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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)

### **POSITIVE PROFIT ALERT**

This announcement is made by Four Seas Mercantile Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

The board of directors (the “**Board**”) of the Company wishes to inform shareholders of the Company and potential investors that, based on the information currently available to the management, the Group is expected to record a substantial increase in its unaudited consolidated profit attributable to equity holders of the Company for the six months ended 30 September 2017 as compared with the corresponding period for the six months ended 30 September 2016. The unaudited consolidated profit attributable to equity holders of the Company is expected to be approximately 9 to 10 times of that of the same period last year. Such increase was primarily attributable to the completion of the disposal of a property located at Sai Kung, the New Territories (the “**Property Disposal**”) which resulted in a total gain on disposal before tax of approximately HK\$320 million, net of directly attributable transaction costs. Details of the Property Disposal were disclosed in the announcement of the Company dated 20 March 2017 and the results announcement of the Group for the year ended 31 March 2017 dated 30 June 2017. As the Property Disposal was under a sale and leaseback arrangement, approximately HK\$18 million out of the total gain before tax of the Property Disposal was deferred and amortised over the leaseback period, resulting in a net gain before tax of the Property Disposal of approximately HK\$302 million and the recognition of amortisation of deferred gain of approximately HK\$6.6 million for the six months ended 30 September 2017.

\* *For identification purpose only*

The information contained in this announcement is only based on the preliminary review by the Company's management on the financial information currently available to it and is not based on any figures or information that has been audited or reviewed by the auditor or the audit committee of the Company. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 September 2017, which is expected to be published in late November 2017.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 23 October 2017

*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. MAN Wing Cheung, Ellis, Mr. WU Wing Biu and Mr. NAM Chi Ming, Gibson and the independent non-executive directors of the Company are Ms. LEUNG Mei Han, Mr. CHAN Yuk Sang, Peter and Mr. Tsunao KIJIMA.*