

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)

**CONNECTED TRANSACTIONS
MARINE XII CONGO LNG PROJECT
TOPSIDE ENGINEERING DESIGN CONTRACT WITH
SHANGHAI WISON MARINE**

TOPSIDE ENGINEERING DESIGN CONTRACT

The Board announces that on 16 November 2022, Wison Engineering (an indirect wholly-owned subsidiary of the Company) and Shanghai Wison Marine (an indirect wholly-owned subsidiary of Wison Holding, a controlling shareholder of the Company) entered into the Topside Engineering Design Contract, pursuant to which Wison Engineering was engaged by Shanghai Wison Marine to carry out the topside engineering design of the Marine XII Congo LNG Project.

It is expected that the final handover date of the entire work under the Topside Engineering Design Contract by Wison Engineering to Shanghai Wison Marine shall be no later than 31 March 2023, which date may be postponed in accordance with mutual agreement between the parties if there are any changes to the scope of work under the Topside Engineering Design Contract.

The Topside Engineering Design Contract shall take retrospective effect from 8 August 2022. The total contract price payable by Shanghai Wison Marine to Wison Engineering under the Topside Engineering Design Contract is currently expected to be no more than RMB45,000,000, which represents (i) the design fees payable by Shanghai Wison Marine to Wison Engineering and (ii) out-of-pocket expenses to be incurred by Wison Engineering. The final total amount payable to Wison Engineering by Shanghai Wison Marine under the Topside Engineering Design Contract depends on (a) the actual labour costs to be incurred by Wison Engineering, which will in turn affect the amount of final design fees, and (b) the out-of-pocket expenses to be actually incurred by Wison Engineering. The Company expected that any possible upward adjustment in the total amount receivable by Wison Engineering under the Topside Engineering Design Contract will not result in the final total amount receivable exceeding RMB45,000,000. The Company will re-comply with the requirements under Chapter 14A of the Listing Rules in the event that any upward adjustment in the contract price of the Topside Engineering Design Contract will result in the final total amount receivable by Wison Engineering exceeding RMB45,000,000.

LISTING RULES IMPLICATIONS

Wison Holding is a controlling shareholder of the Company which is indirectly interested in approximately 75.82% 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 Shanghai Wison Marine is an indirect wholly-owned subsidiary of Wison Holding, Shanghai Wison Marine is also a connected person of the Company. Accordingly, the transactions contemplated under the Topside Engineering Design Contract constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Topside Engineering Design Contract is expected to be 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.

The Board announces that on 16 November 2022, Wison Engineering and Shanghai Wison Marine (an indirect wholly-owned subsidiary of Wison Holding, a controlling shareholder of the Company) entered into the Topside Engineering Design Contract, pursuant to which Wison Engineering was engaged by Shanghai Wison Marine to carry out the topside engineering design of the Marine XII Congo LNG Project.

TOPSIDE ENGINEERING DESIGN CONTRACT

Date

16 November 2022

Parties

- (i) Shanghai Wison Marine; and
- (ii) Wison Engineering

Subject Matter

Pursuant to the Topside Engineering Design Contract, Wison Engineering was engaged by Shanghai Wison Marine to carry out the topside engineering design of the Marine XII Congo LNG Project.

It is expected that the final handover date of the entire work under the Topside Engineering Design Contract by Wison Engineering to Shanghai Wison Marine shall be no later than 31 March 2023, which date may be postponed in accordance with mutual agreement between the parties if there are any changes to the scope of work under the Topside Engineering Design Contract.

Consideration and Payment

The Topside Engineering Design Contract shall take retrospective effect from 8 August 2022. The fees received by Wison Engineering for the Project up to the date of this announcement amounts to only approximately RMB950,000, and all applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of such amount are below 0.1%.

The total contract price payable by Shanghai Wison Marine to Wison Engineering under the Topside Engineering Design Contract is currently expected to be no more than RMB45,000,000, which represents (i) the design fees of RMB44,450,000 payable by Shanghai Wison Marine to Wison Engineering for providing detailed design services, preparing engineering design drawings and completion drawings and assigning representatives to provide design services and technical support on-site and (ii) out-of-pocket expenses of no more than RMB550,000 to be incurred by Wison Engineering. The parties may negotiate for an adjustment to the design fees if there are any material changes to the scope and/or specification of the engineering design.

The contract price shall be payable on a monthly basis based on the actual man-hours and out-of-pocket expenses incurred by Wison Engineering in the previous month. Shanghai Wison Marine shall settle the payment within 35 days after receiving the invoice issued by Wison Engineering.

