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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

HIGHLIGHTS:

- Our revenue for the year ended 31 December 2024 amounted to approximately RMB5,647,335,000, representing an increase of 47.0% from approximately RMB3,842,719,000 recorded in 2023.
- Our gross profit for the year ended 31 December 2024 amounted to approximately RMB445,216,000, representing an increase of 96.0% from approximately RMB227,202,000 recorded in 2023.
- Our profit for the year ended 31 December 2024 amounted to approximately RMB134,673,000, as compared to loss of approximately RMB198,378,000 recorded in 2023.
- Profit attributable to owners of the parent for the year ended 31 December 2024 amounted to approximately RMB141,626,000, as compared to loss attributable to owners of the parent of approximately RMB196,122,000 recorded in 2023.

- Our total new contract value (net of estimated value-added tax ("**VAT**")) for the year ended 31 December 2024 amounted to approximately RMB10,865,107,000, representing an increase of 2,563.6% from approximately RMB407,911,000 recorded in 2023.

- Our total backlog value (net of estimated VAT) as at 31 December 2024 amounted to approximately RMB25,719,315,000, representing an increase of 10.6% from approximately RMB23,255,794,000 recorded as at 31 December 2023.

The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of Wison Engineering Services Co. Ltd. ("**Wison Engineering**", "**Wison**" or the "**Company**") is pleased to announce annual results and the consolidated financial statements of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 (the "**Year**" or the "**Reporting Period**") together with selected explanatory notes and the relevant comparative figures for 2023.

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

REVIEW OF 2024 ANNUAL RESULTS AND OUTLOOK

MARKET AND RESULTS OVERVIEW

In 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, entrepreneurship, responsibility, respect, and win-win, the Company continued to drive both its own growth and that of society. During the Reporting Period, the Company kept expediting its internationalisation drive, strengthened delicacy management, tightened risk control, enhanced its digital and modular capabilities, and consolidated its core competitiveness. Meanwhile, the Company has deepened its presence in the field of energy and chemical engineering to secure a leading position in the market, and has increased its continued investment in the fields of new energy and new materials. In the Year, it set up the Green Hydrogen Products Technology Centre to accelerate the green transformation across the Company. Wison Engineering constantly enhanced its operational and management benefits and created value for customers.

During the Reporting Period, the global economy experienced a sluggish recovery, marked by an uneven pace and significant challenges. Weak growth momentum, the restructuring of global supply chains, and escalating geopolitical tensions created substantial headwinds for global economic recovery. Meanwhile, China's economy remained stable despite a complex and volatile domestic and international landscape, exhibiting both signs of recovery and ongoing challenges. The Chinese government effectively bolstered social confidence and supported steady economic growth through a series of policy measures. According to the National Bureau of Statistics (NBS) of China, China's gross domestic product expanded by 5.0% year on year, reaching RMB134.9 trillion.

In 2024, the petrochemical industry faced significant challenges amid a complex and volatile global economic landscape. The uneven pace of global economic recovery led to frequent market fluctuations, while factors such as volatile international crude oil prices and weaker-than-expected new capacity further impacted industry performance. Amid the global shift towards greener energy, the petrochemical industry is navigating both unprecedented challenges and emerging opportunities. Refining capacity in the Asia-Pacific region is steadily expanding, with a clear shift from fuel-based to feedstock-based refining. China's petrochemical industry is also accelerating its green transition, driving progress towards low-carbon development with a strong focus on new energy and new materials. In particular, hydrogen energy, as a key component of the future energy mix, is rapidly advancing in both adoption and industrialisation. Leading Chinese petrochemical enterprises are actively planning their hydrogen energy supply chains, driving breakthroughs in hydrogen production, storage, transportation, and application technologies.

During the Reporting Period, the Group recorded a revenue of approximately RMB5,647.3 million (for the year ended 31 December 2023: approximately RMB3,842.7 million), representing a year-on-year increase of 47.0%. Its gross profit amounted to approximately RMB445.2 million (for the year ended 31 December 2023: approximately RMB227.2 million), representing a year-on-year increase of 96.0%. Its profit attributable to owners of the parent company totalled approximately RMB141.6 million (for the year ended 31 December 2023: loss attributable to owners of the parent company of approximately RMB196.1 million). In 2024, the total value of new contracts secured by the Group amounted to approximately RMB10,865.1 million (net of estimated VAT, representing a year-on-year increase of 2,563.6%. As at 31 December 2024, the total value of the Company's outstanding contracts was approximately RMB25,719.3 million (net of estimated VAT), representing an increase of 10.6% as compared to the total value of outstanding contracts as at 31 December 2023.

BUSINESS AND OPERATIONS REVIEW

Consolidating Core Businesses and Venturing into Emerging Areas

During the Reporting Period, the Company remained committed to its core businesses and key areas of expertise, further strengthening its leading market position. As a result, its key product lines — including ethylene and cracking furnaces, propane dehydrogenation ("**PDH**"), methanol-to-olefins ("**MTO**"), and synthetic ammonia — continued to develop steadily and smoothly. This sustained growth provided a strong foundation for the Company's solid business performance.

The Company achieved multiple breakthroughs in the new energy sector, driven by a forward-looking strategic vision. It increased investment in research and development ("**R&D**") for new energy and new materials while making concerted efforts to accelerate market expansion. As a result, significant progress was made in emerging technologies and products, including biodegradable plastics ("**PGA**"), methyl methacrylate ("**MMA**"), carbon emission reduction, green alcohol and green ammonia, butadiene production technology, and catalysts. The Company's commitment to its ambitious strategic goals of "international expansion and shift to new quality businesses" will serve as a strong impetus for its long-term growth.

The Company adopted a comprehensive, precise, and well-controlled strategy for both domestic and international projects, striving to achieve their objectives efficiently. The progress of key projects is outlined as follows.

Syngas retrofitting project of Yangmei Group Zibo Qilu First Fertiliser Co., Ltd.: The design phase was fully completed, procurement was 92% finished, and construction reached 87% completion. The project is on track for completion and delivery in 2025, enhancing the client's production capacity.

Panjin Sanli's MMA project: The mid-term delivery was successfully completed on 28 August 2024. Following this, the Company worked closely with the client to facilitate commissioning and start-up. On 28 December 2024, the production of propionaldehyde and propanol met quality standards, enabling the client to achieve full capacity and enhance operational efficiency now.

Turnkey project for cracking furnaces of Wanhua Chemical's 1.2 million-tonne-per-year ethylene plant: Mid-term delivery conditions were met in December 2024, with the key process of cracking furnace baking successfully completed. The plant succeeded in commissioning and start-up in line with the owner's schedule, marking the commercial launch of the group's large-scale ethylene plant equipped with proprietary technology.

Guangxi Huayi's MTO project: The design phase was fully completed, procurement reached 67%, and construction was 50% finished. In December 2024, the successful lifting of the project's largest piece of equipment, the propylene tower, marked a key milestone. Installation of other equipment, process pipelines, and electrical instrumentation was proceeding as planned. The mid-term delivery is scheduled for 31 December 2025.

Shanghai Waigaoqiao No.3 Power Generation Co., Ltd.'s flue gas-CO_2-to-methanol pilot demonstration project: The project was completed in November 2024, with commissioning starting on 5 December 2024. As planned, it has completed the performance assessment in January 2025, setting a benchmark for the development of the green chemical sector.

Saudi Aramco's DPCU project: The design phase was fully completed, with procurement reaching 97%. Construction progress stood at 53%, while equipment installation was 80% completed. The project is scheduled for completion and delivery in October 2025, aiming to enhance efficiency in Saudi Aramco's oil and gas industry.

Qatar's EPC4 sulphur-handling project: The project reached 57% overall completion, with the design phase 96% finished, procurement at 69%, and construction progress at 36%. The erection of the steel structure commenced, alongside the fabrication of non-standard equipment and the prefabrication of pipelines.

