

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.



JOINT ANNOUNCEMENT

(I) Possible unconditional mandatory cash offer by
Anglo Chinese
for and on behalf of Vallourec Tubes SAS
for all the issued H Shares in Anhui Tianda Oil Pipe Co., Ltd.
(other than those already owned by or agreed to be acquired by
Vallourec Tubes SAS and parties acting in concert with it
at the time when the offer is made)

AND

(II) Resumption of trading in the H Shares of
Anhui Tianda Oil Pipe Co., Ltd.

Financial adviser to Vallourec Tubes SAS



THE SALE AND PURCHASE AGREEMENT

On 29 January 2016, the Offeror entered into the Sale and Purchase Agreement with the Vendors, pursuant to which the Offeror has conditionally agreed to purchase and the Vendors have conditionally agreed to sell the Sale Shares for cash consideration of HK\$846,600,000, equivalent to HK\$1.66 per Sale Share. The Sale Shares represent approximately 50.61% of the entire issued share capital of the Company as at the date of this announcement. Completion of the Sale and Purchase Agreement is conditional upon the fulfilment or waiver (where applicable) of certain conditions as described in the paragraphs headed "Conditions to Completion" under the section headed "Sale and Purchase Agreement" in this announcement.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

The Offeror and parties acting in concert with it hold 196,000,000 H Shares in the Company. The Offeror and parties acting in concert with it do not hold any other Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this announcement. Upon the Effective Transfer Date, the Offeror and parties acting in concert with it will own 706,000,000 Shares, representing approximately 70.07% of the entire issued share capital of the Company as at the date of this announcement. In accordance with Rule 26.1 of the Takeovers Code, upon the Effective Transfer Date, the Offeror will be required to make the General Offer for all the issued H Shares (other than those H Shares already owned by or agreed to be acquired by the Offeror and parties acting in concert with it at the time when the General Offer is made) at not less than HK\$1.66 per Offer Share.

The principal terms of the possible General Offer are set out under the section headed "Possible unconditional mandatory cash offer" in this announcement. As at the date of this announcement, there are no outstanding warrants, derivatives or convertibles which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

DESPATCH OF COMPOSITE OFFER DOCUMENT

It is the intention of the respective boards of directors of the Offeror and the Company to combine the offer document and the offeree board circular into a composite offer document. Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch an offer document containing the terms of the General Offer and a form of acceptance and transfer of the Offer Shares to the H Shareholders within 21 days of the date of this announcement. As the conditions precedent which relate to the Effective Transfer Date cannot be fulfilled or waived (where applicable) within 21 days of the date of this announcement, the Offeror will apply for the consent of the Executive under Note 2 to Rule 8.2 of the Takeovers Code for an extension of time for despatching the composite offer document to any time within 7 days of the Effective Transfer Date.

DELISTING RESOLUTION

The Offeror proposes to delist the Company from the Stock Exchange and accordingly the Company has agreed to convene the General Meeting for the purpose of Independent Shareholders to consider and vote on the Delisting Resolution (among other business). Owing to the 45 day notice period that is required under PRC law, a separate circular (which will be separate from the composite offer document) will be sent to Shareholders prior to the Effective Transfer Date setting out the delisting proposal and containing the notice of meeting in relation to the Delisting Resolution. The Delisting Resolution is conditional upon the General Offer being made and, if approved, it will not become effective until the end of the offer period in respect of the General Offer. It is currently anticipated that the circular will be prepared and despatched to Shareholders as soon as possible after the date of this announcement so as to ensure the General Meeting is held prior to the Effective Transfer Date.

RESUMPTION OF TRADING IN SHARES OF THE COMPANY

At the request of the Company, trading in the H Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 1 February 2016 pending the publication of this announcement. An application has been made for the resumption of trading in the H Shares on the Stock Exchange with effect from 9:00 a.m. on 3 February 2016.

WARNING: The General Offer is a possibility only. The Effective Transfer Date under the Sale and Purchase Agreement is conditional upon the fulfilment or waiver (where applicable) of certain conditions under the Sale and Purchase Agreement and the General Offer will only be made if the Effective Transfer Date takes place. Accordingly, the Sale and Purchase Agreement may or may not be completed and the General Offer may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.

The Offeror entered into the Sale and Purchase Agreement with the Vendors on 29 January 2016, pursuant to which the Offeror has conditionally agreed to acquire from the Vendors the Sale Shares, representing approximately 50.61% of the entire issued share capital of the Company as at the date of this announcement, for a total cash consideration of HK\$846,600,000, equivalent to HK\$1.66 per Sale Share.

1. SALE AND PURCHASE AGREEMENT

Date: 29 January 2016

Parties: Vendors: (i) Anhui Tianda Enterprise Group Co., Ltd and (ii) Anhui Tianda Investment Co., Ltd.

Purchaser: Vallourec Tubes SAS.

