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JUTAL

巨濤海洋石油服務有限公司

Jutal Offshore Oil Services Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 03303)

CONTINUING CONNECTED TRANSACTIONS

(1) REVISION OF ANNUAL CAPS AND SANJU ANNUAL CAPS

AND

(2) SUPPLEMENTAL AGREEMENT

Reference is made to the Announcement.

After further review on the CCT and Sanju CCT, the Company decided to revise (i) the respective terms of the CCT and Sanju CCT; (ii) the respective service scopes of the Company Services and Sanju Services; and (iii) the Annual Caps and the Sanju Annual Caps.

Accordingly, on 3 November 2017 (after trading hours), the Company entered into the Supplemental Agreement with Sanju to reflect the said revisions.

As the applicable percentage ratio exceeds 5% and the transaction amounts under the Master Agreement (as supplemented and amended by the Supplemental Agreement) exceeds HK\$10,000,000, the CCT and Sanju CCT constitute non-exempt continuing connected transactions for the Company and are subject to reporting, annual review, announcement and Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcement (the “**Announcement**”) of the Company dated 19 September 2017 relating to the Master Agreement. Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the Announcement.

After further review on the CCT and Sanju CCT, the Company decided to revise (i) the respective terms of the CCT and Sanju CCT; (ii) the respective service scopes of the Company Services and Sanju Services; and (iii) the Annual Caps and the Sanju Annual Caps. Accordingly, on 3 November 2017 (after trading hours), the Company entered into a supplement agreement (the “**Supplemental Agreement**”) with Sanju to reflect the said revisions.

SUPPLEMENTAL AGREEMENT

Set out below are the principal terms of the Supplemental Agreement.

Date : 3 November 2017

Parties : (i) the Company; and
(ii) Sanju

Provision of Company Services

Term

Subject to the approval by the Independent Shareholders, pursuant to the Master Agreement, as amended and supplemented by the Supplemental Agreement, the Company agrees to engage Sanju to provide the Sanju Services for a term of 13 months from 1 December 2017 to 31 December 2018 (both days inclusive).

Revision to the scope of Company Services

Pursuant to the Master Agreement, as amended and supplemented by the Supplemental Agreement, the scope of the Company Services shall be revised to (i) purifying and refining device project contracting*(淨化及煉化相關的工程承包); (ii) special equipment/facilities manufacturing*(專用設備或裝置製造); and (iii) project management and labour outsourcing services*(項目管理或提供勞務派遣等服務).

Revision to the Annual Caps

Pursuant to the Master Agreement, as amended and supplemented by the Supplemental Agreement, the Annual Caps shall be revised as follows:

	Original	Revised	Original	Revised
	For the period commencing from 15 October 2017 to 31 December 2017 (in million)	For the period commencing from 1 December 2017 to 31 December 2017 (in million)	For the year Ending 31 December 2018 (in million)	For the year Ending 31 December 2018 (in million)
Annual Caps	RMB800	RMB632	RMB4,300	RMB2,100

Provision of Sanju Services

Term

Subject to the approval by the Independent Shareholders, pursuant to the Master Agreement, as amended and supplemented by the Supplemental Agreement, the Company agrees to engage Sanju to provide the Sanju Services for a term of 12 months from 1 January 2018 to 31 December 2018 (both days inclusive).

Revision to the scope of Sanju Services

Pursuant to the Master Agreement, as amended and supplemented by the Supplemental Agreement, the scope of the Sanju Services shall be revised to provision of products such as catalyst* (催化劑等物品的供貨).

As the revised scope of Sanju Services does not include specialist technical permit and technical support service* (特有技術許可及技術支持服務), the relevant reference of determining the fee for the said specific service, as disclosed in the Announcement, will no longer be applicable.

Revision to the Sanju Annual Caps

Pursuant to the Master Agreement, as amended and supplemented by the Supplemental Agreement, the Sanju Annual Caps shall be revised as follows:

	Original	Revised	Original	Revised
	For the period commencing from 15 October 2017 to 31 December 2017 (in million)	For the period commencing from 1 December 2017 to 31 December 2017 (in million)	For the year Ending 31 December 2018 (in million)	For the year Ending 31 December 2018 (in million)
Sanju Annual Caps	RMB100	Nil	RMB400	RMB100

Save as disclosed above, all other terms of the Master Agreement as disclosed in the Announcement remain unchanged.

BASIS OF DETERMINING THE REVISED ANNUAL CAPS and REVISED SANJU ANNUAL CAPS

The revised Annual Caps and revised Sanju Annual are determined with reference to (i) the expected time for the commencement of the terms of the Company Services and Sanju Services; and (ii) the modification of business plan of the Group for the soon future, which will result a decrease in each of (i) the supply of the Company Service to Sanju; and (ii) the demand of the Sanju Services by the Group. Hence, the revisions to the original Annual Caps and Sanju Annual Caps are required.

The Supplemental Agreement between the Company and Sanju was entered into by the Company in the ordinary and usual course of business of the Group.

The Directors (excluding the independent non-executive Directors whose opinion will be subject to the advice of the Independent Financial Adviser) consider that the revised Annual Caps and/or the revised Sanju Annual Caps have been determined on an arm's length basis and the Supplemental Agreement was entered into on normal commercial terms in the ordinary and usual course of business of the Company after arm's length negotiation, and the terms are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Sanju wholly owns Sanju HK, which is a substantial shareholder and a connected person of the Company holding 641,566,556 Shares, representing approximately 39.35% of the issued share capital of the Company. Therefore, Sanju is deemed as a substantial shareholder and connected person of the Company. Accordingly, the transactions contemplated under Master Agreement, as amended and supplemented by the Supplemental Agreement, namely (i) provision of Company Services by the Company and (ii) obtaining of Sanju Services from Sanju will constitute continuing connected transactions of the Company under Rule 14A.31 of the Listing Rules.

As the applicable percentage ratio exceeds 5% and the transaction amounts under the Master Agreement (as supplemented and amended by the Supplemental Agreement) exceeds HK\$10,000,000, the CCT and Sanju CCT constitute non-exempt continuing connected transactions for the Company and are subject to reporting, annual review, announcement and Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

As disclosed in the announcement of the Company dated 11 October 2017, a circular containing, among other things, (i) details of the CCT and the Sanju CCT; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the CCT and the Sanju CCT; (iii) the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the CCT and the Sanju CCT; (iv) a notice of the EGM; and (v) other information as required by the Listing Rules is expected to be despatched to the Shareholders on or about 30 November 2017.

* *The English translation of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

By order of the Board
Jutal Offshore Oil Services Limited
Cao Yunsheng
Executive Director

Hong Kong, 3 November 2017

As at the date of this announcement, the executive Directors are Mr. Liu Lei (Chairman), Mr. Wang Lishan, Mr. Lin Ke, Mr. Cao Yunsheng, Mr. Cao Huafeng and Mr. Sergey Borovskiy; and the independent non-executive Directors are Mr. Su Yang, Mr. Zheng Yimin and Mr. Qi Daqing.

If there is any inconsistency in this announcement between the Chinese and English versions and the English version shall prevail.