

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 2006 of the Company and its subsidiaries (the “Group”) and the unaudited condensed consolidated income statement, unaudited condensed consolidated statement of changes in equity and unaudited condensed consolidated cash flow statement for the six months ended 30 September 2006 as follows:

## CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 September	
		2006	2005
		Unaudited	Unaudited
	Notes	HK\$'000	HK\$'000
REVENUE	3	885,320	825,219
Cost of sales		(622,263)	(593,112)
Gross profit		263,057	232,107
Other income and gains, net	3	21,869	14,530
Selling and distribution expenses		(143,405)	(122,503)
Administrative expenses		(69,346)	(59,509)
Other operating expenses		(2,769)	(3,775)
Finance costs	4	(14,138)	(7,999)
Share of profits and losses of associates		9,951	5,329
PROFIT BEFORE TAX	2 & 5	65,219	58,180
Tax	6	(11,297)	(9,113)
PROFIT FOR THE PERIOD		53,922	49,067
Attributable to:			
Equity holders of the parent		52,537	49,587
Minority interests		1,385	(520)
		53,922	49,067
DIVIDENDS			
Interim	7	7,991	7,991
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT – Basic	8	13.1 cents	12.4 cents