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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024 AND APPOINTMENT OF EXECUTIVE DIRECTOR

HIGHLIGHTS:

- Our revenue for the six months ended 30 June 2024 amounted to approximately RMB1,837,914,000, representing a decrease of 2.9% from approximately RMB1,893,621,000 recorded in the corresponding period in 2023.
- Our gross profit for the six months ended 30 June 2024 amounted to approximately RMB114,156,000, representing a decrease of 20.8% from approximately RMB144,058,000 recorded in the corresponding period in 2023.
- Our loss for the period for the six months ended 30 June 2024 amounted to approximately RMB40,962,000, representing a decrease of 62.1% from approximately RMB107,994,000 recorded in the corresponding period in 2023.
- Loss attributable to owners of the parent for the six months ended 30 June 2024 amounted to approximately RMB34,342,000, representing a decrease of 67.2% from approximately RMB104,732,000 recorded in the corresponding period in 2023.
- Total new contracts (net of estimated value added tax) for the six months ended 30 June 2024 amounted to approximately RMB2,744,031,000, representing an increase of 991.9% from approximately RMB251,298,000 recorded in the corresponding period in 2023.
- Our total backlog value (net of estimated value added tax) as at 30 June 2024 and 31 December 2023 amounted to approximately RMB24,147,152,000 and RMB23,255,794,000, respectively.

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of Wison Engineering Services Co. Ltd. (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2024 (the "**Period**" or "**Period under Review**"), together with selected explanatory notes and the relevant comparative figures for the corresponding period in 2023.

In this announcement, "we", "us", "our" and "Wison Engineering" refer to the Company and where the context otherwise requires, the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET AND RESULTS OVERVIEW

In the first half of 2024, Wison Engineering remained committed to its mission of "Technology Innovation for a Better Future" and strove to become a world-leading provider of environmentally friendly services. Upholding the values of integrity, innovation, progress, commitment, respect, and win-win results, the Company continued to drive both its own growth and that of society. During the Period under Review, the Company streamlined its organisational structure, strengthened delicacy management, tightened risk control, enhanced its digital and modular capabilities, and consolidated its core competitiveness. In the face of new challenges and opportunities, the Company deepened its presence in the field of energy and chemical engineering and accelerated its pace to tap into the fields of new energy and new materials, in a bid to seize opportunities to open up new markets. The Company continuously improved operation and management benefits and created value for customers.

During the Period under Review, despite a significant increase in the complexity and severity of external uncertainties — such as sluggish global economic growth, persistent inflation, geopolitical conflicts, and international trade tensions — China's economy showed strong resilience. Amidst this complex and volatile international environment, the Chinese economy remained generally stable, with progress achieved. In the first half of the year, China's GDP reached RMB61.7 trillion, marking a 5.0% year-on-year increase. This reflects medium-to-high-speed growth and indicates positive signs of continued economic recovery. The Chinese government implemented a series of policies and measures aimed at stabilising growth, promoting reform, adjusting the economic structure, improving people's well-being, and preventing risks. These initiatives provided strong support for the stable operation of the economy.

In the first half of 2024, the petrochemicals market operated robustly as a whole. International crude oil prices rose amid fluctuations, driven by geopolitical conflicts and OPEC+'s ongoing production cuts, which in turn contributed to higher chemical prices. However, due to various factors, the progress of some domestic chemical projects fell short of expectations, and the start of several new chemical projects was delayed. On the demand side, the market recovery is characterised by differentiation. The structural adjustment and upgrading of the domestic economy, as well as the gradual recovery of international economy, have brought more opportunities and challenges to the petrochemical industry. At the same time, the development of new energy, new materials, and other strategic emerging industries is also creating new growth drivers for the petrochemical sector.

During the Period under Review, the Group recorded revenue of approximately RMB1,837.9 million (for the six months ended 30 June 2023: approximately RMB1,893.6 million), representing a year-on-year decrease of 2.9%. Gross profit amounted to approximately RMB114.2 million (for the six months ended 30 June 2023: approximately RMB144.1 million), representing a year-on-year decrease of 20.8%. Loss attributable to owners of the parent company amounted to approximately RMB34.3 million (six months ended 30 June 2023: loss attributable to owners of the parent company of approximately RMB104.7 million). In the first half of 2024, the total value of new contracts secured by the Group amounted to approximately RMB2,744.0 million (net of estimated value added tax ("**VAT**")), representing a year-on-year increase of 991.9%. As at 30 June 2024, the total value of the Company's outstanding contracts was approximately RMB24,147.2 million (net of estimated VAT), representing an increase of 3.8% from the total value of outstanding contracts as at 31 December 2023.

Focusing on Principal Business to Attain Innovation-driven and Globalised Development

During the Period under Review, Wison Engineering continuously consolidated its core business market and maintained the leadership in terms of traditional competitive products, including ethylene, cracking furnace, propane dehydrogenation (PDH), coal gasification, methanol-to-olefins (MTO) and synthetic ammonia. Meanwhile, Wison Engineering further explored emerging fields and stepped up technological research and development in the new energy and new materials sectors to accelerate the development of new markets. Continuous breakthroughs were made in oxidative dehydrogenation of ethane ("**ODHE**") to ethylene, degradable plastics (PGA), methyl methacrylate (MMA), carbon emission reduction, green coal chemical industry, butadiene and other processes, and catalysts.

During the Period under Review, the smoothly implemented its various projects domestically and abroad. It made progress in the following major projects:

EPC project for cracking furnaces of Wanhua Chemical Group Co., Ltd.'s 1.2 million-tonnes-per-year ethylene plant: The design phase was finished, cracking furnaces were installed, and pipeline installation was 90% completed. Mid-term delivery is scheduled for 30 September 2024.

Panjin Sanli's MMA project: The design phase was completed, the steel structure, equipment and pipeline installations were finished, and pipeline pressure testing was 85% completed. Mid-term delivery is scheduled for late August 2024.

Guangxi Huayi's MTO EPC project: Model review in the design phase was 60% completed, long-term equipment ordering was finished, civil works were 70% completed, and underground pipeline works were 85% completed.

Natural-gas-to-hydrogen project in Thailand: The project successfully started up in a single run on 2 March 2024, and passed its performance test on 7 April 2024.

Saudi Aramco's DPCU project: The design phase was finished with all orders for equipment and materials placed. Civil works were 90% completed, compressors were in place, and pipe prefabrication was 45% completed. Six pipe corridor modules were transported to the site.

Qatar's EPC4 sulphur-handling project: The project was 47% completed. Model review in the design phase was 90% completed, long-term equipment manufacturing was 60% completed, and civil works were 75% completed.

EPSS project of SIBUR's PDH2 & PP Units: The project modelling was 60% completed, on-site civil works were 80% completed, long-term equipment was ready for shipment, and some piping materials arrived at the site.

FARABI's Lab4 project in Saudi Arabia: The design phase was finished, with all orders for equipment and materials placed. Civil works were 82% completed, tank and furnace installation started, and long-term equipment manufacturing was 85% completed. Some piping materials arrived at the site and prefabrication work began.

Shanghai Waigaoqiao No.3 Power Generation Co., Ltd.'s flue gas-CO_2-to-methanol pilot demonstration project: The bidding project was awarded on 3 January 2024. 90% of the model review in the design phase was completed on 20 June 2024. Long-term equipment ordering was finished, and orders for other equipment and materials were 85% completed. On-site equipment foundations and underground piping works were 75% completed. Mid-term delivery is scheduled for 26 November 2024. The project serves as a demonstration for CO_2 emission reduction.

Steady Enhancement in Project Management Competence

During the Period under Review, Wison Engineering continued to pursue its strategic goal of "leading by innovation and establishing a global presence", focusing on standardised, internationalised, and digitalised in project execution. The Company launched the Dashboard, an integrated project management platform, and utilised the ECOSYS management platform to enhance the effective connection between cost and progress control, improving real-time data availability for enhancing project management capabilities and efficiency. In June 2024, a training camp for project managers was organised to provide better training, streamline the project management regime, and ensure that all project objectives are met. These efforts have strengthened Wison Engineering's core competitiveness, laying a solid foundation for long-term development.

Extraordinary Achievement in QHSE Management

In the first half of 2024, the Company continued to enhance the management of quality, health, safety, and environment ("**QHSE**"). It advanced the QHSE system and standardised health, safety, and environment ("**HSE**") management on projects. The English version of the QHSE system documents was revised to meet higher standards and better align with international needs. Overall, effective QHSE management played a key role in supporting the Company's strategic transformation towards international operations.

During the Period under Review, the key quality and HSE indicators for the Company's engineering, procurement and construction (**EPC**) projects remained within the targets set at the beginning of the year. The natural gas to hydrogen project in Thailand successfully passed functional acceptance, and the Henan Shenma project received the Outstanding EPC General Contractor Award. Additionally, several management initiatives from Wanhua Chemical Group Co., Ltd.'s 1.2 million-tonnes-per-year ethylene cracker project were recognised by the project owner as a model for quality and safety management in project construction. These achievements underscore the Company's strong QHSE management capabilities in project design, procurement, and execution.

