose only

NOTICE OF THE ANNUAL GENERAL MEETING

(c) for the purpose of this resolution:

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

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

9. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT

- (a) Subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the Directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional Shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorise the Directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with the Articles of Association of the Company,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of this resolution and the said mandate shall be limited accordingly; and

NOTICE OF THE ANNUAL GENERAL MEETING

(d) for the purposes of this resolution:

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

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

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

10. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** conditional upon the passing of resolutions set out in items 8 and 9 of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item 9 of the Notice be and is hereby extended by the addition to the aggregate nominal amount of Shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of Shares purchased by the Company pursuant to the mandate referred to in the resolution set out in item 8 of the Notice, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”

On behalf of the Board
TAI Tak Fung, Stephen, *GBS, SBS, JP*
Chairman

Hong Kong, 29 July 2014

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

- (a) All resolutions at the Annual General Meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by show of hands pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
- (b) Any Shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy or more than one proxy to attend and vote instead of him. A proxy need not be a Shareholder of the Company.
- (c) In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a Shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (d) To ascertain shareholders' eligibility to attend and vote at the above meeting, the Register of Members of the Company will be closed from Tuesday, 26 August 2014 to Thursday, 28 August 2014 (both days inclusive), during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 25 August 2014.
- (e) To ascertain shareholders' entitlement to the proposed final dividend upon passing of the resolution set out in item 2 of this notice, the Register of Members of the Company will be closed from Thursday, 4 September 2014 to Monday, 8 September 2014 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 3 September 2014.

As at the date of this document, the directors of the Company are Mr. TAI Tak Fung, Stephen, Ms. WU Mei Yung, Quinly, Mr. MAN Wing Cheung, Ellis, Mr. YIP Wai Keung, Mr. WU Wing Biu and Mr. NAM Chi Ming, Gibson as executive directors, and Ms. LEUNG Mei Han, Mr. CHAN Yuk Sang, Peter and Mr. Tsunao KIJIMA as independent non-executive directors.