FARABI's Lab4 Project in Saudi Arabia: The project was 81% completed, with 97% of the design phase finished, procurement at 93%, and construction at 66%. Despite delays caused by the Red Sea incident, the project has made significant progress. The focus is now on the arrival and delivery of equipment and materials, as well as coordinating construction progress. The mid-term delivery is scheduled for May 2025.

Enhancement in Project Management Competence

During the Reporting Period, Wison Engineering closely aligned with its strategic objectives of innovation, transformation, high efficiency, and global business development. The Company adhered to principles of standardisation, internationalisation, digitisation, and delicacy management throughout all stages of the project execution process. By utilising an integrated project management platform, Wison Engineering strengthened project management system training, optimised corporate management procedures, and continuously enhanced its core competitiveness. This approach laid a solid foundation for long-term sustainable development, ensured customer satisfaction, and generated greater value for shareholders.

Remarkable Achievement in QHSE Management

In 2024, Wison Engineering continued to strengthen its Quality, Health, Safety, and Environment ("**QHSE**") management, optimising the relevant systems and enhancing overall management standards. Adhering to the principle of "pursue the whole life cycle management of projects", the Company delivered higher-quality products and services to customers. At the same time, Wison Engineering prioritised the safety and occupational health of its employees while implementing environmental protection measures, making QHSE management more standardised, modularised in design, and digitalised. Additionally, the Company consistently promoted the "1+3 co-construction for win-win outcomes" approach in QHSE management, collaborating with project builders, suppliers, and construction contractors.

During the Reporting Period, the key health, safety, and environment ("**HSE**") indicators for the Company's contracted projects remained within the targets set at the beginning of the year. A total of 11,368,692 safe man-hours were completed across domestic and overseas projects in 2024, with no lost-time accidents, environmental pollution incidents, or occupational health issues reported. The safety training rate for the Company's under-construction projects was 100%, and the rectification rate for identified hazards was also 100%. Additionally, 100% of the safety expenses for both domestic and international projects met the requirements of the contracts and relevant laws and regulations. These HSE achievements fully demonstrate Wison Engineering's management competence, positioning it on par with international first-class engineering firms.

Wison Engineering has always considered QHSE management to be fundamental to its operations, prioritising it throughout the entire project lifecycle. Guided by the Ten Safety Concepts and the Workplace Safety Responsibility System, the Company has focused on enhancing employee involvement in HSE management. By implementing a dual prevention mechanism of risk control and hazard detection, it has successfully achieved both horizontal and vertical safety management. During the Reporting Period, the following achievements were made: the hydrogen project in Thailand passed the plant's acceptance; Henan Shenma's project won the Excellent EPC Award; various management measures adopted in Wanhua Chemical's 1.2 million-tonne-per-year ethylene cracking furnace project in Yantai were recognised by the owner as a model for project construction quality and safety management, with the successful furnace ignition completed at the end of the year; Qatar's EPC4 project was honoured with the HSES Quarterly Management Champion award by the owner; and Guangxi Huayi's 1.0 million tonnes/year MTO project in Qinzhou was recognised as the 2024 Outstanding Contractor by the owner. These accomplishments highlight the Company's strong QHSE management capabilities in EPC project execution.

Expanding Global Cooperation and Breaking New Ground in Green Energy Revolution

In 2024, Wison Engineering capitalised on the opportunities arising from the global energy structure transformation and the upgrading of the chemical industry chain. Powered by cutting-edge technology and its global presence, the total value of newly signed contracts for the year exceeded RMB10.87 billion, with overseas business accounting for more than 70%. The Company successfully signed the EPC contract for a methanol synthesis project using hydrogen and carbon dioxide ("**CO_2**") in the new energy sector, which was also commissioned within the same year. This marked a significant step in the Company's transformation from a traditional chemical engineering contractor to a comprehensive green energy service provider. The internationalisation strategy and green transformation progressed in tandem, propelling continued momentum for high-quality development.

Globalisation: Expanding Overseas Projects in Multiple Regions

Leveraging its expertise in modular construction technology and comprehensive industrial chain service capabilities, Wison Engineering made significant strides in both traditional energy sectors and emerging markets. The value of overseas projects contracted throughout the year saw a substantial increase, with a focus on core regions including the Middle East and Africa.

In the Middle East market, Wison Engineering strengthened its strategic partnerships with Saudi Arabian Oil Company ("**Saudi Aramco**") and Abu Dhabi National Oil Company ("**ADNOC**"). By capitalising on its expertise in modular design and manufacturing, the Company successfully participated in bids for Aramco's modular construction and supply projects, as well as the EPC bidding for several oil and gas field expansion projects of ADNOC, all of which are expected to transition into EPC contracts in 2025. Wison Engineering also expanded into the green hydrogen and green ammonia sectors, engaging in multiple rounds of discussions with both domestic and international companies for potential cooperation. The Company got actively involved in front-end engineering design ("**FEED**") bids for green hydrogen and green ammonia projects using electrolysis technology in various locations worldwide. These efforts have laid a solid foundation for securing future EPC contracts in the sector.

In Africa, Wison Engineering secured the FEED contract for the PDH+PP project in Nigeria, which was delivered with high quality during the Reporting Period and is expected to transit into a turnkey contract in 2025. Simultaneously, the Company pursued FEED opportunities for several liquefied natural gas (LNG) projects in Nigeria, laying a solid foundation for future turnkey contracts and further expanding its presence in the African market. In Southeast Asia, Wison Engineering concentrated on new energy-related project opportunities, particularly in Indonesia, where it provided competitive green hydrogen technology solutions. These efforts are projected to accelerate the Company's expansion in the emerging market.

Green Transition: Accelerating Expansion in the New Energy Sector and Promoting Collaborative Innovation Across the Industrial Chain

Focusing on the dual-carbon goals, Wison Engineering accelerated its expansion into the fields of new energy and new materials. The Company developed a technology pathway for new energy transformation, providing comprehensive, full-chain technical services that could span R&D, engineering transformation, and industrial application.

During the Reporting Period, Wison Engineering signed a strategic cooperation agreement with a leading Chinese proton exchange membrane ("**PEM**") hydrogen production technology company, to jointly develop modular hydrogen generation equipment solutions. The Company also secured several green hydrogen-to-green ammonia technology feasibility study projects, providing solutions for green hydrogen-to-green ammonia projects in Egypt, as well as electrolysed water-to-green hydrogen solutions using green electricity in Indonesia. In the biomass sector, Wison Engineering signed a technical service contract for a biomass-to-methanol project in Turkey, delivering an integrated solution in collaboration with Chinese steam methane reforming (SMR) and methanol synthesis licensors. All of these projects are expected to transit into EPC contracts in 2025. Additionally, the Company has been actively pursuing biomass-to-sustainable aviation fuel ("**SAF**") projects in China and Southeast Asia, and signed a technical service contract for the SAF project with Goldwind Green Energy.

Wison Engineering participated in the EPC turnkey contract of Shanghai Waigaoqiao No.3 Power Generation Co., Ltd.'s flue gas-CO_2-to-methanol pilot demonstration project. The project was successfully completed by the end of 2024, passing commissioning and start-up on the first attempt.

In advancing its proprietary technologies, Wison Engineering signed several significant contracts, including a turnkey contract for MTO and downstream deep-processing integrated project of Guangxi Huayi Energy and Chemical Co., Ltd., a technical service contract and design contract for technical licensing and process package preparation related to feedstock adaptation at Wanhua Chemical's 1# Ethylene Plant, a technical consulting contract for the feasibility report on the high-end polyolefin localisation project of a limited company in Fujian, a technical consulting contract for a 50,000-tonne-per-year oxidative dehydrogenation of ethane ("**ODHE**") to ethylene project for a technology limited company in Shaanxi, and several preliminary consultancy contracts for MMA-related new materials projects. At the same time, Wison Engineering continued to pursue various ethylene and MTO technical service and EPC projects. With the successful start-up of PGA and MMA pilot projects, the Company is poised to explore additional project opportunities in the near future.