The Company has intensified HSE management. During the Period under Review, the Company delivered smooth and orderly HSE management. A total of 4,807,130 safe man-hours in domestic and overseas projects were delivered. Overseas, Saudi Aramco's DPCU project achieved 3.4 million safe man-hours, FARABI's Lab4 project in Saudi Arabia recorded 2 million safe man-hours, and Qatar's EPC4 sulphur-handling project reached 1.3 million safe man-hours. None of these projects experienced accidents that resulted in man-hour loss, environmental pollution, or occupational health incidents. During "Workplace Safety Month" and "World Environment Day" in June 2024, the Company organised a range of activities across its overseas projects. These initiatives received positive feedback and helped local employees better understand and embrace Wison's HSE philosophy.

In the implementation of the quality management regime, the Company further enhanced equipment supervision for projects by reorganising and expanding the supervision team. It revised supervision service contracts and updated the rules on managing inspections of engineering materials factories. Additionally, new documents were introduced, including the "Measures for Managing Performance Appraisal of Supervision Service Providers", the "Detailed Guidelines on Unannounced Inspections for Supervision Purposes", and the "Records of Undesirable Inspectors from Supervisory Service Providers (Blacklist)", all of which have been effectively implemented. The Wison Engineering Material Supply Chain Management System ("**WEMS**") supervision module was utilised in projects such as Guangxi Huayi's MTO EPC project, facilitating platform-based integrated management of the procurement process.

During the Period under Review, the Company maintained audits on the QHSE system across all types of projects. It conducted such audits on-site for two technological research and development projects, three engineering consulting projects, three engineering design projects, and three engineering projects. The Company expanded quality system audits to encompass all aspects of supervision efforts and performed the first second-party quality system audit on three foreign design subcontractors. Additionally, quality system audits and management assessments were conducted in advance for 18 potential suppliers in overseas project countries. Through management system audits, the Company continued to enhance its business capability and project management level.

Establishing Global Presence for Full Exploration of Domestic and International Markets

With the steady recovery of the international economy, the demand for energy gradually increased, the demand for oil and gas products and chemicals continuously went up, and global investment in energy and chemicals picked up, which brought new opportunities in the market. Wison Engineering adhered to the strategy of "establishing global presence" and effectively implemented the globalisation strategy covering both domestic and international markets. During the Period under Review, Wison Engineering signed a total of 31 design and general contracting contracts, since a contract was terminated through friendly negotiation with the owner at the beginning of the year, therefore a total of RMB2.74 billion in new contracts signed in the first half of 2024.

In the domestic market, Wison Engineering focused on principal operations by strengthening the core products, locking in key customer business opportunities, and improving the quality of orders. During the Period under Review, the Company fully leveraged its competitive advantages in core petrochemical and coal chemical products, securing MTO turnkey contracts for Wison's key offerings. It actively pursued opportunities in ethylene, MTO, and other projects, and supported project owners in accelerating project implementation. Simultaneously, Wison Engineering kept developing new flagship products, particularly in areas of new energy and new materials. It signed several EPC and pre-project service contracts and continued to explore a range of opportunities in these emerging sectors.

During the Period under Review, the Company signed several significant contracts, including an MTO EPC contract for the MTO and downstream deep processing integrated project of Guangxi Huayi Energy and Chemical Co., Ltd., a contract for technical licensing and services for process packages related to feedstock adaptation at Wanhua Chemical's Ethylene Plant, a contract for feedstock diversification design for Wanhua Chemical's 1,000,000-tonnes ethylene plant, and a technical consulting contract for the feasibility report on the high-end polyolefin localisation project of Wanrong New Materials (Fujian) Co., Ltd., a Sino-foreign joint venture. In the new energy and new materials sectors, the Company signed an EPC contract for methanol synthesis from CO_2 and hydrogen as well as public auxiliary equipment and facilities for Shanghai Waigaoqiao No.3 Power Plant Co., Ltd., a subsidiary of Shenergy Group Co., Ltd., a technical consulting contract for the feasibility report on a 600,000KW photovoltaic power generation project for large-scale hydrogen and ammonia production in Qapqal County, Yili Prefecture by Xinjiang Zhizhen Green Hydrogen Energy Co., Ltd., a technical consulting contract for the feasibility report on a 50,000-tonnes-per-year ODHE to ethylene project for Yanchuan Green Energy Petrochemical Technology Co., Ltd., and several preliminary consultancy contracts for MMA-related new materials and new energy projects. Additionally, the Company continued to follow up on a number of domestic and foreign new energy projects. Moreover, with the successful start-up of PGA and MMA pilot test projects, more project opportunities are yet to come.

Wison Engineering has been working on overseas markets for many years and accumulated rich project experience. It has established good partnerships with many international engineering companies and suppliers, and has the experience and ability to provide high-quality and differentiated services to customers in different countries and regions by giving full play to its own modular design and manufacturing advantages.

The Middle East is a key market for Wison Engineering, where the Company has deep presence for more than a decade and has established a deep foundation for business development. The Company focused on its competitive projects like ethylene and PDH/PP projects, maintained its stable partnerships with SABIC and Saudi Aramco, and engaged itself in the pre-project exchanges of SABIC/Saudi Aramco's liquid to chemicals (LTC) project. Meanwhile, the Company followed up on Chinese-funded investment projects in Qatar and Saudi Arabia, which are currently in the quotation stage. In view of the emerging renewable energy market and business opportunities arising from green hydrogen and green ammonia in the Middle East, the Company established cooperation with a number of domestic partners and international patent dealers in order to seize market opportunities in new energy and carbon capture projects. A number of new energy projects currently under consideration are expected to be contracted in the second half of the year.

In addition to the Middle East and other traditional chemical markets, the Company actively made its presence in emerging markets by closely following up petrochemical, new coal chemical, new energy, new material and other projects in regions including Russia, Central Asia, Southeast Asia, North America, and Africa.

During the Period under Review, Wison Engineering secured Odum Energy Fze's FEED project for PDH/PP modularisation in Nigeria. The Company also landed a FEED project for a modularized ammonia synthesis plant at Oteko in Taman, Russia. Additionally, Wison Engineering was awarded a FEED contract for SIBUR Kstovo LLC's crackers. For all these projects, it is likely to enter into technical service or EPC contracts in the future. Furthermore, the Company participated in bids for alkylation and new energy projects in Indonesia and is expected to secure an EPC contract in the second half of the year, further expanding its market share.

Wison Engineering will continue to focus on renewable energy, methanol and modular construction opportunities in the Middle East, Russia, the United States and Southeast Asia. The Company will provide high-quality services to meet customer needs and lay the foundation for subsequent EPC projects.

Excellent Research and Development Capabilities for New Material and New Process Leading to Accelerating Commercial Implementation

The development and utilization of new processes and technologies such as new materials and degradable plastics is the future development trend of the industry, and it is also one of the key technology development directions of Wison Engineering. With research and development investment and technology accumulation throughout the years, Wison Engineering made breakthroughs in several key technology transfers during the Period under Review.

The Company participated in the development and won the EPC contract of Panjin Sanli's MMA project, the first industrialised project of new green ethylene-based MMA technology. The project is expected to be mid-term delivered in late August 2024 and commissioned in October 2024. The project is China's first MMA industrialisation plant based on ethylene, which adopts leading olefin hydroformylation technology and new technology of one-step oxidative esterification of methacrolein with complete intellectual property rights. Through innovative, green and sustainable technical solutions, the project effectively solves the problems of high pollution and high energy consumption in domestic processes of producing MMA via acetone cyanohydrin. As the demonstration plants are to be completed soon, many domestic owners are negotiating technology licensing.

In terms of innovative technology development and industrialisation of degradable plastics, the information about the 1,000-ton pilot plant of PGA built by Wison Engineering together with Inner Mongolia Rongxin Chemical Co., Ltd. was prepared and submitted for acceptance check during the Period under Review. The Company is expected to receive the approval by the government in mid-August. The remaining tests will continue to be completed after the approval by the government. At present, 80% of the commercial-scale process package has been prepared. It is expected that the technological achievements will be ready for commercialisation and promotion this year.

During the Period under Review, certain projects using the technology of catalytic ODHE, jointly developed by the Company and the Dalian Institute of Chemical Physics, Chinese Academy of Sciences, have their feasibility study reports completed. The projects are expected to be carried out in the near future. The technology is applicable for ethylene production via various ethane materials with significantly lower investment, energy consumption and CO_2 emissions than those of traditional processes. It's of ground-breaking significance to ethylene production, aligned with the global trend of using light olefin raw materials, and holding broad application prospects.

The Company proactively promoted the catalyst and complete set of technology for the oxidative dehydrogenation of butene to butadiene. The commercial plant that uses the catalyst and complete set of technology for the oxidative dehydrogenation of butene to butadiene shows outstanding operation effect. With the continuous recovery of the butadiene market in 2024, the corresponding domestic plant operates at full capacity. During the Period under Review, two plants have expressed their willingness to replace the catalyst to Wison Engineering. At the same time, the Company was committed to the optimisation and upgrading of butadiene technology. Compared with the existing oxidative dehydrogenation of butene to butadiene, the next-generation energy-saving butene oxidative dehydrogenation catalysts and reaction and separation techniques can significantly reduce steam consumption, further cut energy consumption by 30%, reduce wastewater by 40% and lower the cost of production of tons of butadiene by about RMB1,400, which marks a significant progress of the development of the energy-saving butadiene production technology. At present, the new technology has entered the promotion stage. With complete process package for the transformation of the original plants, the original oxidative dehydrogenation plant is expected to be modified. The successful development of this new technology further maintained the Company's leading position and competitiveness in the field of butadiene technology.

