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FSE ENGINEERING HOLDINGS LIMITED

豐盛機電控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 331)

CHANGES OF ROLE AND POSITION OF DIRECTORS

The Board announces that, with effect from 1 January 2017:

- 1. Mr. Wong Kwok Kin, Andrew will be re-designated from the position of Vice-Chairman of the Board and an executive Director to a non-executive Director; and
- 2. Mr. Lam Wai Hon, Patrick, an executive Director, will be appointed as Vice-Chairman of the Board.

The board (the "Board") of directors (the "Directors") of FSE Engineering Holdings Limited (the "Company", together with its subsidiaries, the "Group") announces that, with effect from 1 January 2017:

- 1. Mr. Wong Kwok Kin, Andrew will be re-designated from the position of Vice-Chairman of the Board and an executive Director to a non-executive Director; and
- 2. Mr. Lam Wai Hon, Patrick, an executive Director, will be appointed as Vice-Chairman of the Board.

The relevant information required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") relating to Mr. Lam Wai Hon, Patrick and Mr. Wong Kwok Kin, Andrew is as follows:

Mr. Lam Wai Hon, Patrick ("Mr. Lam")

Mr. Lam, aged 54, was appointed an executive Director and a member of the Remuneration Committee of the Board in April 2016. He is on the boards of various companies within the Group, and is responsible for the overall strategic planning of the Group. Mr. Lam is currently an executive director and the chief executive officer of FSE Holdings Limited, one of the controlling shareholders of the Company.

Mr. Lam is a Chartered Accountant by training and holds a Master of Business Administration Degree from the University of Edinburgh in Scotland and a Bachelor's Degree from the University of Essex, the United Kingdom. He is a fellow of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales, and a member of the Institute of Chartered Accountants of Ontario, Canada. He is a member of the Governors' Council of the Canadian Chamber of Commerce

in Hong Kong and a member of the Asia Advisory Board of the Ivey Business School, Western University, Canada.

Mr. Lam was an executive director of NWS Holdings Limited (stock code: 659), a listed public company in Hong Kong, and has been re-designated as its non-executive director since 1 January 2016. He is also a non-executive director of Road King Infrastructure Limited (stock code: 1098), a listed public company in Hong Kong. His past appointments in listed public companies in Hong Kong also include the appointment as a non-executive director and the vice-chairman of Newton Resources Ltd (stock code: 1231) and the appointment as a non-executive director of Wai Kee Holdings Limited (stock code: 610). Save as disclosed above, Mr. Lam did not hold any directorship in listed public companies in Hong Kong or overseas in the last three years preceding the date of this announcement.

On 13 March 2008, the Takeovers Executive of the Securities and Futures Commission issued a notice criticizing NWS Financial Management Services Limited ("NWSFM", an indirect wholly-owned subsidiary of NWS Holdings Limited) and two of its directors, including Mr. Lam, for breaching Rule 31.3 of the Code on Takeovers and Mergers (the "Takeovers Code") arising from NWSFM's acquisition of shares in Taifook Securities Group Limited ("Taifook Securities", now known as Haitong International Securities Group Limited) at prices higher than the offer price during the six-month period after the close of the unconditional offer for all the shares in Taifook Securities. The breach was caused by an inadvertent miscalculation by the then company secretary of NWSFM, who was entrusted with compliance matters, of the prescribed period under Rule 31.3 of the Takeovers Code. It was the finding of the Takeovers Executive that the breach was not in any sense deliberately made and was inadvertent in nature, and the Board does not consider that the inadvertent breach has any impact on Mr. Lam's suitability to serve as our Director.

Mr. Lam has entered into a service contract with the Company with a term of three years commencing from 1 April 2016 and renewable automatically for successive terms of one year upon expiry of the then current term of his appointment, unless terminated in accordance with the terms of his service contract. Mr. Lam is also subject to retirement by rotation and re-election in accordance with the provisions of the Company's articles of association. Following his additional appointment as Vice-Chairman of the Board, Mr. Lam will receive an aggregate salary of HK\$1,800,000 per annum commencing from 1 January 2017, and such other emoluments and/or discretionary bonus as may be determined by, and at the discretion of, the Board from time to time. Mr. Lam's emolument was determined and will be reviewed by the Board annually with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Company's performance and the prevailing market conditions.

As at the date of this announcement and save as disclosed above, Mr. Lam:

- (i) did not hold any other positions with the Company or other members of the Group;
- (ii) did not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company;
- (iii) did not have any interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"); and

(iv) had not been involved in any of the matters mentioned under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

Mr. Wong Kwok Kin, Andrew ("Mr. Wong")

Mr. Wong, aged 71, was appointed as a Director in June 2015 and designated as Vice-Chairman and an executive Director in August 2015. He also sits on the boards of various companies within the Group. Mr. Wong has over 30 years of substantial corporate management experiences in the hospitality and the service industries, and has obtained extensive achievements in financial control, human resources administration and business development. He was an executive director of several subsidiaries and affiliates of the New World group of companies, which are principally engaged in the businesses of duty-free liquor and tobacco concessions, E&M engineering, environmental facility services, property management and the provision of communication, cleaning and laundry and security services.

