WISON ENGINEERING SERVICES CO. LTD.

惠生工程技術服務有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2236)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021

HIGHLIGHTS:

- Our revenue for the six months ended 30 June 2021 amounted to approximately RMB2,553,031,000, representing an increase of 10.3% from approximately RMB2,313,972,000 recorded in the corresponding period in 2020.

- Our gross profit for the six months ended 30 June 2021 amounted to approximately RMB249,387,000, representing an increase of 34.3% from approximately RMB185,733,000 recorded in the corresponding period in 2020.

- Our loss for the period for the six months ended 30 June 2021 amounted to approximately RMB90,834,000, as opposed to profit for the period of approximately RMB9,188,000 recorded in the corresponding period in 2020.

- Loss attributable to owners of the parent for the six months ended 30 June 2021 amounted to approximately RMB90,759,000, as opposed to profit attributable to owners of the parent of approximately RMB9,318,000 recorded in the corresponding period in 2020.

- Our total new contracts (net of estimated value added tax) for the six months ended 30 June 2021 amounted to approximately RMB3,875,776,000, representing an increase of 25.0% from approximately RMB3,099,760,000 recorded in the corresponding period in 2020.

- Our total backlog value (net of estimated value added tax) as at 30 June 2021 amounted to approximately RMB28,693,081,000, representing an increase of 5.6% from approximately RMB27,172,942,000 recorded as at 31 December 2020.

INTERIM RESULTS

The board (the "Board") of directors (the "Directors" and each a "Director") of Wison Engineering Services Co. Ltd. (the "Company ") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2021 (the "Period" or "Period under review") together with selected explanatory notes and the relevant comparative figures for the corresponding period in 2020.

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

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET AND RESULTS OVERVIEW

In the first half of 2021, upholding the three major strategies of "driven by innovation, focusing on principal operations and establishing global presence", the Group leveraged the rapid and flexible responding advantages of a private enterprise to proactively address market changes. In view of the new challenges and opportunities, the Group forged ahead with unswerving efforts to streamline its structure, refine project management, strengthen risk control and boost value creation of digital and modular operations. Meanwhile, it enhanced technological research and development and cooperation in the fields such as new materials and new energy, striving to grab market opportunities and become a leading and renowned energy and chemical engineering solutions provider in the domestic and international markets.

During the Period under Review, global economic growth gradually regained momentum amid the abating COVID-19 pandemic and the fiscal stimulation measures introduced worldwide, contributing to a rebound in the international and domestic energy and chemical markets. In the first half of 2021, China's economy witnessed a robust recovery with domestic GDP posting a year-on-year increase of 12.7%, which outpaced the growth rate of global peers. Meanwhile, China remained one of the major global energy and chemical markets, where domestic energy supply and demand steadily picked up and energy and chemicals production increased amid stability. In addition, given the on-going focus maintained by China's government on environmental protection policies including "carbon peak, carbon neutrality" and "ban on plastics", new energy technologies experienced rapid development and application, which resulted in rising demands for new chemical materials and presented new opportunities for the engineering service market.

During the Period under Review, the Group recorded revenue of approximately RMB2,553.0 million (six months ended 30 June 2020: approximately RMB2,314.0 million), a year-on-year increase of 10.3%; gross profit of approximately RMB249.4 million (six months ended 30 June 2020: approximately RMB185.7 million), a year-on-year increase of 34.3%; and loss attributable to owners of the parent company of approximately RMB90.8 million (six months ended 30 June 2020: profit attributable to owners of the parent company of approximately RMB9.3 million).

In the first half of 2021, total new contract secured by the Group amounted to approximately RMB3,875.8 million (net of estimated value added tax), representing a year-on-year increase of 25.0%. As at 30 June 2021, the Group's total backlog value was approximately RMB28,693.1 million (net of estimated value added tax), representing an increase of 5.6% compared with that of 31 December 2020.

BUSINESS AND OPERATIONS REVIEW

Focusing on Principal Business to Cement Energy and Chemical Markets

The Group continued to cement the core product market and maintained the leadership in terms of traditional competitive products including ethylene, MTO, PDH, PTA, coal gasification, butadiene, synthetic ammonia, melamine and industrial furnaces. Meanwhile, the Group constantly stepped up technological research and development in the new energy and new materials fields to accelerate penetration into the new markets.

During the Period under Review, leveraging efficient project execution and successful implementation, the Group achieved the following major project progresses:

The 1 million tonnes/year light hydrocarbon comprehensive use project of Shandong Jinhai Chemicals: it had progressed to the peak construction session, completed civil engineering and steel structure installation and is currently undergoing large equipment hoisting and pipeline prefabrication with 52% of the project completed;

The phase II ammonia-to-hydrogen production project of Fujian ShenYuan: it completed civil engineering and installation of steel structure and equipment, and is undergoing installation of pipelines and electrical instruments. It is scheduled to be completed by the end of 2021;

The new material C_3C_4 comprehensive use PDH project installation of Shandong Binhua: it completed civil engineering and installation of steel structure and equipment, and is undergoing installation of pipelines and electrical instruments with 92% of the project completed;

The syngas project of Yangmei Qilu First Fertilizer: it is advancing with detailed project design, and completed 30% model review, placed long-term equipment orders and completed 90% pile foundation construction. The project progresses as scheduled;

The new gasifier project of CNOOC Huizhou Petrochemical Co., Ltd.: it completed 30% model review and placed orders for 29 sets of long-term and key equipment. The project has been completed 8% and progresses as scheduled;

The DPCU project in Saudi Arabia: the project team arrived in Saudi Arabia in late January 2021 to conduct detailed project design. It completed the price quotation document for key equipment MR, and is constructing temporary on-site facilities. The project progresses as scheduled and is expected to be completed in the fourth quarter of 2023 on the mechanical front.

Engineering projects: the Oriental Energy PDH project, the Dongying Weilian PTA project, the Jiangsu Hailun PTA project, the Titanium Dioxide project with Xinli Titanium Industry, the Melamine project with Shanxi Jinfeng, the MMA project with Panjin Sanli, the synthetic ammonia project with Air Product & Chemicals, Inc (AP) of the U.S., and the PDH/PP project with SIBUR of Russia etc. all progressed smoothly as required and gained wide acclaim from owners.

Continuing to Enhance Project Management Competence

During the Period under Review, aligning itself closely with the strategic goals of driven by innovation (technology + engineering), focusing on principal operations (energy + chemicals) and establishing global presence (domestic + international markets), the Group continuously enhanced project management capacity, cultivated outstanding project management talents and improved project management systems and processes. The Group entered into performance target responsibility letters with each project department to conduct quantitative assessment on key indicators such as QHSE (Quality, Health, Safety and Environment), project cost, progress, sales revenue and contract payment recovery, with a view to enhancing process management and control and ensuring smooth project implementation. Through weekly and monthly regular meetings and special meetings, the Group strengthened project management, support and monitoring, and achieved early identification and control of risks to guarantee the projects meet various indicators on schedule. It reinforced project management talents cultivation, selected young backbones as back-up project managers, launched project management training and established project management talent pool.

Extraordinary Performance Achievement in QHSE

The Group continued to build up QHSE management and paid due consideration to the prevention and control of the COVID-19 pandemic and production activities in the context of the on-going pandemic through formulating and implementing anti-pandemic measures tailored for international and domestic projects. The Group adopted VR training technologies and eagle-eye monitoring and other means to dynamically monitor on-site QHSE management in real time and upgrade the QHSE management module. It promoted establishment of management systems jointly with suppliers, sub-contractors and other partners to improve the emergency management and response capability.