The butadiene division of the Company has been innovating the C_4 separation process by using a new solvent for C_4 separation. As compared with traditional processes, the new process reduces energy consumption by more than 40% and wastewater by over 90%. Highly recognised by the business community, the Company has reached technical cooperation intention with three firms. It is expected to be another major technological highlight of Wison Engineering.

During the Period under Review, Wison Engineering was awarded 8 new patents, applied for 6 new patents, and continuously consolidated its intellectual property rights and technical reserves.

With a focus on green energy transformation and new quality productive forces, we stepped up our efforts in zero- and low-carbon, and green and intelligent reengineering, and sped up the process of new business development

It has become a general consensus and inevitable choice for the international community to adapt to climate change through green and low-carbon transformation. Against such backdrop, Wison Engineering capitalised on rising opportunities and accelerated the rapid transformation of its business structure towards customer and market needs-driven. As a new energy engineering company, Wison Engineering will strive to become a leading provider for engineering and technology solutions for domestic and global energy transformation.

During the Period under Review, Wison Engineering adjusted its organisational structure and set up a product technology center that focuses on the exploration of new business, technologies and products. The Company actively captured and gained insights into the global trend of energy and chemical transformation, and systematically analysed the needs of and technological difficulties in the transformation from the traditional chemical industry that is driven by resources, thermal energy and carbon to the new energy industry that is driven by technological innovation and electricity-hydrogen coupling. Moreover, the Company kept abreast of the development of cutting-edge technologies, deepened the international cooperation in production and research on process and technology roadmaps, focused on the recruitment of technical experts and core talents specialising in electricity-hydrogen coupling, green ammonia and methanol, carbon capture and utilisation, and biomass utilisation, set up a task force to coordinate the in-depth development of the technology roadmaps and solutions for deep decarbonisation of hydrogen, ammonia, methanol, and sustainable aviation fuel (SAF), etc., strove to be part of the strategic global energy transformation and national development of disruptive productive forces, and spared no efforts in creating new business and product lines dealing with services and delivery of renewable energy technology with Wison Engineering's core competitiveness.

During the Period under Review, Wison Engineering was awarded an EPC bid winning notice regarding a demonstration project of methanol synthesis from hydrogen and CO_2. It won the bid and completed the engineering design of a small-scale wind and solar-based hydrogen production pilot project (including electrolysis, electrochemical energy storage and fuel cell); In terms of pre-project consulting, the Company secured pre-project consulting contracts on multiple projects of off-grid/grid-connected wind and solar-based hydrogen production coupled with coal chemical industry, flexible wind and solar-based ammonia production, and biomass/electricity-methanol production in the eastern and central parts of Inner Mongolia, Qinghai and other regions. We have also provided many technical solutions for domestic and international customers regarding their needs and scenarios of low-carbon and green development, such as low-carbon methanol synthesis from carbon capture coupled with exhaust gas-hydrogen in an active large-scale refining and chemical integration project, methanol synthesis from carbon capture and hydrogen in a large-scale coal chemical project, solar-based hydrogen production coupled with the product chain of a specialty gas company, hydrogen storage in organic liquids, on-shore carbon capture/liquefaction/shipping of offshore gas reinjection, offshore off-grid wind-based hydrogen and ammonia production, and offshore floating liquefied hydrogen production. In collaboration with Shanghai Wison Offshore & Marine Co., Ltd., we completed the technical reserve research on the concept design of floating green ammonia and floating green methanol products, further reinforcing our technical reserve and solution capabilities in various new energy technology roadmaps and application scenarios.

During the Period under Review, the Company developed a dynamic multi-steady state simulation system to address the renewable "raw material" and "non-steady state" in the new energy industry. Equipped with its independently developed simulation models and intelligent algorithms, the system can develop solutions for whole-plant system configuration and automated optimisation solutions for green hydrogen, ammonia and methanol projects based on the hourly wind/solar power output data and various boundary conditions, and supports quick generation of whole-plant investment budget and product costs. The system serves as an efficient and intelligent tool for quick response to needs of new energy project owners, higher accuracy of systematic solutions and flexibility in comparison and selection of multiple solutions. At the same time, the new energy business partnered with external companies and universities in the research and development of the energy management system (EMS).

Moreover, during the Period under Review, the Company carried out systematic analysis of EU's Fit for 55 package renewable energy directive (RED) II/III, such as international sustainability and carbon certification (ISCC) EU, renewable fuels of non-biological origin (RFNBO) and recycled carbon fuels (RCF), fully communicated with external third-party advisory agencies while providing pre-project consulting services, offered full-lifecycle carbon footprint calculation to customers in the project planning stage regarding biomass collection, pre-treatment, methanol production, transportation to port refueling, and assisted customers in optimising solutions to meet the requirements of EU green energy certification and increase added value of products by iteration and refining of technology roadmaps and whole-process consumption.

The Company continued to enhance its digital design and delivery, accelerated the building of the digitally integrated project management system, and raised delicacy management standards

During the Period under Review, the project management platform and the design management platform (phase 1) were developed and launched online. These platforms provide management with visualised and data-driven capabilities for tracking project progress and analysis, and enable them to make forecasts, issue early warnings, and control every aspect of project execution and management in real time.

During the Period under Review, the Company continued to advance its digital integrated design competence. SRU project in Abu Dhabi has completed integrated design center, incorporated piping and instrumentation diagram, instrument boards and electricity data integration. The smart plant 3D (SP3D) integration has been completed in July 2024, thus ensuring digital delivery up to high standards. SIBUR's and Huayi's MTO EPC projects were planned and executed in accordance with the international capital facilities information handover specification (CFIHOS) and domestic standard of digital delivery for oil refining and petrochemical project GB51296 respectively, proving that the Company's digital delivery has reached top domestic level and advanced level internationally.

In order to achieve international transformation, Wison Engineering prioritised the construction of an integrated working and control platform for project management by means of systems and electronic archiving tools. During the Period under Review, its investment in hardware and software continued to grow. During the Period under Review, The WEMS officially became operational in March 2024. Developed in conjunction with the MARIAN material management system as the underlying database, the system streamlines every aspect of the business and data flow, including procurement planning, purchase requisition, purchasing, delivery, supervision, logistics, and warehousing. Suppliers, subcontractors, third-party supervision personnel, and other related parties work on the same platform, making procurement a more visualised, data-driven, collaborative, and efficient process. The system has been fully applied in various projects such as SIBUR, Huayi, and Shanghai Waigaoqiao Power Plant. Additionally, the ECOSYS system serves as the core platform for managing project progress, cost, contracting, and change management. Its budget module has been developed and is currently in trial run, while the cost and cash flow timing module is being developed in practice. These continuously improved project applications have significantly enhanced the Company's project execution and control capabilities.

During the Period under Review, the ECOSYS system was applied in SIBUR, Shanghai Waigaoqiao Power Plant and Huayi projects. The system integrates the budget, cost and payment data flows, grants the budget for electronic archiving, and supports control and analysis of the cash flow, contract payment and cost to ensure precise cost measurement and reliable data traceability. The PW document control collaboration system was comprehensively applied and constantly improved in the Huayi project. The digital construction and installation management system was integrated with the MARIAN and WEMS systems to forecast the line formation rate. This integration has been promoted and applied across various domestic and international projects to enhance the forecasting, supervision, and control of the construction process. Additionally, the inspection and test plan (ITP) of the construction process has been enabled via cloud, ensuring that construction planning is aligned with quality planning, and that construction acceptance inspections are synchronised with data filing. The system handover software was deployed in the DPCU project, making the construction process of the DPCU project more manageable.

Implementing a three-pronged business transformation strategy to continuously enhance organisational vitality and capability

In 2024, Wison Engineering adhered to a human resources strategy of "three-pronged business transformation". This approach focused on safeguarding business delivery capability through organisational and talent enhancements, stimulating organisational vitality through culture building and rule formulation, and motivating employees with long-term incentives and compensation schemes.

With a strategy focused on steady, accurate, and fast recruitment and internal training, Wison Engineering introduced more than 100 high-calibre professionals in design, project execution, and cost and contract management, significantly enhancing the Company's talent pool and continuously improving talent quality. Concurrently, the Company strengthened its strategy of recruiting local employees overseas, established strong personnel cooperation platforms in various countries and regions, and bolstered a transnational talent mobility system to attract talent from diverse nationalities. In addition to bringing in external talent, the Company also increased investment in internal employee training. Based on internal staff counting results, Wison Engineering implemented several programs, including the 90-Day Integration & Onboarding Program for New Employees, the Project Management Personnel Training Camp, the Training Camp for Design Managers and Professionals, and the Mid-level Leadership Model, all designed to accelerate the development of internal personnel across different levels.

