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(incorporated in France with limited liability)

Stock Code: VK



Anhui Tianda Oil Pipe Company Limited

安徽天大石油管材股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 839

JOINT ANNOUNCEMENT

**Revised 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)**

Financial adviser to Vallourec Tubes SAS

ANGLO CHINESE 英
CORPORATE FINANCE, LIMITED 高

THE REVISED OFFER

The Offeror intends to amend the proposed terms of the unconditional mandatory cash 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 Revised Offer is made) which shall be made following the occurrence of the Effective Transfer Date.

The Offeror intends to amend the proposed terms of the General Offer by offering the Delisting Premium of HK\$0.01 per Offer Share, conditional on Independent Shareholders approving the Delisting Resolution at the General Meeting, Independent H Shareholders approving the Delisting Resolution at the H Share class meeting and the despatch of the offer document for the Revised Offer. The Delisting Premium is in addition to the Basic Offer Price of HK\$1.66 per Offer Share.

The General Meeting and the H Share class meeting, where the Delisting Resolution shall be considered by Independent Shareholders and Independent H Shareholders respectively, will be held prior to the Effective Transfer Date. Accordingly, when the results of the General Meeting and the H Share class meeting are announced, the Offeror and the Company shall also announce whether the Revised Offer shall be made at the Enhanced Offer Price of HK\$1.67 per Offer Share or the Basic Offer Price of HK\$1.66 per Offer Share.

Based on the Revised Offer, the aggregate consideration payable per Offer Share to H Shareholders if the Delisting Resolution is approved is HK\$1.67 per Offer Share.

Save as disclosed in this announcement, all the proposed terms and conditions of the General Offer remain unchanged and will apply to the Revised Offer.

On the basis of the Enhanced Offer Price of HK\$1.67 per Offer Share (payable if the Delisting Resolution is approved), 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\$1,682,735,420. After taking into account the 196,000,000 H Shares already held by the Offeror and the 510,000,000 Domestic Shares to be acquired by the Offeror under the Sale and Purchase Agreement, the Revised Offer is valued at approximately HK\$503,715,420 based on the Enhanced Offer Price and the 301,626,000 Offer Shares.

On the basis of the Basic Offer Price of HK\$1.66 per Offer Share (assuming the Delisting Resolution is not approved), 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. After taking into account the 196,000,000 H Shares already held by the Offeror and the 510,000,000 Domestic Shares to be acquired by the Offeror under the Sale and Purchase Agreement, the Revised Offer is valued at approximately HK\$500,699,160 based on the Basic Offer Price and the 301,626,000 Offer Shares.

The Offeror intends to finance the cash required for the Revised Offer from its internal cash resources. Anglo Chinese, being the financial adviser to the Offeror in respect of the Revised Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Revised Offer.

WARNING: The Revised 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 Revised 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 Revised Offer may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.

Reference is made to the joint announcement jointly issued by the Company and the Offeror on 3 February 2016 (the “**Joint Announcement**”) in respect of, among other things, a possible unconditional mandatory cash offer to be made by Anglo Chinese for and on behalf of the Offeror to acquire all of the H Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it at the time when the offer is made).

1. 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. If the Delisting Resolution is approved, the Revised Offer will be made at the Enhanced Offer Price (of HK\$1.67 per Offer Share). If the Delisting Resolution is not approved, the Revised Offer will be made at the Basic Offer Price (of HK\$1.66 per Offer Share). The Revised Offer, if and when made, will be unconditional in all respects.

The aggregate consideration per Offer Share payable if the Delisting Resolution is approved will be HK\$1.67 per Offer Share.

The total consideration per Offer Share payable to H Shareholders under the Revised Offer, if and when made, in the different scenarios is summarised below:

	Total consideration payable per Offer Share in different scenarios	
	If the Delisting Resolution is not approved	If the Delisting Resolution is approved
Revised Offer	HK\$1.66	HK\$1.67

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 Revised 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 Revised 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 Revised 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

On the basis of the Enhanced Offer Price of HK\$1.67 per Offer Share (payable if the Delisting Resolution is approved), 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\$1,682,735,420. After taking into account the 196,000,000 H Shares already held by the Offeror and the 510,000,000 Domestic Shares to be acquired by the Offeror under the Sale and Purchase Agreement, the Revised Offer is valued at approximately HK\$503,715,420 based on the Enhanced Offer Price and the 301,626,000 Offer Shares.

