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ANTON 安東

安東油田服務集團

Anton Oilfield Services Group

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3337)

ANNOUNCEMENT

Operational Update on the Third Quarter of 2024 and Outlook for the Fourth Quarter of 2024

The board of directors (the “**Board**”) of Anton Oilfield Services Group (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce its operational update and order backlog for the three months from 1 July to 30 September 2024 (the “**Quarter**”).

OVERVIEW OF OPERATIONS IN THE THIRD QUARTER OF 2024

In the third quarter, international geopolitical tensions re-escalated and regional uncertainties continued to grow, but the overall economy maintained a slow growth trend. During the quarter, the international crude oil market became more balanced, with international oil prices remained high, while demand for natural gas grew strongly and oil and gas development continued to be active globally.

Facing the new situation, the Group continued to penetrate into the emerging global oil and gas markets and to make efforts in expanding new overseas markets in a comprehensive manner. During the quarter, the Group further launched the natural gas localization industry chain solutions for emerging countries. The objective is to promote the efficient utilization of natural gas in regional markets, boost local economic development for the benefit of local communities, and provide customers with integrated solutions for resource development, processing and application. During the quarter, the Group’s new orders continued to maintain rapid growth, and the main projects maintained stable and high-quality operation, which effectively ensured the achievement of the Group’s annual business objectives.

ORDERS IN THE THIRD QUARTER OF 2024

During the third quarter, the Group’s new orders increased by RMB1,487.1 million, representing an increase of 48.2% over the same period last year, of which new orders in the Iraq market amounted to approximately RMB500.3 million, representing an increase of 30.6% compared with the same period last year; new orders in other overseas markets amounted to approximately RMB351.9 million, representing a significant increase of 91.9% over the same period last year; new orders in the Chinese market amounted to approximately RMB634.9 million, representing an increase of 45.4% from the same period last year.

In the overseas market, Iraq, the Group secured a number of large orders during the quarter, including Supervision and Monitor Services Project, Oilfield Central Treatment Plant Station Automation and Intelligent Construction Service Project, North Oilfield Operation and Maintenance Services, etc., new orders increased by 30.6% from the same period last year. In other overseas markets, the Group's integrated oilfield development and management project in Chad, Africa has been successfully renewed for more than two years. In Indonesia market, the Group won the Well Completion Tool Sales Project, etc., the new orders increased significantly by 91.9%.

In Chinese market, the Group actively sought to land new and high-quality projects, winning bids for Coalbed Methane Fracturing Technical Services Project, Downhole Project, Gas Seal Inspection Project and so on. In addition, the Group's natural gas processing projects in southwest China have expanded capacity again. During the quarter, new orders in the Chinese market increased by 45.4% compared to the same period last year.

OPERATION IN THE THIRD QUARTER OF 2024

In the quarter, the Group insisted on lean operations to deliver the highest quality of work to customers. In the Iraq market, all of the Group's projects operated smoothly and efficiently. The Group completed the first coiled tubing fracturing test well in Iraq in the southern oilfield, completing all 29 sections of the well in one trip, which set a new record for the highest number of fracturing stages in Iraq. The Group successfully completed the initial contract signing and the first site survey of the Dhufriyah oilfield, which was awarded in the second quarter. In other overseas markets, the Group successfully completed well workover and completion services in Central Asia; In the Chinese market, the Group achieved new breakthroughs in a number of businesses. A well in the southwest region set a record for the highest drilling length in a single trip in the same block, and the inspection service was successfully tested in UHD bidirectional ultrasound of refined oil pipelines. The Group will adhere to the tenet of creating the ultimate good experience for customers and solidly to promote the high-quality and efficient execution of projects in various markets.

As of September 30, 2024, the Group had order backlog of approximately RMB13,043.8 million, among which, the orders in hand in Iraq market are about RMB5,186.9 million, accounting for about 39.8 % of the Group's total orders in hand, and the orders in hand in other markets are about RMB1,266.7 million, accounting for 9.7% of the Group's total orders in hand, the orders in hand in the Chinese market are about RMB6,590.2 million, accounting for about 50.5% of the Group's total orders in hand.