The Company is now in a critical period of business transformation and internationalisation, which requires the participation of all staff in the Company. During the Period under Review, the Company has focused on creating communication platform that bridges all levels across the organisation. A semi-annual forum with the participation of all the staff from all the offices around the world were held to clearly convey the Company's strategic objectives to all the staff and to listen to employees' feedback. At the same time, the Company optimised its current compensation system to achieve a return that matches performance. Additionally, the Company launched the position sequence and ranking project which targets to create a clear career development blueprint and direction for every staff member.

OUTLOOK

In the second half of 2024, the global economy is expected to face pressures, with the overseas interest rate hike cycle gradually winding down and many countries adjusting their monetary policies. In China, the economy is anticipated to continue its stable and positive development trend, supported by ongoing policy implementations. Demand is projected to rise steadily, further enhancing market dynamics. The real estate sector is expected to stabilise and recover following policy adjustments. Although the recovery may be gradual, it is likely to positively impact the overall economy.

Looking ahead to the second half of the year, crude oil prices are expected to remain strong, providing evident support on the cost side. However, factors such as the timing of the Fed's rate cuts and OPEC+'s supply adjustments may cause volatility in oil prices. With the gradual recovery of the global economy, demand for petrochemical products is anticipated to pick up, particularly from downstream industries like automobiles, real estate, and home appliances, which will likely drive consumption. Refining and chemical enterprises are expected to accelerate their transformation and upgrading initiatives, optimise their product lineups by increasing the proportion of high-end products, and expand their presence in the higher segments of the industrial and value chains. Green, low-carbon, and eco-friendly operations will increasingly become key directions for industry development.

The Company is currently navigating a crucial period of business transformation and internationalisation. Capitalizing on the market opportunities presented by the rapidly growing global new energy industry, the Company is dedicated to building its core competitiveness, exploring new markets and sectors, and continuously enhancing its ability to develop standardised, digitised, and modularised products as it expands into the international new energy field. Faced with challenges and opportunities stemming from market fluctuations and policy adjustments, the Company will adopt proactive strategies and make flexible adjustments to attain sound and sustainable development.

FINANCIAL REVIEW

Revenue and Gross Profit

During the Period under Review, revenue of the Group amounted to approximately RMB1,837.9 million (for the six months ended 30 June 2023: approximately RMB1,893.6 million), representing a year-on-year decrease of 2.9%. Gross profit of the Group amounted to approximately RMB114.2 million (for the six months ended 30 June 2023: approximately RMB144.1 million), representing a decrease of approximately RMB29.9 million.

Details of comprehensive revenue and gross profit breakdown by business segments are set out below:

	Segment revenue Six months ended 30 June		Segment gross profit Six months ended 30 June		Segment gross profit margin Six months ended 30 June	
	2024	2023	**2024**	2023	**2024**	2023
	RMB million (Unaudited)		***RMB million*** (Unaudited)		**%**	
EPC	**1,687.2**	1,748.4	**93.9**	98.8	**5.6%**	5.7%
Engineering, consulting and technical services	**150.7**	145.2	**20.3**	45.3	**13.5%**	31.2%
	1,837.9	1,893.6	**114.2**	144.1	**6.2%**	7.6%

The revenue of EPC of the Group decreased by 3.5% from RMB1,748.4 million in the corresponding period last year to RMB1,687.2 million during the Period under Review. The main reason for the decrease in revenue of EPC was that the Group's EPC projects in the PRC and Southeast Asia in the last period under review have been substantially completed in 2023. As a result, their contribution to revenue decreased during the Period under Review. However, the Group's existing on-going projects are currently in the early to middle stage. Among these projects, certain projects involve the manufacturing of large-scale equipments, which are expected to be delivered in the second half of 2024 to 2026, and therefore their contribution to revenue was limited during the Period under Review. The EPC segment recorded gross profit margin of 5.6%, as compared to that of 5.7% in the corresponding period in 2023.

The revenue of engineering, consulting and technical services of the Group increased by 3.8% from RMB145.2 million in the corresponding period last year to RMB150.7 million during the Period under Review. The gross profit margin of engineering, consulting and technical services of the Group decreased from 31.2% in the corresponding period last year to 13.5% during the Period under Review. The decrease in gross profit and gross profit margin of engineering, consulting and technical services was mainly due to the increase in forecasted engineering cost for certain projects during the Period under Review.

Details of comprehensive revenue breakdown by industries in which our clients operate are set out below:

	Six months ended 30 June			
	2024	2023	Change	Change
	RMB million	*RMB million*	*RMB million*	*%*
	(Unaudited)	(Unaudited)		
Petrochemicals	**1,654.1**	1,241.0	413.1	33.3%
Coal-to-chemicals	**147.2**	461.7	-314.5	-68.1%
Public infrastructure	**5.7**	0.5	5.2	1,040.0%
Oil refineries, other products and services	**30.9**	190.4	-159.5	-83.8%
	1,837.9	1,893.6	-55.7	-2.9%

The revenue of petrochemical business segment increased by 33.3%, mainly because the Group's petrochemical projects located in the Middle East have entered into the middle construction phase, resulting in the increase in revenue contribution.

The revenue of coal-to-chemicals business segment decreased by 68.1%. This was mainly because the Group coal-to-chemicals project located in Henan, China was completed in 2023, and the coal-to-chemicals project located in Shandong, China, was still postponed during the first half of 2024. As a result, the revenue contribution from this business segment was limited.

The revenue of oil refineries, other products and services business segment decreased by 83.8%, mainly because the Group's new materials project located in Xinjiang, China has entered into the end of construction stage in 2023, resulting in a decrease in revenue contribution from this business segment.

Details of comprehensive revenue breakdown by geographic locations of our projects are set out below:

	Six months ended 30 June			
	2024		2023	
	Revenue	**Percentage of total revenue**	Revenue	Percentage of total revenue
	RMB'million **(Unaudited)**	***%***	*RMB'million* (Unaudited)	*%*
Mainland China	**623.7**	**33.9%**	1,100.7	58.1%
Middle East	**1,025.9**	**55.8%**	375.4	19.8%
Southeast Asia	**22.1**	**1.2%**	358.5	18.9%
Europe	**158.3**	**8.6%**	50.9	2.7%
Others	**7.9**	**0.5%**	8.1	0.5%
	1,837.9	**100.0%**	1,893.6	100.0%

The revenue from overseas projects of the Group accounted for approximately 41.9% of the total revenue in the corresponding period last year, whereas during the Period under Review, revenue from overseas projects accounted for approximately 66.1% of the total revenue. The increase in percentage weighting of revenue from overseas projects during the Period under Review was mainly due to the fact that the Group's EPC projects located in the Middle East have entered into the principal construction phase.

Other Income and Gains

Other income and gains increased by 41.0% from RMB91.2 million in the corresponding period last year to RMB128.6 million during the Period under Review, mainly because the Group recognised a gain on change in fair value of the investment property in Shanghai during the Period under Review, as well as the compensation income as a result of successful claim against certain subcontractors.

Selling and Distribution Expenses

Selling and distribution expenses increased by 25.4% from RMB20.5 million in the corresponding period of last year to RMB25.7 million during the Period under Review, which was mainly due to the increase in the overseas marketing activities of the Group as well as the accruals of bonus for marketing staff.

Administrative Expenses

Administrative expenses decreased by 22.2% from RMB119.8 million in the corresponding period of last year to RMB93.2 million during the Period under Review, which was mainly due to the decrease in depreciation and amortization expenses of the Group's office building and land headquartered in Shanghai, China.

Other Expenses

Details of other expenses breakdown are set out below:

	Six months ended 30 June	
	2024	2023
	RMB million	*RMB million*
	(Unaudited)	(Unaudited)
Research and development costs	**58.5**	58.7
Expenses in relation to operating lease income	**1.8**	9.3
Consultancy expenses	**–**	0.5
Fines and estimated compensation losses	**0.1**	9.2
Others	**–**	0.5
	60.4	78.2

Other expenses decreased by 22.8% from RMB78.2 million in the corresponding period last year to RMB60.4 million during the Period under Review, mainly because the Group recognized estimated compensation losses in the corresponding period last year, and the expenses in relation to operating lease income decreased during the Period under Review.

Finance Costs

Finance costs decreased by 29.0% from RMB51.3 million in the corresponding period last year to RMB36.4 million during the Period under Review, which was mainly due to the decrease in interest expenses relating to payables.

Income Tax

Income tax decreased by 47.9% from RMB11.9 million in the corresponding period last year to RMB6.2 million during the Period under Review, mainly because the Group's EPC project in Thailand was still in the principal construction phase in the corresponding period last year, and the provision for withholding tax was recognized in accordance with the progress payment.

Loss for the Period

As a result of the above, the loss for the period decreased by 62.0% from RMB108.0 million for the corresponding last year to RMB41.0 million for the Period under Review. The Group's net profit margin was -5.7% for the corresponding period last year, and increased to -2.2% during the Period under Review.