Sale Shares to be acquired by the Offeror from the Vendors

Subject to and in accordance with the terms and conditions of the Sale and Purchase Agreement, the Offeror has conditionally agreed to buy and the Vendors have conditionally agreed to sell the Sale Shares, representing approximately 50.61% of the entire issued share capital of the Company as at the date of this announcement, free from any encumbrance and together with all rights, interests and obligations derived therefrom on the Effective Transfer

Date, including all dividends distributed by the Company after the Effective Transfer Date, whatever the date on which such distribution was decided or approved.

The sale of the Sale Shares by each Vendor is interdependent on the other; the transfer by each Vendor of the portion of Sale Shares it holds will only occur if all of the Sale Shares are transferred to the Offeror in accordance with the Sale and Purchase Agreement.

Upon the Effective Transfer Date, the ultimate beneficial owners of the Vendors, Mr Ye Shi Qu, Mr Zhang Hu Ming and Mr Yong Jin Gui, will continue to hold their remaining indirect interest in the Company, namely 49,719,000 H Shares representing approximately 4.93% of the entire issued share capital of the Company as at the date of this announcement.

Consideration for the Sale Shares

The Consideration in the sum of HK\$846,600,000 represents a consideration of HK\$1.66 per Sale Share. The Consideration was determined following arm's length negotiation between the Offeror and the Vendors.

Special dividend in connection with the Sale and Purchase Agreement

The Offeror and the Vendors have agreed in the Sale and Purchase Agreement to procure that the Company distributes a special dividend prior to the Effective Transfer Date. The special dividend shall be:

- (a) if the net after tax result of the Company for the financial year ended on 31 December 2015 (as appearing in the 2015 Audited Accounts) is positive or equal to RMB0, an amount determined by the Board which does not exceed the maximum amount of distributable (under applicable laws) and undistributed retained profits of the Company as appearing in the 2015 Audited Accounts minus RMB15,000,000; or
- (b) if the net after tax result of the Company for the financial year ended on 31 December 2015 (as appearing in the 2015 Audited Accounts) is negative, an amount determined by the Board which does not exceed the maximum amount of distributable (under applicable laws) and undistributed retained profits of the Company as appearing in the 2015 Audited Accounts.

The Board has not yet passed any resolutions regarding the special dividend. In accordance with the Listing Rules, an announcement will be made immediately after the Board approves any decision regarding the declaration, recommendation or payment of the special dividend. All Shareholders on the register of members as at the record date for the proposed special dividend will receive the special dividend. As it is proposed that the special dividend will be distributed prior to the Effective Transfer Date, Shareholders will be entitled to the special dividend irrespective of whether they subsequently accept, or do not accept, the General Offer.

The Vendors, and not the Offeror, will be entitled to the special dividend in relation to the Sale Shares. The Offeror will receive the special dividend on the 196,000,000 H Shares it already holds in the Company.

Conditions to Completion

Completion is conditional upon the satisfaction of conditions for the benefit of the Vendors and the Offeror. Each of these conditions are set out below.

Conditions to Completion for the benefit of the Vendors

Completion by the Vendors of their closing obligations under the Sale and Purchase Agreement is subject to the satisfaction of the following conditions before the Completion Date:

- (a) each representation and warranty of the Offeror in the Sale and Purchase Agreement must be true and correct in all respects on the Completion Date; and

- (b) the Offeror has performed or complied in all material aspects with all undertakings and covenants in the Sale and Purchase Agreement, which it shall perform or comply with at the time of or prior to Completion.

The non-satisfaction of any of the above conditions precedent may only be invoked by the Vendors. Each of the above conditions precedent must be satisfied on the Completion Date at the latest, and unless otherwise expressly agreed by the Vendors, the Sale and Purchase Agreement automatically terminates on the Completion Date if any of the above conditions precedent is not satisfied by the Completion Date. For the avoidance of doubt, no conditions under the sub-paragraph "Conditions to Completion for the benefit of the Vendors" can be waived.

Conditions to Completion for the benefit of the Offeror

Completion by the Offeror of its closing obligations under the Sale and Purchase Agreement is subject to the satisfaction of the following conditions before or on the Completion Date (though the Offeror may waive in writing the Waiveable Conditions):

