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WISON ENGINEERING SERVICES CO. LTD.

惠生工程技術服務有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2236)

CONTINUING CONNECTED TRANSACTIONS

**WISON MARINE SUPPLEMENTAL PROPERTY LEASING AGREEMENT,
WISON MARINE FURTHER SUPPLEMENTAL AGREEMENT AND
REVISION OF ANNUAL CAP**

The Board announces that on January 25, 2019, Wison Engineering entered into (i) the Wison Marine Supplemental Property Leasing Agreement with Wison Marine to amend certain terms of the 2019 Wison Marine Property Leasing Agreement, and (ii) the Wison Marine Further Supplemental Agreement with Wison Marine to amend certain terms of the 2019 Wison Marine Supplemental Agreement.

Reference is made to the announcement of the Company dated December 14, 2018, pursuant to which the Company announced that, among other things, Wison Engineering (as landlord) and Wison Marine (as tenant) entered into the 2019 Wison Marine Property Leasing Agreement and the 2019 Wison Marine Supplemental Agreement. Pursuant to these agreements, certain premises with a gross floor area of 2,500 square metres within the New Wison Complex were leased, with such lease expiring on December 31, 2019 and during the tenancy, Wison Engineering shall provide property management services for such premises.

Pursuant to the Wison Marine Supplemental Property Leasing Agreement and the Wison Marine Further Supplemental Agreement, the subject premises shall be changed from a portion of 4th Floor and 5th Floor of Block A at the New Wison Complex to 5th Floor of Block A at the New Wison Complex, with gross floor area being reduced from 2,500 square metres to 2,000 square metres and the monthly rental and monthly comprehensive park management fee reducing from RMB418,229.17 to RMB334,583.33 and from RMB62,500.00 to RMB50,000.00, respectively.

Each of the Wison Marine Supplemental Property Leasing Agreement and the Wison Marine Further Supplemental Agreement shall be effective from February 1, 2019 and shall expire on December 31, 2019.

Save as disclosed in this announcement, all the other terms of the 2019 Wison Marine Property Leasing Agreement and the 2019 Wison Marine Supplemental Agreement, as amended by the Wison Marine Supplemental Agreements, shall remain in full force and effect.

LISTING RULES IMPLICATIONS AND ANNUAL CAP

In the announcement of the Company dated December 14, 2018, the Company also announced that Wison Engineering (as landlord) had entered into the 2019 Wison (China) Investment Property Leasing Agreement and the 2019 Wison (China) Investment Supplemental Agreement with Wison (China) Investment, an indirect subsidiary of Wison Holding, (as tenant) to renew the lease in relation to certain premises at the New Wison Complex and for the provision of property management services by Wison Engineering for the subject premises.

Wison Holding is a controlling shareholder of the Company which is indirectly interested in approximately 75.88% of the total issued share capital of the Company as at the date of this announcement. Hence, Wison Holding is a connected person of the Company. As each of Wison Marine and Wison (China) Investment is an indirect subsidiary of Wison Holding, each of Wison Marine and Wison (China) Investment is also a connected person of the Company. Accordingly, the transactions contemplated under the 2019 Wison Marine Property Leasing Agreement (as amended), the 2019 Wison Marine Supplemental Agreement (as amended), the 2019 Wison (China) Investment Property Leasing Agreement and the 2019 Wison (China) Investment Supplemental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the 2019 Wison (China) Investment Property Leasing Agreement was entered into between Wison Engineering (as landlord) and Wison (China) Investment, an indirect subsidiary of Wison Holding, (as tenant) and the subject premises are also located at the New Wison Complex, the transactions contemplated under the 2019 Wison (China) Investment Property Leasing Agreement and the 2019 Wison (China) Investment Supplemental Agreement should be aggregated with the transactions contemplated under the 2019 Wison Marine Property Leasing Agreement (as amended) and the 2019 Wison Marine Supplemental Agreement (as amended) for the purpose of calculating the applicable percentage ratios set out under Rule 14.07 of the Listing Rules. The amounts of the rental and the comprehensive park management fees payable under these agreements for the year ending December 31, 2019 are revised (as applicable) as follows:

	For the year ending December 31, 2019	
	Old	Revised
2019 Wison Marine Property Leasing Agreement (as amended)	RMB5,018,750.04	RMB4,098,645.80
2019 Wison Marine Supplemental Agreement (as amended)	RMB750,000.00	RMB612,500.00
2019 Wison (China) Investment Property Leasing Agreement	RMB15,224,880.00	Not applicable
2019 Wison (China) Investment Supplemental Agreement	RMB2,275,200.00	Not applicable

