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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)

**DISCLOSEABLE TRANSACTION
CAPITAL CONTRIBUTION TO SHANXI LU'AN CHEMICAL CO., LTD.**

CAPITAL CONTRIBUTION AGREEMENT

The Board is pleased to announce that on June 6, 2019 (after trading hours), Wison Engineering (an indirect wholly-owned subsidiary of the Company) and the Other Investors (as the Investors), Shanxi Lu'an Group (as the existing shareholder of the Target Company) and the Target Company entered into the Capital Contribution Agreement, pursuant to which Wison Engineering agreed to make capital contribution in cash of RMB30,000,000 to the Target Company for a 0.2246% equity interest in the Target Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Other Investors, Shanxi Lu'an Group and the Target Company and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Target Company is a company established in the PRC and is principally engaged in the research and development, transfer and provision of technological services relating to coal chemical technology; proprietary investments in coal chemical projects; production, transportation and sales of coal and coal chemical products; and engineering and construction of coal chemical projects. As at the date of this announcement, Shanxi Lu'an Group is the sole shareholder of the Target Company.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transactions contemplated under the Capital Contribution Agreement is more than 5% but less than 25%, the Capital Contribution Agreement constitutes a discloseable transaction for the Company and accordingly, is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

CAPITAL CONTRIBUTION AGREEMENT

The Board is pleased to announce that on June 6, 2019 (after trading hours), Wison Engineering (an indirect wholly-owned subsidiary of the Company) and the Other Investors (as the Investors), Shanxi Lu'an Group (as the existing shareholder of the Target Company) and the Target Company entered into the Capital Contribution Agreement.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Other Investors, Shanxi Lu'an Group and the Target Company and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Capital Contribution

Pursuant to the Capital Contribution Agreement, Wison Engineering and the Other Investors agreed to make capital contributions of a total of RMB460,000,000 in cash to the Target Company for a total of 3.4442% equity interest in the Target Company, of which Wison Engineering agreed to make capital contribution in cash of RMB30,000,000 to the Target Company for a 0.2246% equity interest in the Target Company. Shanxi Lu'an Group shall waive its pre-emptive right in relation to the Capital Contribution.

The following table sets out the capital to be contributed by each Investor and the percentage of equity interest of each Investor in the Target Company immediately after Completion:

Name of Investor	Amount of capital to be contributed to the Target Company (RMB)	Percentage of equity interest in the Target Company immediately after Completion
Wison Engineering	30,000,000	0.2246%
Synfuels China Engineering	100,000,000	0.7487%
Air Products (China) Investment	100,000,000	0.7487%
Zhongke Lu'an Energy Technology	30,000,000	0.2246%
Datong Coal Mine Group	50,000,000	0.3744%
Yangquan Coal Industry	50,000,000	0.3744%
Shanxi Coking	50,000,000	0.3744%
Shanxi Jincheng Anthracite Mining	50,000,000	0.3744%
Total	460,000,000	3.4442%

The Capital Contribution to be made by each Investor is in proportion to the percentage of equity interest that it will acquire in the Target Company.

The amount of Capital Contribution under the Capital Contribution Agreement was determined after arm's length negotiations between the parties to the Capital Contribution Agreement with reference to the appraised value of the net assets of the Target Company as of June 30, 2018 (being approximately RMB12,896,000,000) as set out on the State-owned assets valuation report prepared by an independent valuer using asset-based approach.

Payment

The Capital Contribution shall be settled in cash by the Investors.

Wison Engineering shall settle its Capital Contribution within five business days after receiving the payment notice from the relevant equity exchange authority for PRC State-owned assets, and such capital contribution will be financed out of the internal financial resources of the Group.

Completion

The Target Company shall make an application to the competent industrial and commercial administration in the PRC for change of registration particulars in connection with the Capital Contribution within ten business days upon receipt from the relevant equity exchange authority for PRC State-owned assets confirming payment of the Capital Contribution.

The profit or loss recorded by the Target Company during the period commencing from the Valuation Benchmark Date and ending on the date of completion of the registration of the Capital Contribution with the competent industrial and commercial administration in the PRC shall be enjoyed or borne by Shanxi Lu'an Group (being the sole shareholder of the Target Company as at the date of this announcement).

The Target Company will not become a subsidiary of the Company as a result of the Capital Contribution and hence, the financial results of the Target Company will not be consolidated into those of the Group.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established in the PRC and is principally engaged in the research and development, transfer and provision of technological services relating to coal chemical technology; proprietary investments in coal chemical projects; production, transportation and sales of coal and coal chemical products; and engineering and construction of coal chemical projects.

Based on the audited consolidated financial statements of the Target Company for the financial years ended 31 December 2017 and 2018, prepared in accordance with generally accepted accounting principles in the PRC, the audited consolidated profit before taxation and profit after taxation of the Target Company are set out below:

	For the year ended	
	December 31,	
	2017	2018
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before taxation	1,250,380	2,786,513
Profit after taxation	467,963	1,715,756

Based on the audited consolidated financial statements of the Target Company prepared in accordance with generally accepted accounting principles in the PRC, the audited consolidated net assets of the Target Company as at December 31, 2018 was approximately RMB24,232,000,000.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL CONTRIBUTION AGREEMENT

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 technical appraisal, early project planning, 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.

