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**HONG KONG FOOD INVESTMENT HOLDINGS LIMITED**

**香港食品投資控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 60)



**FOUR SEAS MERCANTILE HOLDINGS LIMITED**

**四洲集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 374)

## **CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement of the Company dated 31 March 2025 in respect of the 2025 Master Supply and Services Agreement and the underlying continuing connected transactions.

Due to the increase in estimated future sales volume of HKFH's frozen meat products to be supplied to FSMH and the fact that the food processing services provided from FSMH to HKFH are no longer required, on 31 March 2026, HKFH and FSMH entered into the 2026 Master Supply Agreement which superseded the 2025 Master Supply and Services Agreement dated 31 March 2025. Pursuant to the 2026 Master Supply Agreement, (i) HKFH (and/or its subsidiaries) agreed to supply FSMH (and/or its subsidiaries) certain frozen meat products for its business operations; and (ii) FSMH (and/or its subsidiaries) agreed to supply certain self-manufactured pre-packed food and beverage products, and other frozen food products to HKFH (and/or its subsidiaries) for a term commencing from 1 April 2026 to 31 March 2029.

HKFH is interested in approximately 29.7% of FSMH as at the date of this announcement and is a substantial shareholder of FSMH. A substantial shareholder of HKFH is interested in more than 30% of FSMH, and FSMH is an associate of a connected person of HKFH. Accordingly, transactions between HKFH (and/or its subsidiaries) and FSMH (and/or its subsidiaries) constitute connected transactions for each of HKFH and FSMH.

As the annual transaction amount payable under the 2026 Master Supply Agreement is expected to be more than 0.1% but less than 25% of each of the applicable percentage ratios (other than the profits ratio) for each of HKFH and FSMH and is less than HK\$10,000,000, the 2026 Master Supply Agreement is subject only to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules for each of HKFH and FSMH.

## **BACKGROUND**

Reference is made to the announcement of the Company dated 31 March 2025 in respect of the 2025 Master Supply and Services Agreement and the underlying continuing connected transactions.

On 31 March 2025, HKFH and FSMH entered into the 2025 Master Supply and Services Agreement pursuant to which (i) HKFH (and/or its subsidiaries) agreed to supply FSMH (and/or its subsidiaries) certain frozen meat products for its business operations; (ii) FSMH (and/or its subsidiaries) agreed to supply certain self-manufactured pre-packed food and beverage products, and other frozen food products to HKFH (and/or its subsidiaries); and (iii) FSMH (and/or its subsidiaries) agreed to provide food processing services for frozen meat products to HKFH (and/or its subsidiaries), in each case with an annual cap of HK\$5,000,000, for a term commencing from 1 April 2025 to 31 March 2028.

Due to the increase in estimated future sales volume of HKFH's frozen meat products to be supplied to FSMH and the fact that food processing services provided from FSMH to HKFH are no longer required, on 31 March 2026, HKFH and FSMH entered into the 2026 Master Supply Agreement, which superseded the 2025 Master Supply and Services Agreement dated 31 March 2025.

## **THE 2026 MASTER SUPPLY AGREEMENT**

Date: 31 March 2026

Parties: (1) HKFH; and  
(2) FSMH.

### **Subject matter of the 2026 Master Supply Agreement**

Pursuant to the terms of the 2026 Master Supply Agreement:

- (i) HKFH (and/or its subsidiaries) will supply FSMH (and/or its subsidiaries) certain frozen meat products for its business operations; and
- (ii) FSMH (and/or its subsidiaries) will supply certain self-manufactured pre-packed food and beverage products, and other frozen food products to HKFH (and/or its subsidiaries).

### **Term of the 2026 Master Supply Agreement**

The 2026 Master Supply Agreement has a term of three years, effective from 1 April 2026 to 31 March 2029.

## Pricing basis

The products to be supplied by HKFH (and/or its subsidiaries) to FSMH (and/or its subsidiaries) or by FSMH (and/or its subsidiaries) to HKFH (and/or its subsidiaries) will be based on prices offered by each of HKFH and FSMH to independent third-party customers, or as reasonably agreed by the parties based on the prevailing market price for the same or substantially similar products with comparable standard or scope offered by independent third-party suppliers. If no such prices could be taken as a reference, by referring to the average price of similar products previously procured by FSMH or HKFH, and on normal commercial terms which are no less favourable to each of FSMH and HKFH than those that are available from independent third parties. Payments for the products will be on normal commercial terms in accordance with the credit policy of FSMH or HKFH.