In the first half of 2021, the Group achieved stable and orderly QHSE management. During the Period under Review, the Group recorded 9.76 million man-hours of safety operation in international and domestic projects. Leveraging superior safety and quality management, the Group's projects won multiple recognitions and accolades, including Advanced HSE Management Unit, Advanced Quality Construction Unit and Material Warehouse Quality Model Project granted to the phase II project of Zhejiang Petroleum & Chemical; Advanced HSE Management Unit and Winner in the One-hundred Day Campaign awarded to Shandong Binhua project and the safety green flag presented to the Middle East STC project by SABIC.

Establishing Global Presence Through Proactive Exploration of Overseas Markets with a Domestic Foothold

During the Period under Review, the Group secured total new contract value of approximately RMB3.88 billion, representing a year-on-year increase of 25.0%, including approximately RMB3.65 billion in the domestic market and approximately RMB230 million in overseas markets.

In the first half of 2021, the gradual containment of the COVID-19 pandemic in China led to rising consumption demands, which propelled the growth of the domestic energy and chemical markets. Meanwhile, benefited from the environmental protection policies introduced by the government, the new energy and new materials industries embraced the golden period of development and brought about new opportunities for the Group. On another front, as private enterprises undertook more large-scale refining and chemical integrated projects, and international energy and chemical giants increased investments in China's market, the market landscape comprising state-owned players, private enterprises and foreign-funded capitals has taken shape. The Group made breakthroughs in attracting new domestic customers and exploring new markets on the back of its premium services, sound reputation and profound project execution experience.

During the reporting period, the Group continued to tap into its competitive edges in the core products of the coal-to-chemicals field and secured several coal gasification projects, including the Yangmei Qilu First Fertilizer project and CNOOC Huizhou Petrochemical project. The Group captured major opportunities arising from development of the degradable materials industry and proactively plotted out to sign the EPC general contract of 240,000 tonnes/year PBAT with Xinjiang Lanshan Tunhe Group.

The Group took the initiative to establish strategic partnership with leading players in the industry. In mid-April 2021, the Group entered into strategic cooperation framework agreements with CNOOC Petrochemical Engineering Co., Ltd. ("CNOOC") to share expertise, achieve mutual complement, conduct pragmatic cooperation and strive for win-win situation. Both parties will enhance exchanges in new energy, new materials and other fields, and strengthen cooperation in modular and digital business initiatives. The Group and CNOOC will draw on their respective advantages in design, procurement, start-up and enhancement of devices, broaden the cooperation fields, and improve collaboration to achieve mutual benefits.

In terms of overseas markets, although the global energy and chemical markets were still exposed to headwinds from the COVID-19 pandemic during the Period under Review, with a rebound in oil price and ease of the pandemic, regional markets registered a recovery to different extents. While consolidating the domestic market, the Group remained focused on its global strategy through enhancing market exploration and project execution efforts, and swiftly catering to demands in overseas markets via localisation strategies to bolster competitiveness. During the period, the Group continued to venture into key overseas markets and bring into play the advantages of modular design and production to secure the EPC contract for the process module of fluorine chemical project of Juhua Group in Abu Dhabi. In terms of the PDH/PP core products, the Group won contract of FEED (Front End Engineering Design) from SIBUR, Russia, which laid the foundation for EPC contracts.

The Middle East

With a strong foothold in the Middle East market for over a decade, the Group has set up an operating hub in the Middle East to rapidly address the needs of local project owners. It has completed and delivered quality projects to key customers including ARAMCO, ADNOC and SABIC and won unanimous recognition and trust from them.

During the Period under Review, the Group secured a general contract for the process module of the fluorine chemical project of Juhua Group in Abu Dhabi. The production process of the project takes a lead in the world, of which the main device will be delivered as a whole module. It marks the first Middle East process module project of the Company with module manufacturing, installation and commissioning to be completed in China, thus providing a new delivery model for the construction of energy and chemical projects in the Middle East.

North America

North America is another major market for the Group's global strategy. After nearly a decade of cultivation and development, the Group has successfully delivered numerous module projects in the energy and chemical fields and accumulated profound project execution experience.

During the Period under Review, the Group kept close track of multiple investment projects in North America, participated in the quotation of ethylene, polypropylene, ethylene glycol, methanol and other projects; and expanded business coverage to seek breakthroughs in related fields such as new energy and carbon capture and use.

Russia and Central Asia

During the Period under Review, the Group secured the FEED contract of PDH/PP project from SIBUR in Russia. SIBUR is the largest integrated natural gas processing and petrochemicals company in Russia, and the cooperation laid a solid foundation for the Group to further explore markets in Russia and Central Asia. Meanwhile, the Group maintained a close eye on the business opportunities of several potential projects such as MTO, synthetic ammonia and butadiene.

Southeast Asia

During the Period under Review, the Group entered into consulting and design contracts for two coal-to-chemicals projects in Indonesia, participated in the bidding for IRPC project in Thailand, and followed up several business opportunities. Through early consultation and project design, the Group fostered customers and markets, striving to win the follow-up EPC contract.

Boosting Technological and Engineering Capacity Driven by Innovation

Reinforcing Independent Research and Development and Strategic Cooperation to Accelerate Penetration into New Energy Business

In its proactive response to the national policy and international mainstream of "carbon peak and carbon neutrality", the Group confirmed new energy business as its key strategic exploration area. At the beginning of 2021, the Group established the new energy business department and determined development fields that align with the business capacity of the Company and enjoy promising brilliant prospects as the direction of its new energy business, including hydrogen production with renewable energies, hydrogen storage and transportation, and comprehensive use of hydrogen in chemical and carbon emission reduction industries.

During the Period under Review, the Group accelerated penetration into new energy fields. Leveraging independent research and development and engineering technology advantages, the Group established cooperation with global advanced technology providers, integrated internal and external resources and extended business potentials with technology to provide customers with comprehensive solutions. In April 2021, the Group entered into cooperation agreements with Japan High Chemical Co., Ltd. on organic liquid-based hydrogen storage and production technology. The Group undertook the feasibility study and basic design of the methylcyclohexane-based hydrogen storage and production project entrusted by High Chemical, and both parties jointly promoted the launch of the demonstration project in China. In addition, the Group entered into a cooperation agreement with Southwest Chemical Research Institute of Sinochem Group, pursuant to which both parties will leverage their respective advantages and resources in the fields of hydrogen production by ammonia cracking and carbon emission reduction, and promote close collaboration in the technical fields of pressure swing adsorption separation, carbon dioxide capture and hydrogen production by ammonia cracking. Meanwhile, the Group was under discussion with patentee of hydrogen production by electrolysis of water, hydrogen liquefaction and comprehensive use of carbon dioxide, in a move to bridge the complete industrial chain from green electricity to green hydrogen, green chemical industry and carbon emission reduction.

The Group has completed the preliminary planning of photovoltaic power generation, hydrogen production by electrolysis of water, hydrogen storage after liquefaction, and coupling of hydrogen and coal chemical industry. The Company had discussed the cooperation intent of comprehensive use of hydrogen energy with companies including Shenhua Engineering to implement specific projects as soon as practicable.

Remarkable Achievements in Research and Development of New Materials and New Processes

New technologies such as new materials and degradable plastics are another development focus of the Group. With research and development investments and technology accumulation throughout the years, the Group has made breakthroughs in several key technologies. During the Period under Review, the Group successfully finished the national key research and development project New Technology of Efficient Chemical Synthesis with CO_2, completed the pilot plant of 1,000-tonne ester hydrogenation as scheduled, and successfully passed the on-site performance assessment and comprehensive performance evaluation. The technology provides a new technical alternative for high-value use of CO_2 in chemicals, which indicates that the Group's technology research and development and new technology engineering is capable of solving major technical issues, and will provide strong support for green and low-carbon development and industrial technology transformation.

