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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 DISPOSAL

The Board is pleased to announce that the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement dated 21 April 2022 with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to buy the Property at the aggregate consideration of RMB40,000,000 subject to and upon the terms of the Sale and Purchase Agreement.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement dated 21 April 2022 with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to buy the Property at the aggregate consideration of RMB40,000,000 subject to and upon the terms of the Sale and Purchase Agreement.

THE DETAILS OF THE DISPOSAL OF THE PROPERTY

A summary of the principal terms of the Sale and Purchase Agreement is as follows:

Date: 21 April 2022

Parties: (1) Wison Engineering Ltd., an indirect wholly-owned subsidiary of the Company, as the Vendor; and
(2) Beijing Rongshuxia Property Service Management Company Limited, as the Purchaser

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company.

Property: An office unit located in Suite 3901, 34/F, Building no. 4, 7 Dongsanhuan Zhong Road, Chaoyang District, Beijing, PRC with a gross floor area of approximately 676.56 sq.m..

The Property is held as an investment property. It will be sold on an “as-is” basis free from other encumbrances with vacant possession.

Consideration: The aggregate consideration for the purchase of the Property is RMB40,000,000 and is payable in cash by the Purchaser in the following manner:

- (i) RMB5,000,000, being the deposit, has been paid as at the date of this announcement;
- (ii) RMB5,000,000, being the second installment, shall be paid on or before 31 May 2022; and
- (iii) the remaining balance of RMB30,000,000 shall be paid upon completion of the Disposal.

The aggregate consideration was determined on the basis of normal commercial terms and after arm’s length negotiation between the Vendor and the Purchaser with reference to the valuation of the Property as at 31 December 2021 of RMB36,500,000 conducted by an independent property valuer and the prevailing market value of comparable properties in nearby locations.

Completion: Completion of the Disposal shall take place on or before 31 July 2022.

INFORMATION ON THE PROPERTY

Rental incomes from leasing of the Property for the two financial years ended 31 December 2020 and 31 December 2021 were approximately RMB1.40 million and RMB0.61 million, respectively.

The net losses (both before and after taxation) attributable to the Property for the two financial years ended 31 December 2020 and 31 December 2021 were approximately RMB0.38 million and RMB1.23 million, respectively.

The unaudited carrying value of the Property as at the date of this announcement was approximately RMB9.60 million.

FINANCIAL EFFECTS OF THE DISPOSAL AND PROPOSED USE OF PROCEEDS

The Disposal is expected to enable the Company to recognize a gain of approximately RMB30.40 million (before deducting any related expenses and tax charges), being the premium of the consideration over the carrying value of the Property of approximately RMB9.60 million. The exact amount of the gain on the disposal of the Property to be recorded in the consolidated financial statements of the Group for the year ending 31 December 2022 is subject to audit by the Company's auditor and assessment by the relevant tax authority.

It is estimated that the net proceeds of the Disposal (after deducting agency fees, legal fees, relevant tax charges and ancillary expenses) would be approximately RMB36.29 million. The Company intends to use the net proceeds of the Disposal as general working capital of the Group.

REASONS FOR THE DISPOSAL

The Directors undertake strategic reviews of the Group's assets from time to time with a view to maximize returns to the Shareholders. The Directors consider that the Disposal presents a good opportunity for the Company to unlock the value of the Property. Accordingly, the Directors believe that the Disposal will enable the Company to reallocate capital into future suitable investment opportunities.

The Directors consider that the Disposal, the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND THE VENDOR

The Company is an investment holding company. The principal activity of the Group is 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 established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. The principal activity of the Vendor is provision of chemical engineering, procurement and construction management, or EPC, services.

INFORMATION ON THE PURCHASER

The Purchaser is a company established in the PRC with limited liability and is principally engaged in non-residential properties management. It is ultimately wholly owned by Mr. Xiao Yan, who is a businessman.

LISTING RULES IMPLICATIONS

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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
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
“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
“Property”	an office unit located in Suite 3901, 34/F, Building no. 4, 7 Dongsanhuan Zhong Road, Chaoyang District, Beijing, PRC with a gross floor area of approximately 676.56 sq.m.
“Purchaser”	Beijing Rongshuxia Property Service Management Company Limited (北京榕樹下物業服務管理有限公司), a company established in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 21 April 2022 and entered into between the Vendor and the Purchaser in respect of the Disposal
“Shareholders”	holders of the ordinary shares of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Wisou Engineering Ltd. (惠生工程(中國)有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

By order of the Board
Wisou Engineering Services Co. Ltd.
Yan Shaochun
Executive Director and Chief Executive Officer

Hong Kong, 21 April 2022

As at the date of this announcement, the executive Directors of the Company are Mr. Yan Shaochun, Mr. Zhou Hongliang, Mr. Dong Hua and Mr. Zheng Shifeng; the non-executive Director and Chairman of the Company is Mr. Liu Hongjun; and the independent non-executive Directors of the Company are Mr. Lawrence Lee, Mr. Tang Shisheng and Mr. Feng Guohua.