The aggregate amount of the rental and the comprehensive park management fees payable under the Wison Marine Agreements (as amended) and the Wison (China) Investment Agreements for the year ending December 31, 2019 will be reduced from RMB23,268,830.04 to RMB22,211,225.80. As such aggregate amount is expected not to exceed RMB23,000,000.00 for the year ending December 31, 2019, such amount has been set as the revised annual cap for the aggregate amount of the rental and the comprehensive park management fees payable under the Wison Marine Agreements (as amended) and the Wison (China) Investment Agreements for the year ending December 31, 2019. There will not be any change to the annual cap for the aggregate amount of the rental and the comprehensive park management fees payable under the Wison (China) Investment Agreements for the year ending December 31, 2020.

Since one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the revised annual cap for the aggregate amount payable by Wison Marine under the 2019 Wison Marine Property Leasing Agreement (as amended) and the 2019 Wison Marine Supplemental Agreement (as amended) and the aggregate amount payable by Wison (China) Investment under the 2019 Wison (China) Investment Property Leasing Agreement and the 2019 Wison (China) Investment Supplemental Agreement for the year ending December 31, 2019, on an aggregate basis, is above 0.1% but below 5%, the transactions contemplated thereunder are only subject to the reporting, annual review and announcement requirements set out in the Listing Rules but are exempt from the independent shareholders' approval requirement under the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated December 14, 2018, pursuant to which the Company announced that, among other things, Wison Engineering (as landlord) and Wison Marine (as tenant) entered into the 2019 Wison Marine Property Leasing Agreement and the 2019 Wison Marine Supplemental Agreement. Pursuant to these agreements, certain premises with a gross floor area of 2,500 square metres within the New Wison Complex were leased, with such lease expiring on December 31, 2019 and during the tenancy, Wison Engineering shall provide property management services for such premises.

WISON MARINE SUPPLEMENTAL PROPERTY LEASING AGREEMENT AND WISON MARINE FURTHER SUPPLEMENTAL AGREEMENT

The Board announces that on January 25, 2019, Wison Engineering entered into (i) the Wison Marine Supplemental Property Leasing Agreement with Wison Marine to amend certain terms of the 2019 Wison Marine Property Leasing Agreement, and (ii) the Wison Marine Further Supplemental Agreement with Wison Marine to amend certain terms of the 2019 Wison Marine Supplemental Agreement.

Pursuant to the Wison Marine Supplemental Property Leasing Agreement and the Wison Marine Further Supplemental Agreement, Wison Engineering (as landlord) and Wison Marine (as tenant) agreed that:

- (i) the subject premises under the 2019 Wison Marine Property Leasing Agreement shall be changed from a portion of 4th Floor and 5th Floor of Block A at the New Wison Complex to 5th Floor of Block A at the New Wison Complex, with gross floor area being reduced from 2,500 square metres to 2,000 square metres;
- (ii) the monthly rental shall be adjusted from RMB418,229.17 (equivalent to a daily rental of approximately RMB5.5 per square metre) to RMB334,583.33 (equivalent to a daily rental of approximately RMB5.5 per square metre) by reference to the size of the reduced gross floor area of the subject premises; and
- (iii) the comprehensive park management fee shall be adjusted from RMB62,500.00 per month to RMB50,000.00 per month by reference to the size of the reduced gross floor area of the subject premises.

Each of the Wison Marine Supplemental Property Leasing Agreement and the Wison Marine Further Supplemental Agreement shall be effective from February 1, 2019 and shall expire on December 31, 2019.

Save as disclosed in this announcement, all the other terms of the 2019 Wison Marine Property Leasing Agreement and the 2019 Wison Marine Supplemental Agreement, as amended by the Wison Marine Supplemental Agreements, shall remain in full force and effect.

LISTING RULES IMPLICATIONS AND ANNUAL CAP

In the announcement of the Company dated December 14, 2018, the Company also announced that Wison Engineering (as landlord) had entered into the 2019 Wison (China) Investment Property Leasing Agreement and the 2019 Wison (China) Investment Supplemental Agreement with Wison (China) Investment, an indirect subsidiary of Wison Holding, (as tenant) to renew the lease in relation to certain premises at the New Wison Complex and for the provision of property management services by Wison Engineering for the subject premises.