## Annual caps

The 2026 Master Supply Agreement will be subject to the following annual caps:

	<b>Annual cap for the year ending 31 March</b>		
	<b>2027</b>	<b>2028</b>	<b>2029</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
(i) Supply of frozen meat products by HKFH (and/or its subsidiaries) to FSMH (and/or its subsidiaries)	9,999,000	9,999,000	9,999,000
(ii) Supply of self-manufactured pre-packed food and beverage products, and other frozen food products by FSMH (and/or its subsidiaries) to HKFH (and/or its subsidiaries)	5,000,000	5,000,000	5,000,000

The annual caps are determined with reference to the historical values of transactions, the anticipated future demand for the above products and the anticipated increase in the prices of the products involved.

In terms of the historical values of transactions, for the year ended 31 March 2025, HKFH (and/or its subsidiaries) supplied frozen meat products with an aggregate amount of approximately HK\$2,839,000 to FSMH (and/or its subsidiaries) and FSMH (and/or its subsidiaries) supplied products with an aggregate amount of approximately HK\$1,162,000 to HKFH (and/or its subsidiaries).

For the year ended 31 March 2026, HKFH (and/or its subsidiaries) supplied frozen meat products with an aggregate amount of approximately HK\$4,961,000 to FSMH (and/or its subsidiaries) and FSMH (and/or its subsidiaries) supplied products with an aggregate amount of approximately HK\$950,000 to HKFH (and/or its subsidiaries).

In terms of the anticipated future demand for the products, FSMH (and/or its subsidiaries) intends to consolidate its existing suppliers for restaurant operations in order to reduce administrative and operating costs. The supplier consolidation is expected to result in an increase of more than 80% in the volume of frozen meat products to be supplied by HKFH (and/or its subsidiaries) to FSMH (and/or its subsidiaries). On the other hand, the demand for FSMH's self-manufactured pre-packed food and beverage products, and other frozen food products by HKFH is expected to remain steady.

Lastly, the price of the products is expected to rise in the coming years due to market inflation.

### **Reasons and benefits for the transactions**

HKFH is engaged in the trading of frozen meat products and FSMH is engaged in the manufacture and trading of food products.

In view of the increase in estimated future sales volume of HKFH's frozen meat products to be supplied to FSMH and the fact that the food processing services provided from FSMH to HKFH are no longer required, HKFH and FSMH entered into the 2026 Master Supply Agreement, which superseded the 2025 Master Supply and Services Agreement.

The directors of HKFH and FSMH consider that the supply of frozen meat products by HKFH to FSMH, and the supply of the self-manufactured pre-packed food and beverage products, and other frozen food products by FSMH to HKFH are being carried out in the ordinary and usual course of business of each of HKFH and FSMH in sourcing quality products for the enhancement of their respective business operations. The entering into of the 2026 Master Supply Agreement could ensure the source of high quality products for the respective business operations of HKFH and FSMH, provide an additional channel of sales and open up new source of income.

The directors of HKFH and FSMH consider that the 2026 Master Supply Agreement is being entered into in the ordinary and usual course of business of each of HKFH and FSMH and on normal commercial terms. The directors of both HKFH and FSMH consider that the terms of the 2026 Master Supply Agreement are fair and reasonable and are in the interests of each of HKFH and FSMH and their respective shareholders as a whole.

## **INFORMATION OF THE PARTIES**

HKFH is an investment holding company principally engaged in the trading of frozen meat and the operation of restaurants.

FSMH is an investment holding company principally engaged in the manufacturing and trading of snack foods, confectionary, beverages, frozen food products, noodles, ham-related products, the retailing of snack foods, confectionery beverages, provision of catering services, and the operations of restaurants, in Hong Kong, Japan and the Mainland China.

## **INTERNAL CONTROL MEASURES**

In order to ensure that the terms of the 2026 Master Supply Agreement for the continuing connected transactions are fair and reasonable, or no less favourable than terms available to or from independent third parties, and are carried out under normal commercial terms, each of HKFH and FSMH has the following internal control measures in place:

- (i) the pricing policy for all continuing connected transactions will be supervised and monitored by the accounting department and management dedicated with the responsibility of supervising the continuing connected transactions to ensure that the relevant continuing connected transactions are being conducted on normal commercial terms and will not be prejudicial to the interests of the company and the shareholders as a whole;
- (ii) in respect of any order for products, the management will assess the scale and scope of the products and obtain reference quotations from independent third party suppliers or service providers for setting the prevailing market price;
- (iii) the accounting departments of both HKFH and FSMH will perform regular checks to review and assess whether the transactions are conducted in accordance with the terms of the 2026 Master Supply Agreement;
- (iv) the external auditor will conduct an annual review on the pricing terms and annual caps of the continuing connected transactions under the 2026 Master Supply Agreement;
- (v) the independent non-executive directors will review the continuing connected transactions under the 2026 Master Supply Agreement; and
- (vi) regular internal assessments will be conducted in order to ensure that the internal control measures in respect of the connected transactions remain complete and effective.

