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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)

**CONNECTED TRANSACTIONS
CONTINUING CONNECTED TRANSACTIONS
(1) THE METHANOL SYNTHESIS RENOVATION
PROJECT DESIGN CONTRACT
(2) THE TECHNOLOGY CONSULTANCY CONTRACTS
(3) PATENT RIGHT SHARING AGREEMENT
AND
(4) SNG COOPERATION AGREEMENT**

The Board announces 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; (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; (iii) the Patent Right Sharing Agreement; and (iv) the SNG Cooperation 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 Methanol Synthesis Renovation Project Design Contract, the Technology Consultancy Contracts, the Patent Right Sharing Agreement and the SNG Cooperation Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules. The provision of gases, utilities and staff under the SNG Cooperation Agreement will also constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the contract parties to the Methanol Synthesis Renovation Project Design Contract, the Technology Consultancy Contracts, the Patent Right Sharing Agreement and the SNG Cooperation Agreement are the same, being Wison Engineering and Wison Nanjing, the transactions contemplated thereunder shall be aggregated under Rule 14A.26(1) of the Listing Rules. The Methanol Synthesis Renovation Project Design Contract and the Technology Consultancy Contracts involve consideration payable by Wison Nanjing to Wison Engineering whereas the SNG Cooperation Agreement involves consideration payable by Wison Engineering to Wison Nanjing. There is no consideration passing between Wison Nanjing and Wison Engineering under the Patent Right Sharing Agreement.

Since each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the one-off transactions contemplated under 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.

Since each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the continuing connected transactions and the one-off transaction contemplated under the SNG Cooperation Agreement is below 0.1%, the continuing connected transactions and the one-off transaction contemplated thereunder are exempted from the reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

METHANOL SYNTHESIS RENOVATION PROJECT DESIGN CONTRACT

On January 24, 2014, Wison Engineering and Wison Nanjing entered into the Methanol Synthesis Renovation Project Design Contract for the Methanol Synthesis Renovation Project of Wison Nanjing in respect of an additional 300kta methanol synthesis unit, for a total consideration of RMB2.8 million payable by Wison Nanjing to Wison Engineering. Pursuant to the Methanol Synthesis Renovation Project Design Contract, Wison Engineering has agreed to provide basic and detail project design services for the Methanol Synthesis Renovation Project.

The contract price under the Methanol Synthesis Renovation Project Design Contract was determined with reference to the market rates of similar services provided. The contract price under the Methanol Synthesis Renovation Project Design Contract shall be payable by Wison Nanjing in cash as follows:

- (i) 30% of the total contract price (that is RMB840,000) payable within 10 days upon effective of the contract;
- (ii) 20% of the total contract price (that is RMB560,000) payable within 10 days of the delivery of synthesis reactor inquiry document;

- (iii) 30% of the total contract price (that is RMB840,000) payable within 10 days of the delivery of the non-standard equipment drawings; and
- (iv) the remaining 20% of the total contract price (that is RMB560,000) payable within 10 days of the completion of detail design work.

The Methanol Synthesis Renovation Project Design Contract was entered into on January 24, 2014 and will become effective upon approval of such project by relevant governmental authorities, and the design work contemplated thereunder is expected to be completed in May 2014.

TECHNOLOGY CONSULTANCY CONTRACTS

On January 24, 2014, Wison Engineering and Wison Nanjing entered into five Technology Consultancy Contracts for the following five projects:

- (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.

Pursuant to each of the Technology Consultancy Contracts, Wison Nanjing engaged Wison Engineering to produce a feasibility study report in relation to the relevant project within three months of the date of the relevant contract. The contract price for each of the Technology Consultancy Contracts is set out below and shall be payable in lump sum in cash by Wison Nanjing to Wison Engineering within 10 days upon delivery of the relevant feasibility study report.

Project	Contract Price
(a) 200kta ethylene oxide project	RMB500,000
(b) 600kta MTO project	RMB700,000
(c) Wison-BASF joint project for MTO and downstream derivatives	RMB600,000
(d) Propylene oxide project	RMB600,000
(e) Methanol synthesis renovation project	RMB200,000

The contract price under each of the Technology Consultancy Contract was determined with reference to the market rates of similar services provided.

PATENT RIGHT SHARING AGREEMENT

On January 24, 2014, Wison Engineering and Wison Nanjing entered into the Patent Right Sharing Agreement pursuant to which both parties agreed to the joint ownership of the intellectual property right in respect of the following four patents:

- (a) Regeneration process of using low temperature methanol to wash and spray methanol;
- (b) Method of heat pump distillation of methanol;
- (c) Gasifying device for liquid and solid fuel aqueous slurry; and
- (d) Petro coke residue slurry with high ash fusion point and its preparation method.

