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WISON ENGINEERING SERVICES CO. LTD.
惠生工程技術服務有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2236)

INTERIM RESULTS ANNOUNCEMENT

FOR THE SIX MONTHS ENDED JUNE 30, 2013

Highlights:

- Our revenue for the six months ended June 30, 2013 amounted to approximately RMB1,993,117,000, representing an increase of 131.3% from approximately RMB861,725,000 recorded in the corresponding period in 2012.
- Our gross profit for the six months ended June 30, 2013 amounted to approximately RMB355,002,000, representing an increase of 92.8% from RMB184,121,000 recorded in the corresponding period in 2012.
- Our net profit for the six months ended June 30, 2013 amounted to approximately RMB34,196,000, representing an increase of 1,423.9% from approximately RMB2,244,000 recorded in the corresponding period in 2012.
- Profit attributable to owner of the parent for the six months ended June 30, 2013 amounted to approximately RMB22,046,000, representing an increase of 7,224.3% from approximately RMB301,000 recorded in the corresponding period in 2012.
- The Board declared an interim dividend of RMB0.057424 per share for the six months ended June 30, 2013.

BUSINESS OVERVIEW

MARKET CONDITION

Heading into 2013, while the global economy remains subject to uncertainties, the general situation has improved. The United States and other advanced economies have seen clear signs of recovery, whereas emerging economies, including China, have sustained economic growth, continuing to boost demand for energy products and related energy services.

Worldwide energy investments have shown trend of shifting towards emerging economies in regions with abundant energy reserves such as Middle East, Africa and Southeast Asia, while the "shale gas revolution" in North America has largely driven the growth in downstream chemicals sector investment. Above regions are all amongst the targets for overseas business expansion of Wison Engineering Services Co. Ltd. (the "Company") and its subsidiaries (the "Group").

On the domestic front, continued efforts in urbanization and industrialization, together with rising emerging industries, are the driving forces behind the increasing demand for petroleum-related and other chemical products, which promoted industrial upgrades and technological advancements in related engineering services. During the Twelfth Five-Year Plan period, the PRC government has been vigorous in promoting energy savings and emissions reduction, phasing out obsolete production capacity, which expedited the structural adjustment of oil refining and chemical industries. Meanwhile, the government attaches great importance to sustainable development, and has been encouraging the use of clean energies such as natural gas. This is accompanied by increasing reliance on energy product imports caused by contradictions between rapid economic growth and resource structure. These factors have unleashed vast potential for domestic coal-to-chemicals projects such as coal-to-liquid and coal-to-gas. New coal-to-chemicals technologies have gained widespread attention and government support, and the coal- and natural gas (including LNG)-based energy and chemical industries are becoming increasingly important.

In the first half of 2013, more than ten new coal-to-chemicals projects with a total investment of between RMB200 billion and RMB300 billion were approved by the National Development and Reform Commission (the "NDRC") for the commencement of preliminary work. In addition, declining coal prices also contributed to the profitability of coal-to-chemicals projects. These factors have created a favorable environment for the coal-to-chemicals engineering industry, enabling it to become the major growth point of domestic chemical engineering industries in the first half of 2013. Furthermore, clients for these new coal-to-chemicals projects are more dependent on one-stop integrated services provided by specialized engineering firms due to the large-scale investment associated with such projects and the differences in industry due to their own sectors, thereby creating bountiful opportunities for the EPC service providers, including the Group.

FINANCIAL HIGHLIGHTS

In accordance with the three development strategies formulated at the beginning of this year — "business diversification", "strengthening technological R&D and innovation capabilities" and "improving operational management backed by talents base and information technology", the Group recorded better performance for the six months ended June 30, 2013 (the "Period under Review") as compared to the same period of last year through effective project management and operational management. During the Period under Review, the Group's revenue amounted to approximately RMB1,993.1 million, representing a year-on-year increase of 131.3% (first half of 2012: approximately RMB861.7 million). Gross profit increased by 92.8% from the same period last year to RMB355.0 million (first half of 2012: approximately RMB184.1 million). The significant increases in revenue and gross profit are attributable to the smooth progress of projects and to the fact that a number of projects have entered into the principal construction phase. Profit after tax increased by 1,454.5% year-on-year to RMB34.2 million (first half of 2012: approximately RMB2.2 million), while profit after tax attributable to owners of the parent company increased by 7,233.3% from the same period last year to RMB22.0 million (first half of 2012: approximately RMB0.3 million).

During the Period under Review, the Group continued to actively expand its customer base, with new contract value, net of estimated Value added tax ("VAT"), amounting to RMB7,503.5 million (first half of 2012: RMB18,606.6 million), of which coal-to-chemicals, oil refineries, petrochemicals and other products and services business segments accounted for 84.3%, 0.3%, 3.8% and 11.6%, respectively. Backlog rose to approximately RMB30,246.1 million (first half of 2012: approximately RMB29,243.5 million), of which coal-to-chemicals, oil refineries, petrochemicals and other products and services business segments accounted for 60.9%, 19.5%, 17.1% and 2.5%, respectively. The new contract value and increase in backlog were mainly attributable to the contribution from the coal-to-chemicals segment, demonstrating the Group's business diversification strategy.

BUSINESS REVIEW

Business Diversification

Coal-to-chemicals

During the Period under Review, thanks to China's favorable policies towards the new coal-to-chemicals industry, coupled with the Group's endeavors, the Group continued to record satisfactory performance in the coal-to-chemicals business. Revenue from coal-to-chemicals business increased by 55.9% year-on-year to RMB811.7 million, accounting for approximately 40.7% of the Group's total revenue, which was primarily attributable to steady progress in a number of major projects, including the Baoji Methanol Project of Xuzhou Coal Mining Group, the Erdos Guotai Chemical Coal-to-Methanol Project and the Pucheng Polyethylene Plant Project and Pucheng Public Utility and Ancillary Facilities Project in Shaanxi, with the highest revenue contribution made from Pucheng projects which have entered into its principal construction phase. In addition, the Group took on competitive bidding measures for certain projects in order to expand its market share, resulting in 11.8 percentage points decline year-on-year in the business' gross profit margin to 13.9%. Backlog and new contract value, net of estimated VAT, were approximately RMB18,417.7 million and RMB6,323.7 million, respectively, representing an increase of 11.2% and a decrease of 43.2%, year-on-year, respectively. The drop in new contract value was mainly due to the nature of the Group's individual contract value being volatile.

With its proprietary new coal-to-chemicals technologies and proven track record, as well as factors including strong economic demand in China and significant investments in the new coal-to-chemicals industry, the Group entered into a number of new contracts during the Period under Review. In particular, the Group entered into three contracts with Shanxi Lu'An Mining (Group) Co., Ltd. (山西潞安礦業(集團)有限責任公司) — a basic engineering design contract, an EPC contract for coal gasification plant and a procurement and construction (PC) contract for the purification unit, all OSBL process and heat-supply pipelines of its High Sulfur Coal-to-Liquid, Chemical, Heat and Power Integration Project, an indirect coal liquefaction project. During the Period under Review, the basic design of the utilities was completed by the end of June 2013; the basic design of the coal gasification plant progressed smoothly and will be completed by the end of August 2013; the PC project for the purification unit, all OSBL plant and heat-supply pipelines has also commenced.

In June 2013, the Group announced that it has entered into a procurement and construction (PC) contract with Shandong Yangmei Hengtong Chemicals Company Limited for the 300kta methanol-to-olefins (MTO) project. Pursuant to this, the Group will be responsible for the procurement of equipment and materials, construction and project management for the Yangmei Hengtong Project. The Group will also participate in the trial run and examination of the project. The Group has commenced the procurement and initial construction works. Prior to this, both parties entered into a technology license, process design package compilation and technology service contract in August 2012 in relation to the Yangmei Hengtong Project, pursuant to which the Group will utilize its proprietary olefins separation technology in the project and will provide basic and detailed design services. This is another showcase of the Group providing one-stop EPC services ranging from patent licensing, design, procurement and construction.

After entering into a master planning contract and EPC contract with Jiangsu Sailboat Petrochemical Co., Ltd. to provide design and EPC services for its Alcohol Based Cogeneration Project (Phase I) in May 2012, the Group won a technology licensing contract in relation to the MTO olefins separation unit during the Period under Review. Currently, the basic design part of the project has been completed.

During the Period under Review, the Group has made substantial progress in the following projects: both Baoji Methanol Project of Xuzhou Coal Mining Group and Jinchengtai Methanol Project experienced successful start-ups for production in May 2013; the Pucheng Polyethylene Plant Project and the Pucheng Public Utility and Ancillery Facilities Project in Pucheng, Shaanxi both progressed smoothly; the Inner Mongolia Guotai Chemical 400 ktpa Coal-to-Methanol Project also made steady headway, reaching the project construction phase.

