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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)

**CONTINUING CONNECTED TRANSACTIONS
SUPPLEMENTAL AGREEMENT AND
REVISION OF ANNUAL CAPS UNDER
THE 2023 PROPERTY LEASING FRAMEWORK AGREEMENT**

**SUPPLEMENTAL AGREEMENT AND REVISION OF ANNUAL CAPS UNDER
THE 2023 PROPERTY LEASING FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 22 December 2022 in relation to, among other things, the 2023 Property Leasing Framework Agreement entered into between Wison Engineering (an indirect wholly-owned subsidiary of the Company) (as landlord) and Wison Holding (a controlling shareholder of the Company) (for itself and on behalf of the Wison Holding Entities) (as tenant).

On 5 December 2023, the Company entered into the Supplemental Agreement with Wison Holding to revise annual caps for the amounts payable by the relevant Wison Holding Entities to Wison Engineering under the 2023 Property Leasing Framework Agreement for the two years ending 31 December 2024 and 2025 to RMB60,000,000 and RMB60,000,000, respectively. The Supplemental Agreement shall be effective from 1 January 2024. The 2023 Property Leasing Framework Agreement (as revised) will expire on 31 December 2025.

Except for the above changes, all existing terms and conditions under the 2023 Property Leasing Framework Agreement remain unchanged.

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 each of the Wison Holding Entities is an associate of Wison Holding, each of them is also a connected person of the Company. Accordingly, the transactions contemplated under the 2023 Property Leasing Framework Agreement (as revised) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio for the highest annual cap for the amounts payable by the Wison Holding Entities to the Group under the 2023 Property Leasing Framework Agreement (as revised) is expected to be higher than 0.1% but less than 5%, according to the Listing Rules, the continuing connected transactions contemplated under the 2023 Property Leasing Framework Agreement (as revised) are only subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules but are exempt from the independent shareholders' approval requirement.

Reference is made to the announcement of the Company dated 22 December 2022 in relation to, among other things, the 2023 Property Leasing Framework Agreement entered into between Wison Engineering (as landlord) and Wison Holding (for itself and on behalf of the Wison Holding Entities) (as tenant).

SUPPLEMENTAL AGREEMENT

On 5 December 2023, the Company entered into the Supplemental Agreement with Wison Holding to revise annual caps for the amounts payable by the relevant Wison Holding Entities to Wison Engineering under the 2023 Property Leasing Framework Agreement for the two years ending 31 December 2024 and 2025 to RMB60,000,000 and RMB60,000,000, respectively. The Supplemental Agreement shall be effective from 1 January 2024. The 2023 Property Leasing Framework Agreement (as revised) will expire on 31 December 2025.

Except for the above changes, all existing terms and conditions under the 2023 Property Leasing Framework Agreement remain unchanged.

REVISED ANNUAL CAPS

In light of the increasing demand for office spaces and conference services from the Wison Holding Entities as observed by the Group and as informed by the Wison Holding Entities, the Directors consider that the existing annual caps for the amounts payable by the relevant Wison Holding Entities to Wison Engineering under the 2023 Property Leasing Framework Agreement will not be sufficient to cover the amounts payable (including the rentals, the property management fees, the utility charges and the charges for conference facilities) by the relevant Wison Holding Entities to Wison Engineering for the two years ending 31 December 2024 and 2025.

The existing and revised annual caps for the amounts payable by the relevant Wison Holding Entities to Wison Engineering under the 2023 Property Leasing Framework Agreement are as follows:

	Year ending 31 December 2023 (RMB'000)	Year ending 31 December 2024 (RMB'000)	Year ending 31 December 2025 (RMB'000)
Existing annual caps	41,000	45,000	48,000
Revised annual caps	— ^(Note)	60,000	60,000

Note:

For the avoidance of doubt, the annual cap for the year ending 31 December 2023 remain unchanged.

In entering into the Supplemental Agreement and arriving at such revised annual caps, the Directors took into account the following factors:

- i) increasing demand for office spaces and relevant services by the Wison Holding Entities, in which rental areas had increased by approximately 20% in second half of 2023;
- ii) for the eleven months ended 30 November 2023, the aggregate amount payable by the relevant Wison Holding Entities to Wison Engineering under the 2023 Property Leasing Framework Agreement was approximately RMB23,762,000, representing approximately 58% of the existing annual cap for the entire year ending 31 December 2023;
- iii) expected business expansion of the Wison Holding Entities, which will lead to surging demand for office spaces and conference services from the Wison Holding Entities in 2024 and 2025; and

iv) the assumptions that the market rental rates for premises at the Wison Complex will inflate.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT

Wison Engineering is the legal owner of the Wison Complex. The Group occupies certain premises at the Wison Complex as its offices. For the premises that are not occupied by the Group, Wison Engineering would put them for lease in the market so as to better utilise the Group's assets and to generate returns for the Group.

The demand for the office spaces and conference services from the Wison Holding Entities has maintained at a high level due to the continued business development of Wison Holding. At the same time, the Group has sufficient office spaces and resources to satisfy the increasing demand of the Wison Holding Entities.

As Mr. Liu Hongjun is a director and president of Wison Holding, Mr. Liu Hongjun has abstained from voting on the Board resolution approving the Supplemental Agreement. Save as disclosed above, none of the Directors have material interests in such transactions and none of the other Directors shall abstain from voting on the relevant Board resolution.

The Directors (including the independent non-executive Directors but excluding Mr. Liu Hongjun who has abstained from voting) consider that the Supplemental Agreement 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 transactions contemplated 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.

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

Wisou 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, Wisou Holding is a connected person of the Company. As each of the Wisou Holding Entities is an associate of Wisou Holding, each of them is also a connected person of the Company. Accordingly, the transactions contemplated under the 2023 Property Leasing Framework Agreement (as revised) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio for the highest annual cap for the amounts payable by the Wisou Holding Entities to the Group under the 2023 Property Leasing Framework Agreement (as revised) is expected to be higher than 0.1% but less than 5%, according to the Listing Rules, the continuing connected transactions contemplated under the 2023 Property Leasing Framework Agreement (as revised) are only subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules but are exempt from the independent shareholders' approval requirement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“2023 Property Leasing Framework Agreement”	the property leasing framework agreement dated 22 December 2022 and entered into between Wisou Engineering as landlord and Wisou Holding (for itself and on behalf of the Wisou Holding Entities) as tenant in relation to certain premises located at the Wisou Complex
“Board”	the board of Directors of the Company
“Company”	Wisou 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
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement to the 2023 Property Leasing Framework Agreement entered into between Wison Engineering (as landlord) and Wison Holding (for itself and on behalf of the Wison Holding Entities) (as tenant) on 5 December 2023
“Wison Complex”	the premises located at No. 699 Zhongke Road, Pudong New District, Shanghai, PRC
“Wison Engineering”	Wison Engineering Ltd. (惠生工程(中國)有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company
“Wison Group”	Wison Holding and its subsidiaries
“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 Holding Entities” collectively, Wison Holding, its subsidiaries and any companies in which Wison Holding or its subsidiaries can exercise or control the exercise of 30% or more of the voting power at general meetings and/or control the composition of a majority of the board of directors (in each case excluding the subsidiaries of Wison Holding), and “Wison Holding Entity” means any one of them

“%” per cent.

By order of the Board
Wison Engineering Services Co. Ltd.
Zhou Hongliang
Executive Director and Chief Executive Officer

Hong Kong, 5 December 2023

As at the date of this announcement, the executive Directors of the Company are 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.