In 2024, Wison Engineering gained significant momentum through its well-established market strategy, shifting from single-point breakthroughs to regional collaboration in overseas markets and from pilot runs to scaled operations in the new energy sector. As the Company continues to advance its international transformation, it aims to accelerate progress in the low-carbon transition of traditional energy projects and the standardisation of new energy projects.

Remarkable Achievements in the R&D of New Materials and New Processes

It is a prevailing trend in the industry to develop and apply new technologies, such as new materials and degradable plastics, and it is also the key development direction for Wison Engineering. Following long-term investments in R&D, as well as the accumulation of technological expertise, the Company has made significant progress in several key technologies within relevant fields during the Reporting Period.

Wison Engineering participated in the development of and secured the EPC contract for Panjin Sanli's 50,000-tonne-per-year MMA project, marking the first industrialised application of new green ethylene-based MMA technology. The project was completed and mid-term delivered in August 2024 and is currently undergoing commissioning and start-up. Being the first industrialised ethylene-based MMA production plants in China, the project adopts the leading ethylene hydroformylation technology and the new technology of one-step oxidation and esterification of methacrolein with complete domestic intellectual property rights. Through innovative, green and sustainable technical solutions, the project effectively solves the problems of high pollution and energy consumption arising from the common processes of MMA production via acetone cyanohydrin in China. With the demonstration plants coming online, many domestic investors are actively exploring technology licensing opportunities.

In terms of the innovative technology development and industrialisation of degradable plastics, during the Reporting Period, the 1,000-tonne pilot plant of PGA, built in collaboration with Inner Mongolia Rongxin Chemical Co., Ltd., successfully passed government-initiated acceptance and approval. The plant also completed its second stage of trials. The project is on track to finalise all research and move towards commercialisation in 2025.

During the Reporting Period, the 1.2 million-tonne-per-year ethylene plant of Wanhua Chemical, designed and constructed by Wison Engineering with its intellectual property rights ("**IPRs**"), was completed and is scheduled to come into operation in April 2025. Wison Engineering is one of the few companies in China that owns a complete set of large-scale ethylene technologies. After upgrading and optimisation, the Company's ethylene production technology demonstrates significant advantages, including improved olefin yield, reduced investment, lower energy consumption and emissions, and longer-cycle operation.

The catalytic ODHE to ethylene technology, developed by Wison Engineering in collaboration with the Dalian Institute of Chemical Physics of the Chinese Academy of Sciences, is being actively promoted, with numerous investors expressing strong interest in the technology. The technology is applicable for ethylene production via various ethane materials with significantly lower investment costs, energy consumption, and carbon emissions than those of traditional processes. It is of ground-breaking significance to ethylene production, aligned with the global trend of using light olefin raw materials, and holds broad application prospects.

Wison Engineering is committed to promoting the leading domestic and international catalysts and process technologies for the oxidative dehydrogenation of butene to butadiene. During the Reporting Period, Wison Engineering was dedicated to the optimisation and upgrading of butadiene technology. Wison Engineering has developed a new generation of energy-saving butadiene oxo-dehydrogenation catalysts and reaction-separation technologies. Compared to existing butadiene oxo-dehydrogenation processes, this new technology significantly reduces steam consumption, energy consumption by 30%, and wastewater consumption by 40%. Several companies are eager to implement this technology in the construction of new plants. The successful development of this technology further strengthens Wison Engineering's leadership and competitiveness in the global butadiene technology market.

Wison Engineering's butadiene division has been actively innovating in C4 separation processes by introducing a new solvent-based separation technology. Compared to traditional methods, this advanced process reduces energy consumption by over 40% and wastewater generation by more than 90%. As a result, the Company has established technical cooperation intentions with multiple enterprises, with one already adopting the energy-saving C4 separation process for plant retrofitting. The successful implementation of this technology is expected to become another major highlight of Wison Engineering.

During the Reporting Period, Wison Engineering secured 13 new authorised patents and submitted 15 new patent applications, further strengthening its IPR portfolio and technological reserves.

Continuously Advancing Energy Transformation with Carbon Reduction as the Core

In response to the global challenge of climate change, Wison Engineering remains dedicated to advancing the transition towards low-carbon and green energy solutions. During the Reporting Period, the Company established the Green Hydrogen Products Technology Centre, which focuses on integrating the Balance of Plant ("**BOP**") system for PEM electrolysers as well as developing and promoting standardised and modular hydrogen products.

Wison Engineering signed a strategic cooperation agreement with a leading supplier of key materials and solutions for hydrogen production via PEM electrolysis. Under this partnership, both parties will collaborate in the field of PEM-based hydrogen production, aiming to promote highly efficient solutions in domestic and international markets. Wison Engineering will focus on developing the BOP system for PEM electrolysers, leading to a comprehensive suite of PEM electrolysis hydrogen production solutions and standardised products. Additionally, Wison Engineering entered into a strategic cooperation agreement with a leading green hydrogen solution provider in China, to jointly develop and market BOP systems for alkaline hydrogen production technology.

Additionally, Wison Engineering Ltd. and Schneider Electric signed a strategic cooperation agreement during the China International Import Expo (CIIE) in Shanghai. This partnership will further deepen collaboration in new energy and energy-chemical fields, focusing on areas such as innovation in green hydrogen integration, digital transformation of EPC, carbon reduction in the supply chain, internationalisation of EPC projects, and electrical solutions for offshore floating projects. Through this cooperation, both parties aim to drive the joint development and application of intelligent solutions, facilitating a comprehensive upgrade of their energy transition strategies.

Fully Promoting the Application of the Integration Platform to Comprehensively Improve Digital Capabilities and Delicacy Control across the Company's Projects

During the Reporting Period, Wison Engineering successfully implemented digital management of the reporting process by developing a project management dashboard that integrates data visualisation and intelligent analysis. This platform supports automated data collection and visual presentation. Additionally, by developing the project consulting business platform, Wison Engineering digitalised databases, enabling efficient search and extraction of various data types, which has significantly improved work efficiency. The Company also transformed its business processes through intelligent technologies.

Wison Engineering has actively promoted the use of the integration platform across all projects, leveraging digital tools to support project execution and enhance the precision of project management and control. During the Reporting Period, the procurement supply chain system of the integration platform, IIP-SCM, was officially launched on 22 November 2024. Additionally, IIP-DC, the document control system of the integration platform, became fully operational on 25 December 2024.

Pursuing a Three-pronged Talent Strategy to Build Organisational Capability Faster

In 2024, in response to the international growth of its business and the rising prominence of new energy and new material technologies, Wison Engineering introduced a three-pronged talent strategy:

1. strengthen business delivery capabilities through organisational and talent development;

2. enhance organisational vitality through cultural initiatives and policy optimisation; and

3. boost employee engagement through long-term incentives and compensation plans.

During the Reporting Period, Wison Engineering focused on rapidly enhancing its design organisation capabilities. To achieve this, the Company actively recruited professionals in process, stress, electrical, and instrumentation engineering, as well as experienced design managers with international backgrounds, significantly strengthening the overall design team in a short period. Aligned with its global business strategy, Wison Engineering also expanded its marketing network and localisation efforts in the Middle East, Africa, and other key regions. In line with business growth, the Company brought in highly skilled experts across various design disciplines and project executives with overseas experience. Throughout the year, Wison Engineering onboarded more than 30 key professionals and over 100 senior specialists. In preparation for future growth, the Company also hosted its first Open Day for International Students, attracting students from more than 20 countries currently studying in China.

Based on strategic analysis, Wison Engineering reflected on its vision, mission, values, and cultural elements during the Reporting Period through a series of cross-level cultural workshops. These workshops helped reinforce the Company's values through a sound corporate culture. Additionally, the Company established a team of cultural ambassadors who, through various methods, effectively integrated the corporate culture into every aspect of daily management.

In addition, Wison Engineering refined its salary system based on a prior demand survey and its current business situation, ensuring that employee remuneration would be aligned with actual performance through a project-oriented approach. The Company also introduced a job sequence and ranking project, in which it completed key tasks such as organising departments and positions, updating professional qualifications, designing career pathways, and defining staffing levels. This initiative created more opportunities for employee career development.