Petrochemicals

For the six months ended June 30, 2013, revenue of the Group's petrochemicals business segment jumped 407.3% as compared to the corresponding period of last year to RMB660.0 million, accounting for approximately 33.1% of the Group's total revenue, primarily attributable to the contribution from the Sichuan Shengda Projects and the Saudi Benzene Mitigation Project. Gross profit margin of the petrochemicals business segment rose by 4.5 percentage points year-on-year to 20.7%, which is due to the fact that the gross profit margin in petrochemicals was relatively low for the six months ended June 30, 2012, primarily attributable to miscellaneous additional costs associated with fine tuning of the machinery and equipment or small modifications related to various installations being recognized. In addition, the new contract value and backlog of the petrochemicals business segment amounted to RMB287.2 million and RMB5,158.6 million, respectively, during the Period under Review, representing declines of 25.2% and 8.4% year-on-year.

During the Period under Review, the largest new contract awarded was for the 20 ktpa Hexene Unit-1 of the newly built ethylene plant of PetroChina Dushanzi Petrochemical Company ("PetroChinaDushanzi"). This marks another cooperation with the project owner since the completion of PetroChinaDushanzi 10 mtpa Oil Refinery and 1 mtpa Ethylene Complex Project in 2009, which fully demonstrated client's recognition of the Group's outstanding project execution capabilities.

In line with the strategy of business diversification, the Company was continuing to enlarge its client base during the Period under Review. The Company was awarded contracts from different local and foreign new customers, such as Sichuan Lu Tian Hua, Shandong Chambroad Petrochemicals, Honeywell, Zhangjiagang Yangzijiang Petrochemical and Xinjiang Dushanzi Tianli Industrial.

Among the Group's main projects under construction, the Chongqing BASF MDI Project entered the on-site construction phase during the Period under Review, and the Saudi Benzene Mitigation Project entered into its principal construction phase during the Period under Review.

Oil refineries

As some of the Group's major oil refineries projects have not entered into the principal construction phase, revenue from this business segment declined by 89.2% year-on-year to RMB36.0 million, amounting to approximately 1.8% of total revenue. This was mainly due to the fact that the oil refinery projects under construction have been mainly completed in previous year and other oil refinery projects have not entered into their principal construction phase. Due to the additional costs associated with some modifications related to various projects installations, gross profit margin dropped from the same period last year to -24.7%. The Group recorded new contract value of RMB23.6 million, representing a decrease of 99.6% year-on-year, whereas the backlog value amounted to RMB5,904.9 million, representing a decrease of 1.0% year-on-year. Based on its extensive experience in and in-depth understanding of the oil refining business, the Group remains cautiously optimistic about new contract prospect for the second half of the year.

In the first half of 2013, the Group has been making steady progress in its oil refinery projects under construction. A dedicated team of project management and execution for the Deep Conversion Project at the Puerto La Cruz Refinery in Venezuela has been organized and related design and procurement work has already commenced during the Period under Review.

Other products and services

In addition to its three core business segments, the Group's other products and services segment also recorded satisfactory performances during the Period under Review. Revenue from this segment increased by 467.1% year-on-year to RMB485.4 million, accounting for approximately 24.4% of total revenue. This was primarily attributable to the contribution from the Saudi De-Bottlenecking (DBN) Project and the Zhoushan Wison Offshore&Marine Fabrication Yard Project. Gross profit margin of this segment grew by 9.7 percentage points from the same period last year to 23.5%. The Group recorded revenue of approximately RMB6.4 million from the integrated pining systems composed of heat-resistant alloy tubes and fittings manufactured and sold by Wison (Yangzhou) Chemical Machinery Co., Ltd. ("Wison Yangzhou"), a wholly-owned subsidiary of the Group, representing a decrease of 5.9% year-on-year.

The Group's first major overseas EPC project, the Saudi De-Bottlenecking (DBN) EPC Project, was mechanically completed during the Period under Review.

Steady expansion into overseas markets

In the first half of 2013, the Group successfully opened branches in Houston, the U.S. and Abu Dhabi, the United Arab Emirates, in preparation for further expansion into North American and the Middle East markets.

Moreover, during the Period under Review, the Saudi De-Bottlenecking (DBN) EPC Project, the Group's first major overseas EPC project, was mechanically completed. The Saudi Benzene Mitigation Project entered into the principal construction phase during the Period under Review. In addition, the design and procurement work for the Deep Conversion Project at the Puerto La Cruz Refinery in Venezuela commenced during the Period under Review.

Strengthened Efforts in Technological Innovation

The Group's success lies in our strong research and development capability. During the Period under Review, the Group actively conducted in-depth research on methanol-to-olefins unit technology, butene oxidization and dehydrogenation to butadiene technology, coal-to-ethylene glycol technology and coal-to-synthetic natural gas technology. The butene oxidization and dehydrogenation to butadiene technology has now reached the mature condition for commercialization. Leveraging its proprietary methanol-to-olefins separation technology, the Group has entered into an MTO olefin separation technology license agreement for the Jiangsu Sailboat Alcohol Based Cogeneration Project in the first half of 2013. During the Period under Review, the Group has been awarded 8 patents, and has 3 pending patent applications and 1 pending application for software copyrights.

The Group also stepped up its efforts in forging cooperative relationships with external parties. In June 2013, the Group signed a cooperation agreement with a subsidiary of Foster Wheeler's Global Engineering and Construction Group and Clariant International AG to build a substitute natural gas (SNG) technology pilot plant, which will be managed and operated by the Group and the plant is expected to go on-stream in China by the end 2013. This represents an important cooperation between the three parties in the SNG area, which lays a solid foundation for the Group's future expansion into the global SNG market.

Further, the Group collaborated with Tianjin University during the Period under Review to co-establish the "Tianjin University — Wison Research & Development Center for Energy and Chemical Technologies". This Center will undertake the development and engineering of new coal to chemicals technologies, and conduct exclusive research on innovative and cutting-edge technologies in the energy and chemical sector which are recognized by both parties. Upon its completion in the next few years, the joint research and development center aims to become an important state-level joint research and development center in the energy and chemical industry in China.

The Group also used part of proceeds from the listing for the construction of two research and development centers to strengthen its research and development capability and hone its competitive edge through its proprietary technology. The Shanghai research and development center will focus on research studies in new coal-to-chemicals technologies, new chemical technologies and new high polymer materials. The extension of a catalyst laboratory, a reaction laboratory and a process laboratory is underway, and an application to become a state-level R&D center will be filed. The Beijing design, research and development center will focus on research and development of new petrochemical process technology and new energy-saving and consumption-reduction technology.

The research and development and design teams also grew steadily during the Period under Review. As of June 30, 2013, the research and development team consisted of 55 full-time employees and part-time professional consultants in total, and the design and engineering center had 835 employees.

Comprehensive improvement in operational management

Enhanced information technology, optimized engineering system

In project information aspect, the Group introduced and gradually implemented its extensive plans of "digitization", "cloud computing" and "full life cycle". By leveraging advanced information tools to upgrade its project delivery model — in particular to digitalize its engineering services, which could have the project owners in operation management, maintenance and repair management and central control unit to construct the state-of-the-art visual management.

To further reinforce its project engineering capability, the Group developed a series of management measures during the Period under Review, including improving its integrated engineering capability in three dimensions, i.e. project management, specialty department management and regional management; establishing closer connections between engineering and sales, procurement and construction to unlock the value of professional engineering in sales and procurement; making comprehensive enhancements to cost control by improving the organizational structure of the engineering center and carrying out engineering grade ranking assessment. The optimized engineering management will significantly enhance the Group's technological capability as well as its ability to acquire new orders.

Reinforced human resources acquisition capability, boosted organizational development

In an attempt to cater to its business growth, the Group improved its talent recruitment network to attract more regional caliber staff during the Period under Review. The number of newly hired employees was 196 during the Period under Review, of which 124 were middle or high-level technical talents. There was also steady improvement made to corresponding talent cultivation and development system as well as human resources management system.

In addition, to cope with the execution requirements of overseas projects, an advisory team comprising overseas project management experts and consultants was formed. This will provide the Group's overseas project execution teams with guidance throughout the project cycle, from quotation to actual execution, so as to minimize the risks while strengthening the delivery capability of overseas projects. Promising candidates will be selected for intensified training to become outstanding overseas project managers.

As at June 30, 2013, the Group had a total of 1,839 employees.

AWARDS AND RECOGNITION

Wison Engineering Ltd. was awarded as an "Outstanding Contractor" by Pucheng Clean Energy Chemical Co., Ltd. in March 2013, in recognition of the Group's superior project management capability.

In addition, the Group had been designated as a constituent of the MSCI Global Small Cap Indices in May 2013, which demonstrates investors' acknowledgement of the Group's business model, strengths and prospects, enhancing the Company's position in international capital markets.