- (a) the Steel Industry Supervision Authorities have unconditionally approved the sale of the Sale Shares and confirmed the release of any restriction prohibiting the acquisition of control of a steel company by a non-PRC investor under the PRC Steel Policy;
- (b) the Anti-Monopoly Bureau of the PRC Ministry of Commerce and any other antitrust authorities (if any) have approved the sale of the Sale Shares without any substantial variation to the Sale and Purchase Agreement and without any conditions;
- (c) the Approval Authority has approved the Sale and Purchase Agreement, the sale of the Sale Shares and the amended articles of association of the Company without any variation to the Sale and Purchase Agreement or any further condition for the Offeror or the Company, and the Company has obtained a foreign investment enterprise approval certificate issued by the Approval Authority showing the new distribution of shareholding following the sale of the Sale Shares;
- (d) the Company has obtained a new business license issued by the Administration for Industry and Commerce showing the new distribution of shareholding following the sale of the Sale Shares, and has filed with the Administration for Industry and Commerce the new register of shareholders and a new list of board members for the Company appointed by the Offeror;
- (e) each of the Vendors has waived in writing and in accordance with the Company's articles of association any right of pre-emption it may have to purchase the Sale Shares sold by the other Vendor;
- (f) the Third Party Consents have been unconditionally obtained in writing;
- (g) each of the representations and warranties of the Vendors in the Sale and Purchase Agreement is true, accurate and not misleading in all respects on the date of the Sale and Purchase Agreement and until the Completion Date, and has such force and effect as if it were made on the Completion Date;
- (h) the Vendors have performed or complied in all material respects with all undertakings and covenants in the Sale and Purchase Agreement, which they shall perform or comply with at the time of or prior to Completion; and
- (i) no Material Adverse Change has occurred.

The non-satisfaction of any of the above conditions precedent may only be invoked by the Offeror. Each of the above conditions precedent must be satisfied on the Completion Date at the latest, and unless otherwise expressly agreed by the Offeror, the Sale and Purchase Agreement automatically terminates on the Completion Date if any of the above conditions

precedent is not satisfied by the Completion Date. For the avoidance of doubt, only conditions (e), (f), (g), (h) or (i) under the sub-paragraph "Conditions to Completion for the benefit of the Offeror" can be waived, but only by the Offeror.

At the election of the Offeror, the Vendors and the Offeror will not file any application with the Administration for Industry and Commerce for a new business license for the Company under condition (d) above if any of conditions (a), (b), (c), (e), (f), (g), (h) or (i) under the sub-paragraph "Conditions to Completion for the benefit of the Offeror" above are not satisfied.

Effective Transfer Date and Completion

The Effective Transfer Date (being the date on which the Offeror's obligation to make the General Offer arises) will occur on the satisfaction of condition (d) above. As noted above, this will not occur if any of conditions (a), (b), (c), (e), (f), (g), (h) or (i) under the sub-paragraph "Conditions to Completion for the benefit of the Offeror" above are not satisfied.

As described above, Completion will take place on the Completion Date. The Completion Date shall be on the 10th Business Day following the Effective Transfer Date.

Termination

The Sale and Purchase Agreement will automatically terminate on 1 February 2017 if the Effective Transfer Date has not occurred before or on 31 January 2017.

The Sale and Purchase Agreement may be terminated by either Vendor or the Offeror if:

- (a) the Approval Authority does not approve the sale of the Sale Shares within 12 months following the date of the Sale and Purchase Agreement, provided the party terminating the Sale and Purchase Agreement has consulted the Offeror or the Vendors (as the case may be) regarding the termination of the Sale and Purchase Agreement; and
- (b) prior to the Completion Date, a Force Majeure Event has prevented the performance of the Sale and Purchase Agreement for a continuous period of 12 months.

In the event that the Sale and Purchase Agreement is terminated after the Effective Transfer Date, the parties shall do and perform all actions necessary, including making any filings with any competent authority, to reinstate the Vendors and the Offeror to their respective positions prior to the sale of the Sale Shares.

Pre-Completion undertakings of the Vendors

From the date of the Sale and Purchase Agreement until the Completion Date, and except as required by applicable law or with the prior written consent of the Offeror or as expressly permitted in the Sale and Purchase Agreement, the Vendors have agreed to procure that the Company complies with certain negative undertakings. The negative undertakings include (but are not limited to) restrictions on the Company:

- (a) declaring, making or paying any distribution (including any dividend) with respect to its share capital or purchasing or redeeming or reducing the nominal value of any of its Shares;
- (b) amending its articles of association or being a party to any merger, asset contribution or spin-off;
- (c) altering its share capital, issuing or authorizing the issue of any Equity Security or granting any right to acquire or subscribe for any of its Equity Security;
- (d) incurring, assuming or guaranteeing any loan, borrowing, indebtedness or other form of funding or granting any Encumbrance for, or as security for, an amount exceeding

HK\$10,000,000 in the aggregate for all operations of such nature by the Company taken as a whole;

- (e) acquiring any Equity Security in any person;
- (f) acquiring, selling or disposing in any way of any business undertaking or leasehold right or real property;
- (g) acquiring, selling or disposing in any way of any other tangible or intangible asset with a net book value of, or for a consideration in excess of, HK\$1,000,000 (excluding tax) per item or HK\$10,000,000 (excluding tax) in the aggregate for all operations of such nature by the Company taken as a whole or selling an asset (whatever its net book value) that is material for the operations of the Company; or
- (h) making any capital expenditure or committing to any capital expenditure other than ongoing maintenance expenditures, which must be pursued in the ordinary course of business and consistent with the budget for the current financial year for RMB30,000,000.

