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 2015

HIGHLIGHTS:

- Our revenue for the year ended 31 December 2015 amounted to approximately RMB5,413,531,000, representing a decrease of 22.6% from approximately RMB6,992,113,000 recorded in 2014.
- Our gross profit for the year ended 31 December 2015 amounted to approximately RMB816,880,000, representing an increase of 3.1% from approximately RMB792,188,000 recorded in 2014.
- Our net profit for the year ended 31 December 2015 amounted to approximately RMB238,516,000, representing an increase of 13.2% from approximately RMB210,694,000 recorded in 2014.
- Profit attributable to owners of the parent for the year ended 31 December 2015 amounted to approximately RMB205,106,000, representing an increase of 14.6% from approximately RMB179,038,000 recorded in 2014.

BUSINESS OVERVIEW

Overall Review

In 2015, dragged by a slow recovery, the global economy was still lackluster and the economic performance varied among countries. Featured with the improved labor market condition and increasing consumption expenditure, U.S economic recovery has been relatively steady. Although impacts of the debt crisis gradually faded in the euro zone, growth remained sluggish in this region due to deflation, unemployment, refugee issue, amongst other unfavorable factors. Japan experienced slow progress in economic recovery with weak growth prospect in general. Emerging economies on the other hand, were undermined by factors like declining commodity prices, tightened financial policy and imbalances in internal structure, leading to slowdowns in growth. Facing serious threats posed by the continued downturn in global economy and prominent imbalances in domestic economic structure, Chinese economy bore significant pressure with signs to grow at a slower pace. Year-on-year growth in China's Gross Domestic Product in 2015 stood at 6.9 per cent, lowest in the last 25 years.

With the gradual slowdown of global economic growth, oil and gas industry has reached its cyclical trough. The average future price of WTI and Brent Crude Oil in 2015 was US$48.76 and US$53.60 per barrel, respectively, with trends of further decline at the beginning of 2016. Supply significantly outstripped demand in oil and gas industry as production at oil companies kept rising. The above unfavorable conditions brought unprecedented challenges to the global energy industry. In China, chemical and related engineering industries also faced tough challenges derived from tightened financial policies, massive elimination of backward production capacity and the rising awareness of water resources and environmental protection. Competition has become increasingly fierce in engineering industry. Due to the dramatic decrease in capital expenditure of global upstream oil and gas industry, engineering and technological services market is witnessing trends of scaling-down.

In the face of the considerable uncertainty over macro condition and the slowdown in growth of investment in the industry, innovation, upgrade and transformation of energy industry have become matters of great urgency, particularly for China, a massive energy consuming country. This has raised new requirement for various enterprises along the industry chain. For Chinese engineering companies on the other hand, development opportunities brought by policies such as "the 13th Five-Year Plan" and "One Belt, One Road" should be captured, while efforts should be made in planning and strategy adjustments for expansion in new markets, so as to strive for new development and adapt to the new trends in industry.

For the year ended 31 December 2015 (the "Year under Review"), in response to internal and external challenges, Wison Engineering Services Co. Ltd. (the "Company", and together with its subsidiaries, the "Group") adhered to the development strategy of "achieving sound and continuous growth, internationalization, and leadership through differentiation". Measures were centered around the themes of "internationalization", "technological innovation", "healthy operations", "lift of overall and technological innovating capabilities" and "nurture of new business". During the Year under Review, breakthroughs were achieved again in overseas market while difficulties were overcome domestically to make strategic adjustments, consolidating existing advantages while seeking for new opportunities. Projects under construction progressed with high safety and quality standard and several domestic and overseas projects were completed and successfully commenced operation. The Group was rewarded 3 national engineering awards in the year. Through continued efforts in technology innovation, the Group was granted 8 patents and 1 copyright of software program, invented 2 proprietary technologies and filed applications for 7 patents during the Year under Review. The Group comprehensively advanced its delicate management, continuing to enhance profitability in project execution. In order to build up core competitiveness necessary for a leading international engineering company, internal capabilities have been strengthened.

During the Year under Review, the Company was designated as a constituent of the Morgan Stanley Small Cap (China) Index by Morgan Stanley Capital International ("MSCI"), which reflects the wide recognition among international capital markets of the sustained development and prospects for the Group's businesses.

On 12 November 2014, the Company issued an announcement disclosing two charges that were instigated against Wison Engineering Ltd. (惠生工程（中國）有限公司) ("Wison Engineering"), an indirect non-wholly-owned subsidiary of the Company, and Mr. Hua Bangsong ("Mr. Hua"), the controlling shareholder of the Company. A court in the People's Republic of China delivered the relevant judgments on 5 August 2015. On 14 August 2015, Wison Engineering and Mr. Hua made applications to appeal against the relevant judgments. The relevant PRC court delivered final judgments on 25 September 2015. The Board does not expect the aforesaid matters to have material adverse impact on the business operations and financial conditions of the Group (for further details, please refer to the announcements made by the Company dated 5 August 2015, 14 August 2015 and 25 September 2015). On 13 October 2015, the Company made an announcement stating that all of the bank accounts which had been frozen in connection with the aforesaid matters had been released (for further details, please refer to the announcement made by the Company dated 13 October 2015).

Reference is made to the announcement of the Company dated 28 April 2015 in respect of the preliminary discussion between the Company's controlling shareholder (the "Controller") with prospective investors concerning a possible sale and purchase of existing shares of the Company (a "Possible Transaction"). On 17 August 2015, the Company made an announcement stating that it had been informed by the Controller that on the same day, the negotiations in respect of the Possible Transaction had been terminated. For further details, please refer to the announcements made by the Company dated 28 April 2015 and 17 August 2015.

On 22 March 2016, Wison Engineering entered into a property sale and purchase agreement with an independent third party, pursuant to which Wison Engineering agreed to sell and such independent third party agreed to purchase the premises located at No. 1399 Zhangheng Road, Zhangjiang Hi-Tech Park, Pudong New District, Shanghai, the PRC, at a cash consideration of RMB390,000,000. Such property was occupied by the Group as its then headquarters before relocation of the Group's headquarters. The Directors consider that the disposal represents a good opportunity to optimize the Group's overall assets portfolio so as to enhance asset efficiency. This disposal constituted a discloseable transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). For further details, please refer to the announcement made by the Company dated 22 March 2016.

FINANCIAL HIGHLIGHTS

During the Year under Review, the revenue of the Group amounted to approximately RMB5,413.5 million (2014: approximately RMB6,992.1 million). Gross profit amounted to approximately RMB816.9 million (2014: approximately RMB792.2 million). The decrease in revenue was mainly because certain major projects in 2014 had approached to completion phase during the Year under Review, which decreased the contribution to the revenue. Meanwhile, some contracted projects had not commenced during the Year under Review. The increase in gross profit was mainly because the Group fully promoted delicate management in projects, which facilitated the reduction in project cost and enhanced project profitability.

During the Year under Review, profit attributable to owners of the parent amounted to approximately RMB205.1 million (2014: approximately RMB179.0 million). Net profit further increased after the Company showed a turn from loss to profit in 2014. It was mainly due to the increase in percentage of revenue from overseas projects accompanied by recognition of exchange gain resulting from foreign exchange rate fluctuation.

In addition, the Group continued to secure new orders in all business segments from domestic and overseas markets. During the Year under Review, the Group entered into 50 engineering/ engineering, procurement and construction ("EPC")/pre-project service contracts and developed 6 new customers. During the Year under Review, the new contract value of the Group, net of estimated value added tax ("VAT"), amounted to approximately RMB1,486.1 million (2014: approximately RMB6,664.8 million), of which coal-to-chemicals business, oil refinery business, petrochemicals business and other products and services accounted for 14.5%, 1.3%, 83.4% and 0.8%, respectively.