OUTLOOK

Looking into the second half of 2013 and the coming few years, the global economy is expected to maintain steady growth momentum amid the complex and evolving environment, thus driving global demand for oil and gas, as well as for related downstream products. The growth pace of domestic and overseas capital investment in oil refining and petrochemicals will remain stable, and the same is expected for production capacity expansion. "The Innovative Capability Plan for National Development during the Twelfth Five-year Plan" (「十二五」國家自主創新能力建設規劃) issued in the first half of 2013 by the NDRC encourages innovations in major energy-saving and emission-reducing efforts such as new coal-to-chemicals technologies. Meanwhile, the designation of coal-to-chemicals technologies such as coal-to-olefins and coal-to-natural gas as key areas of innovative development is anticipated to benefit the industry. A healthy policy and economic environment has propelled technological advancement both at home and overseas, pushed for structural adjustment in the industry, with projects getting larger in scale featured with higher degrees of intensification, which in turn implies enormous potential for the Group's future development.

Against the backdrop of such opportunities, as the largest privately-owned chemical EPC service provider in China, the Group will continue to implement its strategies of diversification in terms of customer base, geographical reach and business portfolio, consolidating its leading position in China while also actively tapping into overseas markets by focusing on capturing business opportunities across the Latin America, Middle East, Africa and Southeast Asia. The Group's strategic focuses for the second half of the year include: strengthening relationships with major existing clients, creating a virtuous cycle in cooperating with them; attaching great importance to promotion of its proprietary technologies — including new Shell-Wison hybrid gasification technology, coal-to-ethylene glycol technology and butene oxidization and dehydrogenation technology — to drive business growth through technological innovation; boosting efforts in obtaining design and consultation contracts as a solid foundation for acquiring EPC contracts; and seeking collaboration with peer engineering companies around the globe to establish mutually beneficial relationships. Furthermore, the Group will fully explore and exploit resources in various marketplaces, trying to enhance its ability of resource integration in preparation for vertical extension of served business fields as well as horizontal expansion of service scope to accommodate clients' evolving needs.

The Group will carry on exerting efforts in innovative Research & Development capabilities and accelerate the process of commercial application of core technologies. Apart from utilizing established cooperation platforms such as the Tianjin University — Wison R&D Center for Energy and Chemical Technologies to deepen technological research, the Group will keep seeking strong partners, enriching its technological reserves by reinforcing technological development capabilities, so as to promote sustainable business development of the Group. In addition to further consolidating its strengths in new coal-to-chemicals technology R&D, in line with the business diversification strategy, the Group plans to establish a specialized team dedicated for modularization design in order to facilitate its development in upstream areas such as LNG and oil & gas pre-processing modularization.

Regarding project management abilities, along with continuously strengthening our competitive edges in project procurement, construction and HSE management, the Group will aim to standardize technology management, and focus on improving project engineering efficiency as well as overall engineering capabilities. Standardization in project management will be supported by information technology; meanwhile, the Group will also build up an overseas project team, gradually establish overseas project resource database and strengthen the ability to integrate outsourced engineering, procurement and construction subcontractors in the global markets in order to quickly elevate its overseas project execution ability.

As for other operational management areas, the Group will constantly strengthen its financial management, optimize its capital structure, and consolidate to build a unified capital management platform, while at the same time, set up financial management systems in relation to overseas financing, tax planning and budget management, therefore paving the way for business expansion and project management in overseas markets. In terms of human resources, the Group will continue to attract top industry talents through competitive remuneration packages and promising opportunities for career development. In addition to strengthening staff training, the Group will also develop a system for cultivating talents for key positions, serving to support the Group's sustainable development.

As the year 2013 is the first year after the listing of the Company, the Group looks forward to this year marking a good start of future development. Based on the measures outlined above, together with the concerted efforts of the staff, supports from customers, shareholders and the community, the Group is fully confident to deliver satisfactory results in terms of business performances, business development and corporate governance at the end of the first full year following its listing.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

In the six months ended June 30, 2013, the comprehensive revenue of the Group amounted to RMB1,993.1 million, representing an increase of RMB1,131.4 million, or 131.3%, from RMB861.7 million in the six months ended June 30, 2012. Details of comprehensive revenue breakdown by business segments are set out below:

Business segment	Six months ended June 30, **2013** *(RMB million)*	2012 *(RMB million)*	**Change**	**Change** %
Petrochemicals	**660.0**	130.1	529.9	407.3%
Oil refineries	**36.0**	125.2	-89.2	-71.2%
Coal-to-chemicals	**811.7**	520.8	290.9	55.9%
Other products and services	**485.4**	85.6	399.8	467.1%
	1,993.1	861.7	1,131.4	131.3%

In petrochemicals, revenue increased by RMB529.9 million, or 407.3%, from RMB130.1 million in the six months ended June 30, 2012 to RMB660.0 million in the six months ended June 30, 2013. The increase in revenue for our petrochemical business segment was primarily because Sichuan Shengda Project and Saudi Benzene Mitigation Project commenced operation during 2012. While they had revenue contribution in the six months ended June 30, 2013, they had no significant revenue contribution in the six months ended June 30, 2012.

In oil refineries, revenue decreased by RMB89.2 million, or 71.2%, from RMB125.2 million in the six months ended June 30, 2012 to RMB36.0 million in the six months ended June 30, 2013. The decrease was primarily because the Group's existing oil refinery projects were substantially completed in previous year and other oil refinery projects have not entered their principal construction phase. As such, the contract revenue of our projects in the oil refineries business segment in the six months ended June 30, 2013 significantly decreased as compared with that in the six months ended June 30, 2012.

In coal-to-chemicals, revenue increased by RMB290.9 million, or 55.9%, from RMB520.8 million in the six months ended June 30, 2012 to RMB811.7 million in the six months ended June 30, 2013. The increase was primarily due to the contribution in revenue as a result of the steady progress of the Erdos Guotai Chemical Coal-to-Methanol Project, the Pucheng Polyethylene Plant Project and Pucheng Public Utility and Ancillary Facilities Project in Shaanxi.

Revenue from other products and services increased by RMB399.8 million, or 467.1%, from RMB85.6 million in the six months ended June 30, 2012 to RMB485.4 million in the six months ended June 30, 2013. The increase was primarily because the steady progress of the Zhoushan Wison Marine Engineering Base Project and the Saudi De-Bottlenecking (DBN) Project, which were kicked off since May 2012.

Gross Profit and Gross Profit Margin

Gross profit of the Group increased by RMB170.9 million, or 92.8%, from RMB184.1 million in the six months ended June 30, 2012 to RMB355.0 million in the six months ended June 30, 2013. The gross profit margins of the Group in the six months ended June 30, 2012 and 2013 were 21.4% and 17.8% respectively. In the six months ended June 30, 2012, the gross profit margins for petrochemicals, oil refineries, coal-to-chemicals and other products and services business segments were 16.2%, 14.0%, 25.7% and 13.8%, respectively, while the gross profit margins in the six months ended June 30, 2013 were 20.7%, -24.7%, 13.9% and 23.5%, respectively.

The increase in the gross profit margin in petrochemicals business segment was primarily attributable to the adjustments in our cost recognition for the six months ended June 30, 2012, when miscellaneous additional costs associated with fine tuning the machinery and equipment or small modifications related to various installation were recognized at the end of the principal construction phases of the relevant projects, which gave rise to the relatively lower gross profits margin for the six months ended June 30, 2012.

The decrease in the gross profit margin in our oil refineries business segment was primarily attributable to the additional costs recognised in the six months ended June 30, 2013. These additional costs were associated with small modification related to various installation.

The decrease in the gross profit margin in coal-to-chemicals business was primarily attributable to the steady progress of the Pucheng Polyethylene Plant Project and Pucheng Public Utility and Ancillary Facilities Project. These two projects contributed a relatively low gross profit margin within the coal-to-chemicals segment.

The increase in gross profit margin in other products and services was mainly due to the steady progress of the Zhoushan Wison Marine Engineering Base Project and Saudi De-Bottlenecking (DBN) Project. These two projects contributed a relatively high proportion of revenue and gross profit margin within other projects and services business segment.

Other Income

Other income decreased by RMB5.2 million, or 31.3%, from RMB16.6 million in the six months ended June 30, 2012 to RMB11.4 million in the six months ended June 30, 2013. Government grants and interest income decreased by RMB1.6 million and RMB3.9 million, respectively.

Sales and Marketing Expenses

Sales and marketing expenses increased by RMB14.6 million, or 44.9%, from RMB32.5 million in the six months ended June 30, 2012 to RMB47.1 million in the six months ended June 30, 2013. We had an increase in expenses arising from the preliminary stage of the projects and overseas branches and an increase in employee expenses primarily due to an increase in business development activities.

Administrative Expenses

Administrative expenses increased by RMB89.3 million, or 133.7%, from RMB66.8 million in the six months ended June 30, 2012 to RMB156.1 million in the six months ended June 30, 2013. The increase was primarily due to the increase in employee expenses, business development expenses and exchange losses. The increase in employee expenses was primarily due to the increase in headcount for future projects and the amortization of share option expenses.