2. SHAREHOLDING STRUCTURE

The shareholding structure of the Company as at the date of this announcement and the shareholding structure of the Company upon the Effective Transfer Date but before the General Offer (assuming that there is no change in the issued share capital of the Company) are as follows:

	Existing shareholding structure		Shareholding structure upon the Effective Transfer Date but before the General Offer	
Domestic Shares				
Vendors	510,000,000	50.61%	–	–
Offeror and persons acting in concert with it	–	–	510,000,000	50.61%
Total Domestic Shares	<u>510,000,000</u>	<u>50.61%</u>	<u>50.61%</u>	<u>50.61%</u>
H Shares				
Companies controlled by the Vendors ^(Note 1)	49,719,000	4.93%	49,719,000	4.93%
Offeror and persons acting in concert with it	196,000,000	19.45%	196,000,000	19.45%
Public Shareholders	<u>251,907,000</u>	<u>25.00%</u>	<u>251,907,000</u>	<u>25.00%</u>
Total H Shares	<u>497,626,000</u>	<u>49.39%</u>	<u>497,626,000</u>	<u>49.39%</u>
Total share capital of the Company	<u>1,007,626,000</u>	<u>100%</u>	<u>1,007,626,000</u>	<u>100%</u>

Note 1: Tiancheng Changyun International Company Limited and Tianfa International Development Co., Limited who respectively hold 20,000,000 H Shares and 29,719,000 H Shares and have the same ultimate beneficial owners as the Vendors.

3. POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

The Offeror and parties acting in concert with it currently hold 196,000,000 H Shares. Other than these H Shares, the Offeror and parties acting in concert with it do not hold any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this announcement. Upon the Effective Transfer Date, the Offeror and parties acting in concert with it will own 706,000,000 Shares, consisting of 510,000,000 Domestic Shares and 196,000,000 H Shares, collectively representing approximately 70.07% of the entire issued share capital of the Company as at the date of this announcement.

Under Rule 26.1 of the Takeovers Code, upon the Effective Transfer Date, the Offeror will be required to make an unconditional mandatory cash offer for all the issued H Shares at not less than HK\$1.66 per Offer Share, other than those H Shares already owned by or agreed to be

acquired by the Offeror and parties acting in concert with it at the time when the General Offer is made. The General Offer, if and when made, will be unconditional in all respects.

Anglo Chinese will, for and on behalf of the Offeror, make the General Offer on the following terms in accordance with Rule 26.1 of the Takeovers Code:

For each Offer Share HK\$1.66 in cash

As at the date of this announcement, the Company has 497,626,000 H Shares in issue. There are no outstanding warrants, derivatives or convertibles which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

No offer will be made for the Domestic Shares, as on the Effective Transfer Date the Offeror will hold all Domestic Shares issued by the Company.

WARNING: The General Offer is a possibility only. The Effective Transfer Date under the Sale and Purchase Agreement is conditional upon the fulfilment or waiver (where applicable) of certain conditions under the Sale and Purchase Agreement and the General Offer will only be made if the Effective Transfer Date takes place. Accordingly, the Sale and Purchase Agreement may or may not be completed and the General Offer may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.

Total consideration

Based on the General Offer Price of HK\$1.66 per Offer Share and the 1,007,626,000 Shares in issue as at the date of this announcement, the entire issued share capital of the Company is valued at approximately HK\$1,672,659,160.

In the event that the General Offer is accepted in full, the maximum amount payable by the Offeror under the General Offer will be approximately HK\$500,699,160 (assuming no further Shares are issued).

Before taking into account of any adjustment to the quoted prices for the proposed special dividend as mentioned under the paragraph "Special dividend in connection with the Sale and Purchase Agreement", the General Offer Price of HK\$1.66 per Offer Share represents:

- (a) a premium of approximately 58% over the closing price of HK\$1.05 per H Share as quoted on the Stock Exchange on 29 January 2016, being the last full trading day prior to the suspension of trading in the H Shares on 1 February 2016;
- (b) a premium of approximately 58% over the average closing price of the H Shares as quoted on the Stock Exchange for the last 5 consecutive full trading days prior to the suspension of trading in the H Shares on 1 February 2016, being approximately HK\$1.05 per H Share;
- (c) a premium of approximately 48% over the average closing price of the H Shares as quoted on the Stock Exchange for the last 30 consecutive full trading days prior to the suspension of trading in the H Shares on 1 February 2016, being approximately HK\$1.12 per H Share;
- (d) a premium of approximately 34% over the average closing price of the H Shares as quoted on the Stock Exchange for the last 60 consecutive full trading days prior to the suspension of trading in the H Shares on 1 February 2016, being approximately HK\$1.24 per H Share;
- (e) a premium of approximately 28% over the average closing price of the H Shares as quoted on the Stock Exchange for the last 90 consecutive full trading days prior to the

suspension of trading in the H Shares on 1 February 2016, being approximately HK\$1.30 per H Share;

- (f) a premium of approximately 19% over the average closing price of the H Shares as quoted on the Stock Exchange for the last 180 consecutive full trading days prior to the suspension of trading in the H Shares on 1 February 2016, being approximately HK\$1.39 per H Share; and
- (g) a discount of approximately 32% to the unaudited net asset value per Share as at 30 June 2015 (Note: Based on the 2015 interim accounts of the Company and calculated at the RMB/HK\$ exchange rate of 1.1851 as at 29 January 2016).

