

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

**2017 WISON (CHINA) INVESTMENT PROPERTY LEASING AGREEMENT
AND
2017 WISON (CHINA) INVESTMENT PROPERTY MANAGEMENT
SERVICES AGREEMENT**

The Board announces that on December 19, 2016, Wison Engineering, as landlord, entered into the 2017 Wison (China) Investment Property Leasing Agreement with Wison (China) Investment as tenant, to renew the lease in relation to certain premises located at 6th Floor, Block A at the New Wison Complex, with a gross floor area of 2,000 square metres for a monthly rental of RMB267,666.

On the same date, Wison Engineering entered into the 2017 Wison (China) Investment Property Management Services Agreement with Wison (China) Investment in relation to the provision of property management services by Wison Engineering for the subject premises under the 2017 Wison (China) Investment Property Leasing Agreement for a monthly property management services fee of RMB44,000.

Each of the 2017 Wison (China) Investment Property Leasing Agreement and the 2017 Wison (China) Investment Property Management Services Agreement shall be for a term commencing from January 1, 2017 and expiring on December 31, 2018. In the event that the 2017 Wison (China) Investment Property Leasing Agreement is terminated prior to the expiry of its term, the 2017 Wison (China) Investment Property Management Services Agreement shall be terminated simultaneously.

The aggregate amounts of the rental and the property management services fees payable by Wison (China) Investment under the 2017 Wison (China) Investment Property Leasing Agreement and the 2017 Wison (China) Investment Property Management Services Agreement are expected not to exceed RMB3,800,000 for each of the years ending December 31, 2017 and 2018. Accordingly, such amount has been set as the respective annual cap for the aggregate amount of the rental and the property management services fees payable by Wison (China) Investment under the 2017 Wison (China) Investment Property Leasing Agreement and the 2017 Wison (China) Investment Property Management Services Agreement for the years ending December 31, 2017 and 2018.

LISTING RULES IMPLICATIONS

Wison Holding is a controlling shareholder of the Company which is indirectly interested in approximately 78.12% 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 (China) Investment is an indirect subsidiary of Wison Holding, Wison (China) Investment is also a connected person of the Company. Accordingly, the transactions contemplated under the 2017 Wison (China) Investment Property Leasing Agreement and the 2017 Wison (China) Investment Property Management Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual cap for the amounts payable by Wison (China) Investment under the 2017 Wison (China) Investment Property Leasing Agreement and the 2017 Wison (China) Investment Property Management Services Agreement, as aggregated, is, on an annual basis, 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.

Reference is made to the announcement of the Company dated August 24, 2016 with respect to the 2016 Wison Nantong Property Leasing Agreement and the 2016 Wison Nantong Property Management Services Agreement, which constitute continuing connected transactions of the Company which are 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. Given both Wison (China) Investment and Wison Nantong are indirect subsidiaries of Wison Holding, even if the Company is to aggregate the annual caps for the amounts payable by Wison (China) Investment under the 2017 Wison (China) Investment Property Leasing Agreement and the 2017 Wison (China) Investment Property Management Services Agreement with the annual caps for the amounts payable by Wison Nantong under the 2016 Wison Nantong Property Leasing Agreement and the 2016 Wison Nantong Property Management Services Agreement for the purpose of calculating the applicable percentage ratios set out in Rule 14.07 of the Listing Rules, such percentage ratios, even if aggregated, are less than 5% and therefore the 2017 Wison (China) Investment Property Leasing Agreement, the 2017 Wison (China) Investment Property Management Services Agreement, the 2016 Wison Nantong Property Leasing Agreement and the 2016 Wison Nantong Property Management Services Agreement, even if aggregated, would also be 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 12, 2013, where the Company announced that, among other things, Wison Engineering entered into the 2014 Wison (China) Investment Property Leasing Agreement and the 2014 Wison (China) Investment Property Management Services Agreement with Wison (China) Investment in relation to certain premises located at 6th Floor, Block A at the New Wison Complex with a gross floor area of 2,000 square metres, the term of which shall expire on December 31, 2016.