Other Expenses

Other expenses decreased by RMB24.1 million, or 46.3%, from RMB52.0 million in the six months ended June 30, 2012 to RMB27.9 million in the six months ended June 30, 2013. This decrease was primarily due to the decrease in research and development expenses.

Finance Costs

Finance costs increased by RMB25.9 million, or 48.9%, from RMB53.0 million in the six months ended June 30, 2012 to RMB78.9 million in the six months ended June 30, 2013. This increase was primarily due to an increase in our interest payment as a result of the increase in our overall borrowing in the six months ended June 30, 2013 compared to the six months ended June 30, 2012.

Income Tax Expenses

Income tax expenses increased by RMB27.8 million or 479.3%, from a credit of RMB5.8 million in the six months ended June 30, 2012 to RMB22.0 million in the six months ended June 30, 2013. The increase was primarily due to the increase in taxable income in the six months ended June 30, 2013.

Net Profit

Net profit increased by RMB32.0 million, or 1,454.5%, from RMB2.2 million in the six months ended June 30, 2012 to RMB34.2 million in the six months ended June 30, 2013. Our net profit margin was 0.3% in the six months ended June 30, 2012 and increased to 1.7% in the six months ended June 30, 2013. The increases of our net profit and net profit margin in the six months ended June 30, 2013 were primarily due to the increase of our revenue and overall gross profit.

Financial Resources, Liquidity and Capital Structure

The Group meets its working capital and other capital requirements principally with cash generated from its operations, borrowings and proceeds from the global offering.

As at June 30, 2013, the Group's pledged and unpledged cash and bank balances included the following amounts:

	June 30, 2013	December 31, 2012
	(Million)	
Hong Kong Dollar	**24.6**	1,261.6
US Dollar	**12.2**	20.4
Renminbi	**1,214.2**	1,011.5
Saudi Riyal	**51.4**	30.7
Euro	**0.2**	0.3
Indonesian Rupiah	**343.5**	169.4
Venezuelan Bolivar	**0.1**	0.1
Singapore Dollar	**0.2**	0.2

Interest-bearing bank and other borrowings of the Group as at December 31, 2012 and June 30, 2013 were set out in the table follow. The short-term debt of the Group accounted for 86.7% of the total debt (2012: 88.6%).

	June 30, 2013	December 31, 2012
	(RMB million)	
Current		
Bank loans repayable within one year		
— secured	**1,332.0**	1,865.5
— unsecured	**293.5**	400.0
	1,625.5	2,265.5
Finance lease payables	**0.2**	0.3
	1,625.7	2,265.8
Non-current		
Bank loans repayable in the second year		
— secured	**100.0**	140.0
Bank loans repayable in the third to fifth years		
— secured	**150.0**	150.0
	250.0	290.0
Finance lease payables	**0.3**	0.3
	250.3	290.3
	1,876.0	2,556.1

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

Period ended June 30, 2013	4.60% to 6.89%
Year ended December 31, 2012	3.74% to 7.92%

The maturity profile of interest-bearing bank and other borrowings as at December 31, 2012 and June 30, 2013, based on contractual undiscounted payments, is as follows.

	On demand	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Total**
			(RMB million)		
June 30, 2013					
Interest-bearing bank and other borrowings	**–**	**270.0**	**1,427.2**	**366.1**	**2,063.3**
Finance lease payables	**–**	**0.1**	**0.2**	**0.3**	**0.6**
December 31, 2012					
Interest-bearing bank and other borrowings	–	840.0	1,642.1	395.8	2,877.9
Finance lease payables	–	0.1	0.2	0.4	0.7

As at June 30, 2013, the gearing ratio of the Group, which was derived by dividing total debt by total equity, was 0.8x (2012: 1.2x). The ratio of total borrowings to total assets was 25.2% (2012: 33.3%). The Company was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on December 28, 2012 (the "Listing Date"). Net proceeds from the IPO, after deducting the underwriting commission and other estimated expenses in connection with the offering, amounted to approximately HK$1,364.3 million. The net proceeds are maintained in the bank account of the Group and will be used for purposes as set out in the section headed "Future plans and use of proceeds" in the prospectus of the Company dated December 13, 2012 (the "Prospectus"). If the Directors decide to use the net proceeds for purposes other than those as set out in the Prospectus, further announcement will be made by the Company in compliance with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Future plans for major investment projects

Apart from the construction and establishment of the national research & development centre in Shanghai and the construction and establishment of the engineering research & development centre in Beijing as disclosed in the Company's prospectus, the Group plans to activate the "Digital Delivery" program in the second half of 2013 with an estimated investment of approximately RMB19.0 million.

"Digital Delivery" lays the important foundation for the factories to implement "Intelligent Factory" and for cities to implement "Intelligent City". With the delivered content of the digital models provided by construction companies of the designed projects, factories and even cities can virtually achieve visual dynamic models, and the operation and training exercises of enterprises will be greatly facilitated.

Material Acquisitions and Disposals

During the six months ended June 30, 2013, the Group has not conducted any material acquisitions or disposals.

Capital Expenditure

During the six months ended June 30, 2013, the capital expenditure of the Group amounted to RMB181.1 million (in six months ended June 30, 2012: RMB161.2 million), including the investment for the construction of new office building of RMB306.7 million (in six months ended June 30, 2012: RMB115.2 million).

The total capital expenditure in respect of our new office building for the year ended December 31, 2013 is expected to be RMB600 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 bank balances and bank loans of the relevant entities. At present, the Group has not maintained any hedging policy against the foreign currency risk. However, the management monitors the related foreign currency exposure closely and will consider hedging significant currency exposure should the need arise.

Asset Security

As at June 30, 2013, bank deposits with carrying amounts of RMB406.6 million, property, plant and equipment with carrying amount of RMB120.9 million and leasehold interests on land with carrying amounts of RMB11.6 million were pledged as security for bank facilities and finance lease commitments of the Group.

Contingent Liability

In 2010, the Group submitted an application for special tax treatment under Circular No. 59 for Wison Energy Engineering (Hong Kong) Limited to transfer its entire equity interests in Wison Yangzhou and Wison Engineering Limited ("Wison Engineering"). To date, the relevant authorities have not reverted on this application. The Group calculated the prospective tax liability in relation to the transfer of equity interests in Wison Yangzhou and Wison Engineering. The Group paid RMB10.4 million in December 2011 and made a provision of RMB4.4 million in its financial statements as at December 31, 2011 accordingly. The provision was based on a valuation of Wison Yangzhou and Wison Engineering performed by a PRC valuer.

Except for the contingent liabilities as stated above, the Group had no other contingent liabilities as at June 30, 2013.

Human Resources

As at June 30, 2013 the Group had 1,839 employees (December 31, 2012: 1,430 employees). The Group reviews the salaries and benefits of the employees according to market practice and the performance of the employees on an annual basis. Also, the Group contributes to various social insurance schemes in 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. In the six months ended June 30, 2013, the total staff cost of the Group (including salaries, bonuses, insurances and share option schemes) amounted to RMB301.7 million (in the six months ended June 30, 2012: 182.7 million).

The Group adopted the Pre-IPO Share Option Scheme and the Share Option Scheme on November 30, 2012 as encouragement and reward for their contributions to the Company.

The board of directors (the "Board") of Company is pleased to announce the unaudited consolidated results of the Group for the six months ended June 30, 2013. The unaudited consolidated results have been reviewed by Ernst & Young and by the audit committee of the Company.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the six months ended June 30, 2013
(Expressed in RMB)

	Notes	For the six months ended June 30, 2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)
REVENUE	4	**1,993,117**	861,725
Cost of sales		**(1,638,115)**	(677,604)
GROSS PROFIT		**355,002**	184,121
Other income and gains	4	**11,357**	16,565
Selling and marketing expenses		**(47,079)**	(32,531)
Administrative expenses		**(156,129)**	(66,752)
Other expenses		**(27,936)**	(52,004)
Finance costs	5	**(78,859)**	(53,023)
Share of (losses)/profits of an associate		**(120)**	102
PROFIT/(LOSS) BEFORE TAX	6	**56,236**	(3,522)
Income tax	7	**(22,040)**	5,766
PROFIT FOR THE PERIOD		**34,196**	2,244
OTHER COMPREHENSIVE INCOME			
Exchange difference on translation of foreign operations and total other comprehensive income/(loss) for the period		**280**	(143)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**34,476**	2,101
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the parent		**22,046**	301
Non-controlling interests		**12,150**	1,943
		34,196	2,244
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO			
Owners of the parent		**22,326**	158
Non-controlling interests		**12,150**	1,943
		34,476	2,101
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
— Basic		**RMB0.01**	RMB0.00
— Diluted		**RMB0.01**	N/A