Wison Holding is a controlling shareholder of the Company which is indirectly interested in approximately 75.88% of the total issued share capital of the Company as at the date of this announcement. Hence, Wison Holding is a connected person of the Company. As each of Wison Marine and Wison (China) Investment is an indirect subsidiary of Wison Holding, each of Wison Marine and Wison (China) Investment is also a connected person of the Company. Accordingly, the transactions contemplated under the 2019 Wison Marine Property Leasing Agreement (as amended), the 2019 Wison Marine Supplemental Agreement (as amended), the 2019 Wison (China) Investment Property Leasing Agreement and the 2019 Wison (China) Investment Supplemental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the 2019 Wison (China) Investment Property Leasing Agreement was entered into between Wison Engineering (as landlord) and Wison (China) Investment, an indirect subsidiary of Wison Holding, (as tenant) and the subject premises are also located at the New Wison Complex, the transactions contemplated under the 2019 Wison (China) Investment Property Leasing Agreement and the 2019 Wison (China) Investment Supplemental Agreement should be aggregated with the transactions contemplated under the 2019 Wison Marine Property Leasing Agreement (as amended) and the 2019 Wison Marine Supplemental Agreement (as amended) for the purpose of calculating the applicable percentage ratios set out under Rule 14.07 of the Listing Rules. The amounts of the rental and the comprehensive park management fees payable under these agreements for the year ending December 31, 2019 are revised (as applicable) as follows:

	For the year ending December 31, 2019	
	Old	Revised
2019 Wison Marine Property Leasing Agreement (as amended)	RMB5,018,750.04	RMB4,098,645.80
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2019 Wison (China) Investment Property Leasing Agreement	RMB15,224,880.00	Not applicable
2019 Wison (China) Investment Supplemental Agreement	RMB2,275,200.00	Not applicable

The aggregate amount of the rental and the comprehensive park management fees payable under the Wison Marine Agreements (as amended) and the Wison (China) Investment Agreements for the year ending December 31, 2019 will be reduced from RMB23,268,830.04 to RMB22,211,225.80. As such aggregate amount is expected not to exceed RMB23,000,000.00 for the year ending December 31, 2019, such amount has been set as the revised annual cap for the aggregate amount of the rental and the comprehensive park management fees payable under the Wison Marine Agreements (as amended) and the Wison (China) Investment Agreements for the year ending December 31, 2019. There will not be any change to the annual cap for the aggregate amount of the rental and the comprehensive park management fees payable under the Wison (China) Investment Agreements for the year ending December 31, 2020.

Since one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the revised annual cap for the aggregate amount payable by Wison Marine under the 2019 Wison Marine Property Leasing Agreement (as amended) and the 2019 Wison Marine Supplemental Agreement (as amended) and the aggregate amount payable by Wison (China) Investment under the 2019 Wison (China) Investment Property Leasing Agreement and the 2019 Wison (China) Investment Supplemental Agreement for the year ending December 31, 2019, on an aggregate basis, is above 0.1% but below 5%, the transactions contemplated thereunder are only subject to the reporting, annual review and announcement requirements set out in the Listing Rules but are exempt from the independent shareholders' approval requirement under the Listing Rules.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE WISON MARINE SUPPLEMENTAL PROPERTY LEASING AGREEMENT AND WISON MARINE FURTHER SUPPLEMENTAL AGREEMENT

The construction of the New Wison Complex was completed in October 2013. Located at No. 699 Zhongke Road, Pudong New District, Shanghai, PRC, the New Wison Complex is in the middle section of Zhangjiang Hi-Tech Park at the north side of off-ramp exit of the Jinke Road of the Central Line, adjacent to the Zhongke Road Metro Station of the Line 13. The New Wison Complex has a total of 5 blocks with a total gross floor area of 126,703 square metres. The net carrying amount of the New Wison Complex as at June 30, 2018 was approximately RMB889.623 million. Wison Engineering is the legal owner of the New Wison Complex. The Group occupies certain premises at the New Wison Complex as its offices. For the premises that are not occupied by the Group, Wison Engineering would put them for lease in the market so as to better utilise the Group's assets and to generate returns for the Group.

As a result of the changes in its business needs, Wison Marine negotiated with Wison Engineering for the reduction of the gross floor area of the subject premises of the 2019 Wison Marine Property Leasing Agreement for the remaining term.

In view that (i) the gross floor area vacated by Wison Marine could be put for lease in the market at prevailing market rates; and (ii) the rental payable under the 2019 Wison Marine Property Leasing Agreement (as amended) and the comprehensive park management fee payable under the 2019 Wison Marine Supplemental Agreement (as amended), in each case, reflect prevailing market rates, the Directors (including the independent non-executive Directors but excluding Ms. Rong Wei who has abstained from voting) are of the view that the entering into of the Wison Marine Supplemental Property Leasing Agreement and the Wison Marine Further Supplemental Agreement is in the interests of the Company and its shareholders as a whole.