As at the end of the Year under Review, backlog value, net of estimated VAT, amounted to approximately RMB11,985.1 million (2014: approximately RMB16,134.3 million), of which coal-to-chemicals business, oil refinery business, petrochemicals business and other products and services accounted for 19.9%, 64.0%, 12.0% and 4.1%, respectively.

Business Review

Coal-to-chemicals

During the Year under Review, revenue from coal-to-chemicals business of the Group amounted to approximately RMB3,288.3 million (2014: approximately RMB4,337.5 million), representing a decrease of 24.2% as compared with the same period of last year. The decrease was mainly because the Group's major coal-to-chemicals projects, including Shandong Methanol-to-Olefin Project, Erdos Coal-to-Methanol Project, Shaanxi Polyethylene Plant and Public Utilities Project already completed their principal construction phase in 2014.

Backlog value as at the end of the Year under Review and new contract value for the Year under Review (both net of estimated VAT) amounted to approximately RMB2,388.0 million and RMB215.2 million, respectively (backlog value as at the end of 2014: approximately RMB5,521.2 million and new contract value for 2014: approximately RMB2,445.8 million).

Albeit enormous industry challenges, the Group still achieved remarkable results in new coal-to-chemicals during the Year under Review backed by its rich technological reserves and excellent capacity in project delivery. For instance, in respect of technological innovation and commercialization, Wison Engineering entered into a strategic cooperation agreement with Tianjin University and Guizhou Xinxin Chemical Engineering Co., Ltd. ("Guizhou Xinxin"), pursuant to which, the three parties will jointly promote the commercialization of the set techniques in syngas-to-ethylene glycol. Also under the agreement, Wison Engineering will undertake EPC project for the demonstration unit of 70 kta oxalic acid and 10 kta ethylene glycol plants. The design of such project is under smooth progress. In addition, the feasibility research of Shandong Energy Group Hulunbeier Chemical Energy Limited 400 kta coal to ethylene glycol project undertaken by Wison Engineering utilizing the aforesaid syngas-to-ethylene glycol set techniques was awarded the third class prize for "National Outstanding Consulting Achievement Award 2014" by China National Association of Engineering Consultants ("CNAEC"), validating its advanced position amongst works of similar kind in China.

As one of the core coal-to-chemicals technologies of the Group, Wison Engineering's proprietary methanol-to-olefin ("MTO") separation technology passed scientific and technological appraisal by the group of experts convened by China Petroleum and Chemical Industry Federation (中國石油和化學工業聯合會) in the Year under Review. Such technology has been accredited with "advanced international standards". The technology has been applied to 8 MTO plants of various scales in China. Following the commencement of production of Wison (Nanjing) Clean Energy MTO plant in 2013 and its subsequent smooth operation, Shaanxi polyethylene plant that was EPC contracted by Wison Engineering deploying MTO separate technology of the Group successfully produced ethylene and propylene at the end of December 2014. The plant passed the performance test during the Year under Review and was awarded the "2015 National High-Quality Engineering Prize for the Chemical Industry". In addition, Shangdong 300 kta MTO plant also EPC contracted by Wison Engineering commercializing the above-mentioned technology was delivered with high standard during the Year under Review. The project was named as "Top Ten Excellent Engineering Projects in the "12th Five-Year" in Oil and Chemical Industry in China" (中國石油和化工行業"十二五"十佳工程) by the relevant industry association and media. The above achievements again fully demonstrated the EPC execution capability of the Group in coal-to-chemicals projects and the ability to commercialize its core technologies.

Erdos Coal-to-Methanol Project EPC contracted by Wison Engineering commenced its operation at the end of 2015, starting to produce qualified products. The project utilized the rectisol process technology researched and developed by Wison Engineering.

Oil refineries

During the Year under Review, revenue from oil refinery business of the Group amounted to approximately RMB1,540.6 million (2014: approximately RMB287.9 million), representing an increase of 435.1% as compared with the same period of last year. The increase was mainly due to the increase in revenue driven by the smooth progress of the Group's major oil refinery projects.

Backlog value as at the end of the Year under Review and new contract value for the Year under Review (both net of estimated VAT) was approximately RMB7,672.7 million and RMB19.3 million, respectively (backlog value as at the end of 2014: approximately RMB9,346.1 million and new contract value for 2014: approximately RMB3,991.8 million).

Site Preparation Project for the Puerto La Cruz Refinery Deep Conversion Project in Venezuela ("Venezuela Site Preparation Project") EPC contracted by the Group achieved smooth handover of major items during the Year under Review, marking a new milestone per project schedule, laying a solid foundation for the refinery deep conversion project followed. In addition, the Group's project team for such project was awarded "2015 Excellent Management Quality Team Award" (2015年度優秀管理質量團隊獎) by the owner and related management company, which was the first recognition from the owner for project quality management ever received by contractor.

The core process units, utility and offsite facilities of the Puerto La Cruz Refinery Deep Conversion Project in Venezuela ("HPC Project") contracted by Wison Engineering, Hyundai Engineering & Construction Co., Ltd. ("HDEC") and Hyundai Engineering Co., Ltd. ("HEC") has been progressing smoothly according to schedule.

Shandong Longgang Chemical Co., Ltd. 1,600 kta heavy oil hydrocracking project contracted by Wison Engineering has also been progressing smoothly according to schedule.

Petrochemicals

During the Year under Review, revenue from petrochemicals business of the Group amounted to approximately RMB580.4 million (2014: approximately RMB2,326.3 million), representing a decrease of 75.1% as compared with the same period of last year. The decrease was mainly because the Group's major petrochemical project, Sichuan PTA Project, already completed its principal construction phase in 2014.

Backlog value as at the end of the Year under Review and new contract value for the Year under Review (both net of estimated VAT) amounted to approximately RMB1,436.9 million and RMB1,238.7 million, respectively (backlog value as at the end of 2014: approximately RMB787.3 million and new contract value for 2014: approximately RMB226.6 million).

During the Year under Review, the Group secured an EPC contract in Abu Dhabi, marking a breakthrough for the Group in the United Arab Emirates, a core market in the Middle East, and laying a solid ground for the Group's further business expansion in the Middle East market. Moreover, further to the first two EPC contracts obtained in Saudi Arabia in the Middle East in 2012 and the first newly built cracking furnace project overseas in 2014, the Group secured another two EPC contracts in Saudi Arabia at the end of 2015, once again realizing "remarketing" in overseas market. Such projects were recently kicked off. On the domestic front, the Group signed a new EPC contract regarding two newly built cracking furnaces during the Year under Review, which further demonstrated the Company's edge in the leading field of cracking furnace.

Several ongoing petrochemical projects of the Group were successfully delivered during the Year under Review. A newly built cracking furnace project of the Group under an EPC contract in Saudi Arabia was delivered 10 days ahead of project schedule and has been successfully launched for operation, which demonstrated Wison Engineering's project execution capability in its dominant field of cracking furnace in overseas market. This also marked the third EPC project successfully delivered in Saudi Arabia. Another EPC project of the Group, three newly built heating furnaces for Shandong 450 kta low-carbon alkane dehydrogenation to olefins and integrated utilization unit achieved handover in the second half of 2015, constituting another EPC track record for Wison Engineering in industrial furnaces.

In addition, the engineering work for the Shandong 70 kta butene oxidization and dehydrogenation to butadiene project that first utilized Wison Engineering's proprietary butene oxidization and dehydrogenation to butadiene technology and commercialized catalyst completed during the Year under Review, and relevant procurement and construction works are being carried out as scheduled.

Other Products and Services

During the Year under Review, revenue from other products and services amounted to approximately RMB4.2 million (2014: approximately RMB40.4 million), representing a decrease of 89.6% as compared with the same period of last year. It was mainly because most of the active projects have been substantially completed in previous years, and certain other projects were still suspended during the year under Review.