The highest and lowest closing price of the H Shares quoted on the Stock Exchange during the six month period preceding the suspension of trading in the H Shares on 1 February 2016, was HK\$1.49 per H Share on 15 October 2015 and HK\$1.02 per H Share on 26 January 2016.

Confirmation of Financial Resources

The consideration payable under the Sale and Purchase Agreement and the consideration in respect of acceptances under the General Offer will be met from the internal resources of the Offeror. Anglo Chinese, as financial adviser to the Offeror, is satisfied that sufficient resources are available to the Offeror to satisfy full acceptances of the General Offer.

Effect of accepting the General Offer

The General Offer to be made upon the Effective Transfer Date will be unconditional in all respects. By accepting the General Offer, H Shareholders will sell their H Shares to the Offeror free from all liens, claims and encumbrances and together with all rights attaching to the H Shares as at the date the General Offer is made, being the date of despatch of the composite offer document, including the rights to receive all dividends and distributions declared, made or paid on or after the posting of the composite offer document.

Overseas H Shareholders

In order to address concerns regarding the implications under overseas securities laws of making the General Offer to overseas H Shareholders (which implications may include illegality, filing and registration requirements or the need for compliance with other requirements), the General Offer may not be made to the Excluded H Shareholders, subject to the Executive's prior consent. An application will be made in advance before the composite offer document is despatched to the H Shareholders, to the Executive under Note 3 to Rule 8 of the Takeovers Code for consent if any Excluded H Shareholder has then been identified.

The making of the General Offer to the H Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdictions. Such relevant H Shareholders may be prohibited or affected by the laws of the relevant jurisdictions from accepting the General Offer and it is the responsibility of each relevant H Shareholder who wishes to accept the relevant General Offer to satisfy himself/herself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required in compliance with all necessary formalities or legal requirements and the payment of any transfer or other taxes due in such relevant jurisdictions.

Any acceptance by any H Shareholder will be deemed to constitute a representation and warranty from such H Shareholder to the Offeror that the local laws and requirements have been complied with. H Shareholders should consult their professional advisers if in doubt.

Stamp duty

Ad valorem stamp duty arising in connection with acceptance of the General Offer amounting to 0.1% of the amount payable in respect of the relevant acceptance or, if higher, the value of the Offer Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) is payable by those accepting H Shareholders which will be deducted from the payment to be received by them. The Offeror will bear its own portion of buyer's ad valorem stamp duty under the General Offer at the rate of 0.1% of the amount payable in respect of relevant acceptances or, if higher, the value of the Offer Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) and will be responsible to account to the Stamp Office of Hong Kong for the stamp duty payable for the sale and purchase of the relevant Offer Shares pursuant to the acceptances of the General Offer.

Payment

Payment (after deducting the accepting H Shareholders' share of stamp duty) in cash in respect of acceptances of the General Offer will be made as soon as possible but in any event within 7 Hong Kong business days (as defined in the Takeovers Code) of the date duly completed acceptances are received by the Offeror to render each such acceptance complete and valid.

Information on the Offeror and its intention regarding the Group

At the date of this announcement,

- (a) The Offeror owns 196,000,000 H Shares in the Company (representing 19.45% of the Company's entire issued share capital as at the date of this announcement), except for these H Shares, neither the Offeror nor parties acting in concert with it own, control or direct any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.
- (b) Neither the Offeror nor parties acting in concert with it has acquired any voting rights in the Company during the 6-month period immediately prior to the date of this announcement.
- (c) Neither the Offeror nor parties acting in concert with it has borrowed or lent any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.
- (d) Neither the Offeror nor parties acting in concert with it has received any irrevocable commitment to accept or reject the General Offer.
- (e) There is no outstanding derivative in respect of the Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company entered into by the Offeror or parties acting in concert with it.
- (f) Save as disclosed above in the section headed "Sale and Purchase Agreement", there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror which might be material to the General Offer.
- (g) Save as disclosed above in the sub-paragraph headed "Conditions to Completion for the benefit of the Offeror" under the section headed "Sale and Purchase Agreement", there is no agreement or arrangement to which the Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the General Offer.

The Offeror is currently reviewing the overall businesses of the Group and will keep the Shareholders and investors informed by further announcement if it makes any decision which

requires disclosure pursuant to the Takeovers Code. Except as otherwise described in this announcement, the Offeror does not intend to introduce any major changes to the existing business and operations of the Group following the close of the General Offer. The Offeror will continue to ensure good corporate governance, monitor and review the Group's business and operations from time to time, and may take steps that it deems necessary or appropriate to optimise the value of the Group.

