

# Other Information

## REVIEW OF INTERIM RESULTS

The Audit Committee of the Company was established by the Board for the purposes of, among other things, reviewing and providing supervision over the Group's financial reporting process and internal controls. It currently comprises four independent non-executive directors of the Company. The Audit Committee has reviewed the Group's unaudited condensed consolidated interim financial statements for the six months ended 31 December 2020 and discussed financial related matters with the management and the external auditors of the Company.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 December 2020 have been reviewed by the Company's external auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

## CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and enhance corporate value of the Group. Throughout the six months ended 31 December 2020, the Company had complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

## DIRECTORS' DEALINGS IN THE COMPANY'S SECURITIES

The Company has adopted its own Securities Dealing Code, which is no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules, as the code for dealing in securities of the Company by its directors. All directors of the Company confirmed, following specific enquiry by the Company, that they had complied with the required standard set out in the Securities Dealing Code adopted by the Company throughout the six months ended 31 December 2020.

## UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the directors since the publication of the 2019-2020 Annual Report are set out below:

1. Mr. Lam Wai Hon, Patrick ("Mr. Lam") retired as non-executive director of NWS Holdings Limited with effect from 25 November 2020. Mr. Lam was appointed as the alternate director to Mr. Doo William Junior Guilherme ("Mr. Doo Jr"), the non-executive director of NWS Holdings Limited with effect from the same day.
2. Pursuant to a supplemental service agreement dated 7 December 2020 entered into by the Company with each of the executive directors (i.e. Mr. Lam, Mr. Poon Lock Kee, Rocky, Mr. Doo Jr, Mr. Lee Kwok Bong, Mr. Soon Kweong Wah and Mr. Wong Shu Hung), (a) each executive director shall be entitled to receive a director's fee, such benefits and other payments as the Board may from time to time determine; (b) the annual increment of annual salary of each executive director will not be subject to any ceiling (originally, the ceiling was 10%); and (c) the aggregate of all discretionary management bonuses payable to all the executive directors of the Company in a financial year will not be subject to any ceiling (originally, the ceiling was 10% of the audited consolidated net profit of the Group).
3. Mr. Doo Jr ceased to be a committee member of the Disciplinary Panel of The Hong Kong Institute of Certified Public Accountants in January 2021.

Except as mentioned above, there is no change in information of each director of the Company that is required to be disclosed under Rule 13.51B(1) of the Listing Rules.

# Other Information

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 December 2020, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### Long position in ordinary shares of associated corporation — FSE Holdings Limited ("FSE Holdings")

| Name              | Capacity/nature of interest         | Number of shares          | Percentage of shareholding <sup>(4)</sup> |
|-------------------|-------------------------------------|---------------------------|---|
| Mr. Lam           | Interest of controlled corporation  | 10,000,000 <sup>(1)</sup> | 2%  |
| Mr. Doo Jr        | Interest of controlled corporations | 45,000,000 <sup>(2)</sup> | 9%  |
| Mr. Lee Kwok Bong | Interest of controlled corporation  | 5,000,000 <sup>(3)</sup>  | 1%  |

Notes:

1. The shares are held by Equal Merit Holdings Limited ("Equal Merit"), the entire issued share capital of which is solely and beneficially owned by Mr. Lam.
2. The shares are held by Master Empire Group Limited ("Master Empire") as to 25,000,000 shares and Supreme Win Enterprises Limited ("Supreme Win Enterprises") as to 20,000,000 shares, the entire issued share capital of each of which is solely and beneficially owned by Mr. Doo Jr.
3. The shares are held by Lagoon Treasure Limited ("Lagoon Treasure"), the entire issued share capital of which is solely and beneficially owned by Mr. Lee Kwok Bong.
4. The percentage of shareholding is calculated on the basis of 500,000,000 shares of FSE Holdings in issue as at 31 December 2020.

Save as disclosed above, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31 December 2020.

# Other Information

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2020, the interests and short positions of persons in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

### Long position in ordinary shares and underlying shares of the Company

| Name  | Capacity/nature of interest   | Number of ordinary shares in issue | Number of underlying shares | Total number of ordinary shares interested in | Percentage of shareholding <sup>(7)</sup> |
|---|---|------------------------------------|-----------------------------|---|---|
| FSE Holdings  | Beneficial interest and interest of controlled corporation <sup>(5)</sup> | 337,500,000 <sup>(1)</sup>         | 43,676,379 <sup>(2)</sup>   | 381,176,379 <sup>(3)</sup>                    | 84.71%                                    |
| Sino Spring Global Limited ("Sino Spring") <sup>(4)</sup> | Interest of controlled corporation  | 337,500,000                        | 43,676,379                  | 381,176,379                                   | 84.71%                                    |
| Mr. Doo Wai Hoi, William ("Mr. Doo") <sup>(5)</sup>       | Interest of controlled corporation  | 337,500,000                        | 43,676,379                  | 381,176,379                                   | 84.71%                                    |
| Mrs. Doo Cheng Sau Ha, Amy ("Mrs. Doo") <sup>(6)</sup>    | Interest of spouse  | 337,500,000                        | 43,676,379                  | 381,176,379                                   | 84.71%                                    |
| FSE Management Company Limited ("FMC") <sup>(2)</sup>     | Beneficial interests  | –                                  | 43,676,379                  | 43,676,379                                    | 9.71%                                     |