Multi-dimensional enhancement of international project execution capability, acceleration in overseas expansion

For the Year under Review, the Group's overseas revenue accounted for over 30% of total revenue for the first time. Moreover, with its outstanding operating results in overseas markets, Wison Engineering was included in the list of "Top 100 Chinese Engineering Companies in terms of overseas contracting revenue in 2015" ("2015年全國對外承包工程業務完成營業額前100家企業") announced by the Ministry of Commerce of the PRC. Wison Engineering was the only private enterprise among all eleven shortlisted Shanghai enterprises. The Group's capability in executing international projects has been verified by a few overseas projects under progress: The first overseas newly built cracking furnace project achieved early delivery and commencement of operation; Venezuela Site Preparation Project recorded better-than-local industry standards in health, safety and environment ("HSE") and quality management which was highly appreciated by the international owner.

Meanwhile, the Group was committed to forging its international competencies on a multi-dimensional basis. In respect of international project execution team, focus was placed on optimizing personnel structure, training and introducing talents with overseas project execution capabilities for project management, procurement and construction management, while a localized project execution and management team was being built up. Local laws and regulations were respected and efforts were made to better integrate with local cultures. The Group also expanded overseas supplier network and established strategic partnerships with some of the existing construction contractors with a database of construction subcontractors being set up. It constantly reviewed and optimized the standards and process management for international projects based on the experience from existing projects. In addition, the Group organized sharing activities for experience from completed international projects, accumulating resources and management reserves for future overseas bidding and project execution via participation in the bidding process to gain knowledge on overseas project management requirements.

The Group's remarkable overseas performance during the Year under Review was vital to its future comprehensive expansion of international business. Specifically, the breakthrough made by Wison Engineering in the United Arab Emirates consolidated its foothold in the Middle East market, while the two EPC contracts from Saudi Arabia marked successful fulfillment of its "remarketing" strategy. Further, the Group secured a number of feasibility study and other types of pre-project service contracts in Southeast Asia, North America and other regions, which fully demonstrated the implementation of its consultative marketing strategy in overseas markets.

In order to further improve and optimize the sales network in targeted overseas markets, the Group newly set up sales branches in North Africa and India, therefore establishing regional sales centers covering the Middle East/Africa, the Americas, Southeast Asia and South Asia during the Year under Review, with a total of 8 overseas sales offices as at the end of the Year under Review. The Group supplemented its sales forces in Asia Pacific, the Middle East and North Africa, investing more efforts in tracking and developing both existing and new customers. A pre-project team for Middle East region has been founded to respond to demands from owners in a prompt manner, supporting regional sales efforts, which has attained initial success. A working group designated for the policy of "One Belt, One Road" was formulated to capture opportunities brought by relevant government policies.

Continuous optimization of management structure, reinforcement of internal competencies

During the Year under Review, the Group further enhanced its institutional management, refining corporate governance to protect the overall interests of shareholders. In addition, the Board appointed Mr. Liu Haijun, an executive director who has over 30 years of experience in petrochemical industry, as the Group's Chief Executive Officer, and Mr. Zhou Hongliang as executive senior vice president. In order to enrich the Group's senior management, the Board also appointed Ms. Chen Huimei and Mr. Zheng Shifeng, with extensive experience in technology and project management, respectively, as senior vice presidents.

To facilitate the implementation of development strategies of the Group, expedited efforts were made in optimizing the internal management structure during the Year under Review. As a leading working power, the design center articulated relations between the Shanghai head office and regional branches in relation to resource allocation and production management, and streamlined two separate management systems for technology and administration together with a design quality accountability system that runs throughout the project lifecycle. As for domestic and overseas marketing, the Group strived to strengthen the concept of regional market development as well as sales management mechanism, making adjustments to institutional set-up and personnel structure accordingly.

Thanks to measures in recent years such as to refine sales and commercial processes, to improve business opportunity evaluation and decision-making mechanism, and to enhance capability of technical quotation, the Group's general tendering ability improved steadily. Other acts to reinforce capabilities include optimization of procurement process, strengthening of on-site inspection management to improve project profitability. The Group took various actions to intensify supervision on construction quality and progress, and carried out assessments on the qualification, credibility and quality of sub-contractors.

In terms of talent development and human resources management, the Group emphasized on leadership training and practices for middle management during the Year under Review to heighten leadership skills of managers on the forefront. The Group promoted normalization of knowledge sharing mechanism, encouraged internal talent mobility. As a key driver to boost overall executive power, corporate culture of Wison was strengthened while a great emphasis was continued to be placed on a performance-oriented culture and working mechanism.

Industry-leading technological achievements, constant innovation efforts leading to greater competitiveness of existing technologies

Technology innovation has always been one of the development strategies of the Group. Wison Engineering was named as "Chemical Industry Technology Innovation Demonstration Company in China" by China Petroleum and Chemical Industry Federation. This was the third consecutive time that Wison Engineering has received this honor.

Wison Engineering's proprietary MTO separation technology passed scientific and technological appraisal by the group of experts convened by China Petroleum and Chemical Industry Federation and has been accredited with advanced international standards and excellent market competitiveness. Two processes developed by Wison Engineering, the "falling-film heat-exchanger with differential absorber technology for an MTO oil absorption tower" and a "preliminary water treatment technology for bottom quench gasification technology" have been certified as proprietary technologies by the China Petroleum & Chemical Engineering Survey and Design Association. The former is applied to MTO olefin separation technology and similar light hydrocarbon separation units. It is capable of reducing investment cost and occupied area of the plant, featuring higher ethylene recovery rate and low energy consumption. The process has been deployed in Shandong MTO Project, which commenced production in the Year under Review. Its impacts on the improvement of ethylene recovery rate have been testified. The latter was successfully applied in the bottom quench gasification plant of the third phrase of coal-to-gas project of Wison (Nanjing) Clean Energy Co., Ltd. and a coal-to-syngas project in Inner Mongolia. It not only improves plant operational stability, but also reduces investment cost and occupied area of the plant. With the adoption of heat recovery technology, the heat recovery rate of overall water treatment process is increased to nearly 50%.

In respect of new technology commercialization, Wison Engineering entered into a strategic cooperation agreement with Tianjin University and Guizhou Xinxin, so as to deepen technological alliances. In addition, the first batch of Wison Engineering's proprietary catalyst successfully launched production and was utilized in the Shandong 70 kta Butene oxidization and dehydrogenation to butadiene project, which was designed by Wison Engineering.

Prominent competitive edge of innovative technologies featuring lower investment cost and energy consumption at times of low oil prices

As for R&D of new technologies, despite the short-term tumble in coal chemicals and petrochemicals resulting from the oil price slump, the Group believes that concerning the characteristics of "abundance in coal, scarcity in oil and gas" in China, new coal chemicals technologies that conform to efficient clean use of coal and low carbon emission will still prevail in energy utilization and development in a long time. As such, the Group is exerting efforts in R&D of new coal chemicals technologies featuring high efficiency and energy saving.

During the Year under Review, the first phase of pilot plant test of the syngas-to-natural gas technology jointly developed with Foster Wheeler and Clariant was completed, marking the development of a catalyst with greater efficiency and stability. In the process aspect, concentration was placed on technological coupling with gas purification unit leading to clear reductions in investment and energy consumption. Propane refining technique developed by the Group passed sidetrack test at Wison (Nanjing) Clean Energy MTO plant, proved to improve the economy of MTO plants. Meanwhile, the asymmetric heating cracking furnace may uplift the plant operational cycle by 30%.

The Group was authorized 8 new patents and attained copyright for 1 software program, invented 2 proprietary technologies with 7 patent applications filed pending for approval (5 inventions and 2 utility models) during the Year under Review.

