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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 and the data currently available to the Company, the Group is expected to record a relatively significant decrease in revenue and profits for the year ended 31 December 2018 as compared to that for 2017.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Wison Engineering Services Co. Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)(the “**SFO**”).

The Board wishes to inform the shareholders of the Company and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 and the data currently available to the Company, the Group is expected to record a relatively significant decrease in revenue and profits for the year ended 31 December 2018 as compared to that for 2017.

The total new contract value (including estimated value-added tax) of the Group in 2018 amounted to RMB7,320.9 million, which is more than a double of its total new contract value in 2017, representing a significant increase of 113.1%. However, such contracts have not contributed significantly to the Company's results for the year ended 31 December 2018 as the majority of them are still at the preparatory stage prior to construction. In addition, the projects secured by the Group in previous years are about to complete which also leads to the decrease in revenue and profits.

The construction works under the new contracts entered into in 2018 are expected to commence in 2019 and will contribute revenue to the Group in 2019 and 2020 accordingly.

In energy engineering industry where the Group operates, percentage of completion method is usually used in recognising revenue for projects. As most of the large scale projects generally have an execution cycle of more than one year, the revenue recognised using the percentage of completion method fluctuates in light of factors such as the progress of completion of the projects and project costs incurred during a certain reporting period.

The proportion of progress of completion and the costs incurred in respect of an engineering project will not show a linear growth over time. Generally, the progress of completion and the project costs account for a relatively small proportion in the early phase and the later phase of an engineering project, therefore the proportion of revenue recognised is also relatively low. When a project enters the principal construction phase, the progress of completion will account for a relatively large proportion and a substantial amount of costs will be incurred due to the large scale equipment installation and construction. Accordingly, a relatively significant amount of revenue will be recognised for that phase. The construction phase and execution cycle that an energy engineering project is in during the reporting year may lead to fluctuation in the Group's revenue, which may result in a positive profit alert or profit warning.

As the Group's consolidated results for the year ended 31 December 2018 have not yet been finalised, the data contained in this announcement is only based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 and the data currently available to the Company, and such data has not been audited or reviewed by the Company's auditor and may be subject to adjustments. Shareholders and potential investors should refer to the annual results announcement of the Company for the year ended 31 December 2018, which is expected to be published in March 2019.

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By Order of the Board
Wilson Engineering Services Co. Ltd.
Rong Wei

Executive Director and Chief Executive Officer

Hong Kong, 23 January 2019

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.