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If you have sold or transferred all your shares in **FSE Engineering Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting to be held at Strategic Room, 2401-02, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Wednesday, 30 November 2016 at 10:30 a.m. is set out on pages N-1 to N-5 of this circular.

Whether or not you intend to attend the Annual General Meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

17 October 2016

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be convened and held at Strategic Room, 2401-02, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Wednesday, 30 November 2016 at 10:30 a.m. and any adjournment thereof, the notice of which is set out on pages N-1 to N-5 of this circular
“Articles”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Buy-back Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to buy back Shares, the aggregate number of which shall not exceed 10% of the aggregate number of Shares in issue as at the date of passing the relevant resolution at the Annual General Meeting
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Law”	the Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	FSE Engineering Holdings Limited (豐盛機電控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“core connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares bought back under the Buy-back Mandate will be added to the total number of Shares which may be allotted, issued and dealt with under the General Mandate

DEFINITIONS

“FSE Holdings”	FSE Holdings Limited (豐盛創建控股有限公司), a company incorporated in the Cayman Islands with limited liability, which is beneficially owned as to 63% by Sino Spring Global Limited, 18% by Dr Cheng Kar Shun, Henry (through Chow Tai Fook Nominee Limited (周大福代理人有限公司)), 9% by Frontier Star Limited, 5% by Master Empire Group Limited, 4% by Supreme Win Enterprises Limited (富高勝企業有限公司) and 1% by Lagoon Treasure Limited, and one of the controlling shareholders of the Company
“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with Shares up to a maximum of 20% of the aggregate number of Shares in issue as at the date of passing of the relevant resolution at the Annual General Meeting
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	11 October 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Date”	the date on which dealings in the Shares on the Main Board first commenced (that is, 10 December 2015)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the nomination committee of the Board
“PRC”	the People’s Republic of China, excluding for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Non-executive Director:

Dr Cheng Kar Shun, Henry (*Chairman*)

Executive Directors:

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

Mr Soon Kweong Wah

Independent Non-executive Directors:

Mr Kwong Che Keung, Gordon

Mr Hui Chiu Chung, Stephen

Mr Lee Kwan Hung

Dr Tong Yuk Lun, Paul

Registered office:

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Units 801–810, 8th Floor

Chevalier Commercial Centre

8 Wang Hoi Road

Kowloon Bay, Kowloon

Hong Kong

17 October 2016

To the Shareholders

Dear Sir or Madam

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The primary purposes of this circular are to provide you with information regarding the resolutions to be proposed at the Annual General Meeting to enable Shareholders to make an informed decision on whether to vote for or against those resolutions and to give you notice of the Annual General Meeting.

Resolutions to be proposed at the Annual General Meeting, in addition to ordinary businesses, include ordinary resolutions relating to (i) the proposed grant of the General Mandate, the Buy-back Mandate and the Extension Mandate; and (ii) the proposed re-election of the Directors.

LETTER FROM THE BOARD

GRANT OF GENERAL MANDATE, BUY-BACK MANDATE AND EXTENSION MANDATE

The following ordinary resolutions will be proposed at the Annual General Meeting:

- (1) that the Directors be granted the General Mandate to exercise the powers of the Company to allot, issue and otherwise deal with Shares up to a maximum of 20% of the aggregate number of Shares in issue as at the date of passing of such resolution;
- (2) that the Directors be granted the Buy-back Mandate to enable them to buy back Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose up to a maximum of 10% of the aggregate number of Shares in issue as at the date of passing of such resolution; and
- (3) that the Directors be granted the Extension Mandate to increase the total number of Shares which may be allotted, issued and dealt with under the General Mandate by an additional number representing such number of Shares bought back under the Buy-back Mandate.

The General Mandate, the Buy-back Mandate and the Extension Mandate will each expire (a) at the conclusion of the next annual general meeting of the Company following the Annual General Meeting; or (b) at the end of the period within which the next annual general meeting of the Company is required by the Companies Law or the Articles to be held; or (c) when the authority given to the Directors thereunder is revoked or varied by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company, whichever is the earliest.