Meanwhile, the Group successfully completed the process package development of the Panjin Sanli MMA project. It is the first domestic MMA industrial production device of ethylene, which adopts leading olefin hydroformylation technology and new technology of one-step oxidation and esterification of methacrolein with complete intellectual property rights. Through innovative, green and sustainable technical solutions, the project effectively solves the problems of high pollution and high energy consumption in domestic MMA production processes.

On another front, the Group continued to promote the research and development of degradable plastic polyglycolic acid (PGA). As a kind of new degradable plastic, PGA boasts the advantages of good degradability and low cost, and enjoys great commercial value and application. The Group leveraged independent innovation technology to establish presence in the field of green new materials, and proactively promoted scale-up in new technologies engineering to attain industry scale on the back of strong engineering transformation capability in new technologies and extensive practical experience.

In addition, the new technology of oxidative dehydrogenation of ethane (ODHE) developed by the Group in cooperation with Dalian Institute of Chemical Physics and Chinese Academy of Sciences has achieved significant progress and market promotion is expected to be launched in the second half of the year. The technology is in line with the global trend of light olefin raw materials, and promises broad application prospects. The Group has been deeply involved in the ethylene industry for many years, and will steadily push forward the commercial use of the technology riding upon strong engineering technology capability and rich practical experience.

The Group proactively promoted the catalyst and complete set of process technology for oxidative dehydrogenation of butene to butadiene, and successfully accomplished the third commercial transfer of the catalyst during the Period under Review, with the performance index reaching the best level in the industry. The successful commercial application of the catalyst is of great significance to the promotion of butadiene catalyst and complete process technology. At present, many domestic and foreign enterprises have discussed cooperation with the Group. Meanwhile, based on its advanced and mature butadiene expertise, the Group established a butadiene business department, which accelerated the technological development of butadiene business segment and became the new growth driver of the Group.

During the Period under Review, the Group won the first prize of two provincial and ministerial excellent survey and design awards, and obtained 8 new licensed patents and applied for 7 new patents, and continuously consolidated its intellectual property rights and technical reserves. In addition, the Shanghai Green Chemical and Energy Conservation Engineering Technology Research Centre of the Group has successfully passed the comprehensive performance evaluation conducted by the Science and Technology Commission of Shanghai Municipality and was approved for establishment. The Group will leverage the platform to play a significant role in technology development, global technical cooperation and intellectual property management in the fields of carbon dioxide use, degradable materials, used plastic recycling and high-end new materials, and promote the green and high-quality development of the industry.

Advancing Digital Application and Accelerating the Process of Intelligence

During the reporting period, the Group set up a digital management department to speed up the progress of digitalisation and intelligent operation. Through execution of domestic and international projects, the Group reinforced the application and upgrading of digital means, improved the work quality and efficiency, and enhanced the digital delivery capacity. In order to achieve the goal of digital operation, the Group initiated the upgrading of integrated material management platform and project management platform and improved data analysis and enhancement, prediction and decision-making to drive the efficiency of project management and business operation.

Strengthening Modular Capacity to Enhance Core Competitiveness

After years of accumulation, modular delivery has risen to be one of the core competitiveness of the Group. During the Period under Review, the Group continued to focus on improving the modular design capability, providing customers with competitive modular planning and implementation schemes and attaining maximal modular advantages and value. The DPCU project in Saudi Arabia, the fluorine chemical project of Juhua Group in Abu Dhabi and the synthetic ammonia project with AP in the U.S. were successfully executed by the modular approach. The Group will continue to bolster its modular capacity and strive to become an industry pacesetter.

Forging a Core Business Team by Streamlining Organizational Structure

During the Period under Review, focusing on the strategies of “driven by innovation, focusing on principal operations and establishing global presence”, and based on its new structure, the Group forged three talent teams for project management, technical management and operation management, and established a human resource management system accordingly.

The Group redesigned the incentive system based on performance, capabilities and position with the principle of comprehensively considering position, performance and remuneration, and established a market-oriented and standard remuneration system with reference to market peers, posts value evaluation, employee capabilities and performance appraisal. The Group established talent development channels, strengthened management over executives and the selection and training of back-up talents, and set up a comprehensive and systematic talent management system to enhance employees' sense of belonging, stimulate their motivation, and comprehensively improve the overall efficiency of the Company.

BUSINESS OUTLOOK

Building a World-class Energy and Chemical Engineering Company via Continuous Innovation

Looking forward, the global economy and the energy and chemical industries will continue to recover in the second half of 2021. At the same time, national policies such as "carbon peak and carbon neutrality" are a game changer for the energy and chemical industries, and new energy and new materials will thrive. For engineering companies, new industry policies and the market environment are accompanied by new challenges and opportunities. The Group will proactively address market and industry changes, seize opportunities, face challenges, give full play to its efficiency and flexibility as a private enterprise, and continue with innovation and refined management, in order to comprehensively improve its core competitiveness and strive to build a world-class energy and chemical engineering company.

Insist on innovation, we strive to build an innovation system with technological innovation and project management innovation at its core. For technological innovation, we exert more efforts in independent technological R&D, and select R&D topics in terms of new materials, degradable plastics and comprehensive use of CO_2 that meet our development needs according to the latest industry trend in technological development. To improve R&D efficiency, we ensure R&D resource investment and strengthen R&D process management. Meanwhile, we enhance our cooperation with world-renowned patentees regarding our existing competitive products, new energy, new materials, etc. Taking advantage of engineering companies as a bridge for the commercial application of new technologies, we improve our core competitiveness toward the target of becoming a world-leading technology-based engineering company.

Insist on principal operations. Based on our foothold in the fields of energy and chemicals engineering, we make full use of our market advantages to reinforce our presence in the market of existing competitive products. We maintain a leading position and improve our market share in the traditional competitive products such as ethylene, MTO, PDH, PTA, coal gasification, butadiene, synthetic ammonia, melamine and industrial furnace, and continue to develop new competitive products in areas including new energy and new materials in particular.

We strengthen our capacity on EPC projects management which focused on design, through improving our design to reduce project costs and create value for customers. We establish a globally unified procurement platform to enhance the process, reduce the costs and improve the efficiency of procurement. With a well-established resource management system for sub-contractors in place, we carry out professional sub-contracting of construction projects, enhance device start-up and service capacity, improve on-site construction management capacity, and establish an efficient and robust project management system, so as to keep the whole process of project management of safety, quality, progress and costs under control.

Insist on going global. On the back of domestic business operations, we march into overseas markets so that our business initiatives in markets at home and abroad can be mutually benefiting. In addition to further consolidating the cooperation with enterprises directly under the central government, state-owned enterprises and private enterprises, the Group leverages its experience and edge in implementing international projects, and strives to deepen the cooperation with multinational companies such as SHELL, BASF, SABIC in domestic projects. In overseas markets, the Group continues to tap into existing markets in the Middle East and North America, and explore emerging markets in Russia, Central Asia and Southeast Asia.

Looking forward, the Group will fully implement the strategies of “driven by innovations, focused on principal operations and establishing global presence”, and carry forward the corporate culture of “vitality, efficiency, compliance, perfection and mutual benefits”, aiming to achieve the common growth of employees and the Group and reward our shareholders with excellent performance.

FINANCIAL REVIEW

Revenue and Gross Profit

During the Period under Review, revenue of the Group amounted to approximately RMB2,553.0 million (for the six months ended 30 June 2020: approximately RMB2,314.0 million), representing a year-on-year increase of 10.3%. The Group's petrochemical projects located in Zhejiang and the United States, as well as new materials project in Taizhou, entered into the completion stage during the Period under Review, which decreased the revenue contribution. However, the Group's domestic petrochemical projects newly acquired in previous year and other on-going large-scale EPC projects entered into the principal construction phase during the Period under Review. Meanwhile, the quantity of the Group's other on-going projects increased, resulting in increase in revenue recognized during the Period under Review.

