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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 DISPOSAL OF PROPERTY**

The Board announces that on 22 March 2016, the Vendor, an indirect non-wholly-owned subsidiary of the Company, entered into the Property Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at a cash consideration of RMB390,000,000.

The Property is located at No. 1399 Zhangheng Road, Zhangjiang Hi-Tech Park, Pudong New District, Shanghai, the PRC. The Property comprises a parcel of land with a site area of approximately 20,000 square metres, eight buildings and various ancillary structures erected thereon. The Property has a total gross floor area of approximately 25,689.68 square metres. Before the relocation of the headquarters of the Group to the New Wison Complex, the Property was occupied by the Group as its then headquarters. After completion of such relocation, apart from an insignificant portion of the Property which has been leased out, the Property has been vacant. The Property was reclassified as current assets held for sale in the second half of 2015. Before such reclassification, the Property was classified as non-current assets.

As the highest applicable percentage ratio in respect of the Disposal is more than 5% but less than 25%, the Disposal 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.

## **INTRODUCTION**

The Board announces that on 22 March 2016, the Vendor, an indirect non-wholly-owned subsidiary of the Company, entered into the Property Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at a cash consideration of RMB390,000,000.

## **THE PROPERTY SALE AND PURCHASE AGREEMENT**

### **Date**

22 March 2016

### **Parties**

- (1) Vendor: Wison Engineering Ltd., an indirectly non-wholly-owned subsidiary of the Company
- (2) Purchaser: The Purchaser is a company established in the PRC with limited liability and is an integrated payment and information services provider of online to offline (O2O) payments and mobile payments services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

### **Property to be disposed of**

The Property is located at No. 1399 Zhangheng Road, Zhangjiang Hi-Tech Park, Pudong New District, Shanghai, the PRC. The Property comprises a parcel of land with a site area of approximately 20,000 square metres, eight buildings and various ancillary structures erected thereon. The Property has a total gross floor area of approximately 25,689.68 square metres. The land use rights of the Property were granted for a term of 50 years commencing from 10 July 2002 and expiring on 9 July 2052.

Before the relocation of the headquarters of the Group to the New Wison Complex, the Property was occupied by the Group as its then headquarters. After completion of such relocation, apart from an insignificant portion of the Property which has been leased out, the Property has been vacant. The Property was reclassified as current assets held for sale in the second half of 2015. Before such reclassification, the Property was classified as non-current assets.

For the two financial years ended 31 December 2013 and 31 December 2014 and for the six months ended 30 June 2015, the rental income and net profits before and after tax attributable to the Property (without taking into account the depreciation of the Property) are as follows:

	<b>For the year ended 31 December 2013 (RMB'000) (audited)</b>	<b>For the year ended 31 December 2014 (RMB'000) (audited)</b>	<b>For the six months ended 30 June 2015 (RMB'000) (unaudited)</b>
Rental income	5,967	1,616	945
Net profit/(loss) before tax <sup>#</sup>	3,688	294	(341)
Net profit/(loss) after tax <sup>#</sup>	3,368	221	(394)

<sup>#</sup> without taking into account the depreciation of the Property

As at 30 June 2015, the Property was stated at a carrying value of approximately RMB116 million in the unaudited financial statements of the Group.

### **Consideration**

Pursuant to the terms of the Property Sale and Purchase Agreement, the consideration for the Disposal of RMB390,000,000 shall be payable in cash in the following manner:

- (i) RMB5,000,000 shall be paid to the Vendor within five business days after the signing of the Property Sale and Purchase Agreement;
- (ii) RMB15,000,000 shall be paid to the Vendor within five business days upon the completion of online filing of the Property Sale and Purchase Agreement with the 上海市房地產交易中心(Shanghai Land Transaction Market\*);
- (iii) RMB78,000,000 shall be paid to the Escrow Account within two days after the Vendor has presented to the Purchaser the tax demand note showing the tax payable by the Vendor in relation to the transfer of the Property and the satisfaction of other conditions including, among other things, the obtaining of waiver of pre-emptive rights from the tenants of the Property;
- (iv) RMB214,500,000 shall be paid to the Escrow Account within five business days upon receiving the acknowledgement issued by 浦東新區房地產交易中心 (Pudong New Area Land Transaction Market\*) for the application for transfer of the Property. The amount standing to the credit of the Escrow Account and the interest accrued thereon shall be released to the Vendor upon receipt by the Purchaser of the building ownership certificate in respect of the Property issued in the name of the Purchaser;
- (v) RMB72,500,000 (the “**Completion Instalment**”) shall be paid to the Vendor within two business days upon receipt by the Purchaser of the building ownership certificate in respect of the Property issued in the name of the Purchaser;