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
At June 30, 2013
(Expressed in RMB)

	Notes	**June 30, 2013 *RMB'000* (Unaudited)**	December 31, 2012 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**1,115,275**	799,454
Investment properties		**15,006**	15,296
Prepaid land lease payments		**184,958**	187,185
Goodwill		**15,752**	15,752
Other intangible assets		**15,729**	13,171
Investment in an associate		**1,778**	1,898
Long-term prepayments		**7,473**	20,867
Deferred tax assets		**5,636**	4,752
Total non-current assets		**1,361,607**	1,058,375
CURRENT ASSETS			
Inventories		**80,648**	113,974
Gross amounts due from contract customers	*10*	**3,585,552**	3,970,267
Trade and bills receivables	*11*	**374,700**	161,214
Due from related companies	*15*	**1,255**	1,022
Due from fellow subsidiaries	*15*	**1,467**	–
Due from the ultimate holding company	*15*	**87**	87
Prepayments, deposits and other receivables		**660,232**	146,840
Pledged bank balances and time deposits	*12*	**406,565**	471,290
Unpledged cash and bank balances	*12*	**970,307**	1,745,951
Total current assets		**6,080,813**	6,610,645

	Notes	June 30, 2013 RMB'000 (Unaudited)	December 31, 2012 RMB'000 (Audited)
CURRENT LIABILITIES			
Gross amounts due to contract customers	*10*	**470,864**	89,281
Trade and bills payables	*13*	**2,424,540**	2,611,976
Other payables, advance from customers and accruals		**285,628**	201,408
Interest-bearing bank borrowings	*14*	**1,625,727**	2,265,764
Due to an associate	*15*	**630**	630
Dividends payable		**16,353**	16,353
Tax payable		**28,090**	80,668
Total current liabilities		**4,851,832**	5,266,080
NET CURRENT ASSETS		**1,228,981**	1,344,565
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,590,588**	2,402,940
NON-CURRENT LIABILITIES			
Finance lease payables	*14*	**290**	327
Interest-bearing bank borrowings	*14*	**250,000**	290,000
Deferred tax liabilities		**68,891**	58,173
Government grant		**2,250**	2,250
Total non-current liabilities		**321,431**	350,750
NET ASSETS		**2,269,157**	2,052,190
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Issued capital		**329,803**	324,560
Reserves		**1,774,950**	1,576,376
		2,104,753	1,900,936
Non-controlling interests		**164,404**	151,254
TOTAL EQUITY		**2,269,157**	2,052,190

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The registered office of Wison Engineering Services Co., Ltd. (the "Company") is located at Clifton House, 75 Fort Street, P.O. Box 1350, George Town, Grand Cayman, KY1-1108, Cayman Islands.

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

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

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP ACCOUNTING POLICIES

Basis of preparation

The unaudited interim financial information for the six months ended June 30, 2013 (the "Interim Financial Information") have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "IASB").

The Interim Financial Information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's financial statements for the year ended December 31, 2012.

All intra-group transactions and balances have been eliminated on consolidation.

New standards, interpretations and amendments thereof, adopted by the Group

The accounting policies adopted in the preparation of the Interim Financial Information are consistent with those used in the preparation of the Group's financial statements for the year ended December 31, 2012, except for the adoption of amendments to IASs, and International Financial Reporting Standards ("IFRSs") interpretations as of January 1, 2013 as note below:

IAS 1 Presentation of Items of Other Comprehensive Income — Amendments to IAS 1

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income ("OCI"). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Group's financial position or performance.

IAS 1 Clarification of the requirement for comparative information (Amendment)

The amendment to IAS 1 clarifies the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional voluntarily comparative information does not need to be presented in a complete set of financial statements.

An opening statement of financial position (known as the 'third balance sheet') must be presented when an entity applies an accounting policy retrospectively, makes retrospective restatements, or reclassifies items in its financial statements, provided any of those changes has a material effect on the statement of financial position at the beginning of the preceding period. The amendment clarifies that a third balance sheet does not have to be accompanied by comparative information in the related notes. Under IAS 34, the minimum items required for interim condensed financial statements do not include a third balance sheet.

IAS 32 Tax effects of distributions to holders of equity instruments (Amendment)

The amendment to IAS 32 *Financial Instruments: Presentation* clarifies that income taxes rising from distributions to equity holders are accounted for in accordance with IAS 12 *Income Taxes*. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders. The amendment did not have an impact on the interim condensed consolidated financial statements for the Group, as there is no tax consequences attached to cash or non-cash distribution.

IAS 34 Interim financial reporting and segment information for total assets and liabilities (Amendment)

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 *Operating Segments*. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker ("CODM") and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment. The Group provides this disclosure as total segment assets were reported to the CODM. As a result of this amendment, the Group now also includes disclosure of total segment liabilities as these are reported to the CODM.

IAS 19 Employee Benefits (Revised 2011) (IAS 19R)

IAS 19R includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in OCI and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised. Other amendments include new disclosures, such as, quantitative sensitivity disclosures.

IFRS 7 Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7

The amendment requires an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with IAS 32. As the Group is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment does not have an impact on the Group.

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 *Consolidated and Separate Financial Statements* that dealt with consolidated financial statements and SIC-12 *Consolidation — Special Purpose Entities*. IFRS 10 changes the definition of control such that an investor controls an investee when it 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. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. IFRS 10 had no impact on the consolidation of investments held by the Group.

IFRS 11 Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures

IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities — Non-monetary Contributions by Venturers*. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. IFRS 11 is effective for annual periods beginning on or after January 1, 2013.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable for Interim Financial Information, unless significant events and transactions in the interim period requires that they are provided. Accordingly, the Group has not made such disclosures.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 *Financial Instruments: Disclosures*. Some of these disclosures are specifically required for financial instruments by IAS 34.16A(j), thereby affecting Interim Financial Information.

In addition to the above-mentioned amendments and new standards, IFRS 1 Fi*rst-time Adoption of International Financial Reporting Standards* was amended with effect for reporting periods starting on or after January 1, 2013. The Group is not a first-time adopter of IFRS, therefore, this amendment is not relevant to the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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 service to ethylene and downstream petrochemicals, 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 refineries 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 on other industries, such as fine chemical production facilities and manufacture of integrated piping systems.

Management monitors the results of its 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 from continuing operations.

Segment assets exclude property, plant and equipment, investment properties, prepaid land lease payment, goodwill, other intangible assets, investment in an associate, deferred tax assets, amounts due from related companies, amounts due from fellow subsidiaries and amount due from the ultimate holding company, deposits and other receivables and cash and bank balances as these assets are managed on a group basis.

Segment liabilities exclude other payables and accruals, interest-bearing bank 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.

No further geographical segment information is presented as over 90% of the Group's revenue from external customers is derived from its operation in Mainland China and over 90% of the Group's non-current assets are located in Mainland China.

Operating segments

For the six months ended June 30, 2013 (Unaudited)	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	660,019	811,682	36,006	485,410	1,993,117
Intersegment sales	2,488	1,898	–	–	4,386
Total revenue	662,507	813,580	36,006	485,410	1,997,503
Reconciliation:					
Elimination of intersegment sales					(4,386)
Revenue from continuing operations					1,993,117
Segment results	136,584	113,207	(8,949)	114,160	355,002
Reconciliations:					
Unallocated income					11,357
Unallocated expenses					(231,264)
Finance costs					(78,859)
Profit before tax					56,236

June 30, 2013 (Unaudited)	Petrochemicals *RMB'000*	Coal-to-chemicals *RMB'000*	Oil refinery *RMB'000*	Other products and services *RMB'000*	Total *RMB'000*
Segment assets	1,318,928	1,826,531	766,077	621,161	4,532,697
Reconciliations:					
Elimination of intersegment receivables					(4,509)
Corporate and other unallocated assets					2,914,232
Total assets					7,442,420
Segment liabilities	694,895	1,483,344	365,234	358,496	2,901,969
Reconciliations:					
Elimination of intersegment payables					(6,565)
Corporate and other unallocated liabilities					2,277,859
Total liabilities					5,173,263
Other segment information					
Share of losses of associate	–	–	–	(120)	(120)
Depreciation and amortisation					
Unallocated	–	–	–	–	16,607
Segment	–	–	–	–	–
Investment in an associate	–	–	–	1,778	1,778
Capital expenditure*					
Unallocated	–	–	–	–	181,088
Segment	–	–	–	–	–

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

For the six months ended June 30, 2012 (Unaudited)	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	130,166	520,785	125,184	85,590	861,725
Intersegment sales	32,926	549	–	–	33,475
Total revenue	163,092	521,334	125,184	85,590	895,200
Reconciliation:					
Elimination of intersegment sales					(33,475)
Revenue from continuing operations					861,725
Segment results	21,216	133,693	17,453	11,759	184,121
Reconciliations:					
Unallocated income					16,667
Unallocated expenses					(151,287)
Finance costs					(53,023)
Loss before tax					(3,522)

December 31, 2012 (Audited)	Petrochemicals *RMB'000*	Coal-to-chemicals *RMB'000*	Oil refinery *RMB'000*	Other products and services *RMB'000*	Total *RMB'000*
Segment assets	798,613	1,932,240	757,799	808,069	4,296,721
Reconciliations:					
Elimination of intersegment receivables					(42,904)
Corporate and other unallocated assets					3,415,203
Total assets					7,669,020
Segment liabilities	403,000	1,232,526	479,801	607,588	2,722,915
Reconciliations:					
Elimination of intersegment payables					(17,660)
Corporate and other unallocated liabilities					2,911,575
Total liabilities					5,616,830
Other segment information					
Investment in an associate	–	–	–	1,898	1,898
Capital expenditure*					
Unallocated	–	–	–	–	418,132
Segment	–	–	–	–	–

* Capital expenditure consists of additions to property, plant and equipment, prepaid land lease payments, long-term prepayments and other intangible assets.