Gross profit of the Group amounted to approximately RMB249.4 million (for the six months ended 30 June 2020: approximately RMB185.7 million), representing a year-on-year increase of 34.3%.

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

	Segment revenue Six months ended 30 June		Segment gross profit Six months ended 30 June		Segment gross profit margin Six months ended 30 June	
	2021	2020	**2021**	2020	**2021**	2020
	RMB million		***RMB million***		**%**	
	(Unaudited)		**(Unaudited)**			
EPC	**2,444.8**	2,231.4	**209.6**	157.5	**8.6%**	7.1%
Engineering, consulting and technical services	**108.2**	82.6	**39.8**	28.2	**36.8%**	34.2%
	2,553.0	2,314.0	**249.4**	185.7	**9.8%**	8.0%

The revenue of EPC of the Group increased by 9.6% from RMB2,231.4 million in the corresponding period of last year to RMB2,444.8 million during the Period under Review. The increase in revenue of EPC was mainly attributable to the smooth progress of the Group's petrochemical and coal-to-chemicals projects located in China. The gross profit margin of EPC of the Group increased from 7.1% in the corresponding period of last year to 8.6% during the Period under Review. This was mainly because the Group recognised compensation income for certain project during the Period under Review.

The revenue of engineering, consulting and technical services of the Group increased by 31.0% from RMB82.6 million in the corresponding period of last year to RMB108.2 million during the Period under Review. The gross profit margin of engineering, consulting and technical services of the Group increased from 34.2% in the corresponding period of last year to 36.8% during the Period under Review. This was mainly due to the fact that during the Period under Review, more revenue was contributed by those engineering and consulting projects with higher profit margin.

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

	Six months ended 30 June			
	2021	2020	Change	Change
	RMB million	*RMB million*	*RMB million*	%
	(Unaudited)	(Unaudited)		
Petrochemicals	**1,858.9**	1,807.3	51.6	2.9%
Coal-to-chemicals	**356.8**	81.7	275.1	336.7%
Oil refineries	**49.7**	111.4	–61.7	–55.4%
Public infrastructure	**198.5**	107.8	90.7	84.1%
Other products and services	**89.1**	205.8	–116.7	–56.7%
	2,553.0	2,314.0	239.0	10.3%

The revenue of petrochemical business segment increased by 2.9%, essentially remaining the same. As the Group's petrochemical projects in Zhejiang and the United States approached to the completion stage during the Period under Review, a year-on-year decrease in revenue was recorded. However, the Group's other large-scale petrochemical projects in China and Middle East were well in progress, which offset the decrease in revenue.

The revenue of coal-to-chemicals business segment increased by 336.7%. This was mainly due to the fact that the coal-to-chemicals projects located in Fujian approached the principal construction stage during the Period under Review, driving the increase in revenue of this business segment.

The revenue of oil refineries business segment decreased by 55.4%. This was mainly due to the fact that the Group's oil refinery projects located in Abu Dhabi was approaching to the completion stage.

The revenue of public infrastructure business segment increased by 84.1%. This was mainly due to the fact that the Group's domestic water conservancy and sewage infrastructure projects were well in progress.

The revenue of other products and services business segment decreased by 56.7%. This was mainly due to the decrease in revenue contribution of the Group's new materials project in Jiangsu, China, which has entered into the completion stage.

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

	Six months ended 30 June			
	2021		2020	
	Revenue *RMB'million*	**Percentage of total revenue** *(%)*	Revenue *RMB'million*	Percentage of total revenue *(%)*
Mainland China	**2,073.3**	**81.2%**	1,575.4	68.1%
America	**48.2**	**1.9%**	499.0	21.6%
Middle East	**417.0**	**16.3%**	230.0	9.9%
Others	**14.5**	**0.6%**	9.6	0.4%
	2,553.0	**100.0%**	2,314.0	100.0%

The revenue from overseas projects of the Group accounted for approximately 31.9% of the total revenue in the corresponding period of last year, whereas during the Period under Review, revenue from overseas projects accounted for approximately 18.8% of the total revenue. The decrease in percentage weighting of revenue from overseas projects during the Period under Review was mainly because the new large-scale orders entered into by the Group in recent period were primarily domestic projects.

Other Income and Gains

Other income and gains decreased by 20.2% from RMB116.8 million in the corresponding period of last year to RMB93.2 million during the Period under Review, which was mainly due to the decrease in government grants during the Period under Review.

Selling and Distribution Expenses

Selling and distribution expenses decreased by 8.9% from RMB52.6 million in the corresponding period of last year to RMB47.9 million during the Period under Review, which was mainly because the Group's expenditure in overseas selling and marking activities diminished due to pandemic.

Administrative Expenses

Administrative expenses increased by 23.7% from RMB119.2 million in the corresponding period of last year to RMB147.5 million during the Period under Review, which was mainly due to the increase in the Group's depreciation and amortization as a result of the change of accounting policy during May 2020.

Other Expenses

Details of other expenses breakdown are set out below:

	Six months ended 30 June	
	2021	2020
	RMB million	*RMB million*
	(Unaudited)	(Unaudited)
Research and development costs	**63.4**	55.3
Expenses in relation to operating lease income	**11.1**	8.3
Consultancy expenses	**1.6**	–
Bad debt reversal	**(0.8)**	(3.5)
Fair value losses on financial assets at fair value through profit or loss	**–**	20.3
Others	**0.4**	0.5
	75.7	80.9

Other expenses decreased by 6.4% from RMB80.9 million in the corresponding period of last year to RMB75.7 million during the Period under Review.

Finance Costs

Finance costs increased by 6.0% from RMB34.0 million in the corresponding period of last year to RMB36.1 million during the Period under Review, in which interest on bank loans decreased by RMB2.2 million, and discounted interest on trade payables increased by RMB5.2 million.

Income Tax

Income tax increased by 98.9% from RMB7.5 million in the corresponding period of last year to RMB14.9 million during the Period under Review. This was mainly due to the increase in assessable profit for the Group's certain branches in overseas region.

Loss/Profit for the Period

Loss attributable to owners of the parent amounted to approximately RMB90.8 million (for the six months ended 30 June 2020: profit attributable to owners of the parent of approximately RMB9.3 million). The main reason was that depreciation and amortisation expenses increased due to the change of accounting policy adopted in May 2020 and that the provision of impairment losses of financial and contract assets was recognized. In addition, other income arising from government subsidies decreased during the Period under Review, and the Chinese government no longer provided one-off pandemic relief and subsidies, which led to further increase in loss attributable to owners of the parent.

Trade and Bills Receivables

The Group's trading terms with its customers are mainly on credit where payment in advance is normally required. Trade receivables are non-interest-bearing and on credit terms of a period of 30 days or the respective contracts' retention period. As at 30 June 2021 and 31 December 2020, the Group's total trade and bills receivables amounted to RMB759.1 million and RMB941.0 million, respectively, representing a decrease of approximately 19.3%.

Liquidity and Capital Structure

As at 30 June 2021, the Group's cash and bank balances amounted to RMB895.6 million, representing approximately 18.1% of the Group's current assets (as at 31 December 2020: RMB471.0 million, representing approximately 10.1% of the Group's current assets).

