

OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the Global Offering and the Capitalisation Issue (taking no account of Shares which may be issued pursuant to the exercise of the Over-allotment Option and options which may be granted under the Share Option Scheme), Truepath Limited, which is wholly owned by Red Velvet Holdings Limited, will be interested in approximately 36.5% of the enlarged issued share capital of our Company. The entire shareholding interest of Red Velvet Holdings Limited is held by Truepath Trust, of which Mr. Wang and certain of his family members are the beneficiaries of the trust. Mr. Wang and Mr. Wu entered into a deed of acting in concert on 10 November 2009 whereby they agreed that they acted in concert in the policy-making, operation, management and all major decision-making of our Group based on mutual trust and agreement. True Harmony, which is owned as to approximately 73.3% by Best Harvest Far East Limited, will be interested in approximately 11.4% of the enlarged issued share capital of our Company. Best Harvest Far East Limited is, in turn, wholly owned by Magic Flute Holdings Limited. The entire shareholding of Magic Flute Holdings Limited is held by True Harmony Trust, of which Mr. Wu and six members of senior management of our Company are the beneficiaries. Widescope Holdings Limited, which is wholly owned by Elegant Eagle Investments Limited, will be interested in approximately 10.2% of the enlarged issued share capital of our Company. The entire shareholding interest of Elegant Eagle Investment Limited is held by Widescope Trust, of which Mr. Wu and his family members are the beneficiaries. Credit Suisse Trust Limited is the trustee of each of the Truepath Trust, True Harmony Trust and Widescope Trust. Hence, Mr. Wang, Mr. Wu, Truepath Limited, Red Velvet Holdings Limited, True Harmony, Best Harvest Far East Limited, Magic Flute Holdings Limited, Widescope Holdings Limited and Elegant Eagle Investments Limited, in aggregate, will be interested in a total of approximately 58.1% of the enlarged issued share capital of our Company. Accordingly, Mr. Wang, Mr. Wu, Truepath Limited, Red Velvet Holdings Limited, True Harmony, Best Harvest Far East Limited, Magic Flute Holdings Limited, Widescope Holdings Limited and Elegant Eagle Investments Limited will be our Controlling Shareholders within the meaning of the Listing Rules and Credit Suisse Trust Limited will be the respective associate of our Controlling Shareholders.

INDEPENDENCE FROM CONTROLLING SHAREHOLDERS

Our Directors consider that our Group is capable of carrying on its business independent of our Controlling Shareholders and their associates for the following reasons:

Management independence and operational independence

Although our Controlling Shareholders will retain a controlling interest in our Company after the Listing, our Company has full rights to make all decisions on, and to carry out, its own business operations independently. Our Company (through its subsidiaries) holds all relevant licences necessary to carry on the business, and has sufficient capital, equipment and employees to operate the business independently from our Controlling Shareholders.

Our Company's management and operational decisions are made by our executive Directors and senior management who have served our Company and/or its subsidiaries for a significant length of time and/or have substantial experience in the industry in which our Company is engaged. Further, our Company's independent non-executive Directors will bring independent judgment to the decision-making process of our Board.

As at the Latest Practicable Date, our Directors confirmed that they do not have interest in any business which competes or is likely to compete, either directly or indirectly, with the business of our Group.

There will not be any continuing connected transactions between our Group and our Controlling Shareholders or their respective associates upon completion of the Listing. Our Directors do not expect that following the Listing there will be any connected transactions between our Group and any of our Controlling Shareholders or their respective associates. Based on the above, our Directors are of the view that our Company is independent of our Controlling Shareholders in terms of management and business operations.

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Administrative independence

Our Group has its own capabilities and personnel to perform all essential administrative functions, including financial and accounting management, inventory management and research and development. Our senior management staff is independent of our Controlling Shareholders.

Financial independence

Our Group has its own financial management system and the ability to operate independently from our Controlling Shareholders from a financial perspective. Our Directors believe that our Group is capable of obtaining financing from external sources without reliance on our Controlling Shareholders. As at the Latest Practicable Date, our Group had outstanding loans of RMB55.1 million from Mr. Wang and Mr. Wu, which will be fully settled before the Listing. Mr. Wang and Mr. Wu had entered into four personal guarantees with details as follows:

- (i) Mr. Wang and Mr. Wu had executed a guarantee agreement dated 27 October 2011 under which they had granted personal guarantees in favour of CITIC Bank International Limited in respect of the obligations of our Company in connection with the first tranche advance amounting to US\$10 million under a bridging term loan facility of up to US\$20 million (which consists of two tranches, each up to US\$10 million) provided by CITIC Bank International Limited.
- (ii) each of Mr. Wang and Mr. Wu had entered into a guarantee agreement dated 15 August 2011 under which each of them had granted a personal guarantee in favour of Bank of Kunlun Co., Korla Branch (昆侖銀行股份有限公司庫爾勒分行) in respect of the obligations of SPT Beijing under the loan facilities of upto RMB12 million;
- (iii) each of Mr. Wang and Mr. Wu had entered into a guarantee agreement dated 21 October 2011 under which each of them had granted a personal guarantee in favour of Bank of Kunlun Co., Korla Branch (昆侖銀行股份有限公司庫爾勒分行) in respect of the obligations of SPT Beijing under the loan facilities of upto RMB20 million;
- (iv) each of Mr. Wang and Mr. Wu had entered into a guarantee agreement dated 14 November 2011 under which each of them had granted a personal guarantee in favour of Bank of Kunlun Co., Ltd. Korla Branch (昆侖銀行股份有限公司庫爾勒分行) in respect of the obligations of SPT Beijing under the loan facilities of up to RMB10 million.
- (v) each of Mr. Wang and Mr. Wu had entered into a guarantee agreement dated 19 July 2010 under which each of them granted a personal guarantee in favour of CITIC Bank International (China) Limited Beijing Branch (中信銀行國際(中國)有限公司北京分行) (formerly known as CITIC Ka Wah Bank (China) Limited Beijing Branch (中信嘉華銀行(中國)有限公司北京分行) in respect of the obligations of SPT Xinjiang and SPT Beijing under a revolving loan facility of up to RMB80 million; and
- (vi) Mr. Wu had entered into a guarantee agreement dated 22 August 2011 under which Mr. Wu granted a personal guarantee in favour of Huaxia Bank Co., Ltd. Beijing Dawanglu Branch* (華夏銀行股份有限公司北京大望路分行) in respect of the obligations of PSE Beijing under the loan facility of up to RMB8 million.

