

November 20, 2020

Mr. Thomas Soon  
Executive Director  
Chairman of the Risk Management Committee of the Board  
8/F Chevalier Commercial Centre  
8 Wang Hoi Road, Kowloon Bay  
Hong Kong

Dear Mr. Soon,

We hope this letter finds you and FSE Services Group Limited (“FSE” or the “Company”) well! As a shareholder of the Company since 2018, we have appreciated your close communication with us throughout the years. Due to the increasing awareness of the growing requirements for environmental, social, and governance (“ESG”) reporting, in the spirit of openness, we would like to offer several observations for the Company to consider:

1. The Company’s current ESG report only shows its latest annual data. To allow for investors and analysts to make easy comparisons, it would be ideal if the Company could add previous data on a 3- or 5-year rolling basis.
2. The Company has made various acquisitions in recent years. For future transactions, we recommend the Company to provide or compare ESG metrics in pre- and post-transaction phases. This enables investors to draw more accurate projections of the Company’s ESG trends. Examples such as the decrease in average training hours from 42 hours in FY2017 to 11 hours in FY2019, or the significant increase in greenhouse gas emission from FY2018 to FY2019 would help investors to understand if these changes are related to an acquisition or a change in corporate policy and culture.
3. We noticed that the materials used for E&M projects are quite substantial. As many of your peers include “materials recycle rate” in their ESG report, it would be ideal if the Company also presented this data in their reporting to meet industry standards.

We hope that the Company will consider some of our suggestions. If you have any further questions, please feel free to contact us. Thank you for your attention.

Sincerely,



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Ronald Chan  
Chief Investment Officer  
Chartwell Capital Limited



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Evan Ng  
Senior Analyst  
Chartwell Capital Limited