OUTLOOK

Looking ahead to 2025, the global economy is expected to experience moderate recovery, although significant growth divergence remains, and numerous uncertainties persist, including geopolitical conflicts, supply chain restructuring, inflationary pressures, energy transition, and climate change. As the final year of China's 14th Five-Year Plan, 2025 will be a critical year for the country's push towards high-quality development. Despite external uncertainties, the Chinese government is expected to continue implementing a proactive fiscal policy and a prudent monetary policy to support stable economic growth.

It is expected that the global economy will recover gradually in 2025, with international crude oil prices remaining weak. This could lead to a gradual easing of cost pressures in the chemicals sector, while the refining and downstream segments are anticipated to see better performance. Stimulated by domestic economic policies, the petrochemical industry is likely to continue its steady growth. As oil refining conversion accelerates, the industry's capacity structure will continue to optimise, and the expansion of downstream capacities will gather pace. Meanwhile, the global green transition is advancing, prompting the petrochemical industry to intensify its planning and transformation efforts towards new energy sectors. Hydrogen energy, a key focus of global energy technology reform, will be a primary area of development, with China set to vigorously promote the industrialisation of hydrogen energy in the future.

Wison Engineering is currently at a pivotal stage of business transformation and internationalisation. We are capitalising on global opportunities in the new energy sector, increasing our focus on research and development of green and low-carbon technologies, and continuing to deepen our expertise in four core products: green hydrogen, green ammonia, green alcohols, and sustainable aviation fuels. To effectively drive the growth of our new energy business, Wison Engineering must transcend traditional market boundaries and actively integrate into the broader clean energy market. This approach involves not only seeking new customers and partners but also building new skills and talent reserves to meet the demands of the evolving energy landscape. The Company will adopt proactive measures, adjust flexibly, and embrace change in order to navigate the challenges and seize the opportunities of the rapidly evolving new energy market, ensuring sustainable and healthy development.

In 2025, Wison Engineering will remain committed to advancing its new energy strategy, continuing to play a vital role in the global green energy transition, and striving to become a key driving force in the energy transition both domestically and internationally. By fostering technological innovation, deepening international collaboration, and building a new ecosystem, the Company is making steady strides towards achieving a greener and low-carbon future.

FINANCIAL REVIEW

Revenue and Gross Profit

The comprehensive revenue of the Group increased by 47.0% from RMB3,842.7 million for the year ended 31 December 2023 to RMB5,647.3 million for the Year.

The gross profit of the Group amounted to RMB445.2 million for the Year, as compared to RMB227.2 million for the year ended 31 December 2023, representing an increase of 96.0%.

The gross profit margins of the Group for the year ended 31 December 2024 and 2023 were 7.9% and 5.9%, respectively.

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

	Revenue		**Gross profit**		**Gross profit margin**	
	2024	2023	**2024**	2023	**2024**	2023
	(RMB'million)	*(RMB'million)*	***(RMB'million)***	*(RMB'million)*	***(%)***	*(%)*
EPC	**5,333.7**	3,528.5	**380.0**	119.5	**7.1%**	3.4%
Engineering, consulting and technical services	**313.6**	314.2	**65.2**	107.7	**20.8%**	34.3%
	5,647.3	3,842.7	**445.2**	227.2	**7.9%**	5.9%

The revenue of EPC of the Group increased by 51.2% from RMB3,528.5 million for the year ended 31 December 2023 to RMB5,333.7 million for the Year. The EPC segment recorded a gross profit margin of 7.1% in the Year, as compared to 3.4% recorded in 2023. The increase in revenue of EPC for the Year was mainly because certain projects involved heavy equipment manufacturing, and these heavy equipment have been gradually delivered to project sites during the second half of the Year. In addition, other projects of the Group located in the Middle East and domestic regions have also entered into principal construction phase during the Year, further contributing to the revenue for the Year. The increase in the gross profit margin of EPC projects for the Year is primarily attributed to the higher gross profit margins of the current ongoing EPC projects.

The revenue of engineering, consulting and technical services of the Group decreased by 0.2% from RMB314.2 million for the year ended 31 December 2023 to RMB313.6 million for the Year. The gross profit margin of engineering, consulting and technical services of the Group decreased from 34.3% for the year ended 31 December 2023 to 20.8% for the Year. The decrease in gross profit and gross profit margin of engineering, consulting and technical services was mainly because of the increase in cost for certain engineering projects due to the extension of project schedule as well as increase in headcount input. However, by the end of the Year, no agreement has been reached with the project owners and clients regarding the variation orders.

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

	2024	2023	Change	Change
	(RMB'million)	*(RMB'million)*	*(RMB'million)*	*(%)*
Petrochemicals	**4,663.5**	3,014.6	1,648.9	54.7%
Coal-to-chemicals	**824.1**	615.8	208.3	33.8%
Oil refineries, public infrastructure and other products and services	**132.9**	212.3	-79.4	-37.4%
New energies	**26.8**	–	26.8	N/A
	5,647.3	3,842.7	1,804.6	47.0%

The revenue of petrochemical business segment increased by 54.7%. This was mainly due to the fact that the heavy equipment for those petrochemical projects involving the manufacturing of heavy equipment have been gradually delivered to project sites. Also, the progress of the Group's other EPC projects is satisfactory, driving to the increase in revenue of this segment.

The revenue of coal-to-chemicals business segment increased by 33.8%. This was mainly due to the satisfactory progress of the Group's domestic coal-to-chemicals projects. The coal-to-chemicals project located in Shandong, China, which was previously suspended, had gradually resumed to construction during the second half of 2024.

The revenue of oil refineries, public infrastructure as well as other products and services business segment decreased by 37.4%. This was mainly because the Group's new materials project located in Xinjiang, China, has entered its final phase, resulting in a further reduction in its revenue contribution.

For the Year, the Group has also actively expanded its new energy business, which has begun to contribute to the Group's revenue.

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

	Year ended 31 December			
	2024		2023	
	Revenue ***(RMB'million)***	**Percentage of total revenue** ***(%)***	Revenue *(RMB'million)*	Percentage of total revenue *(%)*
Mainland China	**1,598.4**	**28.3%**	2,336.8	60.8%
Middle East	**2,364.9**	**41.9%**	838.7	21.8%
Eurasia	**1,624.7**	**28.8%**	160.3	4.2%
Others	**59.3**	**1.0%**	506.9	13.2%
	5,647.3	**100.0%**	3,842.7	100.0%

The revenue from overseas projects of the Group accounted for approximately 71.7% and 39.2% of the total revenue for the Year and for the year ended 31 December 2023, respectively. The increase in percentage weighting of revenue from overseas projects for the Year aligns with the Group's consistent implementation of internationalization strategy.

Other Income and Gains

Other income and gains increased by 1.8% from RMB201.8 million for the year ended 31 December 2023 to RMB205.5 million for the Year. For details, please refer to note 4 to the consolidated financial statements of the Group.

Selling and Distribution Expenses

Selling and distribution expenses increased by 37.2% from RMB28.2 million for the year ended 31 December 2023 to RMB38.7 million for the Year, 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 28.0% from RMB309.8 million for the year ended 31 December 2023 to RMB223.0 million for the Year, which is mainly due to the decrease in depreciation and amortization expenses of the Group's office building and land located in Shanghai, China.

Other Expenses

Details of other expenses breakdown are set out below:

	2024	2023
	RMB' million	*RMB' million*
Research and development costs	**188.0**	128.8
Expenses in relation to operating lease income	**6.7**	26.8
Consultancy expenses	**–**	0.7
Provision for damages and related interest to customers and suppliers	**-2.3**	12.1
Bad debt reversal	**-0.4**	-0.1
Others	**0.1**	2.2
	192.1	170.5

Other expenses increased by 12.7% from RMB170.5 million for the year ended 31 December 2023 to RMB192.1 million for the Year.