Well-recognized design quality, significant advancement in engineering capacity

The quality of engineering projects delivered by the Group has been examined and attained recognition in succession during the Year under Review:

- The 40 kta synthetic base oil and 20 kta environmental solvent oil plant which were designed by Wison Engineering commenced production during the Year under Review with a leading product quality in China. The new process adopted was applied in industrial plant for the first time in China, further enriching the engineering track record of the Group in coal-to-liquid;

- The first digital factory (DF) ever delivered by Wison Engineering, Xinjiang styrene digital factory project, was rewarded the second class prize of the Best Collaborative Design Project at the first "Innovation Cup — Digital Plant (DF) Contest" held by China Petroleum & Chemical Engineering Survey and Design Association;

- Xinjiang XinLianXin Energy Chemical Co., Ltd. 280 kta Ammonia and 480 kta Urea Project designed by Wison Engineering, have yielded qualified products and achieved start-up of the whole process in one attempt. The project was another showcase of Wison Engineering in coal-to-chemicals sector and demonstrated its strong design capability in fertilizer sector.

At the end of 2015, the feasibility report produced by the Group for a coal-to-ethylene glycol project in Shandong Province was awarded the third prize for National Excellent Engineering Consultation Achievements for 2014 (2014年度全國優秀工程諮詢成果) by CNAEC, indicating its advanced position in China. Such project also adopted the aforesaid syngas-to-ethylene glycol technology jointly developed by Tianjin University and Wison Engineering.

During the Year under Review, the Group completed 32 engineering design projects including design project for Shandong Shengrong Chemical Co., Ltd. 300 kta alkane separation unit and 16 engineering design projects are in progress. The Group also completed 50 feasibility studies including that for Guizhou Haitong Energy Development 300 kta coal-to-ethylene glycol project.

Design center achieved considerable advancement in head office-branch management, technical capacity and customer service awareness, while making substantial progresses in internationalization, digitalization and modularization.

During the Year under Review, design center further optimized management, enabling sound organization structure and talent echelon with the coordinating and managing role of the head office being reinforced. A team of key talents in oil refineries was formed, and talent leverages were utilized at respective branches. This has brought clear improvement in project execution and labor efficiency. Through strengthened process management and learning from past experiences, design quality and skills have been steadily elevated with a lower-than-previous-year design modification rate and better tender accuracy. Experience accumulated over international project execution, introduction of international technicians and internal training, all contributed to the steady improvement in the ability to learn and practice international standards and engineering design for international projects. Proportion of design staff with international project execution ability reached 41% during the Year under Review.

The Group strived to gain competitive advantages with modularized delivery, in close conjunction with research on digital design, transport and construction strategies. During the Year under Review, the Group completed modular research for several petrochemicals projects, leading to modular design, transport and construction solutions, and preliminary formulation of modular design guidelines and standards.

During the Year under Review, digitalization has deepened its application on the domestic front, with the realization of digitalized design in newly kicked-off projects.

OUTLOOK

2016 global economy is expected to feature gentle recovery. In the light of IMF forecast, economic growth this year is expected to be 3.6%, 0.5 percentage points above last year. Yet it is unclear how severe the short to mid-term impacts brought by the slump in global oil and gas prices are and how prolonged they will be. Chinese economy has now entered into an era of new norms in the new growth gear with accelerated structural adjustment. Despite that industry is confronted with multi-challenges of securing growth, structural adjustment and risk control, positive long-run fundamentals in domestic economy remain unchanged. As “One Belt, One Road” initiative moves forward, trade and investments cooperation are deepened between China and countries along the path. Chinese companies will seize the chance to quicken the pace of setting up along the oil & gas industry chain overseas while non-state-owned enterprises are able to speed up efforts of going abroad. Reform in the PRC's oil & gas industry has transformed into a solid whole-industry-chain reform covering industries, corporate and governments against the backdrop of the elevated structural changes. Terms like "Green and environmental friendly", "energy-saving and emission-reduction", "clean and low carbon", "de-capacity" have become the key words of energy industry in 2016.

While recognizing external challenges and pursuing potential opportunities, the Group will continue to adhere to its three development strategies of "achieving sound and continuous growth, internationalization, and leadership through differentiation", adapting tactics and measures to internal and external conditions as appropriate. For the year 2016, the Group will be aiming to expedite its course of internationalization, to maintain continuous growth in regional market and client coverage, while pursuing new areas of businesses, exploring new business models. With the objective to become a highly competitive technological service provider and engineering contractor in target markets, the Group will carry out all-round optimization and adjustments from talent structure, sales and marketing, commercial tender, project execution to internal operations so as to meet the demand of the Company's internationalization development. The Group will work on strengthening internal capabilities and resource reserves, laying the key groundwork for realization of the Group's development visions via constant attention to technological research and development, engineering design, information technology and delicate management, corporate culture and the formation of talent echelon, etc.

First, lean resources to secure orders, expedite business diversification

To forge the transition of coverage strategy in domestic marketing and a market-oriented project opportunity developing mechanism, the Group will create a new sales organization structure in domestic market, promoting delayering in sales management and regional market expansion. The Group will set up eleven sales regions domestically to consolidate market foundations and to increase precision in sales efforts. At the same time, internal transfer is encouraged to mobilize and explore sales potentials while sales effort by all staff is also encouraged. Resources are to be centralized to strongly support the frontline marketing and commercial tender activities. In order to respond to customers' needs in a prompt and high-quality manner, frontline functions will be provided with sufficient assistance from technology, engineering and other supporting teams, creating favorable conditions for sustained growth in customer bases and business networks at home and abroad.

Building on consolidation of existing advantages and strengthening of traditional business, the Group will also use its best endeavor to pursue new business opportunities and breakthrough. It will conduct study on market access opportunities for certain emerging concepts and pay close attention to the opportunities arising from the integration of clean energy, new energy, environmental protection, energy saving and emission reduction technologies by leveraging on its technological reserves.

Second, refine global sales layout, comprehensively lift internationalized ability

Adding to existing overseas sales outlets, at the beginning of 2016, the Group opened a new sales outlet in Russia to serve the Central Asia region. It has also established marketing outlets in Pakistan and West Africa with another country office in the Middle East to accelerate overseas expansion and extension of geographical coverage. In 2016, the Group will ensure the smooth execution and delivery quality of ongoing projects in the existing markets of Middle East GCC and South America to consolidate existing client relationships while digging deep into the markets, achieving breakthroughs in new client development in peripheral markets. The Group will strive in the new regional markets including North America and countries along the path of "One Belt, One Road". Specific strategies will be designed in accordance with local conditions in target markets and expansion in the Group's international market territory is to be realized through strategies such as "remarketing", "multi-dimensional marketing", "mutual complementation and cooperation", "financing solutions" and "promotion of proprietary technologies".

While refining marketing layout in key regions, the Group will continue to nurture and introduce qualified overseas sales personnel, optimizing international sales and marketing force. In order to further enhance the success rate of tendering for international projects, the Group will allocate the best resources to tendering efforts, shaping the ability of quick response to quotation and pre-project requests from clients.

The Group will keep working on overseas project execution and other capabilities for internationalization. Combining internal training with external recruitment, the Group will continue to increase the proportion of talents with international capabilities especially for key project execution positions. Localization in overseas project execution force, procurement and construction resources will be pushed forward and existing success experience from overseas projects will be extended. The Group aims to expand its overseas procurement networks, realizing electronic management platform for international tendering and quotation and solidifying the long-term strategic partnerships with overseas construction subcontractors. Furthermore, the design center strives to bring its management, delivery method and system standards in line with international practice, reforming its current organization structure, aiming at more than half of the staff possessing international design capabilities, all of which would contribute to the build-up of core competitiveness featured an international engineering company.