Trade and Bills Receivables

The Group's trading terms with its customers are mainly on credit where payment in advance is normally required. Trade receivables are non-interest-bearing and on credit terms of a period of 30 to 90 days or the respective contracts' retention period. As at 30 June 2024 and 31 December 2023, the Group's total trade and bills receivables amounted to RMB511.7 million and RMB568.1 million, respectively, representing a decrease of approximately 9.9%.

Liquidity and Capital Structure

As at 30 June 2024, the Group's cash and bank balances amounted to RMB1,248.9 million, representing approximately 19.5% of the Group's current assets (as at 31 December 2023: RMB901.8 million, representing approximately 16.5% of the Group's current assets).

The major items of interim condensed consolidated statement of cash flows of the Group during the Period under Review are set out below:

	Six months ended 30 June	
	2024	2023
	RMB million	*RMB million*
	(Unaudited)	(Unaudited)
Net cash flows from operating activities	**364.8**	411.1
Net cash flows from investing activities	**16.4**	6.7
Net cash flows from financing activities	**-11.2**	-39.8

The Group meets its working capital and other capital requirements principally with cash generated from its operations and borrowings.

As at 30 June 2024, the Group's pledged and unpledged cash and bank balances included the following amounts:

	30 June	31 December
	2024	2023
	RMB million	*RMB million*
Hong Kong Dollar	**2.3**	2.5
US Dollar	**256.1**	368.7
Renminbi	**1,349.7**	1,103.9
Saudi Riyal	**189.2**	33.2
Euro	**0.1**	113.3
South African Rand	**0.1**	0.5
UAE Dirham	**0.4**	0.6
Qatar Riyal	**178.0**	0.9
Russian Ruble	**0.7**	14.7
Thailand Baht	**2.9**	7.0
Japanese Yen	**–**	43.2

The Asset-Liability Ratio of the Group, which was derived by dividing average total liabilities by average total assets, is set out below.

	30 June 2022	31 December 2022	30 June 2023	31 December 2023	**30 June 2024**
Asset-Liability Ratio	62.9%	67.2%	72.5%	72.7%	**75.5%**

Interest-bearing bank and other borrowings of the Group as at 30 June 2024 and 31 December 2023 were set out in the table follow. The short-term bank borrowings of the Group accounted for 51.9% of the total bank borrowings (31 December 2023: 48.5%).

	30 June 2024 *RMB million* **(Unaudited)**	31 December 2023 *RMB million* (Audited)
Current		
Bank loans repayable within one year		
— Secured	**310.3**	305.2
— Unsecured	**139.8**	67.2
Current portion of long-term bank loans — Secured	**59.4**	59.4
Other loans — Unsecured	**63.7**	97.3
	573.2	529.1
Non-current		
Bank loans repayable after one year		
— Secured	**531.0**	561.0
	1,104.2	1,090.1

Bank and other borrowings at 30 June 2024 were denominated in Renminbi and Singapore dollars, while bank and other borrowings at 31 December 2023 were denominated in Renminbi, US dollars and Singapore dollars. As at 30 June 2024, bank and other borrowings amounting to RMB1,104.2 million (31 December 2023: RMB1,090.1 million) bore interest at fixed rates.

The effective interest rates of the Group's bank and other borrowings range as follows:

For the six months ended 30 June 2024	3.45% to 8.65%
For the year ended 31 December 2023	3.45% to 8.65%

The maturity profile of interest-bearing bank and other borrowings as at 30 June 2024 and 31 December 2023, based on contractual undiscounted payments, was as follows:

	On demand	**Less than 3 months**	**3 to 12 months**	**Over 1 year**	**Total**
			RMB million		
30 June 2024					
Interest-bearing bank and other borrowings	**–**	**323.7**	**351.5**	**655.1**	**1,330.3**
31 December 2023					
Interest-bearing bank and other borrowings	–	71.4	502.4	698.7	1,272.5

Interim Dividend

The Directors did not recommend paying an interim dividend for the Period under Review (for the six months ended 30 June 2023: nil).

Capital Expenditure

During the Period under Review, the capital expenditure of the Group amounted to RMB10.0 million (for the six months ended 30 June 2023: RMB16.9 million).

Material Acquisitions and Disposals

During the Period under Review, the Group had no material acquisitions and disposals.

Contingent Liabilities

During years 2023 to 2024, certain sub-contractors of the Group filed claims to the People's Courts in Chinese Mainland against the Group for additional payments of construction costs, interest and liquidation damages with an aggregate amount of approximately RMB53,850,000.

The Directors are of the opinion that additional provision for the lawsuits amounting to RMB15,110,000 has been made. For other lawsuits amounting to RMB 38,740,000 which are without merit, the possibility for the Group being subject to additional payment claims is expected to be remote on the basis of the available evidences and legal advice obtained, the directors are of the opinion that no additional provision is required.

Foreign Exchange Risk Control

The business transactions of the Group are mainly settled in Renminbi and US dollars. The Group is exposed to currency risks in relation to the bank balances denominated in currency other than the functional currencies of the relevant entities. The Group has formulated and strictly adheres to a currency hedging policy against the foreign currency risk.

Pledge of Assets

As at 30 June 2024, certain buildings and leasehold land of RMB3,489.1 million, as well as rights to rental income of certain properties for the next few years, were pledged as security for bank facilities of the Group.

Employee and Emolument Policy

In response to market changes, the Group has continuously introduced new talents, improved its internal management level and continuously optimized its organizational structure. Each department has a clear division of labor and each has its own responsibilities.

As at 30 June 2024, the Group had 1,757 employees (31 December 2023: 1,608 employees). The Group's total employee costs (including remuneration, bonuses, pensions and benefits) amounted to RMB397.1 million, representing 21.6% of the Group's income during the Period (for the six months ended 30 June 2023: 15.5%). The Company has formulated a salary policy based on the principles of fairness, competition, incentive and legality, dynamically adjusting the salary according to the performance of the Company, employees' performance and working ability, etc.

The Group adopted the 2022 share option scheme on 20 December 2022 as encouragement and reward for the contributions of employees to the Company. No share option has been granted under the 2022 share option scheme since its adoption.

The Company makes training plans according to the Group's strategic plan, annual operation approach and plan. The Group provides orientation training and on-the-job education for employees' development. Orientation training covers corporate culture and policies, professional ethics and quality, major products and businesses, quality management, occupational safety and other aspects. On-the-job education includes mandatory training for applicable laws and regulations, such as environment, health and safety management systems, as well as specialized training covering all levels and categories of personnel. To meet the needs of the Company's strategic planning, the Group carries out in-service cadres training projects, reserve cadre training projects and key technical personnel training projects for all levels of management cadre, key business and technical personnel and talent with high potentials. The Group also taps into different kinds of education resources, such as mini class, mini study and live stream, via online channels, so as to further improve training and talent development system, provide a solid talent pool for the stable operation and transformation and upgrade of the Company, and promote the high-quality development of the Company.

Purchase, Sale and Redemption of Listed Securities of the Company

The Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company during the Period under Review.

Events after Period under Review

Subsequent to 30 June 2024, the Group has been granted a new banking facility of RMB80,000,000.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
REVENUE	4	**1,837,914**	1,893,621
Cost of sales		**(1,723,758)**	(1,749,563)
Gross profit		**114,156**	144,058
Other income and gains		**128,645**	91,151
Selling and distribution expenses		**(25,711)**	(20,538)
Administrative expenses		**(93,158)**	(119,824)
Impairment losses on financial and contract assets, net		**(63,998)**	(64,902)
Other expenses		**(60,407)**	(78,219)
Finance costs		**(36,419)**	(51,337)
Share of profits and losses of associates		**2,119**	3,542
LOSS BEFORE TAX	5	**(34,773)**	(96,069)
Income tax expense	6	**(6,189)**	(11,925)
LOSS FOR THE PERIOD		**(40,962)**	(107,994)
Attributable to:			
Owners of the parent		**(34,342)**	(104,732)
Non-controlling interests		**(6,620)**	(3,262)
		(40,962)	(107,994)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
— Basic and diluted		**RMB(0.84) cents**	RMB(2.57) cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	2024 (Unaudited) *RMB'000*	2023 (Unaudited) *RMB'000*
LOSS FOR THE PERIOD	**(40,962)**	(107,994)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**1,395**	(3,654)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**1,395**	(3,654)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(453)**	24,832
Income tax effect	**1,680**	(426)
	1,227	24,406
Share of other comprehensive income of an associate	**(8,234)**	(5,012)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**(7,007)**	19,394
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**(5,612)**	15,740
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(46,574)**	(92,254)
Attributable to:		
Owners of the parent	**(39,954)**	(88,992)
Non-controlling interests	**(6,620)**	(3,262)
	(46,574)	(92,254)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

	Notes	**30 June 2024 (Unaudited) *RMB'000***	31 December 2023 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**43,523**	1,493,414
Investment property	*10*	**3,489,097**	–
Other non-current assets		**86,907**	142,077
Right-of-use assets		**19,986**	2,046,676
Goodwill		**15,752**	15,752
Intangible assets		**28,333**	26,021
Investments in associates		**214,504**	220,619
Long-term prepayments		**2,951**	5,251
Equity investments designated at fair value through other comprehensive income		**28,876**	33,130
Total non-current assets		**3,929,929**	3,982,940
CURRENT ASSETS			
Equity investments designated at fair value through other comprehensive income		**241,747**	237,946
Inventories		**229,927**	52,237
Trade receivables	*11*	**471,705**	473,716
Bills receivable		**39,964**	94,421
Contract assets		**1,376,427**	1,599,781
Prepayments, other receivables and other assets		**1,973,540**	1,250,463
Due from fellow subsidiaries		**75,806**	80,489
Pledged bank balances and time deposits		**730,666**	785,890
Cash and bank balances	*12*	**1,248,882**	901,834
Total current assets		**6,388,664**	5,476,777

continued/...

