

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)

CONTINUING CONNECTED TRANSACTIONS

**TECHNICAL CONSULTING SERVICES FRAMEWORK AGREEMENT WITH
WISON (CHINA) INVESTMENT**

AND

SERVICE AGREEMENT WITH WISON INVESTMENT (HK)

The Board announces that on June 26, 2018, Wison (China) Investment, an indirect wholly-owned subsidiary of Wison Holding, entered into the Technical Consulting Services Framework Agreement with Wison Engineering, an indirect non-wholly owned subsidiary of the Company, pursuant to which the parties set forth the principal terms under which Wison Engineering shall provide technical consulting services to Wison (China) Investment for its projects. The Technical Consulting Services Framework Agreement is effective from 1 January 2018 and has a term of three years. The fee payable to Wison Engineering is determined after arm's length negotiation and is based on the *Notice on issuing the Interim Regulations on Consultancy Fees for Construction Projects at Preliminary Stage* [1999] No. 1283 of the State Planning Commission. The annual cap for consulting fees payable to Wison Engineering under the Technical Consulting Services Framework Agreement is RMB30 million.

The Board further announces that on June 7, 2018, Wison Investment (HK), an indirect wholly-owned subsidiary of Wison Holding entered into the Service Agreement with Wison Petrochemicals, an indirect wholly-owned subsidiary of the Company, pursuant to which Wison Petrochemicals shall provide consulting, marketing and new business development services in oil and gas and petrochemical fields to Wison Investment (HK) in relation to its current and proposed operations. The Service Agreement has a term of one year from June 7, 2018 and the fee payable to Wison Petrochemicals is determined based on the amount of time incurred in providing the services and is charged at an hourly rate of US\$218.75, plus out-of-pocket expenses. The annual cap for fees payable to Wison Petrochemicals under the Service Agreement is US\$617,000.

Wison Holding is a controlling shareholder of the Company which is indirectly interested in approximately 75.92% 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 and Wison Investment (HK) are indirect wholly-owned subsidiaries of Wison Holding, Wison (China) Investment and Wison Investment (HK) are also connected persons of the Company. Accordingly, the transactions contemplated under the Technical Consulting Services Framework Agreement and the Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual cap for transactions contemplated under the Service Agreement is below 0.1%, the transactions contemplated under the Service Agreement are fully exempt from the reporting, annual review and announcement requirements set out in the Listing Rules. However, given that the Technical Consulting Services Framework Agreement and the Service Agreement are entered into between subsidiaries of the Company on the one hand and indirect wholly-owned subsidiaries of Wison Holding on the other and the nature of the transactions under these two agreements are similar, the Technical Consulting Services Framework Agreement and the Service Agreement shall be aggregated pursuant to Rule 14A.81 of the Listing Rules. Since at least one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual caps for transactions contemplated under the Technical Consulting Services Framework Agreement and the Service Agreement, on an aggregate basis, is above 0.1% but all applicable percentage ratios are below 5%, the transactions contemplated under the Technical Consulting Services Framework Agreement and the Service Agreement are only subject to the reporting, annual review and announcement requirements set out in the Listing Rules but is exempt from the independent shareholders' approval requirement under the Listing Rules.

TECHNICAL CONSULTING SERVICES FRAMEWORK AGREEMENT

The Board announces that on June 26, 2018, Wison (China) Investment, an indirect wholly-owned subsidiary of Wison Holding, entered into the Technical Consulting Services Framework Agreement with Wison Engineering, an indirect non-wholly owned subsidiary of the Company, pursuant to which the parties set forth the principal terms under which Wison Engineering shall provide technical consulting services to Wison (China) Investment for its projects.

Pursuant to this framework agreement, Wison (China) Investment may issue formal engagement letters to Wison Engineering providing information on specific projects and Wison Engineering shall provide technical consulting services including the preparation of project plan, project proposal and feasibility study report.

The Technical Consulting Services Framework Agreement is effective from 1 January 2018 and has a term of three years. Subject to compliance with the Listing Rules, the parties may extend the term for another three years. The fee payable to Wison Engineering for each project is determined after arm's length negotiation between the parties and is based on the *Notice on issuing the Interim Regulations on Consultancy Fees for Construction Projects at*

Preliminary Stage [1999] No. 1283 of the State Planning Commission. According to such notice, for the preparation of the project scheme or project proposal, the fee will range from RMB30,000 to RMB1.25 million, depending on the scale of the total investment amounts of the projects (ranging from RMB10 million to RMB5 billion). Similarly, for the preparation of the feasibility study report, the fee will range from RMB50,000 to RMB2.5 million, depending on the scale of the total investment amounts of the projects (ranging from RMB10 million to RMB5 billion). Further adjustments can be made to the fees for individual projects depending on the industry of the project and its complexity.

