

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**DISCLOSEABLE TRANSACTION  
ESTABLISHMENT OF LIMITED PARTNERSHIP**

On June 22, 2020, Shanghai Huicheng, a wholly-owned subsidiary of the Company, entered into the Limited Partnership Agreement with Silver Saddle and the Other Limited Partners pursuant to which, Shanghai Huicheng (as limited partner), the Other Limited Partners (as limited partners) and Silver Saddle (as general partner) agreed to establish the Limited Partnership for carrying out equity and equity-related investments in new materials, fine chemicals and other fields and projects related to national strategic emerging industries, subject to certain investment restrictions stipulated in the Limited Partnership Agreement.

The Limited Partnership has a target total capital contribution size of RMB950,000,000. Pursuant to the Limited Partnership Agreement, Shanghai Huicheng (as limited partner), the Other Limited Partners and Silver Saddle (as general partner) will contribute RMB160,000,000, RMB360,000,000 and RMB10,000,000 to the Limited Partnership, representing approximately 30.2%, 67.9% and 1.9% of the Initial Capital Contribution, respectively.

Silver Saddle may within twelve months after the expiry of the initial subscription period accept (i) existing limited partner(s) to increase its/their amount of capital contribution in the Limited Partnership or (ii) new limited partner(s) to subscribe for capital of the Limited Partnership. Shanghai Huicheng is not obligated under the Limited Partnership Agreement to, and currently does not contemplate it will, take part in any subsequent capital contribution(s) of the Limited Partnership.

Assuming the Target Total Capital Contribution has been fully subscribed and Shanghai Huicheng does not make further capital contribution in the Limited Partnership, the percentage of Shanghai Huicheng's capital contribution in the Limited Partnership will be reduced from approximately 30.2% to approximately 16.8%.

The investment in the Limited Partnership will be classified as “equity investments designated at fair value through other comprehensive income”.

### **LISTING RULES IMPLICATIONS**

Reference is made to the Silver Saddle Equity Transfer Agreement dated December 11, 2019, pursuant to which Yingan Zhonghua agreed to sell, and Wison Engineering (an indirect wholly-owned subsidiary of the Company) agreed to acquire, 15% equity interest in Silver Saddle, the general partner of the Limited Partnership, for a consideration of RMB2,250,000. Given that the Limited Partnership Agreement and the Silver Saddle Equity Transfer Agreement were entered into within a 12-month period between the Group on one hand and Silver Saddle and Yingan Zhonghua on the other hand, the Limited Partnership Agreement and the Silver Saddle Equity Transfer Agreement shall be aggregated pursuant to Rule 14.22 of the Listing Rules. Since the highest applicable percentage ratio set out in Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Limited Partnership Agreement and the Silver Saddle Equity Transfer Agreement, on an aggregate basis, is above 5% but below 25%, the establishment of and investment in the Limited Partnership pursuant to the Limited Partnership Agreement constitutes a discloseable transaction of the Company and is therefore subject to the announcement requirement in Chapter 14 of the Listing Rules.

**WARNING: The Limited Partnership and its investments may or may not generate economic return and hence, the entering into of the Limited Partnership Agreement and the investment in the Limited Partnership may or may not bring profit to the Group. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

### **INTRODUCTION**

On June 22, 2020, Shanghai Huicheng, a wholly-owned subsidiary of the Company, entered into the Limited Partnership Agreement with Silver Saddle and the Other Limited Partners pursuant to which, Shanghai Huicheng (as limited partner), the Other Limited Partners (as limited partners) and Silver Saddle (as general partner) agreed to establish the Limited Partnership for carrying out equity and equity-related investments in new materials, fine chemicals and other fields and projects related to national strategic emerging industries, subject to certain investment restrictions stipulated in the Limited Partnership Agreement.

## LIMITED PARTNERSHIP AGREEMENT

**Date:** June 22, 2020

### **Parties:**

- Limited partners:**
- (1) Shanghai Huicheng;
  - (2) Sinochem International;
  - (3) Haimen South Huanghai; and
- General partner:** (4) Silver Saddle.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, save for (i) Mr. Qu Song (a director of Wison Group Holding Limited, the controlling shareholder of the Company) being a director of Silver Saddle and (ii) the Company being indirectly interested in 15% of the total registered capital of Silver Saddle, each of Sinochem International, Haimen South Huanghai and Silver Saddle and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **Target Total Capital Contribution**

The Limited Partnership has a target total capital contribution size of RMB950,000,000 (“**Target Total Capital Contribution**”).

