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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 1 December 2016 (after trading hours), the Company entered into a Subscription Agreement with the Investor pursuant to which the Investor agreed to subscribe 221,619,605 new Shares at the Subscription Price of HK\$1.0080 per Share. The Subscription Shares represent approximately 10.00% of the existing issued share capital of the Company and approximately 9.09% 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 1 December 2016 (after trading hours), the Company and the Investor entered into the Subscription Agreement in relation to the Subscription.

The Subscription Agreement

Date: 1 December 2016 (after trading hours)

Parties

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

To the best knowledge of the Directors, the Investor and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

Subscription Shares

221,619,605 new Shares, representing approximately 10.00% of the existing issued share capital of the Company and approximately 9.09% of the issued share capital of the Company as enlarged by the Subscription.

Subscription Price

The Subscription Price of HK\$1.0080 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 10.00% to the closing price of HK\$1.1200 per Share as quoted on the Stock Exchange on 1 December 2016, the date the Subscription Agreement;
- (ii) a discount of approximately 5.97% to the average closing price of HK\$1.0720 per Share as quoted on the Stock Exchange for the last five trading days up to and including 30 November 2016; and
- (iii) a discount of approximately 5.79% to the average closing price of HK\$1.0700 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 30 November 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\$22,161,960.50 and a market value of HK\$248,213,957.60, based on the closing price of HK\$1.1200 per Share on 1 December 2016, the date of the Subscription Agreement. After deducting expenses relating to the Subscription, the net price per Subscription Share is approximately HK\$1.0057.

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 31 December 2016 (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, no Shares have been issued pursuant to the General Mandate. Upon completion of the Subscription, the Company will have unused General Mandate to issue up to 221,619,604 Shares.

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 later of 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	<i>% of shareholding (Approximately)</i>	Shares	<i>% of shareholding (Approximately)</i>
Luo Lin (<i>note 1 and 2</i>)	717,012,818	32.35%	717,012,818	29.41%
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	19.10%	423,361,944	17.37%
the Investor	—	—	221,619,605	9.09%
Other public shareholders	<u>1,074,383,285</u>	<u>48.49%</u>	<u>1,074,383,285</u>	<u>44.07%</u>
Total	<u>2,216,196,047</u>	<u>100.00%</u>	<u>2,437,815,652</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.

CAPITAL-RAISING ACTIVITIES IN THE PAST 12 MONTHS

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 investment management firm incorporated in the Cayman Islands.

REASONS FOR THE SUBSCRIPTION

The Group is principally engaged in the provision of oilfield services.

As a result of the recent recovery in the oil industry, the order backlog of the Company has begun to be fully executed. The Company expects to have increased need for working capital for its future order fulfillment and market expansion purposes. For this reason, the Company intends to raise fund by the introduction of a financial investor to support the business development and the future market development of the Group.

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”	Trafalgar Trading Fund Inc., a company incorporated in the Cayman Islands;
“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 1 December 2016 entered into between the Company and the Investor in relation to the subscription of 221,619,605 new Shares;
“Subscription Price”	HK\$1.0080 per Share;

“Subscription Shares” 221,619,605 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, 1 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.