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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

FRAMEWORK AGREEMENT ON MISCELLANEOUS ENGINEERING DESIGN AND TECHNOLOGY SERVICES

The Board announces that on July 4, 2014, Wison Engineering and Wison Nanjing entered into the Framework Agreement, pursuant to which Wison Engineering and/or its subsidiaries will provide miscellaneous engineering design and technology services to Wison Nanjing and/or its subsidiaries in relation to their manufacturing facilities and public utility engineering systems and ancillary production systems.

Wison Holding is a controlling shareholder of the Company which is indirectly interested in approximately 78.13% 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 Wison Nanjing is an indirect non-wholly owned subsidiary of Wison Holding, Wison Nanjing is a connected person of the Company. Accordingly, the transactions contemplated under the Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Reference is made to the 2014 January Announcement, where the Company disclosed, among others, that on January 24, 2014, Wison Engineering and Wison Nanjing entered into (i) the Methanol Synthesis Renovation Project Design Contract in relation to the Methanol Synthesis Renovation Project of Wison Nanjing; and (ii) the Technology Consultancy Contracts in relation to five different projects, namely (a) 200kta ethylene oxide project, (b) 600kta MTO project, (c) Wison-BASF joint project for MTO and downstream derivatives, (d) propylene oxide project, and (e) methanol synthesis renovation project.

As the contract parties to the Framework Agreement, the Methanol Synthesis Renovation Project Design Contract and the Technology Consultancy Contracts are the same, being Wison Engineering and Wison Nanjing, and the transactions contemplated thereunder all involve consideration payable by Wison Nanjing to Wison Engineering, such transactions shall be aggregated under Rule 14A.82(1) of the Listing Rules.

Since each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Framework Agreement, the Methanol Synthesis Renovation Project Design Contract and the Technology Consultancy Contracts, as aggregated, is above 0.1% but below 5%, the transactions contemplated thereunder are only subject to the reporting, annual review and announcements requirement set out in the Listing Rules but are exempt from the independent shareholders' approval requirement under the Listing Rules.

THE FRAMEWORK AGREEMENT

On July 4, 2014, Wison Engineering and Wison Nanjing entered into the Framework Agreement, pursuant to which Wison Engineering and/or its subsidiaries will provide miscellaneous engineering design and technology services (the “**Services**”) to Wison Nanjing and/or its subsidiaries in relation to their manufacturing facilities, public utility engineering systems and ancillary production systems.

The contract price under the Framework Agreement will be determined in accordance with the following pricing principles:

- (i) For projects which could adopt “design estimation approach” (設計概算) to calculate the contract price, the parties shall determine the contract price in accordance with the principles laid down in the Regulations on Pricing Management of Survey and Design Projects (《工程勘察設計收費管理規定》) (the “**Pricing Management Regulations**”) promulgated jointly by the State Planning Commission of the PRC (the predecessor of the National Development and Reform Commission of the PRC) and the State Construction Ministry of the PRC (the predecessor of Ministry of Housing and Urban-Rural Development of the PRC), and the Interim Regulations on Consultancy Fees for Construction Projects at Preliminary Stage (《建設項目前期工作諮詢收費暫行規定》) (the “**Consultancy Fees Regulations**”) promulgated by the State Planning Commission of the PRC.
- (ii) In the circumstances where “design estimation approach” (設計概算) is not applicable or for simple and trivial services where the parties agree not to adopt “design estimation approach” (設計概算) to determine the contract price, the amount payable by Wison Nanjing to Wison Engineering shall be determined based on the agreed hourly rates. The basic hourly rate for each manpower shall follow the market price.

The contract price under the Framework Agreement shall be payable on a quarterly basis by Wison Nanjing to Wison Engineering.

The Framework Agreement took effect upon signing and affixation by the parties, and shall expire on December 31, 2016. The parties may agree for the renewal of the Framework Agreement 30 days prior to the expiry of its term.