Based on 450,000,000 Shares in issue as at the Latest Practicable Date and on the basis that no new Shares will be issued and no Shares will be bought back by the Company for the period from the Latest Practicable Date up to and including the date of the Annual General Meeting:

- (1) subject to the passing of the proposed resolution granting the General Mandate to the Directors, the Company will be allowed under the General Mandate to allot and issue up to a maximum of 90,000,000 Shares, representing 20% of the Shares in issue as at the Latest Practicable Date; and
- (2) subject to the passing of the proposed resolution granting the Buy-back Mandate to the Directors, the Company will be allowed under the Buy-back Mandate to buy back up to a maximum of 45,000,000 Shares, representing 10% of the Shares in issue as at the Latest Practicable Date.

The Board has no immediate plans to allot and issue any new Shares other than Shares which may fall to be allotted and issued upon the exercise of any options granted under any share option scheme of the Company or any scrip dividend scheme of the Company which may be approved by the Shareholders.

LETTER FROM THE BOARD

Under the Listing Rules, the Company is required to provide Shareholders with all information that is reasonably necessary to enable them to make an informed decision as to whether to vote for or against the resolution in respect of the Buy-back Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

PROPOSED RE-ELECTION OF DIRECTORS

Pursuant to article 105(A) of the Articles, at least one-third of the Directors shall retire from office by rotation at each annual general meeting of the Company, provided that every Director shall be subject to retirement by rotation at least once every three years. Any Director who retires under this article shall be eligible for re-election as Director and shall continue to act as a Director throughout the meeting at which he retires. By virtue of article 105(A) of the Articles, Mr Wong Kwok Kin, Andrew, Mr Doo William Junior Guilherme and Mr Lee Kwok Bong, who have been longest in office since their appointment, shall retire as Directors by rotation at the Annual General Meeting and, all being eligible, offer themselves for re-election as Directors.

Pursuant to article 109 of the Articles, the Directors shall have power from time to time to appoint any person as a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting. By virtue of article 109 of the Articles, Mr Lam Wai Hon, Patrick and Dr Tong Yuk Lun, Paul will retire from office at the Annual General Meeting and, both being eligible, offer themselves for re-election as Directors.

Dr Tong Yuk Lun, Paul, being an Independent Non-executive Director, has given an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Nomination Committee is of the view that Dr Tong remains to be independent after assessing his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules against his latest position. Both the Board and the Nomination Committee consider that Dr Tong has the required character, integrity and experience to fulfill and discharge the role and duties of an independent non-executive Director.

The biographical details and other information of Mr Wong Kwok Kin, Andrew, Mr Doo William Junior Guilherme, Mr Lee Kwok Bong, Mr Lam Wai Hon, Patrick and Dr Tong Yuk Lun, Paul are set out in Appendix II to this circular. The Board, upon the recommendation of the Nomination Committee, has proposed the re-election of the above retiring Directors.

ACTIONS TO BE TAKEN

Set out on pages N-1 to N-5 of this circular is a notice convening the Annual General Meeting at which ordinary resolutions will be proposed to approve, among other matters, the following:

- (a) the grant of the General Mandate, the Buy-back Mandate and the Extension Mandate; and

LETTER FROM THE BOARD

(b) the re-election of Directors.

Whether or not you intend to attend the Annual General Meeting in person, you are requested to complete and deposit the accompanying form of proxy in accordance with the instructions printed thereon, together with the power of attorney or other authority (if any) under which the form of proxy is signed or its notarially certified copy, with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

RECOMMENDATIONS

The Directors consider that the ordinary resolutions regarding the grant of the General Mandate, the Buy-back Mandate and the Extension Mandate and the re-election of Directors to be proposed at the Annual General Meeting are all in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of such resolutions to be proposed at the Annual General Meeting.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
By order of the Board
FSE Engineering Holdings Limited
Dr Cheng Kar Shun, Henry
Chairman

This appendix serves as an explanatory statement, as required under Rule 10.06(1)(b) of the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the grant of the Buy-back Mandate to the Directors.