Finance Costs

Finance costs decreased by 14.1% from RMB95.0 million for the year ended 31 December 2023 to RMB81.6 million for the Year. For details, please refer to note 5 to the consolidated financial statements of the Group.

Income Tax

The Group's income tax expense for the Year amounted to RMB11.3 million, while the Group's income tax credit amounted to RMB4.0 million for the year ended 31 December 2023. This was mainly due to the increase in assessable profits of overseas branch offices during the Year.

Profit for the Year

Based on the reasons above, as well as the significant decrease in impairment losses on financial and contract assets, the Group has turned to profit for the Year, as compared to the loss for the year ended 31 December 2023. The Group's profit for the Year amounted to RMB134.7 million, while the Group's loss for the year ended 31 December 2023 amounted to RMB198.4 million. The net profit rate for the Year was 2.4%, while the net profit rate for the year ended 31 December 2023 was -5.2%.

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 days to 90 days or the respective contracts' retention period. The Group's total trade and bills receivables amounted to RMB546.7 million as at 31 December 2024, representing a decrease of approximately 3.8% as compared with RMB568.1 million as at the year ended 31 December 2023.

Financial Resources, Liquidity and Capital Structure

As at 31 December 2024, the Group's cash and bank balances amounted to RMB3,802.5 million, representing approximately 46.0% of the Group's current assets (31 December 2023: RMB901.8 million, representing approximately 16.5% of the Group's current assets).

The major items of Consolidated Statement of Cash Flows of the Group are set out below:

	For the year ended 31 December	
	2024	2023
	RMB' million	*RMB' million*
Net cash flows from operating activities	**3,084.9**	651.5
Net cash flows used in investing activities	**-703.7**	-10.5
Net cash flows used in financing activities	**-51.5**	-164.0

As at 31 December 2024 and 2023, the Group's pledged and unpledged cash and bank balances included the following amounts:

	As at 31 December	
	2024	2023
	RMB' million	*RMB' million*
Hong Kong Dollar	**2.6**	2.5
United States Dollar ("**US Dollar**")	**779.4**	368.7
Renminbi	**2,953.6**	1,103.9
Saudi Riyal	**208.6**	33.2
Euro	**295.6**	113.3
Qatar Riyal	**226.4**	0.9
Others	**17.9**	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.

	31 December 2020	31 December 2021	31 December 2022	31 December 2023	**31 December 2024**
Asset-liability ratio	61.6%	60.8%	67.2%	72.7%	**76.5%**

Interest-bearing bank and other borrowings of the Group as at 31 December 2024 and 31 December 2023 were set out in the table below. The short-term bank and other borrowings of the Group accounted for 54.2% of the total bank and other borrowings as at 31 December 2024 (31 December 2023: 48.5%).

	As at 31 December	
	2024	2023
	RMB million	*RMB million*
Current		
Bank loans repayable within one year		
— secured	**360.5**	305.2
— unsecured	**175.1**	67.2
Current portion of long-term bank loans — secured	**59.4**	59.4
Other loans repayable within one year — unsecured	**–**	97.3
	595.0	529.1
Non-Current		
Bank loans repayable after one year		
— secured	**502.5**	561.0

Bank and other borrowings were denominated in Renminbi at 31 December 2024, while bank borrowings were denominated in Renminbi, US Dollar and Singapore Dollar at 31 December 2023. As at 31 December 2024, bank and other borrowings amounting to RMB475.7 million (31 December 2023: RMB397.3 million) bore interest at fixed rates.

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

Year ended 31 December 2024	3.45% to 4.82%
Year ended 31 December 2023	3.45% to 8.65%

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

	On demand	**Less than 3 months**	**3 to 12 months**	**Over 1 year**	**Total**
			RMB' million		
31 December 2024					
Interest-bearing bank and other borrowings	**–**	**85.0**	**532.7**	**615.3**	**1,233.0**
31 December 2023					
Interest-bearing bank and other borrowings	–	71.4	502.4	698.7	1,272.5

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

Material Acquisitions and Disposals

On 11 September 2024, Wison Engineering Ltd. (an indirect wholly-owned subsidiary of the Company) (the "**Purchaser**") and Wison (China) Holding Company (an indirect wholly-owned subsidiary of Wison Group Holding Limited, a controlling shareholder of the Company) (the "**Vendor**") entered into an equity transfer agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, 35% equity interests in Levima Wison (Jiangsu) Advanced Materials Co. Ltd. at the consideration of RMB255,000,000 in cash.

The acquisition was approved by the shareholders of the Company at an extraordinary general meeting of the Company held on 12 November 2024. During the Year, a total of RMB135,000,000 had been paid and the acquisition is targeted to complete by 30 September 2025.

Further information can be found in the Company's announcement and circular dated 11 September 2024 and 18 October 2024, respectively.

Save as disclosed above, during the Year, the Group had no material acquisitions and disposals.

Capital Expenditure

The capital expenditure of the Group amounted to RMB22.7 million for the Year (2023: RMB22.7 million).

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.

Contingent Liabilities

During 2023 and 2024, certain sub-contractors of the Group filed claims to the People's Courts in Mainland China against the Group for additional payments of construction costs, interests and liquidation damages arising from the overdue payments with an aggregate amount of approximately RMB50,430,000.

The Directors are of the opinion that additional provision for the lawsuits amounting to RMB35,370,000 has been made. For other lawsuits amounting to RMB15,060,000 which are without merit, as the possibility for the Group being subject to additional payment claims is expected to be remote on the basis of the available evidence and legal advice obtained, the Directors are of the opinion that no additional provision is required.

Pledge of Assets

As at 31 December 2024, certain property of RMB3,484.2 million, future years right of receiving rental income from the property and sale proceeds from a customer of the Group in future years were pledged as securities for bank facilities of the Group.

Human Resources

As at 31 December 2024, the Group had 1,867 employees (31 December 2023: 1,608 employees). The Group reviews the salaries and benefits of the employees according to market practice and the performance of the employees on a regular basis. Also, the Group contributes to various social insurance schemes in the People's Republic of China (the "**PRC**") and the Mandatory Provident Fund Scheme in Hong Kong for qualified employees and provides medical insurance, work injury insurance, maternity insurance and unemployment insurance pursuant to applicable laws and regulations in the PRC and Hong Kong, as well as additional business accident and medical insurance. During the Year, the total staff cost of the Group (including salaries, bonuses, insurance and share option schemes) amounted to RMB958.9 million (during the year ended 31 December 2023: RMB702.6 million). The Group adopted the 2022 Share Option Scheme on 20 December 2022 as encouragement and reward for the contributions of employees to the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

(Expressed in RMB)

	Notes	**2024**	2023
		RMB'000	*RMB'000*
REVENUE	*4*	**5,647,335**	3,842,719
Cost of sales		**(5,202,119)**	(3,615,517)
GROSS PROFIT		**445,216**	227,202
Other income and gains	*4*	**205,536**	201,828
Selling and distribution expenses		**(38,692)**	(28,162)
Administrative expenses		**(222,982)**	(309,838)
Reversal of impairment/(impairment) losses on financial and contract assets		**29,385**	(32,543)
Other expenses		**(192,077)**	(170,508)
Finance costs	*5*	**(81,623)**	(95,021)
Share of profits and losses of associates		**1,253**	4,673
PROFIT/(LOSS) BEFORE TAX	*6*	**146,016**	(202,369)
Income tax (expense)/credit	*7*	**(11,343)**	3,991
PROFIT/(LOSS) FOR THE YEAR		**134,673**	(198,378)
Attributable to:			
Owners of the parent		**141,626**	(196,122)
Non-controlling interests		**(6,953)**	(2,256)
		134,673	(198,378)
PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic and diluted		**RMB3.48 cents**	RMB(4.81) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

(Expressed in RMB)

