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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)

## **ADOPTION OF RESTRICTED SHARE AWARD SCHEME**

The Board announces that it has resolved on 30 December 2019 to adopt the Scheme. The total number of Shares under the Scheme will not exceed 10% of the current total number of Shares in issue, and the Scheme will be gradually implemented by purchasing Shares on the secondary market. The Scheme will be valid and effective for a period of ten years from the Approval Date and all Eligible Participants are entitled to participate in the Scheme. The Scheme is an important measure in the reform of the Company's remuneration structure where future incentive awards for key personnel will be mainly effected through the Scheme, so as to gain a more effective and long-term incentive effect.

According to general market practice, the Scheme will have in place relevant restrictive requirements, including performance appraisal, lock-up period and other requirements to reflect the awards for value creation and to encourage employees to hold the Shares on a long-term basis.

The Scheme forms one of the Company's employee share schemes. The Company's employee share schemes include the share option scheme adopted in the past, the restricted share award scheme currently adopted and the scheme for employees to purchase Company's Shares with their own funds.

The purpose for setting up multiple employee share schemes is to (i) establish a partnership mechanism through employee shareholding in the Company to encourage employees to participate in the operation and management of the Company, so as to optimize its corporate governance structure and create a new form of partnership platform; (ii) align the interests of employees with that of the shareholders so as to form a entrepreneurship and sharing culture atmosphere, encourage employees to participate in building a common community, create value, share achievements, actively promote the growth and development of the Company and achieve an ultimate win-win target for the Company, employees and investors.

The current restricted share award scheme is not subject to the approval by shareholders. Nevertheless, the Company will still strictly comply with the Listing Rules and the relevant requirements of the stock and bond markets, and implement the Scheme with a goal to maximize the common interests of the Company, employees and investors.

## **ADOPTION OF RESTRICTED SHARE AWARD SCHEME**

The Board is pleased to announce that it has resolved on 30 December 2019 to adopt the Scheme in which Eligible Participants will be entitled to participate. A summary of the Scheme Rules is set out below:

### **THE INTRODUCTION OF EMPLOYEE SHARE SCHEMES**

The Company plans to improve its governance structure, establish an employee shareholding platform and encourage employees to participate, by holding Shares in the Company, in the operation and management of the Company, establish a common community, align their interests with that of the Company and make proactive and significant contributions to the long-term development of the Company. For employees to hold the Company's Shares, it may be through the share options or restricted share awards granted by the Company, or may be through the employees purchasing Shares in the secondary market with their own funds.

### **SUMMARY OF RULES OF THE RESTRICTED SHARE AWARD SCHEME**

The Scheme is a part of the Company's employee share schemes. Under the Scheme, the Company will evaluate the performance of the talents based on their contribution or potential contribution to the Company's business development and growth, and determine any Eligible Participant as an Awarded Participant from time to time at its sole discretion.

The number of Shares that may be granted under the Scheme is 10% of the total number of issued shares of the Company as of the Approval Date, and the Scheme will be valid and effective for a period of ten years from the Approval Date. The Company plans to implement the Scheme gradually within the validity period of the Scheme taking into consideration the Company's business development and other relevant issues.

The Awarded Shares under the Scheme are part of the Company's remuneration system. The Company will, based on its assessment on the industry situation, its business development and other related matters, allocate a relevant amount from its overall remuneration budget every year and entrust a trustee (the Trustee) with its own cash to purchase Shares on the secondary market, and then distribute such Shares to employees through the employee shareholding platform, so as to achieve a longer incentive effect as compared with cash incentives and promote the common growth of the employees and the Company.

The Company will, based on the actual effect of the Scheme, gradually replace the previously adopted share option scheme with the Scheme.