1. LISTING RULES RELATING TO THE BUY-BACK OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to buy back their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all buy-backs of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 450,000,000 Shares in issue.

Subject to the passing of the proposed resolution granting the Buy-back Mandate and on the basis that no new Shares are issued and no Shares are bought back for the period from the Latest Practicable Date up to and including the date of the Annual General Meeting, the Company will be allowed under the Buy-back Mandate to buy back up to a maximum of 45,000,000 Shares, representing 10% of the aggregate number of Shares in issue as at the Latest Practicable Date.

3. REASONS FOR THE BUY-BACKS

The Directors believe that the Buy-back Mandate is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to buy back Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such buy-backs will benefit the Company and the Shareholders as a whole.

4. FUNDING OF BUY-BACKS

Buy-backs made pursuant to the Buy-back Mandate may be funded out of funds legally available for the purpose in accordance with the Articles, the Listing Rules and the applicable laws of the Cayman Islands. The Company is prohibited from buying back its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Cayman Islands laws, any buy-backs by the Company may be made out of the Company's profits or out of the proceeds of a fresh issue of Shares made for the purpose of the buy-back or, if so authorised by the Articles and subject to the Companies Law, out of capital. Any premium payable on a

redemption or buy-back over the par value of the relevant Shares to be bought back must be provided for out of profit of the Company or out of the Company's share premium account, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital.

5. MATERIAL ADVERSE IMPACT IN THE EVENT OF BUY-BACK IN FULL

Taking into account the current working capital position of the Company, the Directors consider that, if the Buy-back Mandate were to be carried out in full at any time during the proposed buy-back period, it might have a material adverse impact on the working capital and/or gearing position of the Company as compared with the position as at 30 June 2016, being the date to which its latest published audited financial statements were made up. However, the Directors do not intend to exercise the Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the calendar months during the period commencing from the Listing Date and up to and including the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
December (<i>since the Listing Date</i>)	2.32	1.68
2016		
January	2.01	1.65
February	2.00	1.77
March	2.28	1.91
April	2.24	1.99
May	2.17	1.95
June	2.09	1.99
July	2.16	2.04
August	2.21	2.02
September	2.65	2.05
October (<i>up to and including the Latest Practicable Date</i>)	2.58	2.41

7. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make buy-backs under the Buy-back Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands and the regulations set out in the Articles.

8. CORE CONNECTED PERSON

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, have any present intention to sell any Shares to the Company under the Buy-back Mandate if the same is approved by the Shareholders at the Annual General Meeting.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has any such connected person undertaken not to sell any Shares held by him/her/it to the Company, in the event that the grant of the Buy-back Mandate to the Directors is approved by the Shareholders at the Annual General Meeting.

9. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to buy-back securities pursuant to the Buy-back Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, each of FSE Holdings, Sino Spring Global Limited, Mr Doo Wai Hoi, William ("Mr Doo") and Mrs Doo Cheng Sau Ha, Amy ("Mrs Doo") is taken to have an interest under the Part XV of the SFO in the same block of 337,500,000 Shares, representing 75.00% of the total number of Shares then in issue. In the event that the Buy-back Mandate is exercised in full and assuming there was no further issue or buy-back of Shares during the period from the Latest Practicable Date up to and including the date of the Annual General Meeting, the percentage shareholding of each of the above Shareholders would increase from 75.00% to approximately 83.33% of the issued Shares. Such increase would not give rise to an obligation on the part of each of the above Shareholders and parties acting in concert (as defined in the Takeovers Code) with them to make a mandatory offer under Rule 26 of the Takeovers Code, but would result in the aggregate number of the issued Shares in public hands being reduced to less than 25%. Save as mentioned above, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any buy-back pursuant to the Buy-back Mandate.