Third, fully implement delicate management, consolidate and refine core capabilities

Ensuring delivery quality, optimizing project management and enhancing profitability have always been the top priorities of the Group's operational management. In particular, in face of external challenges such as sluggish global economic growth and cyclical fluctuation of energy industry, effective project risk management and cost control are critical for maintaining existing market share and reforms and transformations. To better cope with increasing burden in overseas project execution, the Group will further refine its corporate operational management and project cost control, and strictly implement a performance-based appraisal mechanism. The Group will enhance its pre-project planning capabilities, introducing design optimization practice throughout project lifecycle. To ensure successful project delivery, the Group will refine its procurement process and internal control management, fully capitalize the application of information integration and project management platform that are guided by projects, and also reinforce project risk control throughout the whole lifecycle. Efficiency and benefits come from the processes of design, procurement and project management.

The Group will stick to the strategies of "internationalization", "digitalization", and "modularization" in upgrading its design capabilities. While supporting the international development of the Company, design head office will act as a managing center to effectively coordinate resource allocation at regional level as well as to collaborate with procurement and construction functions. Under the coordinated management of head office, regional design offices will be able to create respective business features. Specialty structure at design center will be optimized to adapt to international conventions in project execution. For modularized and digitalized design, cooperative design among various specialties and full modeling will be achieved, realizing design modularization and digitalization, promoting reforms in design patterns through digitalization. Continued focus will be placed on technology reserves and compilation of process package to push forward the engineering and commercial development of technologies.

As for R&D and promotion of technology, the Group will drive the R&D of new technologies at various stages. While putting great emphasis on the commercialization of R&D achievements, to enlarge market share, in area of energy utilization, the Group will deepen its partnerships with first-class technology companies and research institutions domestically and overseas as well as pursue new partners and new areas of cooperation, so that technology acquisition and commercialization would bring about business development and diversification. The Group will exert greater efforts in the research of new coal-to-chemical technologies, chemicals, utilization of natural gas and carbon emission reduction, etc., expanding scope of new technology research. The Group aims to strengthen its differentiated competitive strength of technical solutions by close integration with engineering design, refined processes, energy saving and consumption reduction, amongst other local innovative solutions.

Management informationization plays a key part in the Group's internationalization, effective project execution and internal operational management. Future informationization development of the Group will be guided with "internationalization, information integration and technological improvement", so as to assure the effective use of labor, financial assets and property and delicate control centered around project delivery. Meanwhile, information technology will collaborate with business functions to achieve whole cycle "digital" plant management and delivery, further augmenting its competitive edges.

Bearing in mind the objectives of "internationalization and breaking into new business", the Group will optimize its organizational capacity and talent force to build up teams with enhanced leadership and cohesion, facilitating reform and transition of the Company. The Group will intensify the promotion and implementation of corporate culture that is compatible with new era of development, implement performance-oriented assessment and incentive system, and step firm on an assessment and accountability system based on project performance for project managers.

2016 will be a challenging year not only for energy and chemicals industry but also for the Group. Nevertheless, it will mark a new starting point with opportunities for the Group. In face of the unfavorable market environment, the Group will uphold its faith, adjust itself and initiate changes to adapt to new fierce market competition and development trends. Grounded by the consolidation and strengthening of its core competitiveness in traditional fields, the Group strives to achieve breakthroughs in new markets and businesses. In anticipation of the 20th anniversary of Wison Engineering in 2017, the Company will be committed to delivering satisfactory results to the shareholders with revenue growth from diversified markets, greater efficiency from delicate management and vibrancy from innovation and reforms.

The Board is pleased to announce the consolidated results of the Group for the year ended 31 December 2015. The annual results have been reviewed by the audit committee of the Company (the "Audit Committee").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2015

(Expressed in RMB)

	Notes	2015 RMB'000	2014 RMB'000
REVENUE	4	**5,413,531**	6,992,113
Cost of sales		**(4,596,651)**	(6,199,925)
GROSS PROFIT		**816,880**	792,188
Other income and gains	4	**513,805**	252,499
Selling and marketing expenses		**(56,097)**	(44,918)
Administrative expenses		**(287,863)**	(254,912)
Other expenses		**(254,299)**	(205,853)
Finance costs	5	**(421,877)**	(271,161)
Share of profit/(loss) of an associate		**458**	(413)
PROFIT BEFORE TAX	6	**311,007**	267,430
Income tax	7	**(72,491)**	(56,736)
PROFIT FOR THE YEAR		**238,516**	210,694
Attributable to:			
Owners of the parent		**205,106**	179,038
Non-controlling interests		**33,410**	31,656
		238,516	210,694
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
— Basic and diluted		**RMB5.05 cents**	RMB4.40 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015
(Expressed in RMB)

	2015	2014
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**238,516**	210,694
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**3,764**	–
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**3,764**	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR	**3,764**	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**242,280**	210,694
Attributable to:		
Owners of the parent	**208,870**	179,038
Non-controlling interests	**33,410**	31,656
	242,280	210,694

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2015
(Expressed in RMB)

	Notes	**2015** **RMB'000**	2014 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,028,287**	1,210,881
Investment properties		**13,556**	14,136
Prepaid land lease payments		**163,272**	178,279
Goodwill		**15,752**	15,752
Other intangible assets		**10,372**	13,134
Investment in an associate		**2,037**	1,579
Long-term prepayments		**128,042**	382,551
Total non-current assets		**1,361,318**	1,816,312
CURRENT ASSETS			
Inventories		**177,581**	433,167
Gross amounts due from contract customers		**4,033,219**	3,242,274
Trade and bills receivables	*10*	**311,209**	1,015,257
Due from a related company		**–**	646
Due from fellow subsidiaries		**27**	14,775
Due from the ultimate holding company		**87**	87
Prepayments, deposits and other receivables		**656,408**	1,374,806
Pledged bank balances and time deposits	*11*	**1,257,417**	300,180
Cash and bank balances	*11*	**1,253,436**	542,276
		7,689,384	6,923,468
Assets classified as held for sale		**116,210**	–
Total current assets		**7,805,594**	6,923,468
CURRENT LIABILITIES			
Gross amounts due to contract customers		**1,637,037**	1,771,315
Trade and bills payables	*12*	**3,335,388**	3,941,053
Other payables, advances from customers and accruals		**1,437,512**	347,601
Derivative financial instruments		**–**	725
Interest-bearing bank and other borrowings		**230,049**	539,971
Due to a related company		**78**	78
Due to an associate		**630**	630
Dividends payable		**272,674**	272,674
Tax payable		**100,985**	54,830
Total current liabilities		**7,014,353**	6,928,877
NET CURRENT ASSETS/(LIABILITIES)		**791,241**	(5,409)
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,152,559**	1,810,903

	Notes	**2015**	2014
		RMB'000	*RMB'000*
NON-CURRENT LIABILITIES			
Finance lease payables		**–**	49
Deferred tax liabilities		**24,284**	23,362
Government grants		**5,275**	2,137
Total non-current liabilities		**29,559**	25,548
NET ASSETS		**2,123,000**	1,785,355
EQUITY			
Equity attributable to owners of the parent			
Share capital	*13*	**329,803**	329,803
Share premium		**846,077**	846,077
Other reserves		**755,086**	490,851
		1,930,966	1,666,731
Non-controlling interests		**192,034**	118,624
Total equity		**2,123,000**	1,785,355

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.1 BASIS OF PRESENTATION

As at 31 December 2015, the Group had net current assets of approximately RMB791,241,000 (2014: net current liabilities of approximately RMB5,409,000). However, included in the Group's current assets as at 31 December 2015 were overdue trade receivables and overdue amounts due from contract customers of approximately RMB59,933,000 and approximately RMB1,037,066,000, respectively.

In order to improve the Group's operating cash flows and financial position, the directors of the Company have taken the following measures:

(1) Bank facilities

The directors of the Company remained active in negotiations with the banks and other creditors to obtain new banking facilities with a view to improving its short-term liquidity;

Subsequent to 31 December 2015, in March 2016, the Group was granted a bank loan for a total amount of RMB500,000,000 with maturity in May 2017.