Our Directors confirmed that these guarantees provided by Mr. Wang and Mr. Wu will be released before the Listing, and all other non-trade payable balances with our Controlling Shareholders and other balances with related parties of our Group will be fully settled before the Listing.

CUSTOMERS OF OUR GROUP

For each of the three years ended 31 December 2008, 2009 and 2010 and the six months ended 30 June 2011, our five largest customers, in aggregate, accounted for 66.6%, 72.0%, 65.1% and 69.7% of our revenue,

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respectively, and our single largest customer accounted for 25.3%, 25.4%, 28.8% and 24.9% of our revenue, respectively. So far as our Directors are aware, no Shareholder that owns 5% or more of our issued share capital had as at the Latest Practicable Date any interest in any of our five largest customers during the Track Record Period. We can also access our customers independently of our Controlling Shareholders. During the Track Record Period, we have not sold any of our products/services through our Controlling Shareholders.

PROCUREMENT OF SUPPLIES

For each of the three years ended 31 December 2008, 2009 and 2010 and the six months ended 30 June 2011, our five largest suppliers, in aggregate, accounted for 84.0%, 68.4%, 51.2% and 40.7% of our total purchases, respectively, and our single largest supplier accounted for 60.5%, 43.2%, 17.6% and 14.1% of our total purchases, respectively. So far as our Directors are aware, no Shareholder that owns 5% or more of our issued share capital had as at the Latest Practicable Date any interest in any of our five largest suppliers during the Track Record Period. We can also access our suppliers independently of our Controlling Shareholders. During the Track Record Period, we have not procured any of our or supplies through our Controlling Shareholders.

NON-COMPETITION UNDERTAKING

Our Controlling Shareholders have confirmed that they are neither engaged, nor interested, in any business which, directly or indirectly, competes or may compete with our Group's business (as disclosed in this prospectus) and would require disclosure under Rule 8.10 of the Listing Rules. Our Directors have confirmed that none of them is interested in any business which competes or is likely to compete, either directly or indirectly with our business.

On 12 December 2011, our Company entered into a deed of non-competition with each of Mr. Wang, Truepath Limited, Red Velvet Holdings Limited, Mr. Wu, True Harmony, Best Harvest Far East Limited, Magic Flute Holdings Limited, Widescope Holdings Limited and Elegant Eagle Investments Limited (collectively, the "Covenantors"). Pursuant to the deed of non-competition, each of the Covenantors has, among other things, irrevocably and unconditionally warranted and undertaken to our Company that at any time during the Relevant Period (as defined below), it/he/she shall not and each of the Covenantors shall procure that its/his/her associates (which for the purpose of the deed of non-competition shall not include any member of our Group) shall not, whether directly or indirectly or as principal or agent, and whether on its/his/her own account or with each other or in conjunction with or on behalf of any person, firm or company or through any entities (except in or through any subsidiary of our Company), (i) carry on, engage, participate or hold any right or interest in or render any services to or provide any financial support to or otherwise be involved in the provision of integrated oilfield services or any other business which is in competition, directly or indirectly, with or is likely to be in competition, directly or indirectly, with any business that may be carried on by any members of our Group (the "Group Business") from time to time (the "Competing Business") whether as a shareholder, director, officer, partner, agent, lender, employee, consultant or otherwise and whether for profit, reward or otherwise; or (ii) take any action which interfere with or disrupt or may interfere with or disrupt the Group Business, including but not limited to, solicitation of any of the customers, suppliers or employees of any member of the Group.

The above restrictions do not apply when our Controlling Shareholders having any interest (a) in the shares of any member of the Group; or (b) in not more than 5% of the issued shares in any company engaging any Competing Business (the "Subject Company") which is or whose holding company is listed on any recognised exchange (as defined under the SFO) provided that (i) there is a holder (together where appropriate, with its associates) with a larger shareholding in the Subject Company than the aggregate shareholding held by our Controlling Shareholders at all times and (ii) the total number of our Controlling Shareholders' representatives on the board of directors of the Subject Company is not significantly disproportionate in relation to their respective shareholding in the Subject Company.

For the above purpose, the "Relevant Period" means the period commencing from the date of the deed of non-competition and shall expire on the earliest of (i) the date on which our Controlling Shareholders cease to hold directly or indirectly in aggregate 30% or more of the entire issued share capital of our Company; or (ii) our Shares cease to be listed and traded on the Stock Exchange (except for temporary suspension of trading of our Shares on the Stock Exchange due to any reasons).