The Capital Contribution can further strengthen the bond between the Group and its key clients and at the same time benefits the further expansion of the Group into the coal chemical engineering section for business opportunities. The Company considers that the Capital Contribution is in line with the Group’s investment strategy and will bring investment returns to the Group.

The Directors (including the independent non-executive Directors) are of the view that the Capital Contribution Agreement was entered into after arm’s length negotiation between the parties thereto and reflects normal commercial terms, and that the terms of Capital Contribution Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON SHANXI LU’AN GROUP

Shanxi Lu’an Group is a company established in the PRC. It is principally engaged in the production and sales of coal, mining of mineral resources and coal, and coal processing. As at the date of this announcement, Shanxi Lu’an Group is the sole shareholder of the Target Company.

INFORMATION ON THE OTHER INVESTORS

Synfuels China Engineering

Synfuels China Engineering is a company established in the PRC. It is principally engaged in engineering design, construction, construction management, construction exploration, technology development, consultation, transfer and training, research and development of coal chemical and coal-to-liquid facilities, and environmental assessment of energy chemical projects.

Air Products (China) Investment

Air Products (China) Investment is a company established in the PRC. It is principally engaged in investments and research and development of new technologies.

Zhongke Lu'an Energy Technology

Zhongke Lu'an Energy Technology is a company established in the PRC. It is principally engaged in the research and development of new energy chemical, coal chemical and petroleum and petrochemical technologies, promotion of coal chemical technology and provision of technological and consultation services, and production and sales of catalyst materials and chemical equipment.

Datong Coal Mine Group

Datong Coal Mine Group is a company established in the PRC. It is principally engaged in the mining of mineral resources and coal and coal processing.

Yangquan Coal Industry

Yangquan Coal Industry is a company established in the PRC. It is principally engaged in the mining of mineral resources and coal, coal processing and development of coalbed methane.

Shanxi Coking

Shanxi Coking is a company established in the PRC. It is principally engaged in the export of proprietary products and technology, and production and sales of coking coal and related chemical products.

Shanxi Jincheng Anthracite Mining

Shanxi Jincheng Anthracite Mining is a company established in the PRC. It is principally engaged in the mining of mineral resources, coal and coalbed methane, construction of coalbed methane projects and coal processing.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transactions contemplated under the Capital Contribution Agreement is more than 5% but less than 25%, the Capital Contribution Agreement constitutes a discloseable transaction for the Company and accordingly, is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“ Air Products (China) Investment ”	Air Products (China) Investment Co., Ltd. (空氣化工產品(中國)投資有限公司), a company established in the PRC and a party to the Capital Contribution Agreement
“ Board ”	the board of Directors of the Company
“ Capital Contribution ”	the capital contribution to be made by the Investors to the Target Company in cash pursuant to the Capital Contribution Agreement
“ Capital Contribution Agreement ”	the capital contribution agreement entered into amongst Wison Engineering, the Other Investors, Shanxi Lu'an Group and the Target Company on June 6, 2019 in relation to the Capital Contribution
“ 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
“ Completion ”	completion of the Capital Contribution
“ connected person ”	has the meaning ascribed to it under the Listing Rules
“ Datong Coal Mine Group ”	Datong Coal Mine Group Co., Ltd. (大同煤礦集團有限責任公司), a company established in the PRC and a party to the Capital Contribution Agreement
“ Directors ”	the directors of the Company
“ Group ”	the Company and its subsidiaries
“ Investors ”	collectively, Wison Engineering and the Other Investors
“ Listing Rules ”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Other Investors”	collectively, Synfuels China Engineering, Air Products (China) Investment, Zhongke Lu’an Energy Technology, Datong Coal Mine Group, Yangquan Coal Industry, Shanxi Coking and Shanxi Jincheng Anthracite Mining
“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 PRC
“Shanxi Coking”	Shanxi Coking Co., Ltd. (山西焦化股份有限公司), a company established in the PRC and a party to the Capital Contribution Agreement
“Shanxi Jincheng Anthracite Mining”	Shanxi Jincheng Anthracite Mining Group Co., Ltd. (山西晉城無煙煤礦業集團有限責任公司), a company established in the PRC and a party to the Capital Contribution Agreement
“Shanxi Lu’an Group”	Shanxi Lu’an Mining (Group) Company Limited (山西潞安礦業(集團)有限責任公司), a company established in the PRC, the existing sole shareholder of the Target Company and a party to the Capital Contribution Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Synfuels China Engineering”	Synfuels China Engineering Holdings Co., Ltd. (中科合成油工程股份有限公司), a company established in the PRC and a party to the Capital Contribution Agreement
“Target Company”	Shanxi Lu’an Chemical Co., Ltd. (山西潞安化工有限公司), a company established in the PRC
“Valuation Benchmark Date”	June 30, 2018
“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
“Yangquan Coal Industry”	Yangquan Coal Industry (Group) Co., Ltd. (陽泉煤業(集團)有限責任公司), a company established in the PRC and a party to the Capital Contribution Agreement
“Zhongke Lu’an Energy Technology”	Zhongke Lu’an Energy Technology Co., Ltd. (中科潞安能源技術有限公司), a company established in the PRC and a party to the Capital Contribution Agreement

“%”

per cent.

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

Hong Kong, June 6, 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.