## **Administration**

The Scheme will be subject to the administration of the Board in accordance with the Scheme Rules. The Board may, by passing ordinary resolutions, appoint one or more senior management of the Company as Authorised Representative(s) to give instructions or notices to the Trustee on all matters in connection with the Scheme and other matters in the routine administration of the Trust. The Board may also, by passing ordinary resolutions, amend the Scheme Rules from time to time.

The Trustee will hold the Shares and the income derived therefrom in accordance with the Scheme Rules and subject to the terms of the Trust Deed.

The administration and amendment of the Scheme will be subject to compliance with the Company's articles of association, and all applicable laws, regulations and rules (including but not limited to the Listing Rules and the Takeovers Code).

## **Operation of the Scheme**

The Board may, from time to time, at its absolute discretion determine any Eligible Participant as an Awarded Participant based on his/her contribution or potential contribution to the development and growth of the Group.

The Board will determine, among others, (i) the number of Awarded Shares to be awarded to an Awarded Participant; (ii) the terms and conditions before the Awarded Shares could be vested; (iii) the Vesting Date; and (iv) such other terms and conditions of such Award as may be imposed by the Board as are not inconsistent with the Scheme Rules and the Trust Deed. The Board could also amend the aforementioned items (i) to (iv) at its absolute discretion.

After the Board has made an Award, the Board or the Authorised Representative(s) will notify the Trustee and the Awarded Participant of the details and terms of the Award, which will include, among other things, (i) the name, address, position of the Awarded Participant; (ii) the number of Awarded Shares; (iii) the terms and conditions before the Awarded Shares could be vested; (iv) the Vesting Date; and (v) other terms and conditions of such Award as imposed by the Board.

The Board will determine the Contributed Amount to be allocated out of the Company's resources for the purchase by the Trustee of the Awarded Shares as the Board deems appropriate after taking into account all relevant circumstances and affairs of the Group, including without limitation, the Group's business and financial performance. The Contributed Amount will be applied to cover (i) the purchase prices for the Shares to be purchased by the Trustee pursuant to the Scheme; and (ii) all related purchase expenses (including the brokerage fee, stamp duty, SFC transaction levy and Stock Exchange trading fee and such other necessary expenses).

Subject to compliance with all applicable laws, regulations and rules (including but not limited to the Listing Rules), the Board or the Authorised Representative(s) may from time to time instruct the Trustee to directly or indirectly purchase Shares in the secondary market for the purpose of the Scheme. Such Shares purchased by the Trustee and the Returned Shares will be held by the Trustee until they are vested with the Awarded Participants in accordance with the Scheme Rules and the Trust Deed.

## **Vesting of Awarded Shares**

Within one (1) calendar month but no later than seven (7) Business Days prior to a Vesting Date, the Board or the Authorised Representative(s) will obtain from the relevant Awarded Participant (i) a duly executed transfer form for the transfer of the Awarded Shares; and (ii) a confirmation that he/she has complied or will have complied with all applicable laws, rules and regulations in relation to participation in the Scheme.

The Board or the Authorised Representative(s) will then deliver to the Trustee the transfer form and such confirmation received from the Awarded Participant together with a Vesting Notice confirming that, among other things, (i) the Awarded Participant remains an Eligible Participant, (ii) the condition(s) or performance target(s) that must be attained by the relevant Awarded Participant have been satisfied; (iii) such other terms and conditions of the Award have been satisfied; (iv) there is no total lapse or partial lapse of any Award; and (v) the Company and the Awarded Participant have respectively complied with all applicable and relevant laws and regulations.

Upon receipt of the Vesting Notice and the duly executed transfer documents, the Trustee will transfer to and vest with the Awarded Participant the legal and beneficial ownership of the Awarded Shares to which the Awarded Participant is entitled under the relevant Award within thirty (30) days after receipt of the Vesting Notice and the duly executed transfer documents.