The Directors have no intention to exercise the Buy-back Mandate to such an extent that would result in (i) any obligation of each of the above Shareholders and parties acting in concert (as defined in the Takeovers Code) with them to make a mandatory offer under the Takeovers Code or (ii) the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

10. SHARE BUY-BACK MADE BY THE COMPANY

The Company had not bought back any of the Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

Mr Wong Kwok Kin, Andrew (“Mr Wong”)

Mr Wong, aged 70, is the Vice-Chairman of the Company and an Executive Director. He was appointed as a Director on 22 June 2015 and designated as Vice-Chairman and Executive Director on 28 August 2015. He also sits on the boards of various companies within the Group. Mr Wong is primarily responsible for the overall strategic planning, overseeing business development and operational management and major management decisions for the Group.

Mr Wong is also an executive director and vice-chairman of FSE Holdings, 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 in FSE Holdings. Mr Wong did not hold any directorship in other listed public company in Hong Kong or overseas during the three years' period up to the Latest Practicable Date.

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 Latest Practicable Date, the winding up of BioEnviroLink was still underway.

On 13 March 2008, Mr Wong as the then director of NWS Financial Management Services Limited (“**NWSFM**”) was criticised by the Takeovers Executive of the Securities and Futures Commission for breaching Rule 31.3 of the Takeovers Code. The breach was due to the inadvertent miscalculation by the then company secretary of NWSFM, who was entrusted with compliance matters, of the 6-month period as prescribed by the said Rule 31.3. As a result of the miscalculation, NWSFM purchased shares in Taifook Securities Group Limited (now known as Haitong International Securities Group Limited) during the 6-month period after the close of offer at prices higher than the relevant offer price in breach of the said Rule 31.3. 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 did not and does not consider that the inadvertent breach has any impact on Mr Wong's suitability to serve as a Director.

Mr Wong has entered into a service contract with the Company for a term of three years, commencing from 20 November 2015 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 Wong is also subject to retirement by rotation and

re-election in accordance with the provisions of the Articles. Pursuant to the service contract, Mr Wong is entitled to receive a salary of HK\$1,800,000 per annum 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 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. For the year ended 30 June 2016, Mr Wong received by way of remuneration and/or other emoluments the amount of HK\$1,690,000 from the Group.

Save as disclosed above, as at the Latest Practicable Date, Mr Wong:

- (i) did not hold any position with the Company and other members of the Group;
- (ii) did not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company;
- (iii) did not have any interests in the 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.

Mr Doo William Junior Guilherme (“Mr Doo Junior”)

Mr Doo Junior, aged 42, is an Executive Director. He was appointed as a Director on 22 June 2015 and designated as Executive Director on 28 August 2015. He also sits on boards of various companies within the Group. Mr Doo Junior is primarily responsible for the overall strategic planning, overseeing business development and major management decisions for the Group.

Mr Doo Junior is a solicitor admitted in Hong Kong and is currently a non-practising solicitor in England and Wales. Mr Doo Junior is a Standing Committee Member of the Twelfth Chinese People's Political Consultative Conference in Beijing of the PRC and has been a committee member of the Disciplinary Panel of The Hong Kong Institute of Certified Public Accountants and an adjudicator of The Immigration Tribunal. Prior to joining the Group, Mr. Doo Junior had legal practice experience in one of the largest global law firms specialising in finance and corporate transactions.

Mr Doo Junior 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 July 2014. Save as disclosed, Mr Doo Junior did not hold any directorship in other listed public company in Hong Kong or overseas during the three years' period up to the Latest Practicable Date.