4. **REVENUE, OTHER INCOME AND GAINS**

Revenue, which is also the Group's turnover, 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.

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

	For the six months ended June 30,	
	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
Construction contracts	**1,791,481**	770,220
Sale of goods	**6,427**	6,792
Rendering of services	**195,209**	84,713
	1,993,117	861,725
Other income		
Government grant*	**75**	1,653
Interest income	**6,972**	10,825
Rental income	**3,643**	4,056
Sales of scrap materials	**–**	2
Others	**516**	29
	11,206	16,565
Gains		
Gain on disposal of items of plant and equipments	**151**	–
	151	–
	11,357	16,565

* Government grants have been received from the local governments as incentive 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:

	For the six months ended June 30,	
	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank loans	**76,008**	52,657
Interest on bills receivables	**2,801**	346
Interest in finance lease	**50**	20
	78,859	53,023

6. PROFIT/(LOSS) BEFORE TAX

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

	For the six months ended June 30,	
	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**5,704**	6,280
Cost of services provided	**1,632,411**	671,324
Depreciation	**11,822**	10,842
Research and development costs	**27,741**	50,156
Amortisation of prepaid land lease payments	**2,227**	2,562
Amortisation of intangible assets	**2,558**	2,446
(Gain)/loss on disposal of items of property, plant and equipment	**(151)**	57
Minimum lease payments under operating leases	**9,712**	5,766
Auditors' remuneration	**1,660**	3,097
Foreign exchange differences, net	**24,013**	3,119
Employee benefits expense (including directors' remuneration):		
Wages and salaries	**238,306**	167,888
Retirement benefits scheme contributions	**23,049**	14,788
Equity settled share options	**40,332**	–
	301,687	182,676

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 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 Singapore as the Group did not have any assessable income currently arising in Hong Kong and Singapore for the six months ended June 30, 2013.

	For the six months ended June 30,	
	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current — PRC:		
Deferred	**9,834**	2,858
Charged/(credited) for the period	**12,206**	(8,624)
Total tax charge for the period	**22,040**	(5,766)

Wison Engineering also qualified as a "High and New Technology Enterprise" in 2008 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 December 31, 2013 and obtained the certification in 2011. Therefore, Wison Engineering was subject to CIT at a rate of 15% for the six months ended June 30, 2013 and 2012.

Wison Yangzhou was subject to CIT rate of 25%.

A reconciliation of income tax expense applicable to profit before tax at the statutory rate 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 six months ended June 30, 2013 and 2012 as follows:

	For the six months ended June 30,	
	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit/(loss) before tax	**56,236**	(3,522)
At the statutory income tax rates	**14,059**	(880)
Tax at lower tax rates	**(13,242)**	(625)
Tax losses not recognised	**19,143**	2,796
Withholding taxes on undistributed profits of the subsidiaries in the PRC	**10,718**	1,304
Additional tax deduction	**(9,348)**	(9,687)
Expenses not deductible for tax	**710**	1,326
Tax charge for the period	**22,040**	(5,766)

Pursuant to the new tax law, a 10% withholding tax is levied on dividends declared to foreign investors from the PRC effective from January 1, 2008. On February 22, 2008, Caishui (2008) No. 1 was promulgated by the tax authorities of the PRC to specify that dividends declared and remitted out of the PRC from the undistributed profits as at December 31, 2007 are exempted from withholding tax. For the Group, the applicable rate is 10%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from January 1, 2008.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share amounts is based on the profit for the six months ended June 30, 2013 attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 4,057,124,420 in issue during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the six months ended June 30, 2013, attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculation of the basic earnings per share amounts is based on the profit for the six months ended June 30, 2012 attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,520,000,000 issued during the period after taking into account the capitalisation issue in November 30, 2012.

No diluted earnings per share has been presented for the six months ended June 30, 2012 as there was no dilutive share outstanding during both periods.

The calculations of basic earnings per share are based on:

	For the six months ended June 30,	
	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:	**22,046**	301
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**4,057,124,420**	3,520,000,000
Effect of dilution-weighted average number of ordinary shares:		
— Share options	**37,219,673**	N/A
	4,094,344,093	N/A

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current period, the Group incurred costs for construction in progress of RMB306,963,000 (six months ended June 30, 2012: RMB115,186,000), leasehold improvement, plant and machinery, Motor vehicles, and office equipment at a cost of RMB20,513,000 (six months ended June 30, 2012: RMB8,792,000) for the purpose of expanding the Group's business.

Bank borrowings amounting to RMB186 million (December 31, 2012: RMB186 million) are secured by certain property with an aggregate carrying value of RMB121 million (December 31, 2012: RMB123 million) (see note 14).

10. CONSTRUCTION CONTRACTS

	June 30, 2013	December 31, 2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Gross amounts due from contract customers	**3,585,552**	3,970,267
Gross amounts due to contract customers	**(470,864)**	(89,281)
	3,114,688	3,880,986
Contract costs incurred plus recognised profits less recognised losses to date	**18,886,283**	18,659,352
Less: Progress billings	**(15,771,595)**	(14,778,366)
	3,114,688	3,880,986

The gross amounts due from/(to) contract customers for contract work include balances with fellow subsidiaries and a related company of the Company as follows:

	June 30, 2013	December 31, 2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Fellow subsidiaries		
惠生(南京)清潔能源股份有限公司("Wison Nanjing")	**(1,590)**	(1,772)
舟山惠生海洋工程有限公司("Zhoushan Wison")**	**477,330**	772,699
Related company		
陝西長青能源化工有限公司("Shaanxi Changqing")*	**540,814**	690,605

* Shaanxi Changqing is indirectly owned as to 25% by Mr. Hua Bangsong, a director and beneficial shareholder of the Company.

** According to a tri-party agreement entered into on March 25, 2013 between the Group, Wison Holding and Zhoushan Wison, Wison Holding has provided an irrevocable guarantee to the Group in respect of any outstanding contract amount due to the Group by Zhoushan Wison for the contract performed by the Group for Zhoushan Wison.

11. 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 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 receivables as at the end of the reporting period, based on the invoice date, and net of provision for doubtful debts, is as follows:

	June 30, 2013	December 31, 2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade and bills receivables:		
Less than 3 months	**138,323**	79,857
4 to 6 months	**31,332**	4,371
7 to 12 months	**136,219**	10,399
Over 1 year	**68,826**	66,587
	374,700	161,214

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

	June 30, 2013	December 31, 2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Neither past due nor impaired	**141,742**	82,971
Less than 3 months	**31,333**	2,326
4 to 12 months	**133,299**	10,330
Over 1 year	**68,326**	65,587
	374,700	161,214

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

	June 30, 2013	December 31, 2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Fellow subsidiary		
Wison Nanjing	**–**	319
Wison Offshore & Marine Ltd.	**946**	–
	946	319
Related company		
Shaanxi Changqing	**–**	500

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.

12. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	June 30, 2013 *RMB'000* **(Unaudited)**	December 31, 2012 *RMB'000* (Audited)
Cash and bank balances	**474,898**	1,202,500
Time deposits with original maturity of less than three months	**367,452**	741,687
Time deposits with original maturity of more than three months	**534,522**	273,054
	1,376,872	2,217,241
Less: Pledged bank balances and time deposits	**(406,565)**	(471,290)
Unpledged cash and bank balances	**970,307**	1,745,951
Unpledged time deposits with original maturity of less than three months	**144,184**	649,120
Unpledged time deposits with original maturity of more than three months	**534,522**	134,362
Cash and cash equivalents	**291,601**	962,469
Unpledged cash and bank balances	**970,307**	1,745,951

At June 30, 2013, the cash and bank balances of the Group denominated in RMB amounted to RMB1,214,155,000 (December 31, 2012: RMB1,011,510,000). 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 authorized to conduct foreign exchange business.