On the basis of the Basic Offer Price of HK\$1.66 per Offer Share (assuming the Delisting Resolution is not approved), 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. After taking into account the 196,000,000 H Shares already held by the Offeror and the 510,000,000 Domestic Shares to be acquired by the Offeror under the Sale and Purchase Agreement, the Revised Offer is valued at approximately HK\$500,699,160 based on the Basic Offer Price and the 301,626,000 Offer Shares.

Before taking into account of any adjustment to the quoted prices for the proposed special dividend as mentioned in the Joint Announcement, the Basic Offer Price and the Enhanced Offer Price represent:

- (a) a discount of approximately 0.6% and the same price, respectively, to the closing price of HK\$1.67 per H Share as quoted on the Stock Exchange on 4 August 2016, being the last trading day prior to the date of this announcement;
- (b) a premium of approximately 58% and 59% 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;
- (c) a premium of approximately 58% and 59% 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;
- (d) a premium of approximately 48% and 49% 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;

- (e) a premium of approximately 34% and 35% 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;
- (f) 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;
- (g) a premium of approximately 19% and 20% 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
- (h) a discount of approximately 23% to the unaudited net asset value per Share as at 30 June 2016 (Note: Based on the 2016 interim results of the Company and calculated at the RMB/HK\$ exchange rate of 1.1711 as at 2 August 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 Revised 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 Revised Offer.

Save as aforesaid, the proposed terms of the General Offer remain unchanged and will apply to the Revised Offer.

Reasons for and benefits of the Revised Offer

The Offeror Directors are of the view that the Revised Offer is beneficial for the following reasons:

- (a) **The Enhanced Offer Price offers H Shareholders an incentive to approve the Delisting Resolution.** If the Delisting Resolution is approved (and the offer document is subsequently despatched), all holders of Offer Shares will be entitled to the Enhanced Offer Price (i.e. the Delisting Premium and the Basic Offer Price). The Enhanced Offer Price provides an additional incentive for holders of Offer Shares to tender their acceptances under the Revised Offer as and when it is made.

- (b) **An alternative general offer for the H Shares is unlikely.** From the Effective Transfer Date, the Offeror will hold 70.07% of the entire issued share capital of the Company. With effect from the Effective Transfer Date, it is unlikely that the holders of Offer Shares will receive any general offers from third parties to acquire the H Shares, without the approval of the Offeror.

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 Revised 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 Revised 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. DESPATCH OF THE OFFER DOCUMENT

As previously announced by the Offeror and the Company, the Offeror applied for an extension of time for the despatch of the offer document on the basis the conditions precedent of the Sale and Purchase Agreement which relate to the Effective Transfer Date (being the date on which the Offeror's obligation to make the Revised Offer arises) cannot be fulfilled or waived (where applicable) within 21 days of the date of the Joint Announcement.

The Executive subsequently agreed to grant the Offeror an extension of time permitting the offer document for the Revised Offer to be despatched on any day within 7 days of the Effective Transfer Date.

As at the date of this announcement, the expected Effective Transfer Date is not known. However, as disclosed in the Joint Announcement, 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. Accordingly, the latest date for the Effective Transfer Date is 31 January 2017 and the latest date for the despatch of the offer document will be 7 February 2017.

As disclosed in the Joint Announcement, 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.

4. DEFINITIONS

“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 corporation licensed 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 Revised Offer

“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
“Basic Offer Price”	HK\$1.66 per Offer Share
“Board”	the board of directors of the Company
“Company”	Anhui Tianda Oil Pipe Co., Ltd.
“Delisting Premium”	HK\$0.01 per Offer Share, payable if the Delisting Resolution is approved and the offer document for the Revised Offer is despatched
“Delisting Resolution”	the resolution to be considered, and if thought fit, for Independent Shareholders at the General Meeting and Independent H Shareholders at the H Share class meeting to approve the delisting of the Company from the Stock Exchange, subject to the offer period ending in respect of the Revised 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
“Enhanced Offer Price”	HK\$1.67 per Offer Share, payable if the Delisting Resolution is approved
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of his delegates

“General Offer”	the unconditional mandatory cash offer that was 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 was to be made) which has been superseded by the Revised Offer
“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
“Independent H Shareholders”	all H 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)
“Offer Share(s)”	the H Share(s) subject to the Revised 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
“Revised Offer”	means the mandatory unconditional 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 Revised Offer is made) at either the Basic Offer Price (if the Delisting Resolution is not approved) or the Enhanced Offer Price (if the Delisting Resolution is approved) in accordance with the Takeovers Code
“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
“Shareholders” and each a “Shareholder”	the Domestic Shareholder and the H Shareholder(s)
“Shares”	the Domestic Shares and the H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“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, and Mr Zhang Hu Ming

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, 4 August 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 Mr 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.