The aggregate amount payable by Wison Nanjing to Wison Engineering for the Services to be provided by Wison Engineering and/or its subsidiaries under the Framework Agreement for each of the three years ending December 31, 2014, 2015 and 2016 is expected not to exceed RMB2 million. Accordingly, such amount has been set as the annual cap for the amount payable by Wison Nanjing under the Framework Agreement for each of the three years ending December 31, 2014, 2015 and 2016, respectively.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Wison Nanjing is engaged in the production and sale of large-scale coal chemical products and provision of relevant auxiliary services. In the course of its business operation, Wison Nanjing may require miscellaneous engineering design and other ancillary technology services from time to time. Wison Engineering has provided technology consultancy services to Wison Nanjing in the past and both parties have cooperated in areas such as technology sharing and project design. Accordingly, the Company considers that given Wison Engineering's familiarity with the business of Wison Nanjing and that Wison Engineering has the expertise to provide the Services, it is desirable for the Company to provide the Services under the Framework Agreement.

LISTING RULES IMPLICATIONS

Wison Holding is a controlling shareholder of the Company which is indirectly interested in approximately 78.13% 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 Wison Nanjing is an indirect non-wholly owned subsidiary of Wison Holding, Wison Nanjing is a connected person of the Company. Accordingly, the transactions contemplated under the Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

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As Mr. Cui Ying is also a director of Wison Holding, Mr. Cui Ying abstained from voting on the Board resolutions approving the transactions under the Framework Agreement. Mr. Hua Bangsong was absent from the meeting of the Board.

The Directors (including independent non-executive Directors but excluding Mr. Cui Ying who abstained from voting and Mr. Hua Bangsong who was absent from the Board meeting) are of the view that the Framework Agreement was entered into after arm's length negotiation between the parties, reflect normal commercial terms and are in the interests of the Company and its shareholders as a whole. The Directors (including independent non-executive Directors but excluding Mr. Cui Ying who abstained from voting and Mr. Hua Bangsong who was absent from the Board meeting) are also of the view that the terms as well as the proposed annual caps 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 lifecycle 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 Nanjing is principally engaged in the production and sale of large-scale coal chemical products and provision of relevant auxiliary services.

DEFINITIONS

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

“2014 January Announcement”	the announcement of the Company dated January 24, 2014 in respect of, among others, the Methanol Synthesis Renovation Project Design Contract and the Technology Consultancy Contracts
“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
“Framework Agreement”	the framework agreement on miscellaneous engineering design and technology services dated July 4, 2014 and entered into between Wison Engineering and Wison Nanjing
“Group”	the Company and its subsidiaries

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Methanol Synthesis Renovation Project Design Contract”	the design contract entered into between Wison Engineering and Wison Nanjing on January 24, 2014 for the methanol synthesis renovation project of Wison Nanjing in Nanjing Chemical Industrial Park in Nanjing, Jiangsu Province, 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
“Technology Consultancy Contracts”	collectively, the Technology Consultancy Contract for the 200kta ethylene oxide project, the Technology Consultancy Contract for the 600kta MTO project, the Technology Consultancy Contract for the Wison-BASF joint project for MTO and downstream derivatives, the Technology Consultancy Contract for the propylene oxide project and the Technology Consultancy Contract for the methanol synthesis renovation project
“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 non 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 Nanjing”	Wison (Nanjing) Clean Energy Co., Ltd. (惠生(南京)清潔能源股份有限公司), a company established in the PRC with limited liability, and an indirect non-wholly owned subsidiary of Wison Holding
“%”	per cent.

By Order of the Board
Wison Engineering Services Co. Ltd.
LIU HAIJUN
Executive Director

Hong Kong, July 4, 2014

As at the date of this announcement, the executive Directors of the Company are Mr. Hua Bangsong, Mr. Liu Haijun, Mr. Zhou Hongliang and Mr. Cui Ying and the independent non-executive Directors are Mr. Liu Ji and Mr. Wu Jianmin.