Based on the scale of the Project and the scope of work under the Topside Engineering Design Contract, the Group has estimated the quantities of materials, equipment and manpower required for the performance of the contract as well as such other costs and expenses which it may have to incur during the performance of the contract. The Group has estimated a benchmark price accordingly as an internal reference information (the “**Estimated Price**”) based on the scale of the Project and the scope of work under the Topside Engineering Design Contract and with reference to, among others, the market prices of the relevant labour costs at the time of negotiating the Topside Engineering Design Contract with Shanghai Wison Marine. The Group has taken into account the Estimated Price, the market rates for the relevant services and the relevant payments receivable by the Group in other third party projects in the PRC when estimating the contract price.

The final total amount payable to Wison Engineering by Shanghai Wison Marine under the Topside Engineering Design Contract depends on (a) the actual labour costs to be incurred by Wison Engineering, which will in turn affect the amount of final design fees, and (b) the out-of-pocket expenses to be actually incurred by Wison Engineering. The Company expected that any possible upward adjustment in the total amount receivable by Wison Engineering under the Topside Engineering Design Contract will not result in the final total amount receivable exceeding RMB45,000,000. The Company will re-comply with the requirements under Chapter 14A of the Listing Rules in the event that any upward adjustment in the contract price of the Topside Engineering Design Contract will result in the final total amount receivable by Wison Engineering exceeding RMB45,000,000.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

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 technical appraisal, early project planning, 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.

Shanghai Wison Marine is a marine engineering contractor and equipment manufacturer specializing in servicing marine oil and natural gas exploration projects.

In view of the expertise of Wison Engineering in the provision of the services contemplated under the Topside Engineering Design Contract, and that the contract price thereunder is negotiated after arm’s length discussions and reflects normal commercial terms, the Company considers it desirable to enter into the Topside Engineering Design Contract in its ordinary course of business.

As Mr. Liu Hongjun is a director and president of Wison Holding, as well as the legal representative of Shanghai Wison Marine, Mr. Liu Hongjun has abstained from voting on the Board resolution approving the Topside Engineering Design Contract.

The Directors (including independent non-executive Directors but excluding Mr. Liu Hongjun who has abstained from voting) are of the view that the Topside Engineering Design Contract was entered into in the ordinary and usual course of business of the Group after arm's length negotiation between the parties, reflect normal commercial terms and the terms of the transactions thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GENERAL INFORMATION OF THE PARTIES

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 technical appraisal, early project planning, 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.

Shanghai Wison Marine is an indirect wholly-owned subsidiary of Wison Holding established in the PRC and is a marine engineering contractor and equipment manufacturer specializing in servicing marine oil and natural gas exploration projects.

Wison Holding is the Company's holding company and is an investment holding company. It is directly wholly-owned by Mr. Hua Bangsong. Mr. Hua Bangsong's principal business activity is the control of the business operations of Wison Group. The principal activity of Wison Group is the provision of engineering services, offshore and marine engineering and new chemical materials. The business of Wison Group covers storage and utilization of resources such as coal, oil and natural gas, onshore energy engineering services, manufacture of marine engineering equipment and development of new downstream chemical materials.

LISTING RULES IMPLICATIONS

Wison Holding is a controlling shareholder of the Company which is indirectly interested in approximately 75.82% 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 Shanghai Wison Marine is an indirect wholly-owned subsidiary of Wison Holding, Shanghai Wison Marine is also a connected person of the Company. Accordingly, the transactions contemplated under the Topside Engineering Design Contract constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Topside Engineering Design Contract are expected to be 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.

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
“EPC”	an acronym for engineering (E), procurement (P) and construction (C), a business model widely adopted in the international energy industry
“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
“Project”	the project in relation to topside engineering design of the Marine XII Congo LNG Project
“Shanghai Wison Marine”	Shanghai Wison Offshore & Marine Co., Ltd. (上海惠生海洋工程有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of Wison Holding
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Topside Engineering Design Contract”	the topside engineering design contract dated 16 November 2022 and entered into between Wison Engineering and Shanghai Wison Marine for the Project
“Wison Engineering”	Wison 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
“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
“%”	per cent.

By order of the Board
Wison Engineering Services Co. Ltd.
Yan Shaochun

Executive Director and Chief Executive Officer

Hong Kong, 16 November 2022

As at the date of this announcement, the executive Directors of the Company are Mr. Yan Shaochun, Mr. Zhou Hongliang 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.