



## **FSE Engineering's 2015/16 Annual Profit Attributable to Equity Holders Increases to HK\$161.1 million**

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### **Highlights**

- Revenue increased by 22.9% to HK\$ 3,471.9 million for the year ended 30 June 2016 (“FY2016”)(FY2015: HK\$ 2,825.1 million)
- Gross profit increased by 11.6% to HK\$ 371.9 million (FY2015: HK\$ 333.1 million)
- Profit attributable to equity holders of the Company increased by 8.0% to HK\$161.1 million after taking into account the one-off non-recurring listing expenses of HK\$16.8 million incurred during the year
- Excluding the impact of the one-off non-recurring listing expenses, the Group’s profit attributable to equity holders would have achieved a profit of HK\$177.9 million, representing a remarkable increase of 15.2%
- As at 30 June 2016, the Group’s total outstanding contract sum was HK\$6,100 million.
- The Board recommended the declaration of a final dividend of HK9.4 cents per share for FY2016. The total dividend payout for FY2016 is HK14.4 cents per share, with a payout ratio of 40.2%

(22 September 2016, Hong Kong) — **FSE Engineering Holdings Limited** (“**FSE Engineering**” or the “Group”) (stock code: 331), is one of the leading E&M engineering companies in Hong Kong, has today announced its first annual results for the year ended 30 June 2016 after listing. The Group achieved a satisfactory growth of 22.9% and 8.0% respectively for its revenue and profit attributable to equity holders. After excluding one-off non-recurring listing expenses, the Group’s profit attributable to equity holders would have achieved a remarkable growth of 15.2%.

During the year under review, FSE Engineering has delivered a solid financial performance and recorded revenue of HK\$3,471.9 million, representing an increase of 22.9%, as compared to HK\$2,825.1 million last year. E&M engineering segment remained as the Group’s key turnover driver and contributed 98.5% of the total revenue (FY2015:98.4%). The increase was mainly attributable to the increase in revenue derived from the Group’s installation division as three major installation projects in Hong Kong achieved significant progress in FY2016. For the environmental management services segment, it recorded a revenue of HK\$53.6 million (FY2015: HK\$44.6 million), representing a growth of 20.2%.

FSE Engineering upheld the reputation in the industry and continues to deliver proven track records throughout these years. The Group had been awarded new contracts with a total value exceeding HK\$3,039 million, which include 119 contracts (with a net contract sum equal to or exceeding HK\$1.0 million for each project) with a total net contract sum of HK\$2,779 million. Among these 119 contracts, seven of them are major projects (with net contract sum equal to or more than HK\$100.0 million for each project). As at 30 June 2016, the Group's projects encompassed a wide range of buildings and facilities, including offices, shopping malls, a convention and exhibition center, hotels, residential properties, universities, hospitals, and public transportation facility buildings with a total outstanding contract sum of HK\$6,100 million. During FY2016, the Group submitted tenders for 637 E&M engineering and environmental services projects (with a contract sum equal to or exceeding HK\$1.0 million for each project, if awarded) with a total tender sum of HK\$17,027 million.

During the year under review, profit attributable to equity holders was HK\$161.1 million (including one-off non-recurring listing expenses of HK\$16.8 million), representing an increase of 8.0%. Excluding the listing expenses incurred, the Group would have achieved a profit of HK\$177.9 million, representing a remarkable increase of 15.2%. FSE Engineering has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position. As at 30 June 2016, the Group had total cash and bank balances of HK\$1,325.9 million and the gearing ratio was maintained at zero.

The Board recommended the declaration of a final dividend of HK9.4 cents per share for the year ended 30 June 2016. Including an interim dividend of HK5.0 cents per share for the six months ended 31 December 2015, the total dividend payout for FY2016 is HK14.4 cents per share, with a payout ratio of 40.2%.

## **Outlook**

Moving forward, FSE Engineering will continue to focus on capturing large-scale projects including design and construction government contracts, public infrastructure works, hospital development projects, public rental and subsidised housing projects, and private commercial and residential building projects etc. The Group will also strive to secure more term maintenance contracts and alteration and additional works in the maintenance section. Recently, its maintenance group has entered into a service agreement with a major mainland chiller manufacturer as their exclusive service agent both in Hong Kong and Macau.

In the PRC, FSE Engineering business target remains focused on E&M services for major property developments initiated by both Hong Kong and foreign investors. With the Group's accumulated E&M installation experience in the PRC sector, it plans to extend its E&M project management services to high-end projects developed in the PRC. FSE Engineering believes these project management services can generate an additional stable source of income for the Group.

For environmental engineering sector, FSE Engineering is currently operating a laboratory accredited under the Hong Kong Laboratory Accreditation Scheme (HOKLAS) which aims to provide testing for fresh water inside service, fresh water for the Quality Water Supply Scheme, Fresh Water Cooling Towers Scheme and river/sea water quality baseline monitoring service. This laboratory service is complementary to the Group's E&M engineering and environmental engineering segments. It is expected that strict control of water pollution will help to increase the market demand for the services of its environmental testing laboratory,

In sum, FSE Engineering will remain committed to its strategies of staying focused on its core competencies in order to ensure customers' satisfaction as well as sustainable growth and profitability. As always, the Group fully committed to maintaining its long-term development and ensuring fair returns for its shareholders.

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**About FSE Engineering Holdings Limited**

**FSE Engineering Holdings Limited** (“**FSE Engineering**” or “**The Group**”) is a leading engineering company, providing a comprehensive electrical & mechanical engineering and environmental engineering services over 40 years. It has well-established operations in Hong Kong, PRC and Macau.

The Frost & Sullivan Report reported that for 2013 and 2014, FSE Engineering was the second largest E&M engineering service provider by sales revenue in Hong Kong and Macau. FSE Engineering is frequently engaged in large-scale projects of major property developers and blue-chip companies. The Group was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited on 10 December 2015.

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