- (vi) RMB4,000,000 shall be paid to the Vendor two months after the date of Completion on the condition that there have been no disputes over the Property by any third parties; and
- (vii) the remaining balance of RMB1,000,000 shall be paid to the Vendor on or before 31 December 2017.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to the market value of the Property based on a property valuation using cost approach.

### **Completion**

Completion of the Disposal will take place after the issuance of the building ownership certificate in respect of the Property in the name of the Purchaser, the payment of the Completion Instalment to the Vendor and the release of the amount standing to the credit of the Escrow Account to the Vendor.

### **REASONS FOR AND FINANCIAL EFFECT OF THE DISPOSAL**

The Property was previously occupied by the Group as its then headquarters. Following completion of the construction of the New Wison Complex in October 2013, the Group has gradually relocated its headquarters to the New Wison Complex and such relocation had been completed. The Directors consider that the Disposal represents a good opportunity to optimize the Group's overall assets portfolio so as to enhance asset efficiency.

The net proceeds from the Disposal are currently estimated to be approximately RMB319 million, after taking into account the related costs and expenses as well as the estimated tax payment (including PRC business tax, stamp duty and value-added tax) (“**Tax Payment**”) in relation to the Disposal. The amount of Tax Payment is subject to assessment by the PRC tax authority and the final amount payable can only be determined after the Disposal is completed. It is intended that the net proceeds of the Disposal are to be used by the Group for its day to day operation and its future development.

As at 30 June 2015, the Property was stated at a carrying value of approximately RMB116 million in the unaudited financial statements of the Group. Accordingly, the Disposal is expected to record a net gain of approximately RMB203 million after taking into account the related costs and expenses in relation to the Disposal and the estimated Tax Payment.

The Directors are of the view that the terms of the Disposal are on normal commercial terms, are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

### **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. The Vendor is the principal operating subsidiary of the Company.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the Disposal is more than 5% but less than 25%, the Disposal 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:

“Board”	the board of Directors
“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 Disposal and delivery of the Property pursuant to the terms and conditions of the Property Sale and Purchase Agreement
“Consideration”	RMB390,000,000, being the cash consideration payable by the Purchaser to the Vendor under the Property Sale and Purchase Agreement
“Directors”	the directors of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser pursuant to the Property Sale and Purchase Agreement
“Escrow Account”	an escrow bank account opened with an escrow bank jointly designated by the Vendor and the Purchaser for receiving the stage payments of the Consideration
“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, Zhangjiang Hi-Tech Park, Pudong New District, Shanghai, the 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
“Property”	the premises located at No. 1399 Zhangheng Road, Zhangjiang Hi-Tech Park, Pudong New District, Shanghai, the PRC
“Property Sale and Purchase Agreement”	the property sale and purchase agreement dated 22 March 2016 and entered into between the Vendor and the Purchaser in relation to the Disposal
“Purchaser”	A company established in the PRC with limited liability, an independent third party, being the purchaser under the Property Sale and Purchase Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	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, being the vendor under the Property Sale and Purchase Agreement

By Order of the Board  
**Wison Engineering Services Co. Ltd.**  
**Liu Haijun**  
*Executive Director and Chief Executive Officer*

Hong Kong, 22 March 2016

\* *for identification purposes only*

*As at the date of this announcement, the executive Directors of the Company are Mr. Liu Haijun and Mr. Zhou Hongliang; the non-executive Director of the Company is Mr. Cui Ying; and the independent non-executive Directors are Mr. Lawrence Lee, Mr. Tang Shisheng and Mr. Feng Guohua.*