(2) Attainment of profitable and positive cash flow operations

The Group is taking measures to monitor and manage the operating cost controls over various costs and expenses and to seek new business opportunities with the aim to attain profitable and positive cash flow operations. This includes pursuing of new businesses and exploring outbound projects in order to enhance market position, maintain continuous growth and diversify sources of revenue.

The Group continues to manage working capital to fully utilise and defer the credit period offered by suppliers.

Further, the Group is actively following up with its customers on outstanding trade receivables and amounts due from contract customers with the immediate aim of agreeing a repayment schedule.

(3) Optimise the overall assets portfolio of the Group so as to enhance the asset efficiency

Subsequent to 31 December 2015, on 22 March 2016, the Group entered into a property sale and purchase agreement with a purchaser, pursuant to which the Group agreed to sell one of its properties to the purchaser with a total consideration of RMB390,000,000. With the completion of the property sale, the Group can further optimise the asset portfolio so as to enhance asset efficiency.

The directors of the Company are of the opinion that, after taking into account the measures as mentioned above and the existing contract backlogs, the Group will have sufficient working capital to meet its financial obligations as they fall due in the next twelve months from 31 December 2015. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

1.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") promulgated by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments. Assets classified as held for sale are stated at the lower of their carrying amounts and fair value less costs to sell. These financial statements are presented in Renminbi ("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 2015. 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).

When the Company has, directly or indirectly, 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 in the accounting policy for subsidiaries. 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 (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) 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. CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*
Annual Improvements to IFRSs 2010–2012 Cycle
Annual Improvements to IFRSs 2011–2013 Cycle

The nature and the impact of each amendment is described below:

(a) Amendments to IAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.

(b) *The Annual Improvements to IFRSs 2010–2012 Cycle* issued in December 2013 sets out amendments to a number of IFRSs. Details of the amendments that are effective for the current year are as follows:

- IFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

- IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*: Clarifies the treatment of the gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets. The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.

- IAS 24 *Related Party Disclosures*: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from other entities.

(c) *The Annual Improvements to IFRSs 2011–2013 Cycle* issued in December 2013 sets out amendments to a number of IFRSs. Details of the amendments that are effective for the current year are as follows:

- IFRS 3 *Business Combinations*: Clarifies that joint arrangements but not joint ventures are outside the scope of IFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.

- IFRS 13 *Fair Value Measurement*: Clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 or IAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which IFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in IFRS 13.

- IAS 40 *Investment Property*: Clarifies that IFRS 3, instead of the description of ancillary services in IAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. The amendment has had no impact on the Group as there was no acquisition of investment properties during the year and so this amendment is not applicable.

In addition, the Company has adopted the amendments to the Listing Rules issued by the Hong Kong Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

3. OPERATING SEGMENT INFORMATION

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

(a) Petrochemicals segment engages in the provision of engineering, procurement and construction ("EPC") services to ethylene and downstream petrochemicals producers, which includes design-building of ethylene production facilities, renovating and rebuilding existing ethylene cracking furnaces and technology consultancy, engineering, procurement and construction management services;

(b) Coal-to-chemicals segment engages in the provision of a broad range of EPC services to coal-to-chemicals producers;

(c) Oil refinery segment engages in the provision of procurement and construction management services to the project owners for the construction of oil refineries; and

(d) The other products and services segment engages in the provision of services for other industries, such as fine chemical production facilities and the manufacture of integrated piping systems.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude property, plant and equipment, investment properties, prepaid land lease payments, goodwill, other intangible assets, an investment in an associate, long-term prepayments, an amount due from a related company, amounts due from fellow subsidiaries, an amount due from the ultimate holding company, deposits and other receivables, pledged bank balance and time deposits, cash and bank balances and assets classified as held for sale as these assets are managed on a group basis.

Segment liabilities exclude other payables and accruals, derivative financial instruments, interest-bearing bank and other borrowings, an amount due to a related company, an amount due to an associate, dividends payable, tax payable, finance lease payables, government grants and deferred tax liabilities as these liabilities are managed on a group basis.

Operating segments

Year ended 31 December 2015	Petrochemicals *RMB'000*	Coal-to-chemicals *RMB'000*	Oil refinery *RMB'000*	Other products and services *RMB'000*	Total *RMB'000*
Segment revenue					
Sales to external customers	**580,403**	**3,288,322**	**1,540,567**	**4,239**	**5,413,531**
Intersegment sales	**5,599**	**97**	**–**	**–**	**5,696**
Total revenue	**586,002**	**3,288,419**	**1,540,567**	**4,239**	**5,419,227**
Reconciliation:					
Elimination of intersegment sales					**(5,696)**
Revenue					**5,413,531**
Segment results	**56,917**	**525,370**	**237,502**	**(2,909)**	**816,880**
Reconciliation:					
Unallocated income					**513,805**
Unallocated expenses					**(598,259)**
Share of profit of an associate					**458**
Finance costs					**(421,877)**
Profit before tax					**311,007**
Segment assets	**926,967**	**2,969,691**	**1,299,765**	**20,943**	**5,217,366**
Reconciliation:					
Elimination of intersegment receivables					**(6,678)**
Assets classified as held for sale					**116,210**
Corporate and other unallocated assets					**3,840,014**
Total assets					**9,166,912**
Segment liabilities	**542,048**	**2,066,865**	**3,216,856**	**334,499**	**6,160,268**
Reconciliation:					
Elimination of intersegment payables					**(6,920)**
Corporate and other unallocated liabilities					**890,564**
Total liabilities					**7,043,912**
Other segment information					
Share of profit of an associate					
Unallocated					**458**
Depreciation and amortisation					
Unallocated					**82,228**
Investment in an associate					
Unallocated					**2,037**
Capital expenditure*					
Unallocated					**6,742**

* Capital expenditure consists of additions to property, plant and equipment and other intangible assets.

Year ended 31 December 2014	Petrochemicals *RMB'000*	Coal-to-chemicals *RMB'000*	Oil refinery *RMB'000*	Other products and services *RMB'000*	Total *RMB'000*
Segment revenue					
Sales to external customers	2,326,346	4,337,473	287,931	40,363	6,992,113
Intersegment sales	4,626	16,003	–	–	20,629
Total revenue	2,330,972	4,353,476	287,931	40,363	7,012,742
Reconciliation:					
Elimination of intersegment sales					(20,629)
Revenue					6,992,113
Segment results	110,672	598,490	59,877	23,149	792,188
Reconciliation:					
Unallocated income					252,499
Unallocated expenses					(505,683)
Share of loss of an associate					(413)
Finance costs					(271,161)
Profit before tax					267,430
Segment assets	1,063,054	2,941,862	1,902,261	460,395	6,367,572
Reconciliation:					
Elimination of intersegment receivables					(38,936)
Corporate and other unallocated assets					2,411,144
Total assets					8,739,780
Segment liabilities	839,988	2,533,880	2,193,537	211,324	5,778,729
Reconciliation:					
Elimination of intersegment payables					(40,332)
Corporate and other unallocated liabilities					1,216,028
Total liabilities					6,954,425
Other segment information					
Share of loss of an associate					
Unallocated					(413)
Depreciation and amortisation					
Unallocated					78,821
Investment in an associate					
Unallocated					1,579
Capital expenditure*					
Unallocated					8,918

* Capital expenditure consists of additions to property, plant and equipment and other intangible assets.

Geographical information

Revenue from external customers

	2015	2014
	RMB'000	*RMB'000*
Mainland China	**3,714,695**	6,441,514
Venezuela	**1,528,369**	260,040
Saudi Arabia	**170,467**	290,559
	5,413,531	6,992,113

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

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:

	2015	2014
Customer A (Coal-to-chemicals segment)	**57.5%**	30.3%
Customer B (Oil refinery segment)	**28.2%**	N/A*
Customer C (Coal-to-chemicals segment)	**N/A***	15.2%
Customer D (Coal-to-chemicals segment)	**N/A***	11.9%
Customer E (Petrochemicals segment)	**N/A***	10.3%

* The revenue derived from each of these customers amounted to less than 10% of the Group's revenue during the year ended 31 December 2014 or 2015.