In respect of an Awarded Participant who retires at his normal retirement date or earlier by agreement with any member of the Group or Invested Entity (as applicable) at any time prior to a Vesting Date, all the Awarded Shares of such Awarded Participant will be deemed to be vested on the day immediately prior to his retirement at his normal retirement date or earlier by agreement with the relevant member of the Group or Invested Entity (as applicable).

## **Lapse**

### ***Partial lapse***

If an Awarded Participant fails to return duly executed transfer documents for the relevant Awarded Shares within the stipulated period, the relevant part of the Award made to such Awarded Participant will automatically lapse forthwith and the relevant Awarded Shares will not vest on the relevant Vesting Date but will become Returned Shares for the purpose of the Scheme.

### ***Total lapse***

Subject to other provisions of the Scheme Rules and unless otherwise determined by the Board, in the event that:

- (i) an Awarded Participant ceases to be an Eligible Participant for whatever reason;
- (ii) the Subsidiary by which an Awarded Participant is employed ceases to be a Subsidiary;

- (iii) the Invested Entity by which an Awarded Participant is employed ceases to be an Invested Entity;
- (iv) an Awarded Participant dies or loses ability to work prior to the Vesting Date; or
- (v) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company,

the Award will automatically lapse forthwith and all the Awarded Shares of such Award will not vest on the relevant Vesting Date but will become Returned Shares for the purposes of the Scheme.

### **Voting Rights of the Trustee**

The Trustee will not exercise the voting rights in respect of any Shares held under the Trust.

### **Restrictions**

Prior to the vesting of the relevant Awarded Shares, (i) an Award made pursuant to the Scheme Rules will be personal to the Awarded Participant to whom it is made and will not be assignable, and no Awarded Participant may in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Awarded Shares referable to him/her pursuant to such Award; (ii) an Awarded Participant is not entitled to any rights attaching to the unvested Awarded Shares (including but not limited to any voting rights and rights to dividends or distributions). Further, an Awarded Participant will not have any rights to the Residual Cash and will have no rights to any Related Income that has accrued prior to the vesting of the relevant Awarded Shares.

No payment will be made to the Trustee and no instructions to acquire Shares will be given to the Trustee under the Scheme when any Director is in possession of unpublished inside information in relation to the Company or where dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time. Further, the Board will not make an Award during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

### **Scheme Limit**

The Board will not make any further grant of Award such that the total number of Shares granted under the Scheme will exceed 10% of the total number of issued Shares as of the Approval Date.

Further, if the relevant subscription or purchase would result in the Trustee holding in aggregate, more than five (5) percent of the total number of issued Shares of the Company as of the Approval Date, the Trustee will not purchase any further Shares.

## **Duration and Termination**

The Scheme will be valid and effective from the Approval Date and will terminate on the earlier of (i) the tenth (10th) anniversary date of the Approval Date; and (ii) such date of early termination as determined by the Board provided that such termination will not affect any subsisting rights of any Awarded Participant under the Scheme.

## **LISTING RULES IMPLICATIONS**

The Scheme does not constitute a share option scheme under Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. No Shareholders' approval is required for the adoption of the Scheme.

## **DEFINITIONS**

“Approval Date”	30 December 2019, being the date on which the Company adopted the Scheme;
“Authorised Representative(s)”	authorised representative(s) appointed by the Board by ordinary resolutions delegated with the power and authority to give instructions or notices to the Trustee on all matters in connection with the Scheme and other matters in the routine administration of the Trust;
“Award”	an award of Awarded Shares by the Board to an Awarded Participant pursuant to the Scheme Rules on such terms and conditions as the Board may from time to time determine;
“Awarded Participant”	an Eligible Participant selected by the Board pursuant to the Scheme Rules who holds a subsisting Award;
“Awarded Shares”	in respect of an Awarded Participant, such number of Shares determined by the Board under an Award;
“Board”	the board of Directors of the Company;
“Business Day”	a day (other than a Saturday or Sunday or days on which a tropical cyclone warning No.8 or above or a black rain warning signal is hoisted in Hong Kong at any time between 9 a.m. and 5 p.m.) on which the Stock Exchange is open for trading and on which banks in Hong Kong and the PRC are open for business;
“Company”	Anton Oilfield Services Group, a company incorporated in the Cayman Islands with limited liability and the securities of which are listed on the Main Board of the Stock Exchange (Stock Code: 3337);