### **Initial Capital Contribution**

Pursuant to the Limited Partnership Agreement, Shanghai Huicheng (as limited partner), Sinochem International (as limited partner), Haimen South Huanghai (as limited partner) and Silver Saddle (as general partner) will contribute RMB160,000,000, RMB260,000,000, RMB100,000,000 and RMB10,000,000 to the Limited Partnership (“**Initial Capital Contribution**”), representing approximately 30.2%, 49.0%, 18.9% and 1.9% of the Initial Capital Contribution, respectively.

The respective capital contributions shall be paid in cash by Shanghai Huicheng and Other Limited Partners on or before the date as specified in drawdown notice(s) given by the general partner to the Limited Partners. The amount of capital contributions to be made by each of Shanghai Huicheng, Silver Saddle and Other Limited Partners is arrived at after arm’s length negotiations between the parties and with reference to the projected capital requirements of the Limited Partnership. The Group intends to fund its capital contribution under the Limited Partnership Agreement using its internal resources.

The investment in the Limited Partnership will be classified as “equity investments designated at fair value through other comprehensive income”.

## **Subsequent Capital Contribution(s)**

Silver Saddle may within twelve months after the expiry of the initial subscription period accept (i) existing limited partner(s) to increase its/their amount of capital contribution in the Limited Partnership or (ii) new limited partner(s) to subscribe for capital of the Limited Partnership. Shanghai Huicheng is not obligated under the Limited Partnership Agreement to, and currently does not contemplate it will, take part in any subsequent capital contribution(s) of the Limited Partnership.

Assuming the Target Total Capital Contribution has been fully subscribed and Shanghai Huicheng does not make further capital contribution in the Limited Partnership, the percentage of Shanghai Huicheng's capital contribution in the Limited Partnership will be reduced from approximately 30.2% to approximately 16.8%.

## **Investment Scope of the Limited Partnership**

The Limited Partnership will carry out equity and equity-related investments in new materials, fine chemicals and other fields and projects related to national strategic emerging industries, subject to certain investment restrictions stipulated in the Limited Partnership Agreement.

## **Term of the Limited Partnership**

Subject to winding up or dissolution of the Limited Partnership pursuant to the Limited Partnership Agreement, the term of the Limited Partnership will be seven years from the Completion Date, the first five years of which shall be the investment period (the “**Investment Period**”) and the remaining period after the Investment Period shall be the exit period (the “**Exit Period**”). During the Exit Period, the Limited Partnership shall not engage in any new project investment activities, except in the case where (i) letter(s) of intent, framework agreement(s) or other binding agreement(s) in respect of the investment(s) have been executed within the Investment Period and (ii) such investment(s) shall have been completed within 180 days after the end of the Investment Period. Silver Saddle may extend the Exit Period for a maximum of two years.

## **Management of the Limited Partnership**

Silver Saddle is appointed as the executive partner of the Limited Partnership and is responsible for the day-to-day management and operation of the Limited Partnership.

Silver Saddle shall set up an investment decision committee which is responsible for reviewing and approving investment and project management as submitted by the investment team of Silver Saddle, as well as matters in respect of conflicts of interest and related party transactions as specified in the Limited Partnership Agreement. The investment decision committee shall consist of five members and will be appointed by Silver Saddle.

The Limited Partners shall take no part in the operation of the Limited Partnership or the management or control of its investments and affairs other than as set forth in the Limited Partnership Agreement.

## **Management Fee**

In consideration of the management of the Limited Partnership and other related services, Silver Saddle shall be entitled to an annual management fee of (a) 1.5% of the total capital contribution of the Limited Partnership from the Completion Date to the fifth anniversary of the Completion Date; and (b) from the fifth anniversary of the Completion Date until the seventh anniversary of the Completion Date, 0.75% of the total amounts invested by the Limited Partnership for investments that have not been realised. No management fee shall be payable to Silver Saddle during the extended term of the Limited Partnership or during dissolution of the Limited Partnership.