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(continued)
30 June 2024

	Notes	**30 June 2024 (Unaudited) *RMB'000***	31 December 2023 (Audited) *RMB'000*
CURRENT LIABILITIES			
Trade and bills payables	*13*	**2,118,603**	2,183,155
Other payables and accruals		**3,423,753**	2,307,695
Interest-bearing bank and other borrowings	*14*	**573,187**	529,109
Lease Liabilities		**17,149**	12,135
Due to fellow subsidiaries		**300**	340
Due to an associate		**630**	630
Tax payable		**152,732**	155,196
Total current liabilities		**6,286,354**	5,188,260
NET CURRENT ASSETS		**102,310**	288,517
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,032,239**	4,271,457
NON-CURRENT LIABILITIES			
Lease liabilities		**8,210**	15,031
Interest-bearing bank and other borrowings	*14*	**531,000**	561,000
Long-term payables		**415,480**	574,350
Deferred tax liabilities		**398,833**	398,556
Government grants		**3,762**	3,855
Other non-current liabilities		**272,745**	269,882
Total non-current liabilities		**1,630,030**	1,822,674
Net assets		**2,402,209**	2,448,783
EQUITY			
Equity attributable to owners of the parent			
Share capital	*15*	**330,578**	330,578
Share premium		**869,201**	869,201
Other reserves		**1,223,758**	1,263,712
		2,423,537	2,463,491
Non-controlling interests		**(21,328)**	(14,708)
Total equity		**2,402,209**	2,448,783

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

1. CORPORATE INFORMATION

The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1–1111, Cayman Islands.

Wison Engineering Investment Limited ("**Wison Investment**") is the immediate holding company of the Company. In the opinion of the directors, Wison Group Holding Limited ("**Wison Holding**") is the ultimate holding company of the Company. Wison Holding and Wison Investment are exempted companies with limited liability incorporated in the British Virgin Islands.

The Group is principally engaged in the provision of project solutions to petrochemical and coal-to-chemicals producers in terms of design, construction and commissioning of their production facilities through technology consultancy, engineering, procurement and construction management services in the People's Republic of China (the "**PRC**") and overseas.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "**2020 Amendments**")*
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "**2022 Amendments**")*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and impact of the revised IFRSs are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

    The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

Six months ended 30 June 2024	**Engineering, procurement and construction ("EPC")** *RMB'000* **(Unaudited)**	**Engineering, consulting and technical services** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Segment revenue *(note 4)*			
Sales to external customers	**1,687,217**	**150,697**	**1,837,914**
Intersegment sales	**95**	**–**	**95**
Total segment revenue	**1,687,312**	**150,697**	**1,838,009**
Reconciliation:			
Elimination of intersegment sales			**(95)**
Revenue			**1,837,914**
Segment results	**36,192**	**3,273**	**39,465**
Reconciliation:			
Unallocated income			**128,645**
Unallocated expenses			**(179,865)**
Unallocated finance costs (other than interest on lease liabilities)			**(25,137)**
Share of profits and losses of associates			**2,119**
Loss before tax			**(34,773)**

Six months ended 30 June 2023	Engineering, procurement and construction ("**EPC**") *RMB'000* (Unaudited)	Engineering, consulting and technical services *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment revenue *(note 4)*			
Sales to external customers	1,748,402	145,219	1,893,621
Intersegment sales	9,306	59	9,365
Total segment revenue	1,757,708	145,278	1,902,986
Reconciliation:			
Elimination of intersegment sales			(9,365)
Revenue			1,893,621
Segment results	29,364	28,168	57,532
Reconciliation:			
Unallocated income			91,151
Unallocated expenses			(219,373)
Unallocated finance costs (other than interest on lease liabilities)			(28,921)
Share of profits and losses of associates			3,542
Loss before tax			(96,069)

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2024 and 31 December 2023.

30 June 2024	**EPC**	**Engineering, consulting and technical services**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
Segment assets	**3,978,803**	**134,472**	**4,113,275**
Reconciliation:			
Elimination of intersegment receivables			**(14,578)**
Corporate and other unallocated assets			**6,219,896**
Total assets			**10,318,593**
Segment liabilities	**5,649,392**	**253,653**	**5,903,045**
Reconciliation:			
Elimination of intersegment payables			**(21,760)**
Corporate and other unallocated liabilities			**2,035,099**
Total liabilities			**7,916,384**

31 December 2023	EPC	Engineering, consulting and technical services	Total
	RMB'000	*RMB'000*	*RMB'000*
	(Audited)	(Audited)	(Audited)
Segment assets	3,329,899	244,398	3,574,297
Reconciliation:			
Elimination of intersegment receivables			(15,700)
Corporate and other unallocated assets			5,901,120
Total assets			9,459,717
Segment liabilities	4,728,082	241,957	4,970,039
Reconciliation:			
Elimination of intersegment payables			(15,180)
Corporate and other unallocated liabilities			2,056,075
Total liabilities			7,010,934

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**1,837,914**	1,893,621

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2024

Segments	**EPC**	**Engineering, consulting and technical services**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
Types of services			
Construction services	**1,687,217**	**–**	**1,687,217**
Design, feasibility research, consulting and technical services	**–**	**150,697**	**150,697**
Total	**1,687,217**	**150,697**	**1,837,914**
Geographical markets			
Middle East	**1,024,946**	**947**	**1,025,893**
Chinese Mainland	**486,162**	**137,505**	**623,667**
Europe	**154,030**	**4,230**	**158,260**
Others	**22,079**	**8,015**	**30,094**
Total	**1,687,217**	**150,697**	**1,837,914**
Timing of revenue recognition			
Services transferred over time	**1,687,217**	**150,697**	**1,837,914**

For the six months ended 30 June 2023

Segments	EPC *RMB'000* (Unaudited)	Engineering, consulting and technical services *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Types of services			
Construction services	1,748,402	–	1,748,402
Design, feasibility research, consulting and technical services	–	145,219	145,219
Total	1,748,402	145,219	1,893,621
Geographical markets			
Chinese Mainland	974,584	126,106	1,100,690
Middle East	374,325	1,032	375,357
Southeast Asia	358,516	–	358,516
Europe	40,977	9,932	50,909
America	–	2,109	2,109
Others	–	6,040	6,040
Total	1,748,402	145,219	1,893,621
Timing of revenue recognition			
Services transferred over time	1,748,402	145,219	1,893,621

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the six months ended 30 June 2024

Segments	**EPC** ***RMB'000*** **(Unaudited)**	**Engineering, consulting and technical services** ***RMB'000*** **(Unaudited)**	**Total** ***RMB'000*** **(Unaudited)**
Revenue from contracts with customers			
External customers	**1,687,217**	**150,697**	**1,837,914**
Intersegment sales	**95**	**–**	**95**
Subtotal	**1,687,312**	**150,697**	**1,838,009**
Intersegment adjustments and eliminations	**(95)**	**–**	**(95)**
Total revenue from contracts with customers	**1,687,217**	**150,697**	**1,837,914**

For the six months ended 30 June 2023

Segments	EPC *RMB'000* (Unaudited)	Engineering, consulting and technical services *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Revenue from contracts with customers			
External customers	1,748,402	145,219	1,893,621
Intersegment sales	9,306	59	9,365
Subtotal	1,757,708	145,278	1,902,986
Intersegment adjustments and eliminations	(9,306)	(59)	(9,365)
Total revenue from contracts with customers	1,748,402	145,219	1,893,621

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of services provided*	**1,723,758**	1,749,563
Depreciation of property, plant and equipment	**4,499**	26,743
Research and development costs	**58,644**	58,708
Depreciation of right-of-use assets	**7,187**	38,099
Amortisation of intangible assets	**4,030**	3,542
Government grants	**(1,674)**	(1,461)
Impairment of financial and contract assets, net		
Impairment of trade receivables, net	**34,777**	50,192
Impairment of contract assets, net	**29,327**	17,939
Reversal of impairment of financial assets included in prepayments, other receivables and other assets	**(106)**	(3,229)
Gain on disposal of items of property, plant and equipment	**(113)**	(2,037)
Lease payments not included in the measurement of lease liabilities	**6,142**	6,694
Fair value gains on investment property	**(13,381)**	–
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries (including social welfare)	**365,852**	267,935
Retirement benefit scheme contributions	**31,289**	26,258
	397,141	294,193
Foreign exchange differences, net	**6,399**	(422)

* Amounts of employee benefit expenses of RMB298,698,000 were included in the cost of services provided during the six months ended 30 June 2024 (six months ended 30 June 2023: RMB196,481,000).

