

**FSE Engineering's 2015/16 Interim Profit Attributable to Shareholders
Surges to HK\$74.6 million**

* * * *

Strong Financial Position to Drive Future Growth**Highlights**

- Revenue increased to approximately HK\$1,609.3 million for the six months ended 31 December 2015, representing a year-on-year increase of approximately 17.1% (2014: approximately HK\$1,374.9 million)
- Gross profit increased to approximately HK\$189.1 million, representing a year-on-year increase of approximately 15.0% (2014: approximately HK\$164.5 million)
- Profit attributable to shareholders was approximately HK\$74.6 million (including one-off non-recurring listing expenses of approximately HK\$16.8 million), representing a year-on-year increase of approximately HK\$0.5 million or 0.7% (2014: approximately HK\$74.1 million). Without the impact of the listing expenses, the Group would have achieved a profit of approximately HK\$91.4 million, representing a remarkable year-on-year increase of HK\$17.3 million or 23.3%
- Without the impact of the one-off non-recurring listing expenses, net profit margin would have increased by approximately 0.3 percentage points to approximately 5.7%
- As at 31 December 2015, the Group's total outstanding contract value recorded approximately HK\$6,400 million
- The Group maintained a strong financial position with, cash and bank balances of approximately HK\$1,074.8 million and zero gearing as of 31 December 2015
- The Board recommended an interim dividend of HK5.0 cents per share for the six months ended 31 December 2015

(26 February 2015, Hong Kong) — **FSE Engineering Holdings Limited** (“FSE Engineering” or the “Group”) (stock code: 331), a leading one-stop E&M engineering service provider in Hong Kong, has today announced its first unaudited interim results for the six-month period ended 31 December 2015 after listing. Leveraging its over 40 years of industry experience, strong shareholders background, comprehensive professional expertise and the full range of the relevant licenses, the Group delivered a solid financial performance with satisfactory growth of 17.1% and 23.3% respectively for its interim revenue and profit attributable to shareholders excluding one-off non-recurring listing expenses.

During the period under review, the Group recorded a revenue of approximately HK\$ 1,609.3 million, representing a year-on-year increase of approximately HK\$234.4 million or 17.1% (2014: approximately HK\$1,374.9 million). The increase was mostly attributable to the higher revenue of HK\$234.2 million derived from E&M engineering segment, which accounted for 98.5% of the Group's total revenue. In addition, environmental management service business, primarily consisting of water treatment projects and bio-technology installation and maintenance services, has continued to provide the Group with a constant income stream.

FSE Engineering has built up excellent reputation in the industry with a proven track record over the years. It had been awarded 61 E&M engineering and environmental service projects (with a net contract sum exceeding HK\$1.0 million for each project) with a total net contract value of approximately HK\$1,764.5 million for the period under review. As at 31 December 2015, the Group's total outstanding contract value recorded approximately HK\$6,400 million. The Group had also submitted tenders for 298 E&M and environmental service projects (with a contract sum exceeding HK\$1.0 million for each project, if awarded) with a total tender value of approximately HK\$6,630.3 million.

During the review period, the Group's profit attributable to shareholders was approximately HK\$74.6 million (including one-off non-recurring listing expenses of approximately HK\$16.8 million), representing a year-on-year increase of approximately HK\$0.5 million or 0.7% (2014: approximately HK\$74.1 million). Without the impact of the listing expenses, the Group would have achieved a profit of approximately HK\$91.4 million, representing a remarkable year-on-year increase of HK\$17.3 million or 23.3% with a net profit margin increased by approximately 0.3 percentage points to approximately 5.7%. The Group enjoys a strong financial position. As of 31 December 2015, it had cash and bank balances of approximately HK\$1,074.80 million and the gearing ratio was zero.

The Board recommended the declaration of an interim dividend of HK5.0 cents per share for the six months ended 31 December 2015 with dividend payout ratio of approximately 30.2%.

Looking ahead, the Group is confident in the future development of the E&M engineering and environmental engineering industries. In Hong Kong, the Group will bolster its capabilities in ELV (extra-low voltage) system works and increase human resources, specifically for enhancing work quality and engineering design capability to consolidate its presence. In the PRC, the Group plans to extend its E&M project management services to high-end projects developed with an aim to generate an additional stable source of income for the Group. In Macau, the Group will continue to seize emerging business opportunities in the coming few years by providing a comprehensive range of E&M engineering services.

- End -

About FSE Engineering Holdings Limited

FSE Engineering Holdings Limited ("FSE Engineering" or "The Group") is one of the leading E&M Engineering companies in Hong Kong, providing a comprehensive range of E&M engineering and environmental engineering services with more than 40 years of operating history, and also has well-established E&M engineering operations in the PRC and Macau. According to the Frost & Sullivan Report, FSE Engineering was the second largest E&M engineering service provider for two consecutive years 2013 and 2014 in Hong Kong and in Macau, in terms of sales revenue. FSE Engineering is often engaged in large-scale projects of major property developers and other blue-chip companies in Hong Kong. It has built up excellent reputation in the industry with a proven track record with numerous awards received over the years, and is often invited to tender in major construction projects because of its strong client relationships and goodwill. The Group was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited on 10 December, 2015.

Media Enquiry:

Strategic Financial Relations Limited

Mandy Go	Tel : (852) 2864 4812	Email : mandy.go@sprg.com.hk
Kate Chan	Tel : (852) 2864 4806	Email : kate.chan@sprg.com.hk
Sophie Du	Tel : (852) 2114 4901	Email : sophie.du@sprg.com.hk
Fax : (852) 2527 1196		