Mr Doo Junior is the son of Mr Doo Wai Hoi, William and Mrs Doo Cheng Sau Ha, Amy (each of whom is one of the controlling shareholders of the Company), and Mr Doo is also the sole shareholder of Sino Spring Global Limited (one of the controlling shareholders of the Company). Mr Doo Junior is also the nephew of Dr Cheng Kar Shun, Henry, the Chairman and Non-executive Director of the Company, and his mother is the cousin of the spouse of Mr Poon Lock Kee, Rocky, the Chief Executive Officer and the Executive Director of the Company. Mr Doo Junior is an executive director and deputy chief executive officer of FSE Holdings, one of the controlling shareholders of the Company. Mr Doo Junior is also the sole shareholder and director of both Master Empire Group Limited and Supreme Win Enterprises Limited, which respectively holds 5% and 4%, and together hold an aggregate of 9% of the issued share capital in FSE Holdings.

Mr Doo Junior was a director of BioEnviroLink during the period from 1 August 2006 to 30 June 2011. 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 P&S. The other 30% shareholder of BioEnviroLink was a third party, 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 Latest Practicable Date, the winding up of BioEnviroLink was still underway.

Mr Doo Junior has entered into a service contract with the Company for a term of three years, commencing from 20 November 2015 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 Doo Junior is also subject to retirement by rotation and re-election in accordance with the provisions of the Articles. Pursuant to the service contract, Mr Doo Junior is entitled to receive a salary of HK\$1,440,000 per annum 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 Doo Junior'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. For the year ended 30 June 2016, Mr Doo Junior received by way of remuneration and/or other emoluments the amount of HK\$1,500,000 from the Group.

Save as disclosed above, as at the Latest Practicable Date, Mr Doo Junior:

- (i) did not hold any position with the Company and other members of the Group;
- (ii) did not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company;
- (iii) did not have any interests in the 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.

Mr Lee Kwok Bong (“Mr Lee”)

Mr Lee, aged 45, is the Executive Director and one of the authorized representatives of the Company for the purpose of the Listing Rules. He was appointed as a Director on 1 July 2015 and designated as an Executive Director on 28 August 2015. He also sits on the boards of various companies within the Group. Mr Lee is primarily responsible for the overall finance operation and financial reporting management of the Group. He was also appointed to act as the Joint Company Secretary of the Company on 28 August 2015 and assists in the supervision of corporate secretarial matters for the Group.

Mr Lee holds a Bachelor’s degree in Business Administration in Accounting, a Master of Science degree in Finance, and a Bachelor’s degree in Chinese Legal System. Mr Lee is an Associate Member of the Hong Kong Institute of Certified Public Accountants, a Member and a Chartered Global Management Accountant of the American Institute of Certified Public Accountants.

Mr Lee has been the chief financial officer of FSE Holdings, one of the controlling shareholders of the Company, since August 2010. Mr Lee did not hold any directorship in other listed public company in Hong Kong or overseas during the three years’ period up to the Latest Practicable Date.

Mr Lee is the sole shareholder and director of Lagoon Treasure Limited, which is holding 1% of the issued share capital of FSE Holdings.

Mr Lee has entered into a service contract with the Company for a term of three years, commencing from 20 November 2015 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 Lee is also subject to retirement by rotation and re-election in accordance with the provisions of the Articles. Pursuant to the service contract, Mr Lee is entitled to receive a salary of HK\$1,200,000 per annum 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 Lee’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. For the year ended 30 June 2016, Mr Lee received by way of remuneration and/or other emoluments the amount of HK\$1,583,000 from the Group.

Save as disclosed above, as at the Latest Practicable Date, Mr Lee:

- (i) did not hold any position with the Company and other members of the Group;
- (ii) did not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company;

- (iii) did not have any interests in the 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.

Mr Lam Wai Hon, Patrick (“Mr Lam”)

Mr Lam, aged 54, has been appointed as an Executive Director since 1 April 2016. He is a Chartered Accountant by training and 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. Mr Lam is currently a director of various subsidiaries of the Company and is responsible for the overall strategic planning, overseeing business development and operational management, and major management decisions of the Group.

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 other listed public company in Hong Kong or overseas during the three years' period up to the Latest Practicable Date. Mr Lam is also the chief executive officer and an executive director of FSE Holdings, one of the controlling shareholders of the Company.