	2024 *RMB'000*	2023 *RMB'000*
PROFIT/(LOSS) FOR THE YEAR	**134,673**	(198,378)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(3,530)**	(3,036)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**(3,530)**	(3,036)
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	**24,512**	45,998
Income tax effect	**1,190**	170
	25,702	46,168
(Loss on property)/gains on properties and land revaluation	**(513)**	82,277
Income tax effect	**77**	(12,342)
	(436)	69,935
Share of other comprehensive income of an associate	**48,071**	(41,507)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**73,337**	74,596
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**69,807**	71,560
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**204,480**	(126,818)
Attributable to:		
Owners of the parent	**211,433**	(124,562)
Non-controlling interests	**(6,953)**	(2,256)
	204,480	(126,818)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024
(Expressed in RMB)

	Notes	**2024**	2023
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**46,676**	1,493,414
Investment property		**3,484,231**	–
Other non-current assets		**143,198**	142,077
Right-of-use assets		**13,790**	2,046,676
Goodwill		**15,752**	15,752
Intangible assets		**25,959**	26,021
Long-term prepayments		**417**	5,251
Investments in associates		**259,734**	220,619
Equity investments designated at fair value through other comprehensive income		**29,162**	33,130
Total non-current assets		**4,018,919**	3,982,940
CURRENT ASSETS			
Equity investments designated at fair value through other comprehensive income		**266,426**	237,946
Inventories		**426,174**	52,237
Trade receivables	*10*	**511,368**	473,716
Bills receivable		**35,364**	94,421
Contract assets		**989,060**	1,599,781
Prepayments and other receivables		**1,498,020**	1,250,463
Due from fellow subsidiaries		**64,807**	80,489
Pledged bank balances and time deposits	*11*	**681,513**	785,890
Cash and bank balances	*11*	**3,802,475**	901,834
Total current assets		**8,275,207**	5,476,777
CURRENT LIABILITIES			
Trade and bills payables	*12*	**2,764,626**	2,183,155
Other payables and accruals		**4,012,855**	2,307,695
Interest-bearing bank and other borrowings		**595,015**	529,109
Lease liabilities		**16,343**	12,135
Due to fellow subsidiaries		**329**	340
Due to an associate		**630**	630
Tax payable		**154,839**	155,196
Total current liabilities		**7,544,637**	5,188,260
NET CURRENT ASSETS		**730,570**	288,517
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,749,489**	4,271,457

	Notes	**2024**	2023
		RMB'000	*RMB'000*
NON-CURRENT LIABILITIES			
Lease liabilities		**1,529**	15,031
Interest-bearing bank and other borrowings		**502,500**	561,000
Long-term payables		**43,191**	574,350
Deferred tax liabilities		**398,465**	398,556
Government grants		**3,725**	3,855
Other non-current liabilities		**1,146,816**	269,882
Total non-current liabilities		**2,096,226**	1,822,674
NET ASSETS		**2,653,263**	2,448,783
EQUITY			
Equity attributable to owners of the parent			
Share capital	*13*	**330,578**	330,578
Share premium		**869,201**	869,201
Reserves		**1,475,145**	1,263,712
		2,674,924	2,463,491
Non-controlling interests		**(21,661)**	(14,708)
Total equity		**2,653,263**	2,448,783

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) as issued by International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention except for equity investments, buildings and leasehold land which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;
(b) rights arising from other contractual arrangements; and
(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill) liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

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 the impact of revised IFRS Accounting Standards 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. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

3 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

— Engineering, procurement and construction ("**EPC**"); and
— Engineering, consulting and technical services

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income, non-lease-related finance costs, dividend income, fair value gains/losses from the Group's financial instruments, share of profits and losses of associates as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude property, plant and equipment, right-of-use assets, goodwill, intangible assets, investments in associates, deferred tax assets, long-term prepayments, amounts due from fellow subsidiaries, prepayments and other receivables, equity investments designated at fair value through other comprehensive income, pledged bank balances and time deposits and cash and bank balances as these assets are managed on a group basis.

Segment liabilities exclude other payables and accruals, interest-bearing bank and other borrowings, amounts due to fellow subsidiaries, an amount due to an associate, tax payable, lease liabilities, government grants and deferred tax liabilities as these liabilities are managed on a group basis.

Intersegment sales are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Operating segments

Year ended 31 December 2024	EPC *RMB'000*	Engineering, consulting and technical services *RMB'000*	Total *RMB'000*
Segment revenue *(note 4)*			
Sales to external customers	**5,333,698**	**313,637**	**5,647,335**
Interesegment sales	**4,164**	**–**	**4,164**
Total segment revenue	**5,337,862**	**313,637**	**5,651,499**
Reconciliation:			
Elimination of intersegment sales			**(4,164)**
Revenue			**5,647,335**
Segment results	**373,262**	**73,544**	**446,806**
Reconciliation:			
Unallocated income			**205,536**
Unallocated expenses			**(455,912)**
Unallocated finance costs (other than interest on lease liabilities)			**(51,667)**
Share of profits and losses of associates			**1,253**
Profit before tax			**146,016**
Segment assets	**3,153,142**	**275,557**	**3,428,699**
Reconciliation:			
Elimination of intersegment receivables			**(16,281)**
Corporate and other unallocated assets			**8,881,708**
Total assets			**12,294,126**
Segment liabilities	**7,360,484**	**243,752**	**7,604,236**
Reconciliation:			
Elimination of intersegment payables			**(15,310)**
Corporate and other unallocated liabilities			**2,051,937**
Total liabilities			**9,640,863**
Other segment information			
Impairment losses (recognised)/reversed in the statement of profit or loss, net	**(35,177)**	**8,329**	**(26,848)**

Year ended 31 December 2023	EPC	Engineering, consulting and technical services	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue *(note 4)*			
Sales to external customers	3,528,535	314,184	3,842,719
Intersegment sales	20,493	4,939	25,432
Total segment revenue	3,549,028	319,123	3,868,151
Reconciliation:			
Elimination of intersegment sales			(25,432)
Revenue			3,842,719
Segment results	55,849	114,084	169,933
Reconciliation:			
Unallocated income			182,773
Unallocated expenses			(506,301)
Unallocated finance costs (other than interest on lease liabilities)			(53,447)
Share of profits and losses of associates			4,673
Loss before tax			(202,369)
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
Other segment information			
Impairment losses (recognised)/reversed in the statement of profit or loss, net	(115,852)	6,369	(109,483)

Geographical information

(a) Revenue from external customers

	2024	2023
	RMB'000	*RMB'000*
Middle East	**2,364,890**	838,681
Eurasia	**1,624,744**	160,342
Mainland China	**1,598,442**	2,336,763
Other regions	**59,259**	506,933
Total revenue	**5,647,335**	3,842,719

The revenue information above is based on the locations of the customers.

(b) As over 90% of the Group's non-current assets are located in Mainland China, no further geographical information of the Group's non-current assets is presented.

Information about major customers

Revenue from major customers which individually amounted to 10% or more of the Group's revenue is set out below:

	2024	2023
Customer A (EPC segment)	**28.0%**	20.1%
Customer B (EPC segment)	**19.3%**	13.0%
Customer C (EPC segment)	**15.9%**	12.2%
Customer D (EPC segment)	**12.6%**	9.3%

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**5,647,335**	3,842,719

Revenue from contracts with customers

(a) Disaggregated revenue information

For the year ended 31 December 2024

Segments	**EPC**	**Engineering, consulting and technical services**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Types of services			
Construction services	**5,333,698**	**–**	**5,333,698**
Design, feasibility research, consulting and technical services	**–**	**313,637**	**313,637**
Total revenue from contracts with customers	**5,333,698**	**313,637**	**5,647,335**
Geographical markets			
Middle East	**2,363,604**	**1,286**	**2,364,890**
Eurasia	**1,609,023**	**15,721**	**1,624,744**
Mainland China	**1,335,278**	**263,164**	**1,598,442**
Others	**25,793**	**33,466**	**59,259**
Total revenue from contracts with customers	**5,333,698**	**313,637**	**5,647,335**
Timing of revenue recognition			
Services transferred over time	**5,333,698**	**313,637**	**5,647,335**