As Ms. Rong Wei is a director and vice president of Wison Holding, Ms. Rong Wei has abstained from voting on the Board resolution approving the Wison Marine Supplemental Property Leasing Agreement and the Wison Marine Further Supplemental Agreement and the revised proposed annual cap.

The Directors (including independent non-executive Directors but excluding Ms. Rong Wei who has abstained from voting) are of the view that the Wison Marine Supplemental Property Leasing Agreement and the Wison Marine Further Supplemental Agreement were entered into after arm's length negotiation between Wison Engineering and Wison Marine and in the ordinary and usual course of business of the Group, reflect normal commercial terms and are in the interests of the Company and its shareholders as a whole and the terms as well as the proposed revised annual cap for the transactions thereunder are fair and reasonable.

GENERAL INFORMATION

The Company is an investment holding company. The principal activity of the Group is the provision of chemical engineering, procurement and construction management, or EPC, services. The Group provides a broad range of integrated services spanning the project life cycle from feasibility studies, consulting services, provision of proprietary technologies, design, engineering, raw materials and equipment procurement and construction management to maintenance and after-sale technical support. Wison Engineering is the principal operating subsidiary of the Company.

Wison Marine is principally engaged in research and development in marine engineering and systems in relation to offshore wind power.

DEFINITIONS

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

“2019 Wison (China) Investment Property Leasing Agreement”	the property leasing agreement dated December 14, 2018 and entered into between Wison Engineering as landlord and Wison (China) Investment as tenant in relation to certain premises located at Block A at the New Wison Complex
“2019 Wison (China) Investment Supplemental Agreement”	the supplemental agreement to the 2019 Wison (China) Investment Property Leasing Agreement dated December 14, 2018 and entered into between Wison Engineering and Wison (China) Investment
“2019 Wison Marine Property Leasing Agreement”	the property leasing agreement dated December 14, 2018 and entered into between Wison Engineering as landlord and Wison Marine as tenant in relation to certain premises located Block A at the New Wison Complex
“2019 Wison Marine Supplemental Agreement”	the supplemental agreement to the 2019 Wison Marine Property Leasing Agreement dated December 14, 2018 and entered into between Wison Engineering and Wison Marine
“Board”	the board of Directors of the Company
“Company”	Wison Engineering Services Co. Ltd. (惠生工程技術服務有限公司), an exempted company with limited liability incorporated in the Cayman Islands whose issued shares are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“New Wison Complex”	the premises located at No. 699 Zhongke Road, Pudong New District, Shanghai, PRC
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wison (China) Investment”	Wison (China) Holding Company (惠生(中國)投資有限公司), a company established in the PRC with limited liability, and an indirect subsidiary of Wison Holding
“Wison (China) Investment Agreements”	collectively, the 2019 Wison (China) Investment Property Leasing Agreement and the 2019 Wison (China) Investment Supplemental Agreement
“Wison Engineering”	Wison Engineering Ltd. (惠生工程(中國)有限公司), a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
“Wison Holding”	Wison Group Holding Limited (惠生控股(集團)有限公司), a company incorporated in the British Virgin Islands with limited liability, and a controlling shareholder of the Company
“Wison Marine”	Shanghai Wison Offshore & Marine Co., Ltd. (上海惠生海洋工程有限公司), a company established in the PRC with limited liability, and an indirect subsidiary of Wison Holding
“Wison Marine Agreements”	collectively, the 2019 Wison Marine Property Leasing Agreement (as amended) and the 2019 Wison Marine Supplemental Agreement (as amended)
“Wison Marine Further Supplemental Agreement”	the further supplemental agreement to the 2019 Wison Marine Supplemental Agreement dated January 25, 2019 and entered into between Wison Engineering and Wison Marine
“Wison Marine Supplemental Agreements”	collectively, the Wison Marine Supplemental Property Leasing Agreement and the Wison Marine Further Supplemental Agreement

“Wison Marine Supplemental Property Leasing Agreement” the supplemental agreement to the 2019 Wison Marine Property Leasing Agreement dated January 25, 2019 and entered into between Wison Engineering and Wison Marine

“%” per cent.

By Order of the Board
Wison Engineering Services Co. Ltd.
Rong Wei
Executive Director and Chief Executive Officer

Hong Kong, January 25, 2019

As at the date of this announcement, the executive Directors of the Company are Ms. Rong Wei, Mr. Zhou Hongliang, Mr. Li Zhiyong and Mr. Dong Hua; and the independent non-executive Directors are Mr. Lawrence Lee, Mr. Tang Shisheng and Mr. Feng Guohua.