The major items of Interim Condensed Consolidated Statement of Cash Flows of the Group during the Period under Review are set out below:

	Six months ended 30 June	
	2021	2020
	RMB million	*RMB million*
	(Unaudited)	(Unaudited)
Net cash flows from operating activities	**251.7**	(583.2)
Net cash flows from investing activities	**43.3**	(47.2)
Net cash flows from financing activities	**131.6**	413.0

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

As at 30 June 2021, the Group's pledged and unpledged cash and bank balances included the following amounts:

	30 June 2021	31 December 2020
	RMB million	*RMB million*
Hong Kong Dollar	**5.6**	9.5
US Dollar	**268.3**	293.6
Renminbi	**1,153.6**	926.3
Saudi Riyal	**136.9**	58.6
Euro	**0.7**	1.0
South African Rand	**2.4**	2.7
UAE Dirham	**4.0**	2.7

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

	31 December 2018	31 December 2019	30 June 2020	31 December 2020	**30 June 2021**
Asset-Liability Ratio	69.2%	69.0%	60.0%	61.6%	**58.9%**

Interest-bearing bank and other borrowings of the Group as at 30 June 2021 and 31 December 2020 were set out in the table follow. The short-term bank borrowings of the Group accounted for 100.0% of the total bank borrowings (31 December 2020: 100.0%).

	30 June 2021	31 December 2020
	RMB million	*RMB million*
Current		
Bank loans repayable within one year		
— secured	**315.5**	134.3
Current portion of long-term bank loans		
— secured	**765.0**	805.0
	1,080.5	939.3

Bank borrowings at 30 June 2021 and 31 December 2020 are denominated in RMB, HKD and USD. As at 30 June 2021, bank borrowings amounting to RMB1,080.5 million (31 December 2020: RMB939.3 million) bore interest at fixed rates.

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

For the six months ended 30 June 2021	2.60% to 5.88%
For the year ended 31 December 2020	2.60% to 5.88%

The maturity profile of interest-bearing bank and other borrowings as at 30 June 2021 and 31 December 2020, based on contractual undiscounted payments, is as follows:

	On demand	Less than 3 months	3 to 12 months	Over 1 year	Total
			RMB million		
30 June 2021					
Interest-bearing bank and other borrowings	**–**	**803.9**	**327.8**	**–**	**1,131.7**
31 December 2020					
Interest-bearing bank and other borrowings	–	927.9	59.5	287.3	1,274.7

The Group incurred a net loss attributable to owner of the Company of RMB90,759,000 during the period ended 30 June 2021 and the Group had net current assets of RMB276,079,000 as at 30 June 2021. As a result of net loss recorded by the Group, the Group is in breach of financial covenant with certain bank (the "**Bank**") which is entitled to demand for immediate repayment of the principal amount of RMB765,000,000 and accrued interest as at 30 June 2021 as stipulated in the clauses of the loan agreement.

In order to improve the Group's operating and financial position, the directors of the Company have taken certain measures. For details, please refer to note 2.2 of the Interim Condensed consolidated financial statements.

The Directors have reviewed the Group's cash flow forecast covering a period of twelve months from the end of the Period under Review. The directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future.

As at the date of this announcement, the Bank has not raised any demand for immediate repayment.

Interim Dividend

The Directors did not recommend paying an interim dividend for the Period under Review (for the six months ended 30 June 2020: nil).

Capital Expenditure

During the Period under Review, the capital expenditure of the Group amounted to RMB3.4 million (for six months ended 30 June 2020: RMB8.5 million).

Material Acquisitions and Disposals

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

Contingent Liabilities

(1) During 2018, a sub-contractor of Wison Engineering filed a claim to the Higher People's Court of Sichuan Province in Mainland China against Wison Engineering for additional payment of construction costs and the interest arising from the overdue payment of construction costs of approximately RMB132,322,000.

(2) During 2020, a sub-contractor of Wison Engineering applied for arbitration in the Shanghai arbitration Committee for an additional payment of construction costs, guarantee deposits, loss expenses and the interest arising from the overdue payment of the foregoing mentioned expenses of approximately RMB48,966,000.

(3) During 2020, a sub-contractor of Jiangsu Wison filed a claim to the People's Court of Jintan District in Mainland China against Jiangsu Wison for an overdue payment of construction cost of approximately RMB9,668,000. As at 30 June 2021, a certain bank account of Jiangsu Wison of RMB9,700,000 was frozen by the Jintan District People's Court for preservation.

(4) During 2020, a sub-contractor of Jiangsu Wison filed a claim to the Jiangsu Province's People's Court in Mainland China against Jiangsu Wison for an additional payment of construction costs and the interest arising from the overdue payment of construction costs of approximately RMB17,655,000. As at 30 June 2021, a certain bank account of Jiangsu Wison of RMB20,000,000 was frozen by the Jiangsu Province's People's Court for preservation.

(5) During 2020, a sub-contractor of Jiangsu Wison filed a claim to the People's Court of Taixing in Mainland China against Jiangsu Wison and Wison Engineering has also been named as a defendant to undertake the joint liability for an additional payment of construction costs and the interest arising from the overdue payment of construction costs of approximately RMB11,657,000. As at 30 June 2021, a certain bank account of Jiangsu Wison of RMB10,500,000 was frozen by the Taixing People's Court for preservation.

(6) During 2021, a sub-contractor of Wison Engineering applied for arbitration in the Shanghai Arbitration Committee for additional payment of procurement costs and the interest arising from the overdue payment of procurement costs of approximately RMB1,178,000.

(7) During 2021, a sub-contractor of Jiangsu Wison was sued by its own three sub-contractors to the People's Court of Taixing in Mainland China and Jiangsu Wison has also been named as a defendant to undertake the joint liability for an additional payment of construction costs, delay losses and construction losses with a total amount of RMB2,800,000.

As of the date of approval of the interim condensed consolidated financial information, for case (1), Wison Engineering and the sub-contractors have completed the judicial cost audit by an independent third party arranged by the court and trials are yet to be scheduled; for case (2) and case (3), Wison Engineering, Jiangsu Wison and their respective sub-contractors have completed the first pre-trial evidence exchange in court and cross-examination, and trials are yet to be scheduled; and the trials of case (4), case (5), case (6) and case (7) are yet to be scheduled.

The directors of the Company are of the opinion that additional provision has been made for case (1). For the rest of the six cases which are without merits and the possibility for the Group subject to additional payment claims to be remote on the basis of the available evidence and having legal advice taken, the directors are of opinion that no additional provision are required.

Foreign Exchange Risk Control

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

Pledge of Assets

As at 30 June 2021, bank balances of RMB72.0 million, certain building and leasehold land of RMB3,553.4 million, as well as future years right of receiving rental income from certain properties, were pledged as security for bank facilities of the Group.

Employee and Emolument Policy

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

As at 30 June 2021, the Group had 1,426 employees (31 December 2020: 1,538 employees). The Group's total employee costs (including remuneration, bonuses, pensions and benefits) amounted to RMB272.9 million, representing 10.7% of the Group's income during the period (as at 31 December 2020: 12.6%). The Company has formulated a salary policy based on the principles of fairness, competition, incentive and legality, dynamically adjusting the salary according to the performance of the Company, employees' performance and working ability, etc.

As at 30 June 2021, the Group had granted a total of 164,200,000 outstanding share options to eligible employees under the Share Option Scheme adopted on 30 November 2012, so as to enhance the attractiveness of the Company's remuneration package and to encourage employees to perform better. For details, please refer to the Company's announcements dated 14 November 2017 and 1 April 2021, respectively.