Remarks: Order backlog is workload that management calculates and judges to be executable after a set date based on contracts and agreements with customers. Order backlog is subject to reductions as a result of contract execution and to adjustments to order backlog by management as a result of unanticipated changes in the market.

MANAGEMENT OF THE COMPANY IN THE THIRD QUARTER OF 2024

In the third quarter, in order to accelerate the efficient operation of its global business, the Group continued to improve the construction of its global organisational mechanism, optimise and upgrade its human resources system, and accelerate the transformation of its human resources into information technology and digitalisation. At the same time, the Group strengthened its efforts in recruiting and training global leaders and tapping outstanding global talents, and coordinated the globalisation and innovative development of its business to match with its talent mechanism, so as to motivate outstanding talents to jointly promote the Group's rapid development.

In order to further enhance the Company's market value management and improve returns to shareholders, the Board of Directors of the Group has reviewed and revised the Group's dividend policy and share buyback policies. In the coming years, the Company will consider cash dividends with reference to the net profit attributable to equity holders for the year, subject to the condition that the net profit attributable to equity holders and the cumulative undistributed profit for the year are positive, and the Group's cash flow can meet the normal operation and sustainable development. In addition, the Company will consider buyback shares in the open market based on the Group's free cash flow performance.

OPERATIONAL OUTLOOK FOR THE FOURTH QUARTER OF 2024

Looking ahead to the fourth quarter, as the world enters a new cycle of interest rate cuts, the economy will continue to grow moderately, the Group will continue to focus on its long-term goals and adhere to the direction of globalisation and transformation, focus on enhancing its global market leadership, and strive to create a green and efficient development space that is platform-based, ecological and fast-growing.

In terms of market, the Group will solidly promote the development of the global oil and gas market, expanding the territory of emerging markets in the Middle East, Africa and Southeast Asia, as well as ploughing into the existing mature markets to build up strategic bases for development. Meanwhile, the Group will strengthen data sales and focus on the implementation of major breakthrough projects to lay the groundwork for rapid growth in the global market. In the Chinese market, the Group will continue to optimise its market structure, deepen its amoeba operation, focus on in-depth research and efficient implementation of major projects, and enhance its market leadership so as to achieve steady growth in the regional market.

In terms of products and technologies, the Group will focus on promoting the implementation of the natural gas localisation industry chain solution, and push this solution to emerging market countries around the world, let every unit of natural gas be efficiently developed and utilized to benefit the local community.

In terms of management, the Group will further deepen the globalization transformation, build a globally responsive and innovative organization, accelerate the absorption and introduction of global talents, and continuously enhance organizational vitality. At the same time, continue to carry out efficient management and control, improve business performance, and strive to efficiently complete the annual business objectives.

The above statements are based on the current operations of the Group and current market conditions, and not a guarantee of the performance of the Group. The performance of the Group is mainly determined by the market and financial environment.

DISCLAIMER

- The above-mentioned operational data are unaudited and prepared based on preliminary internal information of the Group. Given various uncertainties arising from, among others, the contract signing process, execution progress, and client plans, and differences may exist between the above-mentioned quarterly operational data and the information disclosed in the Group's periodic financial reports, therefore, the quarterly operational data published in this announcement shall be considered as periodic data for reference purpose only.
- The actual implementation of the Group's share dividend and buyback policy depends on the current market conditions, industry conditions and the overall business development of the company, and is subject to the approval of the Group's Board of Directors/general meeting of shareholders every year. Does not constitute a legally binding hard commitment.
- The above-mentioned quarterly operational data do not constitute, nor should they be construed as, invitation or solicitation to buy or sell any securities or financial instruments of the Group. They do not, nor are they intended to, offer any investment service or investment advice. Investors are advised to exercise caution and not to place undue reliance on such information when dealing in the securities of the Company. When in doubt, investors are advised to seek professional advice from professional or financial advisers.

By order of the Board
Anton Oilfield Services Group
LUO Lin
Chairman

Hong Kong, 15 October 2024

As at the date of this announcement, the executive Directors of the Company are Mr. LUO Lin, Mr. PI Zhifeng and Mr. FAN Yonghong; the non-executive Director is Mr. HUANG Song and the independent non-executive Directors are Mr. ZHANG Yongyi, Mr. ZHU Xiaoping and Mr. WEE Yiau Hin.