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# **ANTON 安東**

安東油田服務集團

**Anton Oilfield Services Group**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3337)

## **SUBSCRIPTION OF NEW SHARES**

On 15 December 2016 (after trading hours), the Company entered into a Subscription Agreement with the Investor pursuant to which the Investor agreed to subscribe 221,619,604 new Shares at the Subscription Price of HK\$1.008 per Share. The Subscription Shares represent approximately 9.09% of the existing issued share capital of the Company and approximately 8.33% of the Company's issued share capital as enlarged by the Subscription.

Completion of the Subscription is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

**As the Subscription is subject to the satisfaction of the condition to the Subscription Agreement, the Subscription may or may not materialise. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

On 15 December 2016 (after trading hours), the Company and the Investor entered into the Subscription Agreement in relation to the Subscription.

### **The Subscription Agreement**

Date: 15 December 2016 (after trading hours)

## **Parties**

- (a) the Company; and
- (b) the Investor.

According to all the information obtained by the directors of the Company, the Investor and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

## **Subscription Shares**

221,619,604 new Shares, representing approximately 9.09% of the existing issued share capital of the Company and approximately 8.33% of the issued share capital of the Company as enlarged by the Subscription.

## **Subscription Price**

The Subscription Price of HK\$1.008 per Share was arrived at after arm's length negotiation between the Investor and the Company with reference to the recent prevailing market price of the Shares.

The Subscription Price represents:

- (i) a discount of approximately 6.67% to the closing price of HK\$1.080 per Share as quoted on the Stock Exchange on 15 December 2016, the date the Subscription Agreement;
- (ii) a discount of approximately 8.86% to the average closing price of HK\$1.106 per Share as quoted on the Stock Exchange for the last five trading days up to and including 14 December 2016; and
- (iii) a discount of approximately 8.78% to the average closing price of HK\$1.105 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 14 December 2016.

Given that the Subscription Price was set with reference to the recent market price of the Shares, the Directors (including the independent non-executive Directors) consider that the Subscription Price is fair and reasonable under the present market conditions. The Directors (including the independent non-executive Directors) are also of the view that the Subscription is in the interest of the Company and the Shareholders as a whole.

The Subscription Shares have a nominal value of HK\$22,161,960.40 and a market value of HK\$239,349,172.32, based on the closing price of HK\$1.080 per Share on 15 December 2016, the date of the Subscription Agreement. After deducting expenses relating to the Subscription, the net price per Subscription Share is approximately HK\$1.006.

### **Condition of the Subscription Agreement**

Completion of the Subscription is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares (and the same not having been revoked prior to completion of the Subscription).

If the condition to the Subscription are not fulfilled on or before 10 January 2017 (or such later date as may be agreed between the parties), the Subscription Agreement and all rights and obligations thereunder will cease and terminate.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

### **General Mandate to Issue Shares**

No Shareholders' approval is required for the Subscription and the Subscription Shares will be issued and allotted by the Company pursuant to the General Mandate. At that annual general meeting, the Shareholders have granted to the Directors, among others, the General Mandate to issue up to 443,239,209 Shares, representing 20% of the issued share capital of the Company of 2,216,196,047 Shares as at the date of the passing of the resolution. As at the date of this announcement, the Company has issued 221,619,605 Shares pursuant to the General Mandate. Upon completion of the Subscription, the Company will cease to have any unused General Mandate.

### **Ranking of the Subscription Shares**

The Subscription Shares, when fully paid, will rank *pari passu* in all respects with the Shares in issue on the completion date of the Subscription, including the right to any dividends or distribution declared on or after the date of completion of the Subscription. The Subscription Shares are freely transferrable and is not subject to any lock-up on subsequent transfer.

### **Completion of the Subscription**

Subject to fulfillment of the conditions of the Subscription Agreement, completion of the Subscription will take place on the third Business Day after the conditions set out in the Subscription Agreement have been satisfied (or such other date as the parties may otherwise agree).

## EFFECT ON THE SHAREHOLDING OF THE COMPANY FOLLOWING COMPLETION OF THE SUBSCRIPTION

Assuming there is no change to the issued share capital of the Company between the date of the Subscription Agreement and completion of the Subscription, the effect on the shareholding structure of the Company as a result of the Subscription will be as follows:

Shareholders	Shareholding as at the date of this announcement		Shareholding after completion of the Subscription	
	Shares	% of shareholding	Shares	% of shareholding
Luo Lin ( <i>note 1</i> )	717,012,818	29.41%	717,012,818	26.96%
Pi Zhifeng ( <i>note 2</i> )	448,000	0.02%	448,000	0.02%
Wang Mingcai ( <i>note 2</i> )	550,000	0.02%	550,000	0.02%
Zhang Yongyi ( <i>note 2</i> )	440,000	0.02%	440,000	0.02%
Schlumberger NV ( <i>note 3</i> )	423,361,944	17.37%	423,361,944	15.92%
Trafalgar Trading Fund Inc. ( <i>note 4</i> )	221,619,605	9.09%	221,619,605	8.33%
the Investor	—	—	221,619,604	8.33%
Other public shareholders	<u>1,074,383,285</u>	<u>44.07%</u>	<u>1,074,383,285</u>	<u>40.40%</u>
Total	<u>2,437,815,652</u>	<u>100.00%</u>	<u>2,659,435,256</u>	<u>100.00%</u>