The Board announces that on December 19, 2016, Wison Engineering, as landlord, entered into the 2017 Wison (China) Investment Property Leasing Agreement with Wison (China) Investment as tenant, to renew the lease in relation to certain premises located at 6th Floor, Block A at the New Wison Complex. On the same date, Wison Engineering entered into the 2017 Wison (China) Investment Property Management Services Agreement with Wison (China) Investment in relation to the provision of property management services by Wison Engineering for the subject premises under the 2017 Wison (China) Investment Property Leasing Agreement.

The 2017 Wison (China) Investment Property Leasing Agreement

Date:	December 19, 2016
Parties:	(i) Wison Engineering, as landlord (ii) Wison (China) Investment, as tenant
Leased Properties:	Certain premises located at 6th Floor, Block A at the New Wison Complex, with a gross floor area of 2,000 square metres.
Term:	Commencing from January 1, 2017 and expiring on December 31, 2018. Wison (China) Investment may terminate the agreement before the expiry of its term by giving a one month's written notice to Wison Engineering. Wison (China) Investment may by giving Wison Engineering a two months' written notice before the expiry of the term of the agreement, request for the renewal of the lease. Wison Engineering and Wison (China) Investment shall enter into a renewal property leasing agreement for such renewal.
Rental:	RMB267,666 per month (equivalent to a daily rental of approximately RMB4.40 per square metre), payable in advance on a monthly basis and exclusive of property management services fees and electricity charges. The rental was determined with reference to the prevailing market rates of rentals for comparable properties as of the date of the agreement.
Usage:	Office

The 2017 Wison (China) Investment Property Management Services Agreement

On the same date, Wison Engineering entered into the 2017 Wison (China) Investment Property Management Services Agreement with Wison (China) Investment pursuant to which Wison Engineering shall provide property management services for the subject premises under the 2017 Wison (China) Investment Property Leasing Agreement.

Pursuant to the 2017 Wison (China) Investment Property Management Services Agreement, Wison (China) Investment shall pay to Wison Engineering a property management services fee of RMB44,000 per month, which shall be payable in advance on a quarterly basis. The property management services fee payable under the 2017 Wison (China) Investment Property Management Services Agreement was determined with reference to market rates.

Each of the 2017 Wison (China) Investment Property Leasing Agreement and the 2017 Wison (China) Investment Property Management Services Agreement shall be for a term commencing from January 1, 2017 and expiring on December 31, 2018. In the event that the 2017 Wison (China) Investment Property Leasing Agreement is terminated prior to the expiry of its term, the 2017 Wison (China) Investment Property Management Services Agreement shall be terminated simultaneously.

Annual Cap

The aggregate amounts of the rental and the property management services fees payable by Wison (China) Investment under the 2017 Wison (China) Investment Property Leasing Agreement and the 2017 Wison (China) Investment Property Management Services Agreement are expected not to exceed RMB3,800,000 for each of the years ending December 31, 2017 and 2018. Accordingly, such amount has been set as the respective annual cap for the aggregate amount of the rental and the property management services fees payable by Wison (China) Investment under the 2017 Wison (China) Investment Property Leasing Agreement and the 2017 Wison (China) Investment Property Management Services Agreement for the years ending December 31, 2017 and 2018.

The aggregate amount of the rental and the property management services fees payable by Wison (China) Investment under the 2014 Wison (China) Investment Property Leasing Agreement and the 2014 Wison (China) Investment Property Management Services Agreement for the eleven months ended November 30, 2016 is approximately RMB3,161,000, which has not exceeded the annual cap for the 2014 Wison (China) Investment Property Leasing Agreement and the 2014 Wison (China) Investment Property Management Services Agreement for the year ending December 31, 2016.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The construction of the New Wison Complex was completed in October 2013. The New Wison Complex has a total of 5 blocks with a total gross floor area of 126,703 square metres. 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.

In view that (i) the premises leased to Wison (China) Investment under the 2014 Wison (China) Investment Property Leasing Agreement are not occupied by the Group and (ii) the rentals payable under the 2017 Wison (China) Investment Property Leasing Agreement and the property management services fees payable under the 2017 Wison (China) Investment Property Management Services Agreement, in each case, reflect prevailing market rates, Wison Engineering agreed to enter into the 2017 Wison (China) Investment Property Leasing Agreement and the 2017 Wison (China) Investment Property Management Services Agreement with Wison (China) Investment to renew the continuing connected transactions contemplated thereunder.