Notes:

- These shares are held by FSE Holdings.
- These shares are issuable to FMC upon full conversion of a total of 43,676,379 non-voting redeemable convertible preference shares (the "CPS") issued by the Company to FMC on 16 December 2019. Upon exercise of the conversion rights attaching to each CPS, each CPS is convertible into one ordinary share of the Company (subject to adjustments upon occurrence of certain prescribed events, including consolidation, subdivision or reclassification of shares in the capital of the Company, capitalisation of profits or reserves etc., in each case if not also made available to holder(s) of CPS) within a period of 10 years after its date of issue. FMC is wholly owned by FSE Holdings. By virtue of Part XV of the SFO, FSE Holdings is deemed to be interested in all the shares in which FMC is interested.
- These shares comprise (a) the 337,500,000 ordinary shares in issue and held by FSE Holdings; and (b) the 43,676,379 ordinary shares issuable to FMC upon full conversion of the 43,676,379 CPS as referred to in Note 2 above.
- FSE Holdings is held as to 63% by Sino Spring, 18% by Power Victory Global Limited ("Power Victory"), 7% by Frontier Star Limited ("Frontier Star"), 5% by Master Empire, 4% by Supreme Win Enterprises, 2% by Equal Merit and 1% by Lagoon Treasure. By virtue of Part XV of the SFO, Sino Spring is deemed to be interested in all the shares in which FSE Holdings is interested.
- Each of Sino Spring, Power Victory and Frontier Star is wholly owned by Mr. Doo. They together are holding an aggregate of 88% interest in FSE Holdings. By virtue of Part XV of the SFO, Mr. Doo is deemed to be interested in all the shares in which each of Sino Spring, Power Victory and Frontier Star is interested.
- Mrs. Doo is the spouse of Mr. Doo and is therefore taken to be interested in all the shares of the Company in which Mr. Doo is interested by virtue of Part XV of the SFO.
- The percentage of shareholding is calculated on the basis of 450,000,000 voting shares of the Company in issue as at 31 December 2020. On a fully diluted basis upon full conversion of the CPS assuming no change in the number of voting shares of the Company, the total number of voting shares of the Company in issue will be 493,676,379 and the percentage of shareholdings held by FSE Holdings and FMC will be 77.21% and 8.85% respectively and in each case, each of Sino Spring, Mr. Doo and Mrs. Doo is deemed to be interested in all shares in which FSE Holdings is interested under Part XV of the SFO. These percentage shareholdings on a fully diluted basis are provided for illustrative purposes only. The terms of the CPS will not permit conversion if immediately after such conversion, the public float of the ordinary shares of the Company will fall below the minimum public float requirements of the Listing Rules.

# Other Information

Save as disclosed above, no other person was recorded in the register required to be kept under section 336 of the SFO as having an interest or short position in the shares or underlying shares of the Company as at 31 December 2020.

## CONTINUING DISCLOSURE REQUIREMENTS UNDER RULE 13.21 OF THE LISTING RULES

On 18 October 2019, FSE Property Management Group Limited ("FPMGL") (as borrower), and FSE Engineering Group Limited ("FSEE") and FSE Facility Services Group Limited ("FFSGL") (as guarantors), all being wholly-owned subsidiaries of the Company, entered into a 2-year term loan facility agreement (the "Facility Agreement") with a bank. The Facility Agreement provides for up to the lesser of HK\$600 million or 80% of the total consideration of an acquisition, details of which are set out in the "Management Discussion and Analysis" under the paragraphs headed "Convertible preference shares" on page 15, for the financing for the acquisition. The loan under the Facility Agreement bears an interest of 0.7% per annum over Hong Kong Interbank Offered Rate and is repayable on the date that is two years from the drawdown date.

Under the Facility Agreement, each of FPMGL, FSEE and FFSGL (collectively, the "Obligors") undertakes to procure that Mr. Doo Wai Hoi, William, a controlling shareholder of the Company, and Mr. Doo William Junior Guilherme, a director of the Company, shall maintain not less than 51% direct or indirect shareholding of each of the Obligors, the breach of which will constitute an event of default under the Facility Agreement. Upon occurrence of an event of default, all amounts advanced under the Facility Agreement including all interest accrued thereon will become immediately due and repayable, and the bank shall not be required to make any further advances under the Facility Agreement.

Announcement regarding the entering into of the Facility Agreement was made on 18 October 2019 pursuant to Rule 13.18 of the Listing Rules. As at 31 December 2020, the principal amount of the bank loan in respect of the Facility Agreement of HK\$263.9 million remained outstanding.

Save as disclosed above, as at 31 December 2020, the Company did not have other disclosure obligations under Rule 13.21 of the Listing Rules.

## SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") on 20 November 2015. No share option has been granted under the Scheme since its adoption.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2020.