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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 TRANSACTION

**INCREASE IN ANNUAL CAPS OF THE FRAMEWORK AGREEMENT
FOR THE TWO YEARS ENDING DECEMBER 31, 2013 AND 2014**

Reference is made to the prospectus (the “**Prospectus**”) in relation to the global offering of Wison Engineering Services Co. Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) dated December 13, 2012 where it is disclosed that a framework agreement (the “**Framework Agreement**”) was entered into between Wison Engineering Ltd. (惠生工程(中國)有限公司) (“**Wison Engineering**”) and Jiangsu Xinhua Chemical Engineering Co., Ltd. (江蘇新華化工機械有限公司) (“**Jiangsu Xinhua**”) on April 25, 2011, pursuant to which Wison Engineering will purchase anchor, refractory support plunge hook and other ancillary accessories for its cracking furnaces and chemical engineering tower from Jiangsu Xinhua. The Framework Agreement has a term of three years from April 25, 2011 and is renewable for another three years upon Wison Engineering giving notice in writing to Jiangsu Xinhua at least one month prior to the expiry of the original term.

Pursuant to the Framework Agreement, Wison Engineering and Jiangsu Xinhua agreed that the price to be charged by Jiangsu Xinhua for the ancillary accessories will be the price or indicative price set by the government or other regulatory bodies, or in its absence, the prevailing market price, or in the PRC, the price of similar products charged by independent suppliers. In the absence of government set price or comparable market price, the price will be determined by arm’s length negotiations between the parties with reference to the reasonable cost incurred by Jiangsu Xinhua for manufacturing and supplying the products, plus a margin of 5%.

Reference is also made to the announcement of the Company dated June 24, 2013 where the Board (the “**Board**”) of Directors (the “**Directors**”) of the Company announced, among other things, that Wison Engineering entered into a procurement and construction contract with Shandong Yangmei Hengtong Chemicals Company Limited (山東陽煤恒通化工股份有限公司) for the 300kta methanol-to-olefin (MTO) project (the “**Yangmei Hengtong Project**”), for a consideration of about RMB1 billion.

In order to carry out the contract for the Yangmei Hengtong Project, Wison Engineering needs to procure certain equipment, materials and other ancillary accessories from Jiangsu Xinhua, which is governed under the Framework Agreement. It is expected that the amount of purchases in relation to the Yangmei Hengtong Project will be about RMB5.2 million. In addition, the Group has been proactively exploring business opportunities and it has won bids of other projects and it is believed that there is a good chance of the Group winning further bids of contracts, which, if the Group succeeds, will result in the increase in purchase for the column internals, materials and other ancillary accessories from Jiangsu Xinhua. As such, the Directors consider that the annual caps of the Framework Agreement for the two years ending December 31, 2013 and 2014 are no longer sufficient.

On August 16, 2013, the Directors resolved to increase the annual caps in respect of the Framework Agreement for the two years ending December 31, 2013 and 2014 from RMB5 million to RMB17 million and from RMB6.5 million to RMB18.5 million, respectively. The increased annual caps are estimated with reference to the number of contracts awarded and the projections in respect of the contracts that may be awarded and the size and scale of those contracts. After the increase, the annual caps of the Framework Agreement for the two years ending December 31, 2013 and 2014 shall be RMB17 million and RMB18.5 million, respectively.

Other than the increase in the annual caps for the two years ending December 31, 2013 and 2014, the terms and conditions of the Framework Agreement remain unchanged.

The Directors (including the independent non-executive Directors) are of the view that the proposed revised annual caps for the two years ending December 31, 2013 and 2014 are fair and reasonable as the shareholders of the Company taken as a whole are concerned.

The aggregate value of the purchases of ancillary accessories from Jiangsu Xinhua under the Framework Agreement up to the date of this announcement has not exceeded the previous annual cap as disclosed in the Prospectus.

Wison Engineering is a non-wholly owned subsidiary of the Company indirectly owned as to 75% by the Company. Jiangsu Xinhua is a connected person of the Company by virtue of being a substantial shareholder of Wison Engineering, holding 25% of its registered capital (but entitled to 10% of its distributable profits). Accordingly, the transactions contemplated under the Framework Agreement constitute continuing connected transactions for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Since each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the revised annual caps of the Framework Agreement is below 1%, and Jiangsu Xinhua is a connected person by virtue of its relationship with Wison Engineering, a subsidiary of the Company, the transactions

contemplated under the Framework Agreement are exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

By Order of the Board
Wison Engineering Services Co. Ltd.
Hua Bangsong
Chairman

Hong Kong, August 16, 2013

As at the date of this announcement, the executive Directors of the Company are Mr. Hua Bangsong, Mr. Liu Haijun and Mr. Chen Wenfeng and the independent non-executive Directors are Mr. Choy Sze Chung Jojo, Mr. Liu Ji and Mr. Wu Jianmin.