The directors of each of HKFH and FSMH consider that the above internal control measures are effective to ensure that the transactions contemplated under the 2026 Master Supply Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the respective company and shareholders of HKFH and FSMH as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

HKFH is interested in approximately 29.7% of the issued share capital of FSMH as at the date of this announcement and is a substantial shareholder and connected person of FSMH. Transactions between HKFH (and/or its subsidiaries) and FSMH (and/or its subsidiaries) will constitute connected transactions for FSMH for the purpose of the Listing Rules. Mr. Tai Tak Fung, Stephen, a substantial shareholder of HKFH, is interested in more than 30% of the issued share capital of FSMH. FSMH is therefore an associate of Mr. Tai and a connected person of HKFH. Transactions between HKFH (and/or its subsidiaries) and FSMH (and/or its subsidiaries) will also constitute connected transactions for HKFH for the purpose of the Listing Rules.

As the annual transaction amount payable under the 2026 Master Supply Agreement is expected to be more than 0.1% but less than 25% of each of the applicable percentage ratios (other than the profits ratio) for each of HKFH and FSMH and is less than HK\$10,000,000, the 2026 Master Supply Agreement is subject only to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules for each of HKFH and FSMH.

Each of HKFH and FSMH will re-comply with the relevant provisions under Chapter 14A of the Listing Rules governing continuing connected transactions in the event that the annual cap is exceeded for any given year, or that there is any material amendment to the terms of the 2026 Master Supply Agreement. Also, each of HKFH and FSMH will observe the annual review and other requirements regarding continuing connected transactions under Rules 14A.37 to 14A.40 of the Listing Rules.

## **GENERAL**

Mr. Tai Tak Fung, Stephen, is a substantial shareholder of both HKFH and FSMH; Mr. Tai Chun Kit, the son of Mr. Tai Tak Fung, Stephen, is the chairman of HKFH and the managing director of FSMH; Mr. Tse Siu Wan is an executive director of both HKFH and FSMH and Mr. Cheung Wing Choi is an independent non-executive director of both HKFH and FSMH. They are all considered to be materially interested in the 2026 Master Supply Agreement. Accordingly, Mr. Tai Tak Fung, Stephen, Mr. Tai Chun Kit, Ms. Wong, Anita Ting Yuk, the sister in law of Mr. Tai Chun Kit, Mr. Tse Siu Wan, and Mr. Cheung Wing Choi, have abstained from voting for the resolution of HKFH to approve the 2026 Master Supply Agreement. Mr. Tai Tak Fung, Stephen, Ms. Wu Mei Yung, Quinly, the spouse of Mr. Tai Tak Fung, Stephen, Mr. Tai Chun Kit, Mr. Wu Wing Bui, the brother of Ms. Wu Mei Yung, Quinly, Mr. Tse Siu Wan, and Mr. Cheung Wing Choi, have also abstained from voting for the resolution of FSMH to approve the 2026 Master Supply Agreement.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“associate”	has the meaning ascribed to it under the Listing Rules
“connected person”	has the meaning ascribed to it under the Listing Rules
“FSMH”	Four Seas Mercantile Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“HKFH”	Hong Kong Food Investment Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Shareholders”	the shareholders of HKFH and FSMH
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“2025 Master Supply and Services Agreement”	the agreement dated 31 March 2025 entered into between HKFH and FSMH
“2026 Master Supply Agreement”	the agreement dated 31 March 2026 entered into between HKFH and FSMH, which has superseded the 2025 Master Supply and Services Agreement

By order of the board of  
**Hong Kong Food Investment Holdings Limited**  
**TAI Chun Kit**  
*Chairman*

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

Hong Kong, 31 March 2026

*As at the date of this announcement, the executive directors of HKFH are Mr. TAI Chun Kit, Mr. TSE Siu Wan and Ms. WONG, Anita Ting Yuk; the non-executive director is Mr. TAI Tak Fung, Stephen; and the independent non-executive directors are Mr. LAN Yee Fong, Steve John, Mr. CHEUNG Wing Choi and Mr. WONG, Louis Chung Yin.*

*As at the date of this announcement, the executive directors of FSMH are Mr. TAI Tak Fung, Stephen, Ms. WU Mei Yung, Quinly, Mr. TAI Chun Kit, Mr. WU Wing Bui and Mr. TSE Siu Wan and the independent non-executive directors are Mr. CHAN Yuk Sang, Peter, Mr. Tsunao KIJIMA and Mr. CHEUNG Wing Choi.*