For the year ended 31 December 2023

Segments	EPC	Engineering, consulting and technical services	Total
	RMB'000	*RMB'000*	*RMB'000*
Types of services			
Construction services	3,528,535	–	3,528,535
Design, feasibility research, consulting and technical services	–	314,184	314,184
Total revenue from contracts with customers	3,528,535	314,184	3,842,719
Geographical markets			
Mainland China	2,042,442	294,321	2,336,763
Middle East	836,442	2,239	838,681
Eurasia	149,158	11,184	160,342
America	840	4,784	5,624
Others	499,653	1,656	501,309
Total revenue from contracts with customers	3,528,535	314,184	3,842,719
Timing of revenue recognition			
Services transferred over time	3,528,535	314,184	3,842,719

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

For the year ended 31 December 2024

Segments	**EPC**	**Engineering, consulting and technical services**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Revenue from contracts with customers			
External customers	**5,333,698**	**313,637**	**5,647,335**
Intersegment sales	**4,164**	**–**	**4,164**
Subtotal	**5,337,862**	**313,637**	**5,651,499**
Intersegment adjustments and eliminations	**(4,164)**	**–**	**(4,164)**
Total revenue from contracts with customers	**5,333,698**	**313,637**	**5,647,335**

For the year ended 31 December 2023

Segments	EPC	Engineering, consulting and technical services	Total
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers			
External customers	3,528,535	314,184	3,842,719
Intersegment sales	20,493	4,939	25,432
Subtotal	3,549,028	319,123	3,868,151
Intersegment adjustments and eliminations	(20,493)	(4,939)	(25,432)
Total revenue from contracts with customers	3,528,535	314,184	3,842,719

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Construction services	**1,765,687**	574,778
Design, feasibility research, consulting and technical services	**39,995**	16,121
Total	**1,805,682**	590,899

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Construction services

The performance obligation is satisfied over time as services are rendered and payment is separated in stages upon reaching certain pre-agreed milestones set forth in the agreement which is generally due within 30 to 90 days from the date of billing and payment. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

Provision of design, feasibility research, consulting and technical services

The performance obligation is satisfied over time as services are rendered and payment is generally separated in stages upon reaching certain pre-agreed milestones set forth in the agreement and short-term advances are normally required before rendering the services.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2024	2023
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue:		
Within one year	**6,895,135**	4,586,422
After one year	**18,824,180**	18,669,372
Total	**25,719,315**	23,255,794

	2024	2023
	RMB'000	*RMB'000*
Other income		
Government grants*	**4,015**	6,272
Bank interest income	**24,549**	17,143
Dividend income from an equity investment at fair value through other comprehensive income	**15,674**	13,170
Rental income	**144,066**	143,905
Others	**1,426**	–
Total other income	**189,730**	180,490
Gains		
Fair value gains on investment property	**8,515**	–
Gain on foreign exchange differences, net	**7,055**	–
Gain on disposal of items of property, plant and equipment	**236**	2,283
Gain on modifications of financial liabilities that do not result in derecognition	**–**	19,055
Total gains	**15,806**	21,338
Total other income and gains	**205,536**	201,828

* Government grants have been received from the local governments as incentives to promote and accelerate development in the local province. There are no unfulfilled conditions or contingencies relating to these grants.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	RMB'000	*RMB'000*
Interest on bank loans and other loans	**51,386**	53,330
Interest on lease liabilities	**1,162**	1,069
Interest on discounted bills and letters of credit	**281**	117
Subtotal	**52,829**	54,516
Other finance costs:		
Handling fee for guarantee for letters of guarantee	**12,935**	8,107
Increase in discounted amounts of financial liabilities arising from the passage of time	**15,859**	32,398
Total	**81,623**	95,021

6. PROFIT/(LOSS) BEFORE TAX

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

	Notes	2024 RMB'000	2023 RMB'000
Cost of services provided*		**5,202,119**	3,615,517
Depreciation of property, plant and equipment		**7,213**	51,606
Depreciation of right-of-use assets		**13,382**	75,964
Research and development costs		**187,961**	128,761
Amortisation of intangible assets		**7,993**	7,246
Government grants		**(4,015)**	(6,272)
Impairment/(reversal of impairment) losses of financial and contract assets, net:			
Reversal of impairment losses of trade receivables, net	10	**(21,374)**	(21,285)
(Reversal of impairment)/impairment losses of contract assets, net		**(9,010)**	57,104
Impairment/(reversal of impairment) losses of other receivables, net		**999**	(3,276)
Impairment of inventories		**57,232**	73,664
Lease payments not included in the measurement of lease liabilities		**3,803**	6,999
Fair value gains on investment property		**8,515**	–
Gain on modifications of financial liabilities that do not result in derecognition		**–**	(19,055)
Increase in discounted amounts of financial liabilities arising from the passage of time		**15,859**	32,398
Auditor's remuneration		**4,356**	5,977
Employee benefit expense (including directors' and chief executive's remuneration)			
Wages and salaries (including social welfare)		**889,725**	647,689
Retirement benefit scheme contributions		**69,211**	54,957
		958,936	702,646
Foreign exchange differences, net		**(38)**	9,124

* Amounts of RMB704,714,000 and RMB480,982,000 of employee benefit expenses were included in cost of services provided during the years ended 31 December 2024 and 2023, respectively.

7. 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.

	2024	2023
	RMB'000	*RMB'000*
Current — Elsewhere		
Charge for the year	**10,167**	7,572
Under provision in prior years	**–**	72
Deferred	**1,176**	(11,635)
Total tax charge/(credit) for the year	**11,343**	(3,991)

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, Indonesia, South Africa, Mexico, United Arab Emirates and Singapore as the Group did not have any assessable income arising in these jurisdictions during the years ended 31 December 2024 and 2023.

Wison Engineering Limited 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 Limited was liable for withholding tax on revenue derived from Thailand, Saudi Arabia and Qatar. The applicable tax rate is 5% for the Group.

Jiangsu Wison is subject to corporate income tax at a rate of 25%.

Income taxes arising in other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions in which the Group operates.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2024, there was no significant unrecognised deferred tax liability (31 December 2023: Nil) for taxes that would be payable on the unremitted earnings of the Group's subsidiaries as the Group has no liability to additional tax should such amounts be remitted due to the availability of double taxation relief.

A reconciliation of tax expense applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled and/or operate to the tax expense at the effective income tax rate for the year is as follows:

	2024	2023
	RMB'000	*RMB'000*
Profit/(loss) before tax	**146,016**	(202,369)
Tax at the statutory tax rates	**17,497**	(52,813)
Lower tax rate enacted by local authority	**(8,459)**	11,071
Effect of withholding tax at 5% on the overseas profits of the Group's PRC subsidiary	**4,662**	5,376
Adjustments in respect of current tax of previous periods	**–**	72
Income not subject to tax	**–**	(2,575)
Expenses not deductible for tax	**3,686**	3,424
Additional tax deduction	**(27,266)**	(18,698)
Tax losses utilised from previous periods	**(6,590)**	(1,771)
Tax losses not recognised	**31,639**	65,406
Unrecognised deductible temporary differences	**(3,826)**	(13,483)
Tax charge/(credit) at the Group's effective rate	**11,343**	(3,991)

The share of tax attributable to associates amounting to RMB2,058,000 (2023: RMB1,575,000) is included in "Share of profits and losses of associates" in the consolidated statement of profit or loss.

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. Since the legislation was enacted closed to the reporting date, the Group is still in the process of accessing the potential exposure to Pillar Two income taxes. Potential exposure, if any, to Pillar Two income taxes is currently not known or reasonably estimable.

8. DIVIDENDS

No final dividends were paid, declared or proposed for the year ended 31 December 2024 and 2023.

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the year 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 year.

The calculation of the diluted earnings/(loss) per share amount is based on the profit/(loss) for the year 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 outstanding during the year, as used in the basic earnings/(loss) per share calculation.

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2024 and 2023, respectively.