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

Purchase, Sale and Redemption of Listed Securities of the Company

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

Events after Reporting Period

No significant event of the Group has taken place subsequent to 30 June 2021 and up to the date of this announcement.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2021

	Notes	**2021 (Unaudited) RMB'000**	2020 (Unaudited) RMB'000
REVENUE	4	**2,553,031**	2,313,972
Cost of sales		**(2,303,644)**	(2,128,239)
Gross profit		**249,387**	185,733
Other income and gains		**93,228**	116,807
Selling and distribution expenses		**(47,948)**	(52,642)
Administrative expenses		**(147,478)**	(119,183)
(Provision for)/reversal of impairment losses on financial and contract assets		**(111,734)**	690
Other expenses		**(75,715)**	(80,897)
Finance costs		**(36,061)**	(34,023)
Share of profits and losses of associates		**340**	172
(LOSS)/PROFIT BEFORE TAX	5	**(75,981)**	16,657
Income tax expense	6	**(14,853)**	(7,469)
(LOSS)/PROFIT FOR THE PERIOD		**(90,834)**	9,188
Attributable to:			
Owners of the parent		**(90,759)**	9,318
Non-controlling interests		**(75)**	(130)
		(90,834)	9,188
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
— Basic		**RMB(2.23) cents**	RMB0.23 cents
— Diluted		**RMB(2.23) cents**	RMB0.23 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	2021 **(Unaudited)** **RMB'000**	2020 (Unaudited) RMB'000
(LOSS)/PROFIT FOR THE PERIOD	**(90,834)**	9,188
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(1,746)**	3,031
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**(1,746)**	3,031
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**61,137**	(54,316)
Gains on properties and land revaluation	**–**	2,638,631
Income tax effect	**–**	(395,795)
	–	2,242,836
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**61,137**	2,188,520
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**59,391**	2,191,551
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(31,443)**	2,200,739
Attributable to:		
Owners of the parent	**(31,368)**	2,200,869
Non-controlling interests	**(75)**	(130)
	(31,443)	2,200,739

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2021

	Notes	**30 June 2021 (Unaudited) RMB'000**	31 December 2020 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	**1,335,881**	1,358,824
Investment property		**10,124**	10,449
Right-of-use assets		**2,287,313**	2,326,338
Goodwill		**15,752**	15,752
Intangible assets		**26,030**	26,730
Investments in associates		**210,736**	192,796
Equity investments designated at fair value through other comprehensive income		**266,885**	205,748
Long-term prepayments		**–**	159
Deferred tax assets		**55,154**	55,792
Total non-current assets		**4,207,875**	4,192,588
CURRENT ASSETS			
Inventories		**225,250**	85,867
Trade receivables	10	**658,451**	839,289
Bills receivable		**100,622**	101,681
Contract assets		**1,568,939**	1,617,778
Prepayments and other receivables		**778,021**	709,885
Financial asset at fair value through profit or loss		**500**	500
Due from fellow subsidiaries		**27,583**	15,037
Dividend receivable		**8,719**	–
Pledged bank balances and time deposits	11	**676,257**	824,775
Cash and bank balances	11	**895,643**	470,966
Total current assets		**4,939,985**	4,665,778
CURRENT LIABILITIES			
Trade and bills payables	12	**2,484,628**	2,430,439
Other payables and accruals		**888,934**	1,058,431
Interest-bearing bank and other borrowings	13	**1,080,468**	939,327
Lease Liabilities		**17,161**	15,670
Due to fellow subsidiaries		**31**	5,914
Due to an associate		**630**	630
Tax payable		**192,054**	188,871
Total current liabilities		**4,663,906**	4,639,282

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

30 June 2021

	Notes	**30 June 2021 (Unaudited) RMB'000**	31 December 2020 (Audited) RMB'000
NET CURRENT ASSETS		**276,079**	26,496
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,483,954**	4,219,084
NON-CURRENT LIABILITIES			
Lease liabilities		**9,619**	19,571
Long-term payables		**308,404**	–
Deferred tax liabilities		**397,897**	403,522
Government grants		**4,154**	4,247
Total non-current liabilities		**720,074**	427,340
Net assets		**3,763,880**	3,791,744
EQUITY			
Equity attributable to owners of the parent			
Share capital	14	**330,578**	330,578
Share premium		**869,201**	869,201
Other reserves		**2,564,500**	2,592,289
		3,764,279	3,792,068
Non-controlling interests		**(399)**	(324)
Total equity		**3,763,880**	3,791,744

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2021

1. CORPORATE INFORMATION

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

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

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

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2021 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2020.

2.2 BASIS OF PRESENTATION

The Group incurred a net loss attributable to owners of the Company of RMB90,759,000 during the period ended 30 June 2021 and the Group had net current assets of RMB276,079,000 as at 30 June 2021. As a result of the net loss recorded by the Group, the Group is in breach of financial covenant with a certain bank (the "Bank") which is entitled to demand for immediate repayment of the principal amount of RMB765,000,000 and accrued interest as at 30 June 2021 as stipulated in the clauses of the loan agreement.

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

(a) Up to the date of this report, the Group had unused credit facilities of RMB200,000,000 from a fellow subsidiary of the Group; and

(b) The Group continues to take actions to tighten cost controls over various operating expenses and is actively seeking new investment and business opportunities with an aim to attaining profitable and positive cash flow operations.

The directors have reviewed the Group's cash flow forecast covering a period of twelve months from the end of the reporting period. The directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of the following revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	*Interest Rate Benchmark Reform — Phase 2*
Amendment to IFRS 16	*Covid-19-Related Rent Concessions beyond 30 June 2021* (early adopted)

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

(a) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("RFR"). The phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

    The Group had certain interest-bearing bank borrowings denominated in RMB and foreign currencies based on the China Interbank Offered Rate as at 30 June 2021. Since the interest rates of these borrowings were not replaced by RFRs during the period, the amendments did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings provided that the "economically equivalent" criterion is met.

(b) Amendment to IFRS 16 issued in March 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

    During the six months ended 30 June 2021, no lease payments for the leases of the Group's assets have been reduced or waived by the lessors.

3. OPERATING SEGMENT INFORMATION

Six months ended 30 June 2021	**Engineering, procurement and construction ("EPC") RMB'000 (Unaudited)**	**Engineering, consulting and technical services RMB'000 (Unaudited)**	**Total RMB'000 (Unaudited)**
Segment revenue (note 4)			
Sales to external customers	**2,444,858**	**108,173**	**2,553,031**
Intersegment sales	**27,175**	**1**	**27,176**
	2,472,033	**108,174**	**2,580,207**
Reconciliation:			
Elimination of intersegment sales			**(27,176)**
Revenue			**2,553,031**
Segment results	**209,583**	**39,804**	**249,387**
Reconciliation:			
Unallocated income			**93,228**
Unallocated expenses			**(383,698)**
Unallocated finance costs (other than interest on lease liabilities)			**(35,238)**
Share of profits and losses of associates			**340**
Loss before tax			**(75,981)**

Six months ended 30 June 2020	EPC RMB'000 (Unaudited)	Engineering, consulting and technical services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue (note 4)			
Sales to external customers	2,231,384	82,588	2,313,972
Intersegment sales	31,982	11,281	43,263
	2,263,366	93,869	2,357,235
Reconciliation:			
Elimination of intersegment sales			(43,263)
Revenue			2,313,972
Segment results	157,476	28,257	185,733
Reconciliation:			
Unallocated income			116,807
Unallocated expenses			(253,592)
Unallocated finance costs (other than interest on lease liabilities)			(32,463)
Share of profits and losses of associates			172
Profit before tax			16,657

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2021 and 31 December 2020.