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current — Elsewhere		
Charge for the period	**4,232**	17,653
Underprovision in prior periods	**–**	72
Deferred	**1,957**	(5,800)
Total tax charge for the period	**6,189**	11,925

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group was not subject to any income tax in the Cayman Islands and British Virgin Islands. The Group was not liable for income tax in Hong Kong as the Group did not have any assessable income arising in Hong Kong for the six months ended 30 June 2024 and 2023.

惠生工程（中國）有限公司 (Wison Engineering Limited, "**Wison Engineering China**") was qualified as a "High and New Technology Enterprise" and was entitled to a preferential corporate income tax ("**CIT**") rate of 15% from 2023 to 2025. Wison Engineering China was liable for withholding tax on revenue derived from Thailand, Saudi Arabia and Qatar. The applicable tax rate is 5% for the Group.

江蘇惠生建設科技有限公司 (Jiangsu Wison Construction Technology Co. Ltd., "**Jiangsu Wison**") is subject to corporate income tax at a rate of 25%.

Wison USA, LLC is subject to federal income tax at a rate of 21% and state income tax at a rate of 0.75%.

7. DIVIDENDS

No interim dividends were paid, declared or proposed during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 4,073,767,800 (2023: 4,073,767,800) in issue during the period.

The calculation of the diluted loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic loss per share calculation.

The Group had no potentially dilutive ordinary shares in issue during six months ended 30 June 2024 and 2023, respectively.

The calculations of basic and diluted loss per share are based on:

	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculations	**(34,342)**	(104,732)

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the periods used in the basic and diluted loss per share calculations	**4,073,767,800**	4,073,767,800

9. PROPERTY, PLANT AND EQUIPMENT

	RMB'000
At 1 January 2024 (audited)	1,493,414
Additions	5,396
Transfer to investment property	(1,451,753)
Disposals	(4)
Depreciation	(4,499)
Exchange realignment	969
At 30 June 2024 (unaudited)	43,523

As at 31 December 2023, the Group's buildings and leasehold land situated in Chinese Mainland were revalued based on valuations performed by Shanghai Orient Appraisal Co., Ltd., an independent firm of professionally qualified valuers, at RMB3,499,692,000, based on their existing use. The land portion of RMB2,023,963,000 was measured as right-of-use assets.

As at 31 December 2023, certain of the Group's building and leasehold land with a net book value of approximately RMB3,475,716,000 were pledged to secure general banking facilities granted to the Group (note 14).

As at 1 January 2024 ("**the date of transfer**"), certain building and leasehold land of the Group were transferred from property, plant and equipment and right-of-use asset to investment property.

At 30 June 2024, the Group's other building in Chinese Mainland is held under medium-term leases with a book value of RMB23,394,000 (31 December 2023: RMB23,976,000). In the opinion of the directors, the fair value of the other building did not differ materially from its carrying amount at 30 June 2024.

Had the Group's building situated in Chinese Mainland been carried at cost less accumulated depreciation, the carrying amount would have been approximately RMB9,681,000 (31 December 2023: RMB9,927,000).

Except for the building situated in Chinese Mainland which is stated at valuation, all other property, plant and equipment are stated at cost less accumulated depreciation.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's properties situated in Chinese Mainland:

	Fair value measurement as at 30 June 2024 using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Building	**–**	**–**	**23,394**	**23,394**

	Fair value measurement as at 31 December 2023 using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Audited)	(Audited)	(Audited)	(Audited)
Buildings	–	–	1,475,729	1,475,729
Leasehold land	–	–	2,023,963	2,023,963
Total	–	–	3,499,692	3,499,692

The movements in fair value measurements within Level 3 during the period are as follows:

	Buildings	**Leasehold land**
	RMB'000	***RMB'000***
At 1 January 2024 (audited)	**1,475,729**	**2,023,963**
Transfer to investment property	**(1,451,753)**	**(2,023,963)**
Depreciation charge	**(582)**	**–**
At 30 June 2024 (unaudited)	**23,394**	**–**

	Buildings *RMB'000*	Leasehold land *RMB'000*
At 1 January 2023 (audited)	1,441,077	2,080,637
Depreciation charge	(21,476)	(30,673)
At 30 June 2023 (unaudited)	1,419,601	2,049,964

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

Set out below is a summary of the valuation techniques used and the key inputs to the valuation of buildings and leasehold land:

	Valuation technique	**Significant unobservable inputs**	**Weighted average** **30 June 2024**	31 December 2023
Building and leasehold land *(note a)*	Income method	Average market daily rent (RMB/per square metre)	**NA**	6.26
		Long term vacancy rate	**NA**	9%
		Yield rate	**NA**	7%
Building *(note b)*	Direct comparison method	Market transaction price (RMB/square metre)	**10,000**	10,000
		Adjustment on quality of the building	**5%**	5%

Notes:

(a) The valuation of the building and leasehold land was determined using the income method. The most significant inputs to this valuation approach are the market daily rental of comparable properties nearby, long-term vacancy rate of the building and yield rate of the rentals.

The fair value measurement is positively correlated to the market daily rental and yield rate, and negatively correlated to the long-term vacancy rate.

(b) The valuation of the building was determined using the direct comparison approach. The most significant inputs to this valuation approach are the market transaction prices of comparable properties nearby and the adjustment on quality of the building.

The fair value measurement is positively correlated to the market transaction prices and negatively correlated to the adjustment on quality of the building.

10. INVESTMENT PROPERTY

	2024	2023
	RMB'000	*RMB'000*
Carrying amount at 1 January	**–**	–
Transfer from property, plant and equipment and right-of-use asset	**3,475,716**	–
Net gain from a fair value adjustment	**13,381**	–
Carrying amount at 30 June	**3,489,097**	–

The Group's investment property was revalued on 30 June 2024 based on valuations performed by Shanghai Orient Appraisal Co., Ltd., an independent firm of professionally qualified valuers, at RMB3,489,097,000.

As at 30 June 2024, the Group's investment property with fair value of approximately RMB3,489,097,000 was pledged to secure general banking facilities granted to the Group (note 14).

The following table illustrates the fair value measurement hierarchy of the Group's investment property:

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment property:

	Fair value measurement as at 30 June 2024 using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Recurring fair value measurement for:				
Commercial property	**–**	**–**	**3,489,097**	**3,489,097**

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2023: NA).

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Commercial property *RMB'000*
Carrying amount at 31 December 2023 and 1 January 2024	**–**
Transfer from property, plant and equipment and right-of-use asset	**3,475,716**
Net gain from a fair value adjustment recognised in other income and gains in profit or loss	**13,381**
Carrying amount at 30 June 2024	**3,489,097**

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment property:

	Valuation techniques	**Significant unobservable inputs**	**Weighted average 30 June 2024**
Commercial property	Income method	Average market daily rent (RMB/per square meter)	**6.53**
		Long term vacancy rate	**9%**
		Yield rate	**7%**

Notes:

The valuation of the investment property was determined using the income method. The most significant inputs to this valuation approach are the market daily rental of comparable properties nearby, long term vacancy rate of the building and yield rate of the rentals.

The fair value measurement is positively correlated to the market daily rental and yield rate, and negatively correlated to the long-term vacancy rate.

11. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2024 *RMB'000* **(Unaudited)**	31 December 2023 *RMB'000* (Audited)
Within 1 month	**3,962**	19,018
2 to 12 months	**375,650**	201,460
Over 1 year	**92,093**	253,238
Total	**471,705**	473,716

The amounts due from related companies included in the trade receivables are as follows:

	30 June 2024 *RMB'000* **(Unaudited)**	31 December 2023 *RMB'000* (Audited)
Related companies		
Wison (Taizhou) New Material Technology Co., Ltd.	**253,042**	283,035
Taixing Tianma Chemical Engineering Co., Ltd.	**20,190**	20,143
Taixing Bohui Environmental Technology Development Co., Ltd.	**8,601**	62,567
Shanghai Wison Offshore & Marine Co., Ltd.	**878**	8,076
Wison (China) Investment Co., Ltd.	**50**	50
Total	**282,761**	373,871

12. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Cash and bank balances	**1,666,881**	1,181,582
Time deposits with original maturity of less than three months (including three months)	**–**	38,960
Time deposits with original maturity of more than three months	**312,667**	467,182
	1,979,548	1,687,724
Less: Pledged bank balances and time deposits	**730,666**	785,890
Unpledged cash and cash equivalents	**1,248,882**	901,834
Less: Non-pledged time deposits with original maturity of more than three months	**–**	26,206
Frozen and unpledged bank balances	**26,337**	27,356
Unpledged and unfrozen cash and cash equivalents	**1,222,545**	848,272

At 30 June 2024, bank balances and time deposits of RMB633,364,000 (31 December 2023: RMB590,827,000) were placed as guarantee deposits for the performance of certain construction contracts and for the tendering process.

At 30 June 2024, bank balances and time deposits of RMB2,400,000 (31 December 2023: RMB50,753,000) were pledged to a bank as security to obtain a letter of credit facility for the purchase of imported equipment.

At 30 June 2024, bank balances and time deposits of RMB10,992,000 (31 December 2023: RMB79,441,000) were pledged as security for bill facilities granted by the banks.