At June 30, 2013, bank deposits of RMB332,882,000 (December 31, 2012: RMB400,125,000) were placed as guarantee deposits for performance of certain construction contracts and for the tendering process.

At June 30, 2013, bank deposits of RMB73,683,000 (December 31, 2012: RMB52,970,000) were pledged to a bank as security to obtain a letter of credit facility for the purchase of imported equipment.

At December 31, 2012, bank deposits of RMB18,195,000 were pledged as security for bill facilities granted by the bank.

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.

13. TRADE AND BILLS PAYABLES

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

	June 30, 2013 *RMB'000* **(Unaudited)**	December 31, 2012 *RMB'000* (Audited)
Less than 1 year	**2,350,901**	2,323,626
1 to 2 years	**49,995**	120,618
2 to 3 years	**22,749**	151,506
Over 3 years	**895**	16,226
	2,424,540	2,611,976

14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	June 30, 2013 *RMB'000* **(Unaudited)**	December 31, 2012 *RMB'000* (Audited)
Current		
Bank loans repayable within one year		
— secured	**1,332,000**	1,865,472
— unsecured	**293,460**	400,000
	1,625,460	2,265,472
Finance lease payables	**267**	292
	1,625,727	2,265,764
Non-current		
Bank loans repayable in the second year		
— secured	**100,000**	140,000
Bank loans repayable in the third to fifth years		
— secured	**150,000**	150,000
Finance lease payables	**290**	327
	250,290	290,327
	1,876,017	2,556,091

The bank and other borrowings balances at June 30, 2013 are denominated in RMB and bore interest at floating rates except for loans of RMB1,294,210,000 at June 30, 2013 (December 31, 2012: RMB1,196,048,000), which bear interest at fixed rates.

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

Six months ended June 30, 2013	4.60% to 6.89%
Year ended December 31, 2012	3.74% to 7.92%

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

	Note	June 30, 2013 RMB'000 (Unaudited)	December 31, 2012 RMB'000 (Audited)
Buildings	9	**120,910**	123,394
Leasehold interests on land		**11,592**	11,756

At June 30, 2013, 惠生(中國)投資有限公司 ("Wison (China) Investment") executed guarantees to certain bank for bank facilities to the Group of RMB450,000,000 (December 31, 2012: RMB1,150,000,000) for nil consideration. As at June 30, 2013, the loans were drawn down to the extent of RMB450,000,000 (December 31, 2012: RMB565,000,000) (note 15).

In addition, certain banks have granted credit facilities to the Group for which the receivables from construction contracts with 中國石油四川石化有限責任公司 ("PetroChina Sichuan Petrochemical Co., Ltd."), Shaanxi Changqing and other customers are pledged as security. As at June 30, 2013, the bank loans were drawn down to the extent of RMB946,000,000 (December 31, 2012: RMB1,179,048,000).

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

15. RELATED PARTY TRANSACTIONS

In addition to related party transactions disclosed elsewhere in this Financial Information, the Group had the following transactions with related parties during the six months ended June 30, 2013 as follows:

	Notes	**For the six months ended June 30, 2013** ***RMB'000*** **(Unaudited)**	2012 *RMB'000* (Unaudited)
Related companies:			
Purchase of products	*(a)(i)*	**71**	–
Rental income	*(a)(ii)*	**233**	233
Rendering of services	*(b)(i)*	**159,948**	322,179
Fellow subsidiaries:			
Rental income	*(a)(iii)*	**2,691**	2,691
Rendering of services	*(b)(i)*	**249,291**	88,299
Rental expenses	*(a)(iv)*	**–**	276
Purchase of service	*(b)(i)*	**–**	200

Notes:

(a) Recurring:

(i) The Group and 江蘇新華化工機械有限公司 ("Jiangsu Xinhua" and an equity holder of the Company's subsidiary, Wison Engineering Ltd.) entered into a framework agreement effective on April 25, 2011 for a term of three years that sets out the principal terms and conditions under which the Group will purchase anchor, refractory support plunge hook and other ancillary accessories for its cracking furnaces and chemical engineering tower from Jiangsu Xinhua. During the six months ended June 30, 2013, the Group's purchases of heat-resistant alloy pipes and other ancillary accessories from Jiangsu Xinhua amounted to RMB71,000 (six months ended June 30, 2012: nil). The purchases were made by reference to the published prices and conditions offered by Jiangsu Xinhua to its customers.

(ii) During the year ended December 31, 2011, the Group leased out office space to 上海惠生通訊技術有限公司 ("Wison Telecommunication"), a subsidiary of Jiangsu Xinhua, for RMB467,000 per annum for a three-year period commencing from January 1, 2011. Rental income for the six months ended June 30, 2013 from Wison Telecommunication amounted to RMB233,000 (six months ended June 30, 2012: RMB233,000).

In the opinion of the directors of the Company, the transaction between the Group and Wison Telecommunication were conducted in the ordinary and usual course of business and on terms and conditions similar to those entered into with unrelated parties.

(iii) The Group leased out office spaces to 上海澤潤生物科技有限公司 ("Zerun Biotech"), a fellow subsidiary of the Company and entered into lease agreement, for which the Group leased out two additional office premises to Zerun Biotech of which one premise is RMB4,579,000 per annum for a 30-month period commencing from July 1, 2011 and another premise is RMB317,000 per annum for a 24-month period commencing from January 1, 2012. Rental income for the six months ended June 30, 2013 from Zerun Biotech amounted to RMB2,448,000 (six months ended June 30, 2012: RMB2,448,000).

The Group leased out office spaces to 惠生(南通)重工有限公司 ("Wison Nantong", a fellow subsidiary of the Company), for RMB486,000 per annum for a three-year period commencing from January 1, 2011. Rental income for the six months ended June 30, 2013 from Wison Nantong amounted to RMB243,000 (six months ended June 30, 2012: RMB243,000).

In the opinion of the directors of the Company, the transactions between the Group and Zerun Biotech and Wison Nantong were conducted in the ordinary and usual course of business and on terms and conditions similar to those entered into with unrelated parties.

(iv) On August 29, 2011, 南京瑞固化工有限公司 ("Nanjing Ruigu"), a previously fellow subsidiary of the Company was de-registered and merged with Wison Nanjing on November 30, 2011, leased to the Group a portion of land. The lease is for a term commencing from July 1, 2011 to December 31, 2013. On May 30, 2012, the Group and Wison Nanjing agreed to terminate the above lease agreement. Rental expenses for the six months ended June 30, 2012 amounted to RMB276,000. In the opinion of the Directors of the Company, the transactions between the Group and Wison Nanjing and Nanjing Ruigu were conducted in the ordinary and usual course of business and on terms and conditions similar to those entered into with unrelated parties.

(v) Wison Holding, as licensor, entered into three trademark licensing agreements with the Group to grant the right to use the trademarks by the Group on a perpetual and non-exclusive basis for nil consideration during the six months ended June 30, 2013 (six months ended June 30, 2012: nil).

(vi) On May 18, 2010, the Group entered into four separate patent licensing agreements, each for a term of six years, with Wison Nanjing, pursuant to which the Group agreed to grant an exclusive licence to Wison Nanjing to use certain patented technology relating to the generation of carbon monoxide and methanol gas at nil consideration.

(vii) In 2012, Wison Engineering entered into a joint venture agreement with Hyundai Engineering & Construction Co., Ltd. and Hyundai Engineering Co., Ltd. to form an investment consortium, whereby it was mutually agreed that the investment consortium to undertake an overseas construction project.

As at June 30, 2013, the voting power, profit sharing of the joint venture has not yet been determined by the joint venture partners who are currently bearing their own costs and the Group had amount receivable of RMB3,725,000 (December 31, 2012: RMB2,298,000) from Hyundai Engineering & Construction Co., Ltd. and Hyundai Engineering Co., Ltd. for expense reimbursement.

(b) Non-recurring:

(i) During the year ended December 31, 2011, the Group and Wison Nanjing entered into a design contract and a technology licensing agreement whereby Wison Nanjing engaged the Group to design and licence the technology for its Butanol and Octanol projects including a 250kta Butanol and Octanol processing unit, a 300kta propane processing unit and other ancillary facilities for an aggregate contract value of RMB51,030,000. The Group recognised revenue of RMB1,358,000 on this contract during the six months ended June 30, 2013 (six month ended June 30, 2012: RMB13,029,000). In the opinion of the directors of the Company, the transactions between the Group and Wison Nanjing were conducted in the ordinary and usual course of business and on terms and conditions similar to those entered into with unrelated parties.

In 2011 and 2012, the Group and Wison Nanjing entered into a series of service contracts for total contract values of RMB56,180,000. The Group recognised revenue of RMB4,266,000 on these contracts during the six months ended June 30, 2013 (six months ended June 30, 2012: RMB8,954,000). In the opinion of the directors of the Company, the transactions between the Group and Wison Nanjing were conducted in the ordinary and usual course of business and on terms and conditions similar to those entered into with unrelated parties.