Composite offer document

It is the intention of the Board and the Offeror Directors to combine the offer document and the offeree board circular in a composite offer document. Pursuant to Rule 8.2 of the Takeovers Code, within 21 days of the date of this announcement or such later date as the Executive may approve, the Offeror is required to despatch the offer document containing the terms of the General Offer, the form of acceptance and transfer of the Offer Shares to the H Shareholders. As the conditions precedent which relate to the Effective Transfer Date cannot be fulfilled or waived (where applicable) within 21 days of the date of this announcement, the Offeror will apply for the consent of the Executive under Note 2 to Rule 8.2 of the Takeovers Code for an extension of time for despatching the composite offer document to any time within 7 days of the Effective Transfer Date.

4. GENERAL MEETING OF THE COMPANY TO BE CONVENED

A General Meeting shall be convened for Independent Shareholders to consider and vote on the Delisting Resolution, for the purposes of Listing Rule 6.12 and all other purposes. The Delisting Resolution shall not be approved unless:

- (a) at least 75% of the votes attaching to Shares held by Independent Shareholders that are cast either in person or by proxy (by way of poll) on the Delisting Resolution are cast in favour of the Delisting Resolution; and
- (b) the number of votes cast either in person or by proxy (by way of poll) against the Delisting Resolution is not more than 10% of the votes attaching to the Shares held by Independent Shareholders.

If the Delisting Resolution is approved, it will not become effective until the end of the offer period in respect of the General Offer. The Sale and Purchase Agreement is not conditional on Independent Shareholders approving the Delisting Resolution.

Shareholders will also be asked to consider and approve the Articles Amendment and the Board Changes (both to be approved by way of poll) at the General Meeting. The Board Changes shall become effective on a date which complies with applicable regulation, including the Takeovers Code and, in particular, Rule 7 of the Takeovers Code and Rule 26.4 of the Takeovers Code. The Offeror and the Company will ascertain whether the Board Changes are permissible under the Takeovers Code.

Mr Ye Shi Qu, the Offeror, their respective associates and parties acting in concert with Mr Ye Shi Qu or the Offeror shall abstain from voting on the Delisting Resolution. All of the Domestic Shares are to be sold by the Vendors to the Offeror pursuant to the Sale and Purchase Agreement. None of the votes attaching to the Domestic Shares can be voted in favour of the Delisting Resolution.

5. PROPOSALS REGARDING THE LISTING STATUS OF THE COMPANY

As described above, the Offeror proposes to delist the Company, subject to the Independent Shareholders approving the Delisting Resolution and the satisfaction of all other Listing Rule requirements.

In the event that the Delisting Resolution is not approved and the public float of the Company falls below 25% following the close of the General Offer, the Offeror and the Company will

undertake to the Stock Exchange to take appropriate steps to ensure that a sufficient public float exists for the H Shares following the close of the General Offer.

The Stock Exchange has stated that if, upon closing of the General Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the H Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the H Shares; or (ii) there are insufficient H Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the H Shares until the prescribed level of public float is restored.

Independent board committee and independent financial adviser

In accordance with the Takeovers Code, an independent board committee of the Company will be established for the purpose of advising the H Shareholders (other than the Offeror and parties acting in concert with it) in relation to the General Offer, if the General Offer is made, as to whether the General Offer is, or is not, fair and reasonable and whether to accept, or not to accept, the General Offer. The composition of the independent board committee of the Company for the purposes of the General Offer will be determined after the date of this announcement. An independent financial adviser will be appointed, subject to the approval by the independent board committee of the Company to consider the terms of the General Offer and to advise the independent board committee in respect of the General Offer. H Shareholders are advised to take no action until they have received the composite offer document which will contain, inter alia, the advice of the independent board committee and the independent financial adviser. An announcement will be made as soon as the independent financial adviser is appointed.

6. GENERAL

Information on the Company

The principal business activities of the Group are designing, developing, manufacturing and selling of seamless steel pipes for oil and natural gas exploration, transmission and refining, seamless steel pipes for boilers and vessels and petrochemical machinery accessories.

Further Information on the Offeror

The Offeror is a company incorporated in France and is wholly-owned by Vallourec SA, a French limited liability company which is listed on Euronext Paris. The Offeror Group is a leading provider of premium tubular solutions, primarily for the energy markets and other industrial application. The Offeror Group has two main activities: (i) seamless tubes; and (ii) speciality products, it also has holding, sales and marketing companies.

7. DISCLOSURE OF DEALINGS

Associates (as defined under the Takeovers Code) of the Offeror and the Company (including a person who owns or controls 5% or more of any class of relevant securities issued by the Offeror or the Company) are reminded to disclose their dealings in the H Shares.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

8. RESUMPTION OF TRADING IN SHARES OF THE COMPANY

At the request of the Company, trading in the H Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 1 February 2016 pending the publication of this announcement. An application has been made for the resumption of trading in the H Shares on the Stock Exchange from 9:00 a.m. on 3 February 2016.