*Notes:*

1. Mr. Luo Lin is the founder of the Loles Trust, which is indirectly interested in the entire issued share capital of Pro Development Holdings Corp., which in turn is interested in 707,958,150 shares of the Company. Mr. Luo Lin and his family members are the beneficiaries of the Loles Trust. Mr. Luo Lin also holds 9,054,668 shares of the Company in the capacity of a beneficial owner.
2. Mr. Luo Lin, Mr. Pi Zhifeng, Mr. Wang Mingcai and Mr. Zhang Yongyi are directors.
3. Schlumberger Far East, Inc. directly holds 423,361,944 shares of the Company. Schlumberger Far East, Inc. is a wholly-owned subsidiary of Schlumberger Holding Limited. Schlumberger Holding Limited is a wholly-owned subsidiary of Schlumberger Oilfield Holding Limited. Schlumberger Oilfield Holding Limited is a wholly-owned subsidiary of Schlumberger NV.
4. Trafalgar Trading Fund Inc. directly holds 221,619,605 shares of the Company.

## **CAPITAL-RAISING ACTIVITIES IN THE PAST 12 MONTHS**

On 1 December 2016, the Company entered into a subscription agreement with Trafalgar Trading Fund Inc. (“Trafalgar”), pursuant to which Trafalgar subscribed for 221,619,605 new Shares at the subscription price of HK\$1.008 per Share, raising fund of approximately HK\$222.89 million. Completion of the subscription took place on 13 December 2016 and the Company intends to apply the proceeds from such subscription as general working capital of the Company.

Save as disclosed, the Company has not carried out any capital raising activities in the 12 months immediately preceding the date of this announcement.

## **INFORMATION ABOUT THE INVESTOR**

The Investor is an oil and gas exploration and development enterprise in the PRC with a market value of over RMB20 billion. The Investor commenced its oil and gas investment since 2010 and has built strong financial strength, research and development capacity and extensive business network across Central Asia, North America and the PRC.

## **REASONS FOR THE SUBSCRIPTION**

The Company is principally engaged in the oilfield technical services. It has strong technical strength and extensive operation experience in various lines of business such as drilling, completion and oil extraction. The Company is able to provide our customers with the integrated technical services for the whole life cycle of the oilfield development, and is the largest domestic private technology services company with the most complete product lines.

The Investor is principally engaged in the development of oil and gas, with a number of exploration and development blocks. It has the development vision of establishing itself as an international oil company from China, with a relatively comprehensive business network being established in Central Asia, North America and China.

The Company and China Oil HBP Science and Technology Corporation Limited, the strategic partner of the Company, together with the Investor have entered into a strategic co-operation agreement. Pursuant to the strategic co-operation agreement, the three parties decided to establish a long-term and deep partnership as they are jointly committed to the long-term development in the oil and gas industry with highly consistent markets and complementary business. Strength of the oil companies, technical service companies and EPC companies will be integrated to create synergies through co-operation. They will actively develop new technologies, new processes and innovative service models and devote to improving the exploration efficiency and economic value of the oil and gas resources as a whole, so as to jointly explore broader market opportunities and promote the jointly stable and rapid business growth of the three parties.

The Board of the Company believes that the strategic co-operation agreement with the Investor and the stronger strategic partnership with the Investor through the share subscription will enable the Group to generate sustainable and attractive returns for the Shareholders and also allow the Group to explore broader opportunities under the co-operative arrangements with the Investor. The Board is of the view that the Subscription is in the interest of the Company and its Shareholders as a whole.

## **USE OF PROCEEDS**

The net proceeds from the Subscription is expected to be approximately HK\$222.89 million and is expected to be applied as general working capital of the Company.

**As the Subscription is subject to the satisfaction of the condition to the Subscription Agreement, the Subscription may or may not materialise. 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 words and expressions shall have the following meanings when used herein:

“Board”	the board of Directors;
“Business Day”	any day (excluding Saturday and Sunday) on which banks are generally open for business in Hong Kong;
“Company”	Anton Oilfield Services Group, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Connected persons”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	director(s) of the Company from time to time;
“General Mandate”	the general mandate granted to Directors to issue Shares at the annual general meeting of the Company held on 26 May 2016;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Investor”	Geo-Jade Petroleum Corporation (洲際油氣股份有限公司), a company established in the PRC , the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600759);
“Listing Committee”	has the meaning ascribed to such term in the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board;
“PRC”	the People’s Republic of China excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of the Subscription Shares by the Investor pursuant to the terms and conditions of the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 15 December 2016 entered into between the Company and the Investor in relation to the subscription of 221,619,604 new Shares;
“Subscription Price”	HK\$1.008 per Share;
“Subscription Shares”	221,619,604 new Shares to be subscribed by the Investor under the Subscription; and
“%”	per cent.

By order of the Board  
**Anton Oilfield Services Group**  
**LUO Lin**  
*Chairman*

Hong Kong, 15 December 2016

*As at the date of this announcement, the executive Directors are Mr. LUO Lin, Mr. WU Di and Mr. PI Zhifeng; the non-executive Director is Mr. John William CHISHOLM and the independent non-executive Directors are Mr. ZHANG Yongyi, Mr. ZHU Xiaoping and Mr. WANG Mingcai.*