At 30 June 2024, bank balances of RMB1,000 (31 December 2023: RMB1,000) were pledged to a bank as security for forward foreign exchange contracts.

At 30 June 2024, bank balances of RMB83,804,000 (31 December 2023: RMB64,763,000) were pledged to a bank as security to obtain a banking facility (note 14).

At 30 June 2024, bank balances of RMB105,000 (31 December 2023: RMB105,000) were pledged for salary payments to workers according to relevant government regulation.

At 30 June 2024, certain bank accounts of the Group of RMB26,337,000 (31 December 2023: RMB27,356,000) were frozen by courts for certain claims in disputes for preservation.

At 30 June 2024, the cash and bank balances of the Group denominated in RMB amounted to RMB1,349,686,000 (31 December 2023: RMB1,103,087,000). The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The carrying amounts of cash and cash equivalents and pledged bank balances and time deposits approximate to their fair values.

13. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2024 *RMB'000* **(Unaudited)**	31 December 2023 *RMB'000* (Audited)
Less than 1 year	**931,397**	1,205,187
1 to 2 years	**943,154**	759,787
2 to 3 years	**510,353**	606,258
Over 3 years	**126,492**	155,182
Subtotal	**2,511,396**	2,726,414
Less: Long term payables	**392,793**	543,259
Total	**2,118,603**	2,183,155

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days other than those suppliers granting an extended credit period for more than one year.

14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current		
Bank loans repayable within one year – secured	**310,295**	305,216
Bank loans repayable within one year – unsecured	**139,843**	67,214
Current portion of long-term bank loans – secured	**59,384**	59,363
Other loans – unsecured	**63,665**	97,316
Total – current	**573,187**	529,109
Non-current		
Bank loans repayable over one year – secured	**531,000**	561,000
Total	**1,104,187**	1,090,109

The effective interest rates of the Group's bank and other borrowings ranged as follows:

	2024		2023	
	Effective interest *Rate (%)*	**Maturity**	Effective interest *Rate (%)*	Maturity
Bank loans	**3.45 to 4.7**	**2024 – 2034**	3.45 to 5.88	2024 – 2034
Others loans	**8.65**	**2024**	5.80 to 8.65	2024

The carrying amounts of borrowings are denominated in the following currencies:

	2024	2023
	RMB'000	*RMB'000*
RMB	**1,040,522**	992,793
SGD	**63,665**	72,414
USD	**–**	24,902
Total	**1,104,187**	1,090,109

An analysis of the carrying amounts of borrowings by type of interest rate is as follows:

	2024	2023
	RMB'000	*RMB'000*
Fixed interest rate	**1,104,187**	1,090,109

	30 June 2024 *RMB'000* (Unaudited)	31 December 2023 *RMB'000* (Audited)
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**509,522**	431,793
In the second year	**58,500**	58,500
In the third to fifth year, inclusive	**175,500**	175,500
Beyond five years	**297,000**	327,000
Subtotal	**1,040,522**	992,793
Other borrowings repayable:		
Within one year	**63,665**	97,316
Total	**1,104,187**	1,090,109

Certain of the Group's bank loans and other borrowings are secured by the following assets:

	Note	30 June 2024 *RMB'000* (Unaudited)	31 December 2023 *RMB'000* (Audited)
Investment property (2023: building and leasehold land)	*9,10*	**3,489,097**	3,475,716
Equity investments designated at fair value through other comprehensive income		**206,003**	191,590
Total		**3,695,100**	3,667,306

The carrying amounts of the interest-bearing bank borrowings approximate to their fair values.

Certain bank has granted credit facilities to the Group for which the right of receiving rental income from a property of the Group for future years and the related bank account with bank balances of RMB83,804,000 as at 30 June 2024 (31 December 2023: RMB64,763,000) have been pledged as security.

The Group's other loans are unsecured, bear interest at 3% above the Singapore Overnight Rate Average ("**SORA**") per annum which are denominated in Singapore dollars (31 December 2023: 5.8% denominated in United States dollars and 3% above the SORA per annum denominated in Singapore dollars). The other loan is repayable by the end of 2024.

As at 30 June 2024, the Group's entire equity interests in CSSC (Hong Kong) Shipping Company Limited with an aggregate net book value of approximately RMB206,003,000 (31 December 2023: RMB191,590,000) were pledged to secure other loan granted to the Group.

As at 30 June 2024, the Group's investment property with fair value of approximately RMB3,489,097,000 (31 December 2023: recognised as building and leasehold land with an aggregate net book value of RMB3,475,716,000) was pledged to secure general banking facilities granted to the Group.

15. SHARE CAPITAL

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Number of ordinary shares		
Authorised:		
Ordinary shares of HK$0.1 each	**20,000,000,000**	20,000,000,000
Issued and fully paid:		
Ordinary shares of HK$0.1 each	**4,073,767,800**	4,073,767,800

	30 June 2024 *RMB'000* (Unaudited)	31 December 2023 *RMB'000* (Audited)
Authorised:		
Ordinary shares of HK$0.1 each	**1,622,757**	1,622,757
Issued and fully paid:		
Ordinary shares of HK$0.1 each	**330,578**	330,578

16. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The unaudited interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 28 August 2024.

CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2024, the Company has complied with the applicable code provisions as set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by Directors. Having made specific enquiry, all Directors confirmed that they have complied with the required standard set out in the Model Code during the Period under Review.

AUDIT COMMITTEE REVIEW

The Company has established an audit committee which is accountable to the Board and the primary duties of which include the review and supervision of the Group's financial reporting process and internal control measures. For the Period under Review, the audit committee comprised of three independent non-executive Directors, namely, Mr. Lawrence Lee, Mr. Tang Shisheng and Mr. Feng Guohua. Mr. Lawrence Lee serves as the chairman of the audit committee of the Company, who has the professional qualification and experience in financial matters in compliance with the requirements of the Listing Rules.

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements of the Group for the Period under Review. They considered that the unaudited interim financial statements of the Group for the Period under Review are in compliance with the relevant accounting standards, rules and regulations and that appropriate disclosures have been made.

PUBLICATION OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is required to be published on the website of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (www.hkexnews.hk) and the website of the Company (www.wison-engineering.com), respectively. The interim report of the Company for the Period will be dispatched to the shareholders of the Company (where applicable) and published on the websites of the Stock Exchange and the Company in due course.

CHANGE IN CONSTITUTIONAL DOCUMENTS

Pursuant to a special resolution passed by the shareholders of the Company at the annual general meeting of the Company held on 7 June 2024, the articles of association of the Company (the "**Articles**") were amended with effect from 7 June 2024.

For details of the amendments to the second amended and restated Articles, please refer to the circular of the Company dated 26 April 2024 and the poll results announcement of the Company dated 7 June 2024. An up-to-date consolidated copy of the second amended and restated Articles is available on the websites of the Company and the Stock Exchange.

APPOINTMENT OF EXECUTIVE DIRECTOR

The Board is pleased to announce that Mr. Li Dun (李盾) ("**Mr. Li**") has been appointed as an executive director of the Company with effect from 28 August 2024.

The biographical details of Mr. Li are set out below:

Mr. Li Dun (李盾), aged 53, an exective director of the Company and the chief financial officer of the Group, is mainly responsible for overseeing the finance and treasury function of the Group. He has extensive experience in the fields of financial controlling, corporate finance and investment.

Prior to joining the Group as the chief financial officer in April 2024, Mr. Li served as the chief financial officer of Wison Group Holding Limited from December 2020 to April 2024. Before that, he served as the chief financial officer of Tiandihuayu Logistics Co. Limited*, the Greater China region financial director of Bobst Group SA and the chief financial officer of the logistics business unit of Sinochem International Corporation.

Mr. Li obtained a bachelor's degree in applied accounting from Oxford Brookes University and a master's degree in business administration from the University of Texas. He is also a fellow member of the Association of Chartered Certified Accountants.

Mr. Li has entered into a service agreement with the Company for an initial term of three years commencing from 28 August 2024. Notwithstanding the above, according to the Articles, Mr. Li will hold office until the next following annual general meeting of the Company and shall be eligible for re-election, and thereafter Mr. Li will be subject to retirement by rotation and re-election at least once every three years in accordance with the Listing Rules.

Pursuant to the service agreement, Mr. Li is entitled to a basic monthly salary of RMB125,000, plus a discretionary bonus as may be determined by the Board and the Remuneration Committee of the Company based on his performance of duties and the Group's earnings. The remuneration of Mr. Li is determined with reference to his duties, responsibilities and experience, and the prevailing market conditions.

As at the date of this announcement, save as disclosed above, Mr. Li (i) has not held any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not currently hold any other position in the Group; (iii) does not have any relationship with any directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; and (iv) does not have any interest in the securities of the Company or its associated companies within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there are no other matters relating to Mr. Li's appointment that need to be brought to the attention of the shareholders of the Company and there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

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

Hong Kong, 28 August 2024

As at the date of this announcement, the executive Directors of the Company are Mr. Zhou Hongliang, Mr. Zheng Shifeng and Mr. Li Dun; 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.

* *For identification purposes only*