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents an appropriate proportion of contract revenue of construction contracts; the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered during the year.

An analysis of revenue and other income and gains is as follows:

	2015	2014
	RMB'000	*RMB'000*
Revenue		
Construction contracts	**5,301,285**	6,838,054
Sale of goods	**–**	1,832
Rendering of services	**112,246**	152,227
	5,413,531	6,992,113
Other income		
Government grants*	**696**	3,018
Interest income	**394,194**	215,912
Rental income	**46,654**	25,229
Others	**7,278**	2,536
	448,822	246,695
Gains		
Foreign exchange gains	**64,983**	5,804
	513,805	252,499

* 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:

	2015	2014
	RMB'000	*RMB'000*
Interest on bank loans wholly repayable within five years	**31,772**	64,820
Interest on discounted bills	**390,097**	206,325
Interest on finance leases	**8**	16
	421,877	271,161

6. PROFIT BEFORE TAX

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

	2015	2014
	RMB'000	*RMB'000*
Cost of inventories sold	**–**	1,140
Cost of services provided	**4,596,651**	6,198,785
Depreciation	**72,407**	69,210
Research and development costs	**173,506**	202,796
Amortisation of prepaid land lease payments	**4,453**	4,453
Amortisation of other intangible assets*	**5,368**	5,158
Impairment for inventories	**–**	3,142
Loss on disposal of items of property, plant and equipment	**389**	460
Minimum lease payments under operating leases	**18,886**	21,382
Auditors' remuneration	**4,588**	4,926
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	**539,889**	551,885
Equity-settled share option expenses	**55,365**	71,675
Retirement benefit scheme contributions	**57,258**	50,194
	652,512	673,754
Foreign exchange differences, net	**(64,983)**	(5,804)
Fair value loss, net		
Derivative instruments — transactions not qualifying as hedges	**–**	725

* The amortisation of other intangible assets for the year is included in "Administrative expenses" in the consolidated statement of profit or loss.

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. 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 and the United States of America as the Group did not have any assessable income arising in Hong Kong and the United States of America during the year ended 31 December 2015 (2014: Nil).

	2015	2014
	RMB'000	*RMB'000*
Current		
— Mainland China	**47,433**	17,638
— Elsewhere	**24,136**	36,539
Deferred	**922**	2,559
Total tax charge for the year	**72,491**	56,736

惠生工程(中國)有限公司 (Wison Engineering Limited, "Wison Engineering") was qualified as a "High and New Technology Enterprise" and was entitled to a preferential corporate income tax ("CIT") rate of 15%. In accordance with the requirements of the tax regulations in the PRC, Wison Engineering submitted its application to renew its "High and New Technology Enterprise" status for another three years ending 4 September 2017 and obtained the certification in 2014. Therefore, Wison Engineering was subject to CIT at a rate of 15% for the years ended 31 December 2015 and 2014.

惠生(揚州)化工機械有限公司 ("Wison Yangzhou") was subject to a CIT 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.

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

	2015	2014
	RMB'000	*RMB'000*
Profit before tax	**311,007**	267,430
At the statutory income tax rates	**77,752**	66,858
Lower tax rate enacted by local authority	**(43,392)**	(16,755)
Effect of different tax rates of branches operating in other jurisdictions	**5,194**	5,768
Tax losses utilised from previous years	**–**	(20,764)
Tax losses not recognised	**1,007**	3,827
Effect of withholding taxes on distributable profits of the subsidiaries in Mainland China	**14,734**	3,559
Additional tax deduction	**(13,091)**	(7,999)
Expenses not deductible for tax	**30,287**	22,242
Tax charge for the year	**72,491**	56,736

The share of tax attributable to an associate amounting to RMB61,000 (2014: RMB65,000) is included in "Share of profits/(losses) of an associate" in the consolidated statement of profit or loss.

8. DIVIDENDS

The Company did not declare any dividends for the years ended 31 December 2014 and 2015.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 4,064,622,000 (2014: 4,064,622,000) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2015 and 2014 as the share options in issue during those years have no dilutive effect.

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

	2015 ***RMB'000***	2014 *RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	**205,106**	179,038
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	**4,064,622,000**	4,064,622,000

10. TRADE AND BILLS RECEIVABLES

	2015 ***RMB'000***	2014 *RMB'000*
Trade receivables	**227,941**	536,603
Bills receivable	**84,033**	479,419
Impairment	**(765)**	(765)
	311,209	1,015,257

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 90 days or the respective contracts' retention period. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management.

Trade and bills receivables are unsecured and non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date, and net of provision for doubtful debts, is as follows:

	2015	2014
	RMB'000	*RMB'000*
Trade and bills receivables:		
Less than 3 months	**106,960**	542,164
4 to 6 months	**33,319**	7,640
7 to 12 months	**27,849**	9,608
Over 1 year	**143,081**	455,845
	311,209	1,015,257

The movements in provision for impairment of trade and bills receivables are as follows:

	2015	2014
	RMB'000	*RMB'000*
At 1 January	**765**	765
Impairment for the year	**–**	–
At 31 December	**765**	765

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB765,000 (2014: RMB765,000) with a carrying amount before provision of RMB765,000 (2014: RMB765,000).

The individually impaired trade receivables relate to customers that were in financial difficulties or were in default in interest and/or principal payments and only a portion of the receivables is expected to be recovered.

The ageing analysis of the trade and bills receivables that are not considered to be impaired is as follows:

	2015	2014
	RMB'000	*RMB'000*
Neither past due nor impaired	**196,204**	545,120
Less than 3 months	**11,395**	7,640
4 to 12 months	**26,862**	9,608
Over 1 year	**76,748**	452,889
	311,209	1,015,257

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

The amounts due from fellow subsidiaries and a related company included in the trade receivables are as follows:

	2015	2014
	RMB'000	*RMB'000*
Fellow subsidiaries		
舟山惠生海洋工程有限公司 ("Zhoushan Wison")	**1,261**	396,677
Wison Offshore & Marine Ltd. ("Wison Marine Engineering")	**4,452**	3,850
Related company		
陝西長青能源化工有限公司 ("Shaanxi Changqing", which was not a related company of the Group at 31 December 2015)*	**–**	500

* Shaanxi Changqing was indirectly owned as to 13.2% by Mr. Hua Bangsong, a beneficial shareholder of the Company at 31 December 2014.

Transferred financial assets that are not derecognised in their entirety

At 31 December 2015, Wison Engineering endorsed certain bills receivable accepted by banks in Mainland China (the "Endorsed Bills") with a carrying amount of RMB30,233,000 (2014: RMB336,500,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the trade payables settled by the Endorsed Bills during the year ended 31 December 2015 to which the suppliers have recourse was RMB30,233,000 (2014: RMB336,500,000) as at 31 December 2015.

Transferred financial assets that are derecognised in their entirety

At 31 December 2015, Wison Engineering endorsed certain bills receivable accepted by banks in Mainland China (the "Derecognised Bills") to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB707,650,000 (2014: RMB353,630,000). The Derecognised Bills had a maturity of one to six months at 31 December 2015. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the year ended 31 December 2015, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The endorsement has been made evenly throughout the year.

11. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	2015	2014
	RMB'000	*RMB'000*
Cash and bank balances	**571,577**	440,919
Time deposits with original maturity of less than three months	**695,032**	230,853
Time deposits with original maturity of more than three months	**1,244,244**	170,684
	2,510,853	842,456
Less: Pledged bank balances and time deposits	**(1,257,417)**	(300,180)
Unpledged cash and cash equivalents	**1,253,436**	542,276
Less: Frozen and unpledged bank balance	**–**	(145,844)
Unpledged and unfrozen cash and cash equivalents	**1,253,436**	396,432

At 31 December 2015, bank deposits of RMB1,256,558,000 (2014: RMB149,328,000) were placed as guarantee deposits for performance of certain construction contracts and for the tendering process.

At 31 December 2015, bank deposits of RMB859,000 (2014: RMB12,187,000) were pledged to a bank as security to obtain a letter of credit facility for the purchase of imported equipment.

At 31 December 2014, bank deposits of RMB138,665,000 were pledged to a bank as security to obtain certain forward currency contracts.

At 31 December 2015, the cash and bank balances of the Group denominated in RMB amounted to RMB204,079,000 (2014: RMB357,652,000). The RMB is not freely convertible into other currencies, however, under Mainland China'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 authorised to conduct foreign exchange business.

As at 31 December 2014, certain bank accounts of Wison Engineering of RMB192,172,000 were frozen by the PRC regulatory authorities as part of their investigations. Among the total frozen bank balances, RMB46,328,000 was pledged bank balances and time deposits. All the frozen bank balances were released in 2015.

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:

	2015	2014
	RMB'000	*RMB'000*
Less than 1 year	**2,573,909**	3,508,792
1 to 2 years	**479,091**	314,057
2 to 3 years	**212,502**	74,317
Over 3 years	**69,886**	43,887
	3,335,388	3,941,053

The amount due to a related company included in the trade payables is as follows:

	2015	2014
	RMB'000	*RMB'000*
Related Company		
江蘇新華化工機械有限公司 (Jiangsu Xinhua Chemical Engineering Co., Ltd. ("Jiangsu Xinhua"))	**949**	4,334

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

13. SHARE CAPITAL

Shares

	2015	2014
Number of ordinary shares		
Authorised:		
Ordinary shares of HK$0.1 each	**20,000,000,000**	20,000,000,000
Issued:		
Ordinary shares of HK$0.1 each	**4,064,622,000**	4,064,622,000

	2015	2014
	RMB'000	*RMB'000*
Authorised:		
Ordinary shares of HK$0.1 each	**1,622,757**	1,622,757
Issued:		
Ordinary shares of HK$0.1 each	**329,803**	329,803

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The Company's independent auditor has expressed a qualified opinion in its auditor's report on the Group's consolidated financial statements for the year ended 31 December 2015, an extract of which is as follows:

Basis for qualified opinion

Impairment of trade receivables and amounts due from contract customers

The Group had outstanding trade and bills receivables of RMB311,209,000 and RMB1,015,257,000 as of 31 December 2015 and 2014 and amounts due from contract customers of RMB4,033,219,000 and RMB3,242,274,000 as of 31 December 2015 and 2014, respectively, of which trade receivables of RMB59,933,000 and RMB455,057,000 as of 31 December 2015 and 2014, respectively, and amounts due from contract customers of RMB1,037,066,000 and RMB1,038,005,000 as of 31 December 2015 and 2014, respectively, have been identified as overdue in accordance with the contract terms. The Group has recorded an impairment provision of RMB765,000 as of 31 December 2015 and 2014, against the balance of trade receivables. We were unable to obtain sufficient evidence on the recoverability of the overdue trade receivables of RMB59,933,000 and RMB455,057,000, and the overdue amounts due from contract customers of RMB1,037,066,000 and RMB1,038,005,000 as of 31 December 2015 and 2014, respectively. Accordingly, we were unable to satisfy ourselves regarding the adequacy of the impairment provision against the balance of trade receivables and amounts due from contract customers as at 31 December 2015 and 2014. Any under-provision for these balances would reduce the net assets of the Group as at 31 December 2015 and 2014 and decrease the Group's net profit for the years ended 31 December 2015 and 2014.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraph, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of matter

Without further qualifying our opinion, we draw attention to note 1.1 to the announcement. As of 31 December 2015, the Group's net current assets amounted to RMB791,241,000. However, included in the Group's current assets as at 31 December 2015 were overdue trade receivables and overdue amounts due from contract customers of RMB59,933,000 and RMB1,037,066,000, respectively. These conditions, along with other matters as set forth in note 1.1 to the announcement, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

PURCHASES, SALE AND REDEMPTION OF LISTED SECURITIES

The Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company during the year ended 31 December 2015.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2015.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Reference is made to the announcements of the Company dated 19 September 2013 and 19 December 2013, where the Company announced that Mr. Choy Sze Chung Jojo has resigned from his position as an independent non-executive Director, the Chairman of the Audit Committee and a member of the Nomination Committee of the Company, with effect from 19 September 2013, due to his intention to pursue other business opportunities. Reference is also made to the announcement of the Company dated 30 March 2015 where the Company announced the appointment of Mr. Lawrence Lee as an independent non-executive director, the chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee. Therefore, during the period commencing from 19 September 2013 to 30 March 2015, (i) the number of the independent non-executive Directors has fallen below the minimum number required under Rules 3.10(1) and 3.10A of the Listing Rules; (ii) the number of members of the Audit Committee has fallen below the minimum number required under Rule 3.21 of the Listing Rules; (iii) there is a vacancy for chairman of the Audit Committee as required under Rule 3.21 of the Listing Rules; (iv) the Company has failed to comply with the requirements under Rule 3.10(2) of the Listing Rules that at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise; and (v) the number of the independent non-executive Directors has fallen below the minimum number required under Code Provision A.5.1 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the "Corporate Governance Code"). After the appointment of Mr. Lawrence Lee, the Company has complied with the above requirements of the Listing Rules and the Corporate Governance Code.

At the annual general meeting of the Company held on 26 June 2015, Mr. Wu Jianmin retired by rotation but did not offer himself for re-election. Therefore, following the retirement of Mr. Wu Jianmin, (i) the number of the independent non-executive Directors has fallen below the minimum number required under Rule 3.10(1) of the Listing Rules; (ii) the number of members of the Audit Committee has fallen below the minimum number required under Rule 3.21 of the Listing Rules; and (iii) the number of the independent non-executive Directors has fallen below the minimum number required under Code Provision A.5.1 of the Corporate Governance Code. Reference is made to the announcement of the Company dated 7 December 2015 where the Company announced the appointment of Mr. Tang Shisheng as an independent non-executive director, the chairman of the Nomination Committee, a member of the Audit Committee and the Remuneration Committee. Following the appointment of Mr. Tang Shisheng, the Company has complied with the above requirements under the Listing Rules and the Corporate Governance Code.

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the Corporate Governance Code.

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 10 to the Listing Rules as its code of conduct regarding directors' securities transactions. All directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code during the year ended 31 December 2015.

AUDIT COMMITTEE

The Company established an Audit Committee with written terms of reference in compliance with the Corporate Governance Code. As at the date of this announcement, the Audit Committee comprises the three independent non-executive Directors of the Company, namely, Mr. Lawrence Lee, Mr. Tang Shisheng and Mr. Feng Guohua. Mr. Lawrence Lee is the Chairman of the Audit Committee.

The Audit Committee has reviewed and discussed the annual results for the year ended 31 December 2015.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The annual results announcement is published on the website of the Stock Exchange (http://www.hkexnews.hk) and that of the Company (http://www.wison-engineering.com). The annual report will be dispatched to the shareholders and will be available on the website of the Stock Exchange and that of the Company in due course.

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

Hong Kong, 24 March 2016

As at the date of this announcement, the executive Directors of the Company are Mr. Liu Haijun and Mr. Zhou Hongliang; the non-executive Director of the Company is Mr. Cui Ying; and the independent non-executive Directors of the Company are Mr. Lawrence Lee, Mr. Tang Shisheng and Mr. Feng Guohua.