As Mr. Cui Ying is also a director of Wison Holding, Mr. Cui Ying abstained from voting on the Board resolutions approving the transactions contemplated under the 2017 Wison (China) Investment Property Leasing Agreement and the 2017 Wison (China) Investment Property Management Services Agreement.

The Directors (including independent non-executive Directors but excluding Mr. Cui Ying who has abstained from voting) are of the view that the 2017 Wison (China) Investment Property Leasing Agreement and the 2017 Wison (China) Investment Property Management Services Agreements were entered into after arm's length negotiation between Wison Engineering and Wison (China) Investment 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 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 (China) Investment is principally engaged in investment, provision of consultancy services and other services in relation to trading, import and export of equipment, materials and component.

LISTING RULES IMPLICATIONS

Wison Holding is a controlling shareholder of the Company which is indirectly interested in approximately 78.12% 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 (China) Investment is an indirect subsidiary of Wison Holding, Wison (China) Investment is also a connected person of the Company. Accordingly, the transactions contemplated under the 2017 Wison (China) Investment Property Leasing Agreement and the 2017 Wison (China) Investment Property Management Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual cap for the amounts payable by Wison (China) Investment under the 2017 Wison (China) Investment Property Leasing Agreement and the 2017 Wison (China) Investment Property Management Services Agreement, as aggregated, is, on an annual basis, 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.

Reference is made to the announcement of the Company dated August 24, 2016 with respect to the 2016 Wison Nantong Property Leasing Agreement and the 2016 Wison Nantong Property Management Services Agreement, which constitute continuing connected transactions of the Company which are 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. Given both Wison (China) Investment and Wison Nantong are indirect subsidiaries of Wison Holding, even if the Company is to aggregate the annual caps for the amounts payable by Wison (China) Investment under the 2017 Wison (China) Investment Property Leasing Agreement and the 2017 Wison (China) Investment Property Management Services Agreement with the annual caps for the amounts payable by Wison Nantong under the 2016 Wison Nantong Property Leasing Agreement and the 2016 Wison Nantong Property Management Services Agreement for the purpose of calculating the applicable percentage ratios set out in Rule 14.07 of the Listing Rules, such percentage ratios, even if aggregated, are less than 5% and therefore the 2017 Wison (China) Investment Property Leasing Agreement, the 2017 Wison (China) Investment Property Management Services Agreement, the 2016 Wison Nantong Property Leasing Agreement and the 2016 Wison Nantong Property Management Services Agreement, even if aggregated, would also be 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.

DEFINITIONS

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

“2014 Wison (China) Investment Property Leasing Agreement”	the property leasing agreement dated December 12, 2013 and entered into between Wison Engineering as landlord and Wison (China) Investment as tenant in relation to certain premises located at 6th Floor, Block A at the New Wison Complex
“2014 Wison (China) Investment Property Management Services Agreement”	the property management services agreement dated December 12, 2013 entered into between Wison Engineering and Wison (China) Investment
“2016 Wison Nantong Property Leasing Agreement”	the property leasing agreement dated August 24, 2016 and entered into between Wison Engineering as landlord and Wison Nantong as tenant in relation to certain premises located at Room 401, 4th Floor, Block A and Room 501, 5th Floor, Block A at the New Wison Complex

“2016 Wison Nantong Property Management Services Agreement”	the property management services agreement dated August 24, 2016 and entered into between Wison Engineering and Wison Nantong
“2017 Wison (China) Investment Property Leasing Agreement”	the renewal property leasing agreement dated December 19, 2016 and entered into between Wison Engineering as landlord and Wison (China) Investment as tenant in relation to certain premises located at 6th Floor, Block A at the New Wison Complex
“2017 Wison (China) Investment Property Management Services Agreement”	the renewal property management services agreement dated December 19, 2016 and entered into between Wison Engineering and Wison (China) Investment
“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 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 Nantong”	Wison (Nantong) Heavy Industry Co., Ltd. (惠生 (南通) 重工有限公司), a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of Wison Holding
“%”	per cent.

By Order of the Board
Wison Engineering Services Co. Ltd.
Liu Haijun
Executive Director

Hong Kong, December 19, 2016

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 is Mr. Cui Ying; and the independent non-executive Directors are Mr. Lawrence Lee, Mr. Tang Shisheng and Mr. Feng Guohua.