

The board of directors (the “Board”) of Four Seas Mercantile Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated balance sheet as at 30 September 2003 of the Company and its subsidiaries (the “Group”) and the unaudited condensed consolidated profit and loss account, unaudited condensed consolidated statement of changes in equity and unaudited condensed consolidated cash flow statement for the six months ended 30 September 2003 as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

		Six months ended 30 September	
		2003	2002
		Unaudited	Unaudited
		HK\$'000	HK\$'000
	Notes		(Restated)
TURNOVER	2	630,364	564,570
Cost of sales		<u>(453,655)</u>	<u>(391,874)</u>
Gross profit		176,709	172,696
Other revenue and gain	3	20,151	6,475
Selling and distribution expenses		(104,657)	(91,797)
Administrative expenses		(45,372)	(45,171)
Other operating expenses		<u>(624)</u>	<u>(578)</u>
PROFIT FROM OPERATING ACTIVITIES	2 & 4	46,207	41,625
Finance costs		(3,316)	(2,170)
Share of profits and losses of associates		<u>3,347</u>	<u>2,636</u>
PROFIT BEFORE TAX		46,238	42,091
Tax	5	<u>(8,214)</u>	<u>(7,052)</u>
PROFIT BEFORE MINORITY INTERESTS		38,024	35,039
Minority interests		<u>(1,714)</u>	<u>(127)</u>
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		<u>36,310</u>	<u>34,912</u>
DIVIDENDS	6	<u>7,991</u>	<u>7,991</u>
EARNINGS PER SHARE	7		
Basic		<u>9.1 cents</u>	<u>8.7 cents</u>