On 13 March 2008, the Takeovers Executive of the Securities and Futures Commission issued a notice criticizing 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 Takeovers Code arising from NWSFM's acquisition of shares in Taifook Securities Group Limited (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 Group Limited. 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 did not and does not consider that the inadvertent breach has any impact on Mr Lam's suitability to serve as our Executive Director.

Mr Lam has entered into a service contract with the Company for 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 Articles. Pursuant to the service contract, Mr Lam is entitled to receive a salary of HK\$1,500,000 per annum 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. For the year ended 30 June 2016, Mr Lam received by way of remuneration and/or other emoluments the amount of HK\$788,000 from the Group.

Save as disclosed above, as at the Latest Practicable Date, 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 in 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.

Dr Tong Yuk Lun, Paul ("Dr Tong")

Dr Tong, aged 75, has been appointed as an Independent Non-executive Director since 1 April 2016. He holds a Bachelor of Science degree in Engineering and a Master of Science degree in Engineering from the University of Hong Kong, and a Doctor of Philosophy degree from the Victoria University of Manchester. Dr Tong is a member of the Institute of Civil Engineers, London and the Hong Kong Institution of Engineers, and has solid and extensive experience in the construction industry. Dr Tong is a director of BTS Group Holdings Public Co. Ltd., a company listed on the Stock Exchange of Thailand. Save as disclosed above, Dr Tong did not hold any directorship in other listed public company in Hong Kong or overseas during the three years' period up to the Latest Practicable Date.

Dr Tong has signed an appointment letter with the Company pursuant to which he has agreed to act as an Independent Non-executive Director for an initial term of one year commencing from 1 April 2016, 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. Dr Tong is also subject to retirement by rotation and re-election in accordance with the provisions of the Articles.

Pursuant to the appointment letter, Dr Tong is entitled to receive a director's fee of HK\$200,000 per annum and such other benefits as may be determined by, and at the discretion of, the Board from time to time. Dr Tong'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. For the year ended 30 June 2016, Dr Tong received by way of remuneration and/or other emoluments the amount of HK\$50,000 from the Group.

Based on the information contained in the annual confirmation on independence provided by Dr Tong to the Company pursuant to Rule 3.13 of the Listing Rules, the Nomination Committee has reviewed and evaluated the independence of Dr Tong and is satisfied that he has met the criteria of independence expected of an independent non-executive director under the Listing Rules. Both the Board and the Nomination Committee are of the view that Dr Tong remains to be independent, and have the character, integrity, independence and experience required to fulfill and discharge the role and duties of an independent non-executive Director in the event that he is re-elected at the Annual General Meeting.

Save as disclosed above, as at the Latest Practicable Date, Dr Tong:

- (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 in 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.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of **FSE ENGINEERING HOLDINGS LIMITED** (the “**Company**”) will be held at Strategic Room, 2401-02, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Wednesday, 30 November 2016 at 10:30 a.m. for the following purposes:

As ordinary businesses

1. To receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “**Directors**”) and the auditor (the “**Auditor**”) of the Company for the year ended 30 June 2016.
2. To declare the payment of final dividend for the year ended 30 June 2016.
3. To re-elect the following Directors, each as a separate resolution:
 - (a) Mr Wong Kwok Kin, Andrew;
 - (b) Mr Doo William Junior Guilherme;
 - (c) Mr Lee Kwok Bong;
 - (d) Mr Lam Wai Hon, Patrick; and
 - (e) Dr Tong Yuk Lun, Paul,

and to authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.