On May 16, 2012, the Group and Zhoushan Wison, entered into a construction contract whereby Zhoushan Wison engaged the Group to procure all the equipment and materials and oversee quality assurance and completion of the construction of the Zhoushan marine engineering base for a contract value of RMB990,930,000. During the six months ended June 30, 2013, the Group and Zhoushan Wison agreed to increase the contract consideration by RMB891,150,000 due to variation orders. The Group recognised revenue of RMB242,774,000 on this contract during the six months ended June 30, 2013 (six months ended June 30, 2012: RMB66,316,000). In the opinion of the directors of the Company, the transactions between the Group and Zhoushan Wison were conducted in the ordinary and usual course of business and on terms and conditions similar to those entered into with unrelated parties. The amount due from contract customer relating to Zhoushan Wison is set out in note 10.

On February 28, 2013, the Group and Wison Offshore & Marine Ltd., a wholly-owned subsidiary of Wison Holding, entered into a service contract whereby Wison Offshore & Marine Ltd. engaged the Group to provide human and technical supports for its EXMAR FLRSU Project in the engineering design phase for a contract value of RMB3,850,000. The Group recognised revenue of RMB893,000 on this contract during the six months ended June 30, 2013. In the opinion of the directors of the Company, the transactions between the Group and Wison Offshore & Marine Ltd. were conducted in the ordinary and usual course of business and on terms and conditions similar to those entered into with unrelated parties. The trade receivables relating to Wison Offshore & Marine Ltd. are set out in note 11.

During the year ended December 2011, the Group and Shaanxi Changqing, of which Wison Holding has an indirect 25% equity interests, entered into a construction contract whereby Shaanxi Changqing engaged the Group to undertake the construction of its coal to chemical production facilities for a contract value of RMB2,186,500,000. The Group and Shaanxi Changqing agreed to increase the contract consideration by RMB305,220,000 due to variation orders. The Group recognised revenue of RMB159,948,000 on this contract during the six months ended June 30, 2013 (six months ended June 30, 2012: RMB322,179,000). In the opinion of the directors of the Company, the transactions between the Group and Shaanxi Changqing were conducted in the ordinary and usual course of business and on terms and conditions similar to those entered into with unrelated parties. The amount due from contract customers and trade receivables relating to Shaanxi Changqing are set out in notes 10 and 11, respectively.

On June 8, 2011, the Group and Nanjing Ruigu, entered into a technology co-operation development contract for the development of the project "cooperative research project for the methanol-to-olefins sets pilot phase", for a consideration of RMB23,000,000. The Group paid RMB200,000 of development expenses on this contract to Nanjing Ruigu during the six months ended June 30, 2012. In the opinion of the directors of the Company, the transactions between the Group and Nanjing Ruigu were conducted in the ordinary and usual course of business and on terms and conditions similar to those entered into with unrelated parties.

(ii) During the six months ended June 30, 2013, Wison (China) Investment executed guarantees to certain banks for bank facilities to the Group of RMB450,000,000 (six months ended June 30, 2012: RMB800,000,000) at nil consideration. As at June 30, 2013, the loans were drawn down to the extent of RMB450,000,000 (December 31, 2012: RMB565,000,000) (note 14).

(iii) On July 5, 2011, the Company and eleven investors ("Pre-IPO Investors") entered into eight separate subscription agreements (the "Subscription Agreements"). Pursuant to the Subscription Agreements, Wison Holding agreed to issue exchangeable bonds (the "Bonds") to the Pre-IPO Investors for an aggregate consideration of US$95,000,000. The Company and the following Company's subsidiaries, Wison Engineering Technology Limited ("Wison Technology"), Wison Energy Engineering (Hong Kong) Limited ("Wison Energy (HK)) and Wison Singapore Pte. Ltd. ("Wison Singapore") jointly and severally provided guarantees to the Pre-IPO Investors. As at June 30, 2013, the bonds were either redeemed or exchanged into shares by the Pre-IPO Investors and the guarantees have been released accordingly.

On July 5, 2011, Wison Investment entered into a facility agreement (the "Facility Agreement") with three lenders, including BOCOM International Holdings Company Limited, Credit Suisse AG and United Overseas Bank Limited (the "Lenders") and pursuant to which the Lenders provided, among other things, a US$100,000,000 loan facility funded by each of the Lenders severally, at a fixed rate of 9.0% per annum. The obligations of Wison Investment under the Facility Agreement are also guaranteed jointly and severally by the Company, Wison Technology, Wison Energy (HK) and Wison Singapore.

In December 2012, the loan of US$100,000,000 under Facility Agreement was fully settled, therefore, the related guarantees or securities granted by the Company and Wison Technology, Wison Energy (HK) and Wison Singapore to the Lenders has been released.

(iv) On November 30, 2012, Wison Holding and the Company entered into a domain name licence agreement (the "Domain Name Licence Agreement") in respect of the right to use the domain name "wison-engineering.com" registered under the name of Wison Holding (the "Domain Name"). Pursuant to the Domain Name Licence Agreement, Wison Holding has agreed to grant the Company, and the Company has accepted, a royalty-free licence to use the Domain Name on an exclusive basis at nil consideration. The Domain Name Licence Agreement is for a perpetual term and may be terminated in certain circumstances, such as if Wison Holding ceases to be a shareholder of the Company.

(v) On November 30, 2012, Wison Holding and the Company entered into an administrative services agreement (the "Administrative Services Agreement"), for which Wison Holding agreed to provide general legal services and legal consultation, information system management services, data management services, back-up services and other related support services to the Group that are charged by Wison Holding based on the cost involved and the portion of actual time incurred by the staff of Wison Holding towards the provision of such services. During the six months ended June 30, 2013, no service fee was incurred (six months ended June 30, 2012: Nil).

(c) Balances with related companies:

	June 30, 2013	December 31, 2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Due from related companies:		
Jiangsu Xinhua	**1,022**	1,022
Wison Telecommunication	**233**	–
	1,255	1,022
Due from fellow subsidiaries:		
Zerun Biotech	**1,224**	–
Wison Nantong	**243**	–
	1,467	–
Due from the ultimate holding company:		
Wison Holding	**87**	87
Due to an associate		
河南創思特工程監理諮詢有限公司 ("Henan Chuangsite")	**(630)**	(630)

Mr. Hua Bangsong is a director and the beneficial shareholder of the Company.

Zerun Biotech and Shaanxi Changqing are companies in which Mr. Hua Bangsong has a beneficial interest as an equity holder.

Jiangsu Xinhua is the Chinese joint venture partner of Wison Engineering. Wison Telecommunication is the subsidiary of Jiangsu Xinhua.

The balances with the ultimate holding company, fellow subsidiaries, an associate and related companies are unsecured, interest-free and repayable on demand. The carrying amounts of the balances with the related parties approximate to their fair values.

16. EVENT AFTER THE REPORTING PERIOD

Pursuant to a resolution dated August 16, 2013, the board of the Company declared an interim dividend of RMB0.057424 per share for the six months ended June 30, 2013.

PURCHASES, SALE AND REDEMPTION OF LISTED SECURITIES

During the six months ended June 30, 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board declared an interim dividend of RMB0.057424 per share for the six months ended June 30, 2013 (the "2013 Interim Dividend"). Adopting an exchange rate of HK$1=RMB0.79655, the 2013 Interim Dividend is equivalent to HK$0.072091 per share.

The register of members of the Company will be closed from September 3, 2013, Tuesday to September 6, 2013, Friday (both days inclusive). During this period, no transfer of shares will be registered. In order to qualify for the 2013 Interim Dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on September 2, 2013, Monday. The 2013 Interim Dividend will be paid on or about September 16, 2013, Monday to those shareholders on the register of members on September 6, 2013, Friday.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

For the six months ended June 30, 2013, the Company has complied with the applicable code provisions of the Corporate Governance Code (the "**Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the Code and maintaining a high standard of corporate governance practices of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" 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 throughout the period from January 1, 2013 to June 30, 2013.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with the Code. As at the date of this announcement, the Audit Committee comprises the three independent non-executive directors of the Company, namely, Mr. Liu Ji, Mr. Choy Sze Chung Jojo and Mr. Wu Jianmin. Mr. Choy Sze Chung Jojo is the chairman of the Audit Committee.

The Audit Committee has reviewed and discussed the unaudited interim results for the six months ended June 30, 2013.

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

The interim 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 interim 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.
Hua Bangsong
Chairman

Hong Kong, August 16, 2013

As at the date of this announcement, the executive Directors of the Company are Mr. Hua Bangsong, Mr. Liu Haijun and Mr. Chen Wenfeng and the independent non-executive Directors are Mr. Choy Sze Chung Jojo, Mr. Liu Ji and Mr. Wu Jianmin.