The calculations of basic and diluted earnings/(loss) per share are based on:

	2024	2023
	RMB'000	*RMB'000*
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculations	**141,626**	(196,122)

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings/(loss) per share calculation	**4,073,767,800**	4,073,767,800

10. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**1,085,903**	1,070,771
Impairment	**(574,535)**	(597,055)
Net carrying amount	**511,368**	473,716

The Group's trading terms with its customers are mainly on credit. Trade receivables are non-interest-bearing and on credit terms of a period of 30 to 90 days or the respective retention periods in the contracts. The Group seeks to maintain strict control over its outstanding receivables and minimise credit risk. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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:

	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**38,071**	19,018
2 to 12 months	**201,094**	201,460
Over 1 year	**272,203**	253,238
Total	**511,368**	473,716

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**597,055**	674,003
Reversal of impairment, net *(note 6)*	**(21,374)**	(21,285)
Amount written off as uncollectible	**(1,146)**	(55,663)
At end of year	**574,535**	597,055

The decrease (2023: decrease) in the loss allowance was due to the following significant changes in the gross carrying amount:

(a) Increase in the loss allowance of RMB10,587,000 (2023: RMB138,755,000) as a result of a net increase (2023: decrease) in the gross carrying amount after the settlement of trade receivables and origination of new trade receivables;

(b) Decrease in the loss allowance of RMB31,961,000 (2023: RMB117,470,000) as a result of a net decrease in trade receivables which were past due; and

(c) Decrease in the loss allowance of RMB1,146,000 (2023: RMB55,663,000) as a result of the write-off of certain trade receivables.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns (i.e., by industry type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

	Ageing				
	Less than 1 year	**1 to 2 years**	**2 to 3 years**	**Over 3 years**	**Total**
Expected credit loss rate	**3.8%**	**22.0%**	**48.7%**	**99.6%**	**52.9%**
Gross carrying amount *(RMB'000)*	**248,605**	**231,772**	**174,624**	**430,902**	**1,085,903**
Expected credit losses *(RMB'000)*	**9,440**	**51,042**	**85,047**	**429,006**	**574,535**

As at 31 December 2023

	Ageing				
	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	5.9%	15.7%	38.5%	99.0%	55.8%
Gross carrying amount *(RMB'000)*	234,343	180,347	156,327	499,754	1,070,771
Expected credit losses *(RMB'000)*	13,865	28,372	60,199	494,619	597,055

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

	2024	2023
	RMB'000	*RMB'000*
Related companies		
Wison (Taizhou) New Material Technology Co., Ltd.	**147,631**	283,035
Taixing Bohui Environmental Technology Development Co., Ltd.	**854**	62,567
Shanghai Wison Offshore & Marine Co., Ltd.	**32,218**	8,076
Wison (China) Holding Company	**50**	50
Total	**180,753**	353,728

11. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	2024	2023
	RMB'000	*RMB'000*
Cash and bank balances	**2,737,422**	1,181,582
Time deposits with original maturity of less than three months (including three months)	**704,877**	38,960
Time deposits with original maturity of more than three months	**1,041,689**	467,182
Subtotal	**4,483,988**	1,687,724
Less: Pledged bank balances and time deposits	**681,513**	785,890
Unpledged cash and cash equivalents	**3,802,475**	901,834
Less: Non-pledged time deposits with original maturity of more than three months	**600,000**	26,206
Frozen and unpledged bank balances	**18,273**	27,356
Unpledged and unfrozen cash and cash equivalents	**3,184,202**	848,272

At 31 December 2024, bank balances and time deposits of RMB403,507,000 (2023: RMB590,827,000) were placed as guarantee deposits for performance of certain construction contracts and for the tendering process.

At 31 December 2024, bank balances and time deposits of RMB124,562,000 (2023: RMB50,753,000) were pledged to the banks as security to obtain letters of credit facilities for the purchase of imported equipment.

At 31 December 2024, bank balances and time deposits of RMB43,408,000 (2023: RMB79,441,000) were pledged as security for bill facilities granted by the banks.

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

At 31 December 2024, bank balances of RMB109,930,000 (2023: RMB64,763,000) were pledged to a bank as security to obtain a bank facility.

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

At 31 December 2024, certain bank accounts of the Group of RMB18,273,000 (2023: RMB27,356,000) were frozen by certain courts for preservation.

At 31 December 2024, the cash and bank balances of the Group denominated in RMB amounted to RMB2,953,622,000 (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, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized 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 the pledged bank balances and time deposits approximate to their fair values.

12. TRADE AND BILLS PAYABLES

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

	2024	2023
	RMB'000	*RMB'000*
Less than 1 year	**1,911,906**	1,205,187
1 to 2 years	**328,146**	759,787
2 to 3 years	**195,384**	606,258
Over 3 years	**351,256**	155,182
Subtotal	**2,786,692**	2,726,414
Less: Long term payables	**22,066**	543,259
Total	**2,764,626**	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.

13. SHARE CAPITAL AND RESERVES

Shares

	2024	2023
	RMB'000	*RMB'000*
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

	2024	2023
	RMB'000	*RMB'000*
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

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of its shareholders (the "**Shareholders**"), enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company applied all the principles and complied with all the code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") during the Year.

On 27 March 2025, Mr. Zhou Hongliang ("**Mr. Zhou**"), the Chief Executive Officer (the "**CEO**") and an executive Director, was appointed as the Chairman of the Board. As Mr. Zhou now serves as both the Chairman of the Board and the CEO, such practice deviates from code provision C.2.1 in Part 2 of the CG Code.

The Board believes that vesting the roles of both the Chairman of the Board and the CEO in the same person can facilitate the execution of the Group's business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from code provision C.2.1 in Part 2 of the CG Code is appropriate in such circumstance. In addition, under the supervision of the Board which is comprised of three executive Directors, one non-executive Director and four independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its Shareholders.

The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

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 its own code of conduct for regulating Directors' securities transactions.

Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Model Code throughout the Year to the date of this announcement. No incident of non-compliance of the Model Code by the employees who are likely to be in possession of inside information of the Company was noted by the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of the subsidiaries during the Year.

REVIEW OF ANNUAL RESULTS

The Audit Committee comprises three independent non-executive Directors, namely Mr. Lawrence Lee, Mr. Tang Shisheng and Mr. Feng Guohua. The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group, the annual results and the consolidated financial statements for the year ended 31 December 2024. The Audit Committee considered that the annual results are in compliance with all applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

SCOPE OF WORK OF MESSRS. ERNST & YOUNG

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group's auditors, Messrs. Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by Messrs. Ernst & Young in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Auditing and Assurance Standards Board and consequently no assurance has been expressed by Messrs. Ernst & Young on this preliminary announcement.

FINAL DIVIDEND

The Board has resolved not to declare a dividend for the year ended 31 December 2024 (2023: nil).

ANNUAL GENERAL MEETING

The 2025 Annual General Meeting (the "**2025 AGM**") will be held on Friday, 6 June 2025. A notice convening the 2025 AGM will be made available (and dispatched, where applicable) to the Shareholders in accordance with the requirements of the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

For determining the entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Tuesday, 3 June 2025 to Friday, 6 June 2025, both dates inclusive, during which period no transfer of shares of the Company will be registered.

To ensure that Shareholders are entitled to attend and vote at the 2025 AGM, Shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 2 June 2025.

EVENTS AFTER THE REPORTING PERIOD

No significant event of the Group has taken place since the end of the Year and up to the date of this announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, the Company has maintained sufficient public float of at least 21.87%, being the minimum public float as agreed by The Stock Exchange of the Hong Kong Limited (the "**Stock Exchange**").

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The results announcement is required to be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.wison-engineering.com), respectively. The annual report of the Company for the Year will be made available (and dispatched, where applicable) to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 27 March 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Zhou Hongliang (Chairman of the Board), Mr. Zheng Shifeng and Mr. Li Dun; the non-executive Director of the Company is Mr. Liu Hongjun; and the independent non-executive Directors of the Company are Mr. Lawrence Lee, Mr. Tang Shisheng, Mr. Feng Guohua and Ms. Guo Ruqian.