4. To re-appoint PricewaterhouseCoopers as the Auditor for the year ending 30 June 2017 and to authorise the Board to fix the Auditor’s remuneration;

NOTICE OF ANNUAL GENERAL MEETING

As special businesses

To consider and, if thought fit, pass with or without modifications, each of the following resolutions as ordinary resolution:

ORDINARY RESOLUTIONS

5. “**THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and all other applicable laws, the exercise by the directors (the “**Directors**”) of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares (the “**Shares**”) of HK\$0.10 each in the share capital of the Company, and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of the Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined in paragraph (d) below);
 - (ii) the exercise of options granted under the share option scheme or similar arrangement for the time being adopted by the Company from time to time;
 - (iii) any scrip dividend or similar arrangements providing for allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association (the “**Articles**”) of the Company and other relevant regulations in force from time to time; or
 - (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares;

shall not exceed 20% of the aggregate number of Shares in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purpose of this resolution, the “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law of the Cayman Islands to be held; or
 - (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expenses or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

6. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors (the “**Director**”) of the Company during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to buy-back the shares (the “**Shares**”) of HK\$0.10 each in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**SFC**”) and the Stock Exchange for such purpose, and subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Law (Law 3 of 1961), as consolidated and revised) of the Cayman Islands (as amended, supplemented or modified from time to time) and all other applicable laws as amended from time to time in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares which may be bought back or agreed to be bought back by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate number of Shares in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any other applicable law of the Cayman Islands to be held; or
 - (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”
7. “**THAT** conditional upon resolutions numbered 5 and 6 above being passed, the unconditional general mandate granted to the directors (the “**Directors**”) of the Company to allot, issue and deal with the unissued shares of the Company pursuant to resolution numbered 5 above be and it is hereby extended by the addition to the aggregate number of the shares in the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to or in accordance with such general mandate of an amount representing the aggregate number of shares in the Company bought back by the Company pursuant to or in accordance with the authority granted under resolution numbered 6 above.”

Yours faithfully
By order of the Board
FSE Engineering Holdings Limited
Lee Kwok Bong
Executive Director & Joint Company Secretary

Hong Kong, 17 October 2016

Registered office:
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place
of business in Hong Kong:*
Units 801–810, 8th Floor
Chevalier Commercial Centre
8 Wang Hoi Road
Kowloon Bay, Kowloon
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more shares (the “**Shares**”) of HK\$0.10 each in the Company may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company.

NOTICE OF ANNUAL GENERAL MEETING

2. In the case of joint registered holders of any Share, any one of such joint holders may vote at the Meeting (or any adjournment thereof), either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders are present at the Meeting (or any adjournment thereof) personally or by proxy, that one of the said joint holders so present whose name stands first on the register in respect of such Share shall alone be entitled to vote in respect thereof.
3. To be valid, the form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited at the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the Meeting (or any adjournment thereof).
4. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the Meeting (or any adjournment thereof) if you so wish, and in such event, the form of proxy shall be deemed to be revoked.
5. The record date for determining the entitlement of the holders of Shares to attend and vote at the Meeting will be Wednesday, 30 November 2016. The Company's register of members will be closed from Monday, 28 November 2016 to Wednesday, 30 November 2016 (both days inclusive). All transfer of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Friday, 25 November 2016.
6. The record date for determining the entitlement of the holders of Shares to the proposed final dividend will be Thursday, 8 December 2016. The Company's register of members will be closed from Tuesday, 6 December 2016 to Thursday, 8 December 2016 (both days inclusive). During such period, no transfer of Shares will be effected. All transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Monday, 5 December 2016.
7. In relation to the proposed resolution numbered 3 above, the biographical information and other details of the directors of the Company proposed to be re-elected are set out in Appendix II to the circular of the Company of which this notice of annual general meeting forms part.
8. In relation to the proposed resolutions numbered 5 and 7 above, approval is being sought from the shareholders of the Company for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be allotted and issued upon the exercise of options granted under any share option scheme of the Company or otherwise or any scrip dividend scheme of the Company which may be approved by the shareholders of the Company.
9. In relation to the proposed resolution numbered 6 above, the Directors wish to state that they will exercise the powers conferred thereby to buy-back the Company's shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to the circular of the Company of which this notice of annual general meeting forms part.

As at the date of this notice, 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.