9. DEFINITIONS

“2015 Audited Accounts”	the audited accounts of the Company for the financial year ended on 31 December 2015 approved by the Shareholders, and prepared by using accounting practices and principles consistently used by the Company for the preparation of its accounts
“Acquisition”	the acquisition of the Sale Shares by the Offeror from the Vendors pursuant to the terms of the Sale and Purchase Agreement
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code, as extended to include persons presumed to be acting in concert
“Administration for Industry and Commerce”	the local bureau of the State Administration for Industry and Commerce that is competent to register the Sale and Purchase Agreement, the sale of the Sale Shares and the amended articles of association of the Company
“Anglo Chinese”	Anglo Chinese Corporate Finance, Limited, a registered institution under the SFO, registered to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the financial adviser to the Offeror in relation to the General Offer
“Approval Authority”	the local bureau of the PRC Ministry of Commerce that is competent to approve the Sale and Purchase Agreement, the sale of the Sale Shares and the amended articles of association of the Company
“Articles Amendment”	the amendments to the articles of association of the Company that are necessary in connection with the sale of the Sale Shares
“associates”	has the meaning ascribed thereto under the Takeovers Code or the Listing Rules, as the context require
“Board”	the board of directors of the Company
“Board Changes”	the changes to the Board such that representatives of the Offeror Group are appointed to the Board and an equivalent number of directors of the Company resign (with effect from the same date)
“Business Day”	a day other than a Saturday, Sunday or public holiday in Beijing, Hong Kong or Paris

“Company”	Anhui Tianda Oil Pipe Co., Ltd.
“Completion”	the actions by which the Vendors and the Offeror acknowledge the occurrence of the Effective Transfer Date and the transfer of ownership of the Sale Shares to the Offeror
“Completion Date”	the date on which Completion takes place in accordance with the Sale and Purchase Agreement which shall be on the 10 th Business Day following the Effective Transfer Date
“Consideration”	the consideration of HK\$846,600,000 for the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
“Delisting Resolution”	the resolution to be considered, and if thought fit, for Independent Shareholders at the General Meeting to approve the delisting of the Company from the Stock Exchange, subject to the offer period ending in respect of the General Offer
“Domestic Shareholder”	the holder of Domestic Shares
“Domestic Shares”	the ordinary shares of RMB0.50 each issued by the Company, which are subscribed in RMB or credited as fully paid up by PRC nationals
“Effective Transfer Date”	the date a new business license is issued by the Administration for Industry and Commerce showing the new distribution of shareholding of the Company following the sale of the Sale Shares
“Encumbrance”	any mortgage, pledge, lien, deposit, security interest, right of first refusal, right of preemption, option, assignment, title retention clause, trust arrangement or other restriction or encumbrance of any kind that secures, confers or has the effect or purpose of restricting in any manner the ownership, use or transferability of an asset or right
“Equity Security”	with respect to any given person other than an individual, any security or other equity interest giving (i) a right in the share capital, voting rights, profits, shareholder’s equity or liquidation profits of such person or (ii) a right to subscribe for, convert, exchange or otherwise acquire any security or other equity interest giving a right in the share capital, voting rights, profits, shareholder’s equity or liquidation profits of such person
“Excluded H Shareholder(s)”	overseas H Shareholder(s), if any, whose address(es), as shown on the register of members of the Company as at the latest practicable date to be set out in the composite offer document, is/are outside Hong Kong and located in a jurisdiction the laws of which prohibit the making of the General Offer to such H Shareholders or otherwise require the Offeror or the Company to comply with additional requirements which are (in the opinion of the directors of the Company or Offeror Directors, but subject to the prior consent of the Executive) unduly onerous or burdensome, having regard to the number of H Shareholders involved in that jurisdiction and their shareholdings in the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Financial Indebtedness”	means, in respect of the Company, any debt owed to any bank, either Vendor or any other third party, and more generally any debt bearing

	interest and/or any of the following items: (i) borrowings, regardless of the identity of the lender, (ii) bonds or other types of debt certificates, (iii) promissory notes, whether or not accepted by a bank, (iv) receivables discounted or assigned on a recourse basis, (v) deferred payment under procurement of assets or services, (vi) financial leases, and/or (vii) security or guarantees provided for the benefit of any third parties
“Force Majeure Event”	any event that is unforeseeable and beyond the control of the Vendors or the Offeror, or if foreseen, unavoidable, and that prevents total or partial performance of the Sale and Purchase Agreement by a Vendor or the Offeror. Force Majeure Events include, but are not limited to, acts of God, war, terrorism, riot, blockade or embargo, fire, explosion, earthquake, flood, typhoon, epidemics
“General Offer”	the unconditional mandatory cash offer to be made by Anglo Chinese, for and on behalf of the Offeror, upon the Effective Transfer Date for the Offer Shares (other than those H Shares already owned by or agreed to be acquired by the Offeror and parties acting in concert with it at the time when the General Offer is made) at the General Offer Price in accordance with the Takeovers Code
“General Offer Price”	HK\$1.66 per Offer Share
“General Meeting”	the general meeting of the Company to be convened for the purposes of Independent Shareholders considering the Delisting Resolution, Shareholders considering and, if thought fit, approving the Articles Amendment and any other business to be considered at the general meeting
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign ordinary share(s) of RMB0.50 each in the share capital of the Company which are listed on the main board of the Stock Exchange and traded in HK\$
“H Shareholder(s)”	the holder(s) of H Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	all Shareholders other than Mr Ye Shi Qu, the Offeror, their respective associates and parties acting in concert with Mr Ye Shi Qu or the Offeror
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
“Material Adverse Change”	one or more events, conditions or circumstances that have resulted in, or could reasonably be expected to result in, a Material Adverse Effect, including (without limitation) any existing or threatened claim by any governmental authority or any other third party, and/or change in applicable laws that could prevent the sale of the Sale Shares or substantially increase the obligations and/or liabilities of the Offeror or the Company in addition to those provided in the Sale and Purchase Agreement, or have a significant detrimental impact on the reputation of the Offeror or the Company or their relationship with any governmental authorities