No consideration is payable by either party to the other under the Patent Right Sharing Agreement for the joint ownership of the intellectual property rights set out thereunder.

SNG COOPERATION AGREEMENT

On January 24, 2014, Wison Engineering and Wison Nanjing entered into the SNG Cooperation Agreement pursuant to which Wison Nanjing shall provide Wison Engineering with the right to use the land and facilities owned by Wison Nanjing and located at the Nanjing Chemical Industrial park and also with certain gases such as hydrogen, carbon monoxide and carbon dioxide and utilities such as water and mid-pressure steam, for Wison Engineering's use in relation to its Vesta new SNG technology trial research and development project. Wison Engineering may also request Wison Nanjing to second experienced staff to assist in its project.

Pursuant to the SNG Cooperation Agreement, Wison Engineering shall pay Wison Nanjing a lump sum cash payment of RMB600,000 within 60 days of the signing of the agreement as consideration for the provision of the land and facilities. This consideration is determined after arm's length negotiations between the parties and reflect the costs to Wison Nanjing for the provision of the land and facilities. As for the provision of gases and utilities by Wison Nanjing, the consideration payable shall be determined with reference to the actual usage by Wison Engineering and at a price which shall be either the actual costs to Wison Nanjing for such gases or utilities or the lowest price charged by Wison Nanjing to other customers. As for the secondment of staff, Wison Nanjing shall charge Wison Engineering at 1.5 times the basic salary of such staff, which after taking into account insurance, pension and other staff benefits, represent the costs to Wison Nanjing. It is expected that for each year that the project remains in place, the amount of consideration payable by Wison Engineering to Wison Nanjing for the gases, utilities and staff secondment will be below 0.1% of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules.

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. 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 Methanol Synthesis Renovation Project Design Contract and the Technology Consultancy Contracts. In respect of the Patent Right Sharing Agreement, the Company considers that the entering into of the agreement will clarify the ownership of the relevant intellectual property rights which will avoid any dispute over the same in the future. In respect of the SNG Cooperation Agreement, the Company considers that it will be efficient to utilize the land, facilities and gases and utilities of Wison Nanjing, and as the gases and utilities are to be provided either at costs or at the lowest price charged to other customers of Wison Nanjing, the Company considers that the terms of the agreement are beneficial to the Company.

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 Methanol Synthesis Renovation Project Design Contract, the Technology Consultancy Contracts, the Patent Right Sharing Agreement and the SNG Cooperation Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules. The provision of gases, utilities and staff under the SNG Cooperation Agreement will also constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the contract parties to the Methanol Synthesis Renovation Project Design Contract, the Technology Consultancy Contracts, the Patent Right Sharing Agreement and the SNG Cooperation Agreement are the same, being Wison Engineering and Wison Nanjing, the transactions contemplated thereunder shall be aggregated under Rule 14A.26(1) of the Listing Rules. The Methanol Synthesis Renovation Project Design Contract and the Technology Consultancy Contracts involve consideration payable by Wison Nanjing to Wison Engineering whereas the SNG Cooperation Agreement involves consideration payable by Wison Engineering to Wison Nanjing. There is no consideration passing between Wison Nanjing and Wison Engineering under the Patent Right Sharing Agreement.

Since each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the one-off transactions contemplated under the Methanol Synthesis Renovation Project Design Contract, 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.

Since each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the continuing connected transactions and the one-off transaction contemplated under the SNG Cooperation Agreement is below 0.1%, the continuing connected transactions and the one-off transaction contemplated thereunder are exempted from the reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

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 Methanol Synthesis Renovation Project Design Contract, the Technology Consultancy Contracts, the Patent Right Sharing Agreement and the SNG Cooperation 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 Methanol Synthesis Renovation Project Design Contract, the Technology Consultancy Contracts, the Patent Right Sharing Agreement and the SNG Cooperation Agreement were 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.

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:

“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
“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
“Patent Right Sharing Agreement”	the patent right sharing agreement entered into between Wison Engineering and Wison Nanjing on January 24, 2014 for the joint ownership of certain patent rights
“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
“SNG Cooperation Agreement”	the cooperation agreement entered into between Wison Engineering and Wison Nanjing on January 24, 2014 in relation to the provision of land, facilities, gases, utilities and staff secondment by Wison Nanjing to Wison Engineering in connection with its SNG project
“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, January 24, 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.