Pursuant to the Technical Consulting Services Framework Agreement, the fees payable to Wison Engineering shall be payable by bank transfer every six months.

The annual cap for consulting fees payable to Wison Engineering under the Technical Consulting Services Framework Agreement is RMB30 million. The annual cap is set based on the anticipated size of projects and volume of work as a result.

Wison Engineering has been providing technical consulting services to Wison (China) Investment since January 1, 2018 but the fees received for such services up to the date of this announcement is only RMB3,200,000, which amount results in all of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules to be below 0.1%.

SERVICE AGREEMENT

The Board further announces that on June 7, 2018, Wison Investment (HK), an indirect wholly-owned subsidiary of Wison Holding entered into the Service Agreement with Wison Petrochemicals, an indirect wholly-owned subsidiary of the Company, pursuant to which Wison Petrochemicals shall provide consulting, marketing and new business development services in oil and gas and petrochemical fields to Wison Investment (HK) in relation to its current and proposed operations. The parties may also agree that other advice and assistance be provided by Wison Petrochemicals to Wison Investment (HK).

The Service Agreement has a term of one year from June 7, 2018 and shall automatically be renewed for one year unless the parties terminate the agreement. The fee payable to Wison Petrochemicals is determined based on the amount of time incurred in providing the services and is charged at an hourly rate of US\$218.75, plus out-of-pocket expenses. The fee shall be payable monthly in cash.

The annual cap for fees payable to Wison Petrochemicals under the Service Agreement is US\$617,000. The annual cap is set based on the anticipated volume of work and hours that may be incurred in providing the services.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

In view of the expertise of Wison Engineering and Wison Petrochemicals in the provision of the services contemplated under the Technical Consulting Services Framework Agreement and the Service Agreement and their familiarity with the business of Wison (China) Investment and Wison (Investment) HK, and that the service fees under the two agreements are negotiated after arm's length discussions and reflect normal commercial terms, the Company considers it desirable to enter into the two agreements in its ordinary course of business.

As Ms. Rong Wei is a director and vice president of Wison Holding, Ms. Rong Wei has abstained from voting on the Board resolution approving and ratifying the Technical Consulting Services Framework Agreement and the Service Agreement.

The Directors (including independent non-executive Directors but excluding Ms. Rong Wei who has abstained from voting) are of the view that the Technical Consulting Services Framework Agreement and the Service Agreement were entered into after arm's length negotiation between the respective parties, and in each case 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 and annual caps 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 and its subsidiaries are principally engaged in the provision of project solutions to petrochemical and coal-to-chemicals producers in terms of design, building and commissioning of their production facilities through technology consultancy, engineering, procurement and construction management services in the PRC and overseas.

Wison Petrochemicals is an operating subsidiary of the Company for its operations in North America.

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.

Wison Investment (HK) is principally engaged in the business of investment holding.

LISTING RULES IMPLICATIONS

Wison Holding is a controlling shareholder of the Company which is indirectly interested in approximately 75.92% 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 and Wison Investment (HK) are indirect wholly-owned subsidiaries of Wison Holding, Wison (China) Investment and Wison Investment (HK) are also connected persons of the Company. Accordingly, the transactions contemplated under the Technical Consulting Services Framework Agreement and the Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual cap for transactions contemplated under the Service Agreement is below 0.1%, the transactions contemplated under the Service Agreement are fully exempt from the reporting, annual review and announcement requirements set out in the Listing Rules.

However, given that the Technical Consulting Services Framework Agreement and the Service Agreement are entered into between subsidiaries of the Company on the one hand and indirect wholly-owned subsidiaries of Wison Holding on the other and the nature of the transactions under these two agreements are similar, the Technical Consulting Services Framework Agreement and the Service Agreement shall be aggregated pursuant to Rule 14A.81 of the Listing Rules. Since at least one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual caps for transactions contemplated under the Technical Consulting Services Framework Agreement and the Service Agreement, on an aggregate basis, is above 0.1% but all applicable percentage ratios are below 5%, the transactions contemplated under the Technical Consulting Services Framework Agreement and the Service Agreement are only subject to the reporting, annual review and announcement requirements set out in the Listing Rules but is 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:

“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
“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
“State Planning Commission”	the State Planning Commission (國家計劃委員會) of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	United States dollars, the lawful currency of the United States

“Wison (China) Investment”	Wison (China) Holding Company (惠生(中國)投資有限公司), a company established in the PRC and an indirect wholly-owned 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 and a 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 Investment (HK)”	Wison Investment (Hong Kong) Limited, a company incorporated in Hong Kong, and an indirect wholly-owned subsidiary of Wison Holding
“Wison Petrochemicals”	Wison Petrochemicals (NA), LLC, a company established in Texas, the United States with limited liability, and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, June 26, 2018

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.