Mr. Wong is an executive director and the vice-chairman of FSE Holdings Limited, one of the controlling shareholders of the Company. Mr. Wong is the sole shareholder and director of Frontier Star Limited, a company owning 9% of the issued share capital of FSE Holdings Limited. Mr. Wong did not hold any directorship in other listed public company in Hong Kong or overseas in the last three years preceding the date of this announcement.

Mr. Wong was a director of BioEnviroLink Technologies Limited (寶靈科技有限公司) ("BioEnviroLink") during the period from 30 June 2011 to 8 August 2012 (being the date on which an order for the winding-up of BioEnviroLink was granted). BioEnviroLink is a company incorporated in Hong Kong on 24 November 2000 and formerly engaged in the provision of environmental engineering services and related maintenance services. It is a 70% owned subsidiary of the Company held through Environmental Pioneers & Solutions Limited ("Environmental P&S"). The other 30% shareholder of BioEnviroLink was a third party, Bioforte (Hong Kong) Environmental Engineering and Technology Company Limited (生物源(香港)環境工程與技術有限公司) ("Bioforte"), which was dissolved by being struck off on 11 April 2008. In view of the striking off of Bioforte, who is the 30% shareholder of BioEnviroLink, and that BioEnviroLink no longer engaged in any business, Environmental P&S, as creditor, filed a petition to the court on 4 June 2012 for an order to wind up BioEnviroLink which was granted by the court on 8 August 2012 and official receiver was appointed as provisional liquidator on 8 August 2012. As at the date of this announcement, the winding up of BioEnviroLink is still underway.

On 13 March 2008, Mr. Wong as the then director of NWSFM was criticised by the Takeovers Executive of the Securities and Futures Commission for breaching Rule 31.3 of the Takeovers Code arising from NWSFM's acquisition of shares in Taifook Securities at prices higher than the offer price during the six-month period after the close of the unconditional offer for all the shares in Taifook Securities. The breach was caused by an inadvertent miscalculation by the then company secretary of NWSFM, who was entrusted with compliance matters, of the prescribed period under Rule 31.3 of the Takeovers Code. It was the finding of the Takeovers Executive that the breach was not in any sense deliberately made and was inadvertent in nature, and the Board does not consider that the inadvertent breach has any impact on Mr. Wong's suitability to serve as our Director.

Mr. Wong has signed an appointment letter with the Company pursuant to which he has agreed to act as a non-executive Director for an initial term of one year commencing from 1 January 2017, renewable automatically for successive terms of one year upon expiry of the then current term of his appointment, unless terminated in accordance with the terms of the appointment letter. Mr. Wong is also subject to retirement by rotation and re-election in accordance with the provisions of the Company's articles of association.

Pursuant to the appointment letter, Mr. Wong will receive a director's fee of HK\$209,000 per annum and such other benefits as may be determined by, and at the discretion of, the Board from time to time. Mr. Wong's emolument was determined and will be reviewed by the Board annually with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Company's performance and the prevailing market conditions.

As at the date of this announcement and save as disclosed above, Mr. Wong:

- (i) did not hold any other positions with the Company or other members of the Group;
- (ii) did not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company;
- (iii) did not have any interests in shares of the Company within the meaning of Part XV of the SFO; and
- (iv) had not been involved in any of the matters mentioned under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

Save as disclosed in this announcement, there is no other information required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules nor are there any other matters that need to be brought to the attention of shareholders of the Company in relation to the above changes of role and position of Board members.

The Board would like to extend its warmest welcome to Mr. Lam and Mr. Wong for their new roles in the Company.

By order of the Board

FSE Engineering Holdings Limited

Dr. Cheng Kar Shun, Henry

Chairman

Hong Kong, 29 December 2016

As at the date of this announcement, the Board comprises Dr. Cheng Kar Shun, Henry (Chairman) as non-executive Director, Mr. Wong Kwok Kin, Andrew (Vice-Chairman), Mr. Poon Lock Kee, Rocky (Chief Executive Officer), Mr. Lam Wai Hon, Patrick, Mr. Doo William Junior Guilherme, Mr. Lee Kwok Bong and Mr. Soon Kweong Wah as executive Directors, Mr. Kwong Che Keung, Gordon, Mr. Hui Chiu Chung, Stephen, Mr. Lee Kwan Hung and Dr. Tong Yuk Lun, Paul as independent non-executive Directors.