30 June 2021	**EPC**	**Engineering, consulting and technical services**	**Total**
	RMB'000	**RMB'000**	**RMB'000**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
Segment assets	**3,158,080**	**45,398**	**3,203,478**
Reconciliation:			
Elimination of intersegment receivables			**(13,980)**
Corporate and other unallocated assets			**5,958,362**
Total assets			**9,147,860**
Segment liabilities	**3,120,230**	**63,504**	**3,183,734**
Reconciliation:			
Elimination of intersegment payables			**(12,740)**
Corporate and other unallocated liabilities			**2,212,986**
Total liabilities			**5,383,980**

31 December 2020	EPC	Engineering, consulting and technical services	Total
	RMB'000	RMB'000	RMB'000
	(Audited)	(Audited)	(Audited)
Segment assets	3,132,852	72,975	3,205,827
Reconciliation:			
Elimination of intersegment receivables			(71,029)
Corporate and other unallocated assets			5,723,568
Total assets			8,858,366
Segment liabilities	3,253,268	57,833	3,311,101
Reconciliation:			
Elimination of intersegment payables			(72,317)
Corporate and other unallocated liabilities			1,827,838
Total liabilities			5,066,622

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**2,553,031**	2,313,972

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2021

Segments	**EPC**	**Engineering, consulting and technical services**	**Total**
	RMB'000	**RMB'000**	**RMB'000**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
Type of services			
Construction contracts	**2,444,858**	**–**	**2,444,858**
Design, feasibility research, consulting and technical services	**–**	**108,173**	**108,173**
Total revenue from contracts with customers	**2,444,858**	**108,173**	**2,553,031**
Geographical markets			
Mainland China	**1,979,850**	**93,417**	**2,073,267**
America	**48,026**	**231**	**48,257**
Middle East	**416,982**	**–**	**416,982**
Others	**–**	**14,525**	**14,525**
Total revenue from contracts with customers	**2,444,858**	**108,173**	**2,553,031**
Timing of revenue recognition			
Services transferred over time	**2,444,858**	**108,173**	**2,553,031**

For the six months ended 30 June 2020

<u>Segments</u>	EPC RMB'000 (Unaudited)	Engineering, consulting and technical services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Type of services			
Construction contracts	2,231,384	–	2,231,384
Design, feasibility research, consulting and technical services	–	82,588	82,588
Total revenue from contracts with customers	2,231,384	82,588	2,313,972
Geographical markets			
Mainland China	1,515,085	60,336	1,575,421
America	486,403	12,604	499,007
Middle East	229,896	–	229,896
Others	–	9,648	9,648
Total revenue from contracts with customers	2,231,384	82,588	2,313,972
Timing of revenue recognition			
Services transferred over time	2,231,384	82,588	2,313,972

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

For the six months ended 30 June 2021

<u>Segments</u>	**EPC** **RMB'000** **(Unaudited)**	**Engineering, consulting and technical services** **RMB'000** **(Unaudited)**	**Total** **RMB'000** **(Unaudited)**
Revenue from contracts with customers			
External customers	**2,444,858**	**108,173**	**2,553,031**
Intersegment sales	**27,175**	**1**	**27,176**
Intersegment adjustments and eliminations	**(27,175)**	**(1)**	**(27,176)**
Total revenue from contracts with customers	**2,444,858**	**108,173**	**2,553,031**

For the six months ended 30 June 2020

Segments	EPC RMB'000 (Unaudited)	Engineering, consulting and technical services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue from contracts with customers			
External customers	2,231,384	82,588	2,313,972
Intersegment sales	31,982	11,281	43,263
Intersegment adjustments and eliminations	(31,982)	(11,281)	(43,263)
Total revenue from contracts with customers	2,231,384	82,588	2,313,972

5. (LOSS)/PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Cost of services provided*	**2,303,644**	2,128,239
Depreciation of property, plant and equipment and investment property	**24,482**	24,654
Research and development costs	**63,453**	55,274
Depreciation of right-of-use assets	**40,132**	19,492
Amortisation of intangible assets	**2,903**	2,928
Government grants	**(869)**	(7,728)
Impairment of financial and contract assets, net		
Provision for/(reversal of) impairment of trade receivables, net	**147,496**	(29,127)
(Reversal of)/provision for impairment of contract assets, net	**(35,122)**	28,715
Reversal of impairment of other receivables, net	**(640)**	(278)
(Gain)/loss on disposal of items of property, plant and equipment	**(35)**	22
Lease payments not included in the measurement of lease liabilities	**4,721**	9,049
Fair value losses, net:		
Financial assets at fair value through profit or loss — mandatorily classified as such, including those held for trading	**–**	20,218
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	**244,761**	278,769
Retirement benefit scheme contributions	**24,560**	17,250
Equity-settled share option expenses	**3,579**	7,015
	272,900	303,034
Foreign exchange differences, net	**2,015**	(2,114)

* Amounts of RMB128,471,000 of employee benefit expenses were included in the cost of services provided during the six months ended 30 June 2021 (30 June 2020: RMB162,764,000).

6. INCOME TAX

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

	For the six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current		
— Mainland China	**6,530**	1,499
— Elsewhere	**13,310**	1,295
Deferred	**(4,987)**	4,675
Total tax charge for the period	**14,853**	7,469

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group was not subject to any income tax in the Cayman Islands and British Virgin Islands. The Group was not liable for income tax in Hong Kong, Indonesia, South Africa, Mexico, Thailand, United Arab Emirates and Singapore as the Group did not have any assessable income arising in Hong Kong, Indonesia, South Africa, Mexico, Thailand, United Arab Emirates and Singapore for the six months ended 30 June 2021 and 2020.

惠生工程(中國)有限公司 (Wison Engineering Limited, "Wison Engineering") was qualified as a "High and New Technology Enterprise" and was entitled to a preferential corporate income tax ("CIT") rate of 15% from 2014 to 2016. In accordance with the requirements of the tax regulations in the PRC, Wison Engineering reapplied for the "High and New Technology Enterprise" qualification and obtained the certificates on 23 October 2017 and 12 November 2020, respectively. The certificate obtained on 12 November 2020 is effective for another three years from 1 January 2020. Accordingly, Wison Engineering was subject to CIT at a rate of 15% for the six months ended 30 June 2021 and 2020.

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

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

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

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

At 30 June 2021, there was no significant unrecognised deferred tax liability (31 December 2020: Nil) for taxes that would be payable on the unremitted earnings of the Group's subsidiaries as the Group has no liability to additional tax should such amounts be remitted due to the availability of double taxation relief.

7. DIVIDENDS

	For the six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Final — Nil (2020: HK$0.004) per ordinary share	**–**	14,682

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

The calculation of the basic (loss)/earnings per share amounts is based on the (loss)/profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 4,073,767,800 (2020: 4,073,767,800) in issue during the period.

The calculation of the diluted (loss)/earnings per share amounts is based on the (loss)/profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic (loss)/earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2021 and 2020.

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

	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(Loss)/earnings		
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic and diluted (loss)/earnings per share calculations:	**(90,759)**	9,318
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted (loss)/earnings per share calculations	**4,073,767,800**	4,073,767,800

9. PROPERTY, PLANT AND EQUIPMENT

	RMB'000
At 1 January 2021 (audited)	1,358,824
Additions	1,240
Depreciation	(24,157)
Disposals	(26)
At 30 June 2021 (unaudited)	1,335,881

At 30 June 2021, the Group's buildings are situated in Mainland China and are held under medium-term leases with a book value of RMB1,320,504,000 (31 December 2020: RMB1,339,350,000).

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

As at 31 December 2020, the Group's buildings and leasehold land situated in Mainland China were revalued based on valuations performed by Shanghai Orient Appraisal Co., Ltd., an independent firm of professionally qualified valuers, at RMB3,631,091,000. The land portion of RMB2,291,741,000 was measured as right-of-use assets. In the opinion of the directors, the fair value of buildings and leasehold land did not differ materially from their carrying amounts at 30 June 2021.