“Contributed Amount”	the amount of funds allocated by the Board out of the Company’s resources for the purchase by the Trustee of the Awarded Shares pursuant to the Scheme Rules;
“Director(s)”	the director(s) of the Company;
“Eligible Participant”	any employee, director or officer of the Company, a Subsidiary or an Invested Entity, or any company, enterprise or entity (including employee shareholding platform held by the employees) who is considered by the Board to have made contributions to the Company, any Subsidiary or Invested Entity; provided, however, that any employee who has tendered his/her resignation to the Group or an Invested Entity or who has been given a notice of dismissal by the relevant member of the Group or an Invested Entity (as the case may be) or who is considered by the Board to be unfit as an Eligible Participant will not be an Eligible Participant;
“Group”	the Company, its Subsidiaries and such entities which are considered as subsidiaries of the Company under the applicable accounting standard and policy;
“Invested Entity”	an entity in which the Company or any Subsidiary holds any equity interest;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China;
“Related Income”	in relation to an Awarded Share, all income derived from such Share held upon the Trust (including but not limited to any cash distribution, bonus Share, scrip Share, nil paid right, bonus warrant, non-scrip distribution or proceeds of sale of the same);
“Residual Cash”	the cash remaining in the trust fund of the Trust, including but not limited to such portion of the Contributed Amount that has not been used to acquire or subscribe for Shares, together with the interest income derived from such sum as deposited with licensed banks in Hong Kong, the Related Income in the form of cash that the Awarded Participants have no entitlement and the portion of cash proceeds of sale of Related Income that is in the form of Shares;



“Returned Shares”	the Related Income in the form of Shares that the Awarded Participants have no entitlement pursuant to the Scheme, and such Awarded Shares which are not vested and/or forfeited in accordance with the terms of the Scheme (whether as a result of a Total Lapse or a Partial Lapse or otherwise), or was forfeited in accordance with the terms of the Scheme, or such other Shares being deemed to be Returned Shares;
“Scheme”	the share award scheme adopted by the Company on the Approval Date (in its present or any amended form);
“Scheme Rules”	the rules of the Scheme, as amended from time to time;
“SFC”	the Securities and Futures Commission;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company (or of such other nominal amount as will result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	a company which is for the time being and from time to time a subsidiary undertaking (as defined in Schedule 1 of the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as modified from time to time)) of the Company, whether incorporated in Hong Kong or elsewhere;
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC (as modified from time to time);
“Trust”	the trust constituted by the Trust Deed;
“Trust Deed”	a trust deed to be entered into between the Company and the Trustee;
“Trustee”	the trustee to be appointed to administer the Scheme and any additional or replacement trustees, being the proposed trustee or trustees for the time being of the trusts to be declared in the Trust Deed;



- “Vesting Date” in respect of an Awarded Participant, the vesting date on which the Trustee may vest the legal and beneficial ownership of the relevant Awarded Shares (or the relevant portions thereof) in such Awarded Participant;
- “Vesting Notice” the written notice delivered by the Board or the Authorised Person(s) to the Trustee confirming that, among others, the vesting conditions in relation to an Awarded Participant have been satisfied.

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

Hong Kong, 30 December 2019

*As at the date of this announcement, Mr. LUO Lin, Mr. PI Zhifeng and Mr. FAN Yonghong are the executive Directors of the Company; Mr. John William CHISHOLM is the non-executive Director of the Company; and Mr. ZHANG Yongyi, Mr. ZHU Xiaoping and Dato WEE Yiau Hin are the independent non-executive Directors of the Company.*