## **Profit Distribution**

Pursuant to the Limited Partnership Agreement, any Distributable Proceeds of the Limited Partnership shall be distributed in the following order:

- i. firstly, to the Limited Partners in accordance with their respective capital contribution ratio until each of them has received its aggregate capital contribution; then to Silver Saddle until it has received its aggregate capital contribution;
- ii. in case there is any surplus Distributable Proceeds after the distributions set out in paragraph i. above, to the Limited Partners until each of them achieves a rate of return of 8% per annum; then to Silver Saddle until it achieves a rate of return of 8% per annum;
- iii. in case there is any surplus Distributable Proceeds after the distribution set out in paragraphs i. and ii. above, in respect of the portion of Distributable Proceeds derived from investments with returns of 15% per annum or below (“**Third Round Distributable Proceeds**”), 80% of the Third Round Distributable Proceeds shall be distributed to the Limited Partners in accordance with their respective capital contribution ratio and 20% of the Third Round Distributable Proceeds shall be distributed to Silver Saddle; and
- iv. in case there is any surplus Distributable Proceeds after the distribution set out in paragraphs i., ii. and iii. above, that is in respect of the portion of Distributable Proceeds derived from investments with returns of more than 15% per annum (“**Remaining Distributable Proceeds**”), 70% of the Remaining Distributable Proceeds shall be distributed to the Limited Partners in accordance with their respective capital contribution ratio and 30% of the Remaining Distributable Proceeds shall be distributed to Silver Saddle.

## **No guarantee of capital or returns**

Neither the Limited Partnership nor the general partner guarantees the value of capital contribution made or a minimum return on the capital contribution.

## **Loss Sharing**

Each of Shanghai Huicheng and Other Limited Partners shall be responsible for all the losses and liabilities of the Limited Partnership only to the extent of its committed capital contribution. Silver Saddle shall be liable for all the liabilities of the Limited Partnership with unlimited joint liability. Silver Saddle is a limited liability company.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE LIMITED PARTNERSHIP AGREEMENT**

The Company believes that the participation in the Limited Partnership as a limited partner will provide a platform for the Group to access, explore and pursue new investment and cooperation opportunities in related or complementary businesses that are in line with the Group's long-term corporate strategy to develop new materials, fine chemicals and other national strategic emerging industries and promote technology advancement. It will also provide the Group with an opportunity to expand and diversify its investment portfolio and income source. The participation in the Limited Partnership also enables the Group to leverage the expertise of Silver Saddle in terms of asset and investment management, thereby supporting the making of more effective and efficient investment decisions.

The Directors are of the view that the terms of the Limited Partnership Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company's shareholders as a whole.

## **INFORMATION OF THE PARTIES TO THE LIMITED PARTNERSHIP AGREEMENT**

### **The Company and Shanghai Huicheng**

The Company is an investment holding company. The principal activity of the Group is the provision of chemical engineering, procurement and construction management, or "EPC", services. The Group provides a broad range of integrated services spanning the project life cycle from technical appraisal, early project planning, feasibility studies, consulting services, provision of proprietary technologies, design, engineering, raw materials and equipment procurement and construction management to maintenance and after-sale technical support. Shanghai Huicheng is a wholly-owned subsidiary of the Company and is principally engaged in, among other things, business management consulting, financial consulting and business information consulting.

### **Silver Saddle and Yingan Zhonghua**

Silver Saddle is a company established under the laws of the PRC and is principally engaged in investment and management of private equity and venture capital funds. The management team of Silver Saddle has more than 20 years of experience in the industry and possesses in-depth professional knowledge in the business, financial and legal professions, and is therefore equipped with professional knowledge as well as resources in the new materials, new energy, medical and health industries.



Pursuant to the Silver Saddle Equity Transfer Agreement dated December 11, 2019, Yingan Zhonghua agreed to sell, and Wison Engineering agreed to acquire, RMB2,250,000 of the registered capital of Silver Saddle, representing 15% of its total registered capital, at a consideration of RMB2,250,000. The transfer was completed on December 19, 2019.

Yingan Zhonghua is a limited partnership established under the laws of the PRC and is principally engaged in providing corporate management consulting, business information consulting and corporate image advisory services. As at the date of this announcement, (i) Yingan Zhonghua owns 7.5% equity interest in Silver Saddle, and (ii) one of the shareholders of Yingan Zhonghua is the legal representative, director and general manager of Silver Saddle.

### **Sinochem International**

Sinochem International (shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600500)) is a state-owned listed enterprise in the PRC with core competitiveness in agrochemicals, intermediates and new materials, polymer additives, and natural rubber. It provides products and services to over 100 countries and regions. Sinochem International is a subsidiary of Sinochem Group Co., Ltd. (中國中化集團有限公司) (“**Sinochem Group**”). Founded in 1950, Sinochem Group is a state-owned enterprise in the PRC under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council, with five major business divisions in energy, chemical, agriculture, real estate and finance.

### **Haimen South Huanghai**

Haimen South Huanghai is a state-owned enterprise in the PRC formed by the Haimen Port New District Management Committee, engaging in the development of new materials, new energy, intelligent AI and other industries.