Had the Group's buildings and leasehold land situated in Mainland China been carried at cost less accumulated depreciation, the carrying amount would have been approximately RMB789,516,000 and RMB142,977,000, respectively (31 December 2020: RMB800,748,000 and RMB144,995,000, respectively).

At 30 June 2021, certain of the Group's building and leasehold land with a net book value of approximately RMB3,553,354,000 (31 December 2020: RMB3,603,519,000) were pledged to secure general banking facilities granted to the Group.

Fair value hierarchy
The following table illustrates the fair value measurement hierarchy of the Group's buildings and leasehold land situated in Mainland China:

	Fair value measurement as at 30 June 2021 using			
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	**Significant observable inputs (Level 2) RMB'000 (Unaudited)**	**Significant unobservable inputs (Level 3) RMB'000 (Unaudited)**	**Total RMB'000 (Unaudited)**
Buildings	–	–	1,320,504	1,320,504
Leasehold land	–	–	2,259,838	2,259,838
	–	–	3,580,342	3,580,342

	Fair value measurement as at 31 December 2020 using			
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	Total RMB'000 (Audited)
Buildings	–	–	1,339,350	1,339,350
Leasehold land	–	–	2,291,741	2,291,741
	–	–	3,631,091	3,631,091

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

	Buildings RMB'000	**Leasehold land** RMB'000
At 1 January	1,339,350	2,291,741
Depreciation charge	(18,846)	(31,903)
At 30 June	1,320,504	2,259,838

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

	Valuation technique	**Significant unobservable inputs**	**Weighted average 2020**
Building and leasehold land *(note a)*	Income method	Market daily rental (RMB) (per square metre)	5.1
		Long term vacancy rate	4%
		Yield rate	4%
Building *(note b)*	Direct comparison method	Market transaction price (RMB) (per square metre)	11,300
		Adjustment on quality of the building	1%

Notes:

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

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

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

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

10. TRADE RECEIVABLES

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

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Within 1 month	**16,567**	133,512
2 to 12 months	**339,293**	260,871
Over 1 year	**302,591**	444,906
	658,451	839,289

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

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Related companies		
Wison (Taizhou) New Material Technology Co., Ltd.	**118,321**	123,239
Taixing Bohui Environmental Technology Development Co., Ltd.	**129,294**	83,021
Taixing Tianma Chemical Engineering Co., Ltd.	**76,697**	76,697
	324,312	282,957

11. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Cash and bank balances	**1,160,619**	789,410
Time deposits with original maturity of less than three months	**80,789**	256,944
Time deposits with original maturity of more than three months	**330,492**	249,387
	1,571,900	1,295,741
Less: Pledged bank balances and time deposits	**676,257**	824,775
Unpledged cash and cash equivalents	**895,643**	470,966
Less: Frozen and unpledged bank balances	**40,200**	45,200
Unpledged and unfrozen cash and cash equivalents	**855,443**	425,766

At 30 June 2021, bank balances and time deposits of RMB421,367,000 (31 December 2020: RMB466,905,000) were placed as guarantee deposits for the performance of certain construction contracts and for the tendering process.

At 30 June 2021, bank balances and time deposits of RMB12,280,000 (31 December 2020: RMB18,692,000) were pledged to a bank as security to obtain a letter of credit facility for the purchase of imported equipment.

At 30 June 2021, bank balances and time deposits of RMB153,535,000 (31 December 2020: RMB291,909,000) were pledged as security for bill facilities granted by the banks.

At 30 June 2021, bank balances and time deposits of RMB17,053,000 (31 December 2020: RMB19,169,000) were pledged to a bank as security for forward foreign exchange contracts.

At 30 June 2021, bank balances of RMB72,022,000 (31 December 2020: RMB28,100,000) were pledged to a bank as security to obtain a bank facility (note 13).

At 30 June 2021, certain bank accounts of Jiangsu Wison of RMB40,200,000 (31 December 2020: RMB40,200,000) were frozen by courts for certain claims in disputes for preservation.

At 30 June 2021, the cash and bank balances of the Group denominated in RMB amounted to RMB1,153,638,000 (31 December 2020: RMB926,281,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

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

12. TRADE AND BILLS PAYABLES

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

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Less than 1 year	**1,832,611**	1,760,149
1 to 2 years	**256,056**	144,679
2 to 3 years	**97,764**	115,348
Over 3 years	**298,197**	410,263
	2,484,628	2,430,439

13. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Current		
Bank loans repayable within one year		
— secured	**315,468**	134,327
Current portion of long-term bank loans — secured	**765,000**	805,000
	1,080,468	939,327

An analysis of foreign currency loans (in original currency) is as follows:

	30 June 2021 '000	31 December 2020 '000
US$ denominated	**3,728**	3,728
HK$ denominated	**230,000**	–

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

Six months ended 30 June 2021	2.60% to 5.88%
Year ended 31 December 2020	2.60% to 5.88%

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**1,080,468**	939,327

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

	Note	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Building and leasehold land	9	**3,553,354**	3,603,519

A bank has granted credit facilities to the Group for which the right of receiving rental income from a property of the Group for the future years and the related bank account with bank balances of RMB72,022,000 as at 30 June 2021 (note 11) have been pledged as security.

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

As at 30 June 2021, Wison Engineering had borrowings with the Bank of RMB765,000,000 (31 December 2020: RMB805,000,000) with an original maturity date on 20 August 2034, which requires the Group to maintain profitable financial performance during each financial year. The Group was in breach of the financial covenants under the loan agreement due to the net loss recorded by the Group for the year ended 31 December 2020. The Bank is entitled to demand and accelerate the repayment of the principal amount of RMB765,000,000 (31 December 2020: RMB805,000,000) and accrued interest as at 30 June 2021 as stipulated in the clauses of the loan agreement. As at 30 June 2021, the non-current bank loan amounted to RMB706,500,000 (31 December 2020: RMB736,500,000) was reclassified as the current portion of interest-bearing bank and other borrowings.

Up to the date of the interim condensed consolidated financial information, the Group has yet to receive any waiver nor any demand for the immediate repayment from the Bank in respect of the breach of covenants.

14. SHARE CAPITAL

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Number of ordinary shares		
Authorised:		
Ordinary shares of HK$0.1 each	**20,000,000,000**	20,000,000,000
Issued:		
Ordinary shares of HK$0.1 each	**4,073,767,800**	4,073,767,800

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Authorised:		
Ordinary shares of HK$0.1 each	**1,622,757**	1,622,757
Issued:		
Ordinary shares of HK$0.1 each	**330,578**	330,578

A summary of the Company's share capital is as follows:

	Number of shares in issue	**Share capital** RMB'000	**Share premium account** RMB'000	**Total** RMB'000
At 31 December 2020, 1 January 2021 and 30 June 2021	4,073,767,800	330,578	869,201	1,199,779

15. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The unaudited interim condensed consolidated financial information was approved and authorised for issue by the Board of Directors on 25 August 2021.

CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2021, the Company has complied with the code provisions (the "CG Code") as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by Directors. Having made specific enquiry, all Directors confirmed that they have complied with the required standard set out in the Model Code during the Period under review.

AUDIT COMMITTEE REVIEW

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

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

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

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

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

Hong Kong, 25 August 2021

As at the date of this announcement, the executive Directors of the Company are Mr. Yan Shaochun, Mr. Zhou Hongliang, Mr. Dong Hua and Mr. Zheng Shifeng; the non-executive Director and Chairman of the Company is Mr. Liu Hongjun; and the independent non-executive Directors of the Company are Mr. Lawrence Lee, Mr. Tang Shisheng and Mr. Feng Guohua.