“Material Adverse Effect”	any material effect upon or change to (i) the business, assets, properties, financial condition or otherwise, operations or results or prospects of the Company or (ii) the sale of the Sale Shares; and that is or is reasonably likely to be, individually or collectively, (a) adverse or negative to the value of the Company or to its ability to operate its business or (b) adverse or negative to the completion of the sale of the Sale Shares, or likely to render the transactions contemplated in the Sale and Purchase Agreement illegal or otherwise restrict or prohibit such transactions
“Offer Share(s)”	the H Share(s) subject to the General Offer
“Offeror”	Vallourec Tubes SAS, a company incorporated in France, which is a wholly-owned subsidiary of Vallourec SA, a company incorporated in France whose shares are listed on Euronext Paris
“Offeror Director(s)”	director(s) of the Offeror
“Offeror Group”	Vallourec SA and its subsidiaries (including the Offeror)
“PRC”	the People’s Republic of China
“PRC Steel Policy”	the Steel and Iron Industry Development Policy adapted by the Steel Industry Supervision Authorities and promulgated on 8 July 2005
“RMB”	Renminbi, the lawful currency in the PRC
“Sale and Purchase Agreement”	the conditional sale and purchase agreement entered into between the Vendors and the Offeror on 29 January 2016 in relation to the Acquisition
“Sale Shares”	510,000,000 Domestic Shares conditionally agreed to be sold by the Vendors and conditionally agreed to be acquired by the Offeror pursuant to the Sale and Purchase Agreement, representing approximately 50.61% of the entire issued share capital of the Company as at the date of this announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“Shareholders” and each a “Shareholder”	the Domestic Shareholder and the H Shareholder(s)
“Shares”	the Domestic Shares and the H Shares
“Steel Industry Supervision Authorities”	the PRC National Development and Reform Commission and the other PRC governmental authorities in charge of the determination and implementation of the PRC Steel Policy
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Third Party Consents”	<ul style="list-style-type: none"> (i) all third parties that are a party to any commercial agreement with the Company which includes a change of control clause; and (ii) all banks or financial institutions that are a party to any instrument or contract constituting part or all of the Financial Indebtedness, <p>in each case, in respect of all their agreements, contracts and other dealings with the Company</p>

“Vallourec SA Management Members”	the members of the management board of Vallourec SA
“Vendors” and each a “Vendor”	Anhui Tianda Enterprise Group Co., Ltd and Anhui Tianda Investment Co., Ltd, both of whom are ultimately beneficially owned by Mr Ye Shi Qu, Mr Zhang Hu Ming and Mr Yong Jin Gui
“Waiveable Conditions”	the conditions to Completion of the Sale and Purchase Agreement which are listed in items (e), (f), (g), (h) and (i) under the subparagraph “Conditions to Completion for the benefit of the Offeror” in this announcement

By order of the board
Vallourec Tubes SAS
Mr Philippe Jacques Georges Crouzet
President

By order of the board
Anhui Tianda Oil Pipe Co., Ltd.
Mr Ye Shi Qu
Chairman

Hong Kong, 2 February 2016

As at the date of this announcement, the Vallourec SA Management Members are Mr Philippe Jacques Georges Crouzet, Mr Oliver Bruno Benedict Mallet and Mr Jean-Pierre Michel.

As at the date of this announcement, the Offeror Directors are Mr Philippe Jacques Georges Crouzet, Mr Oliver Bruno Benedict Mallet and Mr Jean-Pierre Michel.

As at the date of this announcement, the Board comprises Mr Ye Shi Qu, Mr Zhang Hu Ming and Ms Fu Jun as executive directors; Mr Liu Peng and Mr Bruno Saintes as non-executive directors; and Mr Zhao Bin, Mr Wang Bo and Mr Wang Jie as independent non-executive directors.

The Vallourec SA Management Members jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this announcement (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

The Offeror Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this announcement (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Offeror Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this announcement (other than those expressed by the Offeror Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.