### **LISTING RULES IMPLICATION**

Reference is made to the Silver Saddle Equity Transfer Agreement dated December 11, 2019, pursuant to which Yingan Zhonghua agreed to sell, and Wison Engineering (an indirect wholly-owned subsidiary of the Company) agreed to acquire, 15% equity interest in Silver Saddle, the general partner of the Limited Partnership, for a consideration of RMB2,250,000. Given that the Limited Partnership Agreement and the Silver Saddle Equity Transfer Agreement were entered into within a 12-month period between the Group on one hand and Silver Saddle and Yingan Zhonghua on the other hand, the Limited Partnership Agreement and the Silver Saddle Equity Transfer Agreement shall be aggregated pursuant to Rule 14.22 of the Listing Rules. Since the highest applicable percentage ratio set out in Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Limited Partnership Agreement and the Silver Saddle Equity Transfer Agreement, on an aggregate basis, is above 5% but below 25%, the establishment of and investment in the Limited Partnership pursuant to the Limited Partnership Agreement constitutes a discloseable transaction of the Company and is therefore subject to the announcement requirement in Chapter 14 of the Listing Rules.

**WARNING: The Limited Partnership and its investments may or may not generate economic return and hence, the entering into of the Limited Partnership Agreement and the investment in the Limited Partnership may or may not bring profit to the Group. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Board”	the board of Directors
“Company”	Wison Engineering Services Co. Ltd. (惠生工程技術服務有限公司), an exempted company with limited liability incorporated in the Cayman Islands whose issued shares are listed on the Stock Exchange (Stock Code: 2236)
“Completion Date”	the date on which the Initial Capital Contribution have been fully contributed
“connected person(s)”	has the meaning ascribed to such term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Distributable Proceeds”	the excess of (a) sum of (i) cash or payment-in-kind realized from the sale or disposal of any investments of the Limited Partnership and (ii) all interest, dividend and other income from investments; over (b) accrued expenses, debts and other obligations (including provisions made for future expenses, debts and other obligations) of the Limited Partnership
“Group”	the Company and its subsidiaries
“Haimen South Huanghai”	Haimen South Huanghai Construction Development Co., Ltd.* (海門南黃海建設發展有限公司), a company established under the laws of the PRC, being one of the limited partners of the Limited Partnership
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Limited Partnership”	a limited partnership to be established under the laws of the PRC pursuant to the Limited Partnership Agreement under the proposed name of Nanjing Yinan Lingxiu New Materials Industrial Fund (Limited Partnership)* (南京銀鞍嶺秀新材料產業基金(有限合夥))



“Limited Partnership Agreement”	the limited partnership agreement dated June 22, 2020 and entered into among Silver Saddle (as general partner), Shanghai Huicheng and Other Limited Partners (as limited partners)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Other Limited Partners”	include Sinochem International and Haimen South Huanghai, collectively with Shanghai Huicheng, the “limited partners” and each a “limited partner”
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Shanghai Huicheng”	Shanghai Huicheng Enterprise Management Limited* (上海惠宸企業管理有限公司), a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company, being one of the limited partners of the Limited Partnership
“Silver Saddle” or “general partner”	Silver Saddle Equity Investment Management (Shanghai) Co., Ltd.* (上海銀鞍股權投資管理有限公司), a company established under the laws of the PRC, being the general partner of the Limited Partnership
“Silver Saddle Equity Transfer Agreement”	the equity transfer agreement dated December 11, 2019 and entered into between Yingan Zhonghua (as transferor) and Wison Engineering (as transferee) in relation to the transfer of 15% equity interest in Silver Saddle
“Sinochem International”	Sinochem International Corporation* (中化國際(控股)股份有限公司), a company established under the laws of the PRC, being one of the limited partners of the Limited Partnership
“RMB”	Renminbi, the lawful currency of the PRC
“Wison Engineering”	Wison Engineering Ltd.* (惠生工程(中國)有限公司), a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
“Yingan Zhonghua”	Shanghai Yingan Zhonghua Enterprise Management Partnership (Limited Partnership)* (上海盈鞍眾驂企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC

“%”

per cent.

By Order of the Board  
**Wison Engineering Services Co. Ltd.**  
**Rong Wei**  
*Executive Director and Chief Executive Officer*

Hong Kong, June 22, 2020

*As at the date of this announcement, the executive Directors are Ms. Rong Wei, Mr. Zhou Hongliang, Mr. Li Zhiyong and Mr. Dong Hua; the non-executive Director is Mr. Liu Hongjun; and the independent non-executive Directors are Mr. Lawrence Lee, Mr. Tang Shisheng and Mr. Feng Guohua.*

\* *For identification purpose only*