

**ANTON OILFIELD SERVICES GROUP:  
BEIJING CONTROLS THIS COMPANY**

As expected and on cue, perfectly, Anton Oilfield Services Group ( ) (Code: 3337, Main Board, The Stock Exchange of Hongkong Ltd) has brought home the proverbial bacon – as promised in its Global Offering Prospectus of December 3, 2007.

The Company, on March 8, 2008, announced that, on a Turnover of about 493,434,000 renminbi, the Net Profit Attributable to Shareholders came in at 113,157,000 renminbi – which was a record Net Profit, naturally!

At Appendix III-2 of the Global Offering Prospectus, Management stated that the Forecast Consolidated Net Profit Attributable to Shareholders for the Financial Year, ended December 31, 2007, would be ‘*not less than RMB110.60 million* (about \$HK116.10 million).

The Year-On-Year, financial results of the 2007-Year were:

Turnover	Up 99.81 percent
Operating Profit	Up 57.21 percent
Net Profit Attributable to Shareholders	Up 44.15 percent

It is noted, however, that the 2007 Bottom Line was inflated by the amount of about 7.12 million renminbi, being ‘*Proceeds from disposal of property, plant and equipment.*’

This was a one-off gain.

Also, it is noted that the Company obtained interest income, amounting to about 4.55 million renminbi, during the Year, just ended, representing an increase of about 4.15 million renminbi, compared with interest income, logged in for the 2006-Year.

These 2 gains – the proceeds from disposals of property, plant and equipment and the gains from interest income, totalling about 11.27 million – represented about 9.96 percent of the Net Profit Attributable to Shareholders for the 2007-Year.

As at the 2007 Balance Sheet Date, Anton Oilfield was sitting on a ‘*mountain*’ of cash, totalling not less than 1.07 billion renminbi.

That cash position compared very favourably with the 2006 Balance Sheet Date when the Company had cash and cash equivalents of about 132 million renminbi.

Needless to state, the Company, today, should be free from any debt, which compares with a debt load of about 101.34 million renminbi, shown at Page 156 of the Global Offering Prospectus.

The December 3, 2007, Initial Public Offering (IPO) of 520 million, 10-cent Shares at an Offer Price of \$HK1.88 per Share, including the partial exercise of the Over-Allotment Option, granted to Credit Suisse (Hongkong) Ltd and JPMorgan Securities Ltd on behalf of International Investors, netted Anton Oilfield about \$HK951.40 million.

This, of course, is the main reason for the increase in cash and cash equivalents, shown in the 2007 Balance Sheet.

## **The Flotation**

The flotation of Anton Oilfield was to raise money for the following purposes:

1. About \$HK64.60 million (about 7.14 percent of the net proceeds) *'for building manufacturing and research and development facilities in Huairou, which include acquisition of land, construction of workshop and administrative and research and development buildings, acquisition of lab equipment and related software ...'*;
2. About \$HK323.20 million (about 35.72 percent of the net proceeds) *'for well services division, including equipment procurement, such as fracturing trucks and coiled tubing trucks and the Hinen-Hitech acquisition ...'*;
3. About \$HK96.90 million (about 10.71 percent of the net proceeds) *'for drilling services division for procurement of service equipment and expanding capacity of our planned joint venture ...'*;
4. About \$HK32.30 million (about 3.57 percent of the net proceeds) *'for production services division to increase our capacity ...'*;
5. About \$HK96.90 million (about 10.71 percent of the net proceeds) *'for field services division to expand existing service facilities, establish new facilities domestically and in selected overseas markets ...'*;
6. About \$HK194 million (about 21.44 percent of the net proceeds) *'for potential acquisitions ...'* and,
7. About \$HK96.90 million (about 10.71 percent of the net proceeds) to be used as additional Working Capital.

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