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HANS ENERGY COMPANY LIMITED
漢思能源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00554)

SUPPLEMENTAL ANNOUNCEMENT
DISCLOSEABLE TRANSACTION IN RELATION TO
SUBSCRIPTION OF LIMITED PARTNERSHIP INTEREST

Reference is made to the announcement of Hans Energy Company Limited (the “**Company**”) dated 12 April 2019 (the “**Announcement**”) in relation the Company’s subscription of limited partnership interest in the Limited Partnership. Terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

The Company would like to provide further information as follows:

INFORMATION ABOUT THE LIMITED PARTNERSHIP

Creative Apex (a direct wholly-owned subsidiary of the Company) as a Limited Partner is entitled to contractual protections under the First Amended and Restated Limited Partnership Agreement for Templewater I, L.P. dated 26 March 2019 (the “**Limited Partnership Agreement**”) as well as the usual protections under the Exempted Limited Partnership Law (Revised) of the Cayman Islands. The control mechanism available to the Limited Partners under the Limited Partnership Agreement includes the establishment of a committee of representatives consisting of at least three Limited Partners representing at least 20% of the aggregate commitments to the Limited Partnership at any time (“**L.P. committee**”) to deal with any conflict of interest between the General Partner and the Limited Partnership; the respective liabilities of the Partners and the General Partners and the limitation of the General Partner’s powers.

Specifically, while the General Partner has exclusive responsibility for the operation of the Limited Partnership and the making of investment decisions, the General Partner must not invest any of the capital contributions under the Limited Partnership in any matter not contemplated by the investment objectives as set out in the Limited Partnership Agreement. Its investment decisions are subject to the oversight of the L.P. Committee. Approval of the L.P. Committee is needed in the event that the General Partner invests in any portfolio company which it or its affiliates has an interest in or when the General Partner invests in any single portfolio company or investment vehicle exceeding 20% of the aggregate commitments of all Limited Partners.

The Limited Partners also have the right to remove the General Partner (i) for cause as specified in the Limited Partnership Agreement, with the consent of greater than 75% majority in interest of the Limited Partners; or (ii) without cause, with the prior written consent of greater than 90% majority in interest of the Limited Partners.

The Limited Partnership Agreement does not set out any minimum performance requirement for the Limited Partnership. The Company will not receive compensation in the event of poor performance of the Limited Partnership during the Investment Period.

The Limited Partnership may be wound up and dissolved at the expiration of 8 years after the Initial Closing Date, extendable twice for 1 year each time at the General Partner's sole discretion, after which the Company will exit the Limited Partnership. If, however, the Company intends to exit prior to the winding up of the Limited Partnership, it may assign all or any part of its interest under the Limited Partnership Agreement, subject to the consent of the General Partner.

Regarding the policy of distribution of investment proceeds, the Board considers that the distribution priority of (1) providing each Limited Partners and Founding Limited Partners a return of their capital commitment in full (in proportion to their respective participation percentages) and (2) distribution of the remaining distributable cash flow as (i) 80% to the Limited Partners and Founding Limited Partners (in proportion to their respective participation percentage), and (ii) an additional 20% to the Founding Limited Partners as fair and reasonable, having considered market practices and distribution policies common among the private equity industry.

INFORMATION OF THE GENERAL PARTNER AND THE INVESTMENT COMMITTEE OF THE LIMITED PARTNERSHIP

The General Partner is wholly owned by Templewater Holdings Limited, which is a joint venture between Mr. Cliff Zhang (“**Mr. Zhang**”) and Investec Bank plc (“**Investec**”). Based on the information available to the Company, details of Investec, Mr. Zhang and members of investment committee of the Limited Partnership are set out below.

The Company considers that Investec has extensive experience in investment banking, risk management, asset management, foreign exchange hedging, co-investment, corporate advisory, capital markets and private equity investments. Investec is a UK

specialist bank which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Investec is wholly owned by Investec PLC, which is a FTSE 250 company listed in London.

Mr. Zhang is experienced in corporate advisory, capital markets and private equity investments, and has experience working with family offices, corporates and entrepreneurs in Asia. Prior to founding the General Partner, Mr. Zhang was the Senior Vice President at Chow Tai Fook Enterprises Limited (“CTFE”), focusing on private equity transactions, global mergers and acquisitions, and corporate development. Prior to joining CTFE, Mr. Zhang worked at each of HSBC’s and Deutsche Bank’s investment banking division in Hong Kong. Mr. Zhang holds a Master of Engineering Science degree from Harvard University in the United States of America, and a Bachelor of Applied Sciences degree from the University of Waterloo in Canada.

The Templewater Investment Committee will be composed of Mr. Cliff Zhang, Ms. Tanis Crosby (Investec representative), and Mr. Gary Burg (independent member). Ms. Tanis Crosby heads up Investec Principal Investments UK, having established the team in 2012. Mr. Gary Burg is a co-founder of Global Capital Group, an investment banking and private equity firm based and operating in Australia and South Africa and has significant experience across a range of sectors including life insurance, financial services and education.

Based on the experience and history of Investec, Mr. Cliff Zhang and Templewater, the Company believes that the Subscription would generate stable income and better return for the Company.

By order of the Board
Hans Energy Company Limited
漢思能源有限公司

Yang Dong

Chief Executive Officer and Executive Director

Hong Kong, 17 May 2019

As at the date of this announcement, the Board comprises four executive directors, namely Mr. David An (Chairman), Mr. Yang Dong, Ms. Liu Zhijun and Mr. Zhang Lei and three independent non-executive directors, namely Mr. Li Wai Keung, Mr. Chan Chun Wai, Tony and Ms. Hai Hiu Chu.