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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 First Quarter of 2024 and Outlook for the Second Quarter of 2024

The board of directors (the “**Board**”) of Anton Oilfield Services Group (the “**Company**”, with its subsidiaries, collectively the “**Group**”) is pleased to announce the operational update and order backlog for the three months from 1 January to 31 March 2024 (the “**Quarter**”).

OVERVIEW OF OPERATIONS IN THE FIRST QUARTER OF 2024

During the first quarter, the instability of the geopolitical situation continued to escalate, the price of Brent crude oil rose by around 15%. Facing the sustainable development of the oil and gas industry in the future, the Group has launched eight overall solutions covering whole process of oil and gas development, including oil & gas development overall solution, stimulation, efficiency improvement research and optimization solution, visualized and data-based monitoring solution, oil & gas well precision engineering technology solution, oil & gas development quality and safety inspection solution, oil & gas development AI solution, oil & gas green development asset leasing solution, and oil & gas development external resource platform service solution, in order to comprehensively meet customers’ sustainable development needs and help the transformation of the industry. Meanwhile, the Group further deepened its internationalization transformation, made strategic adjustments in organization, operation and management, and continued to explore the international market and strove for new project orders.

ORDERS IN THE FIRST QUARTER OF 2024

During the first quarter, the Group's new orders amounted to approximately RMB2,233.0 million, representing an increase of 31.2% as compared to the same period last year, of which, new orders in the Iraq market amounted to approximately RMB1,331.4 million, representing a significant increase of 163.9% as compared to the same period last year; new orders in other overseas markets amounted to approximately RMB226.6 million, representing an increase of 11.7% as compared to the same period last year; new orders in the Chinese market amounted to approximately RMB675.0 million, representing a decrease of 32.1% as compared to the same period last year.

In overseas market of Iraq, the Group's integrated oilfield management project was renewed for another year due to its excellent track record in oilfield management services; new project orders were also secured for products and services such as drilling rig services, directional drilling, oilfield operation and maintenance, and inspection, which contributed to a significant year-on-year increase of 163.9% during the quarter; and in other overseas markets, the Group secured orders for supervision and management services, sales of completion tools and non-destructive inspection services.

In the Chinese market, the Group continued to leverage on its precision engineering technology to secure a number of orders in unconventional oil and gas reservoir development during the quarter, including a fracturing project for unconventional gas wells in North China, a project for ultra-deep wells in Xinjiang for gas injection and oil recovery, and an integrated project for geo-engineering of shale gas in Southwest China. In terms of innovative products and services, the Group secured orders for natural gas purification equipment leasing, gas seal inspection, non-destructive inspection, oil casing inspection and other projects.

OPERATION IN THE FIRST QUARTER OF 2024

In Iraq market, the Group's major projects were executed smoothly and the integrated oilfield management projects continued to progress efficiently. In an oilfield in the eastern part of Iraq, the Group was awarded the honorary title of "Outstanding Contribution Contractor" by the client based on its excellent operational record over the years. In the Chinese market, the Group continued to implement stringent operational management to create the ultimate customer experience. During the quarter, the Group's traditional business projects, such as geo-engineering integration, stimulation and well completion, under the guidance of reservoir geology technology, progressed smoothly. In terms of innovative business, inspection and asset leasing business continued to grow rapidly, laying a good foundation for the realization of the annual business objectives.

As at 31 March, 2024, the Group had order backlog of approximately RMB11,275.2 million. Of which, order backlog in Iraq market amounted to approximately RMB4,485.4 million, accounting for approximately 39.8% of the Group's total amount, order backlog in other overseas markets amounted to approximately RMB1,012.0 million, accounting for approximately 9.0% of the Group's total amount, order backlog in the Chinese market amounted to approximately RMB5,777.8 million, accounting for approximately 51.2% of the Group's total amount.

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 FIRST QUARTER OF 2024

In the first quarter, in order to fully support the globalization of the business, the Group made comprehensive adjustments to its organization, operation and management, and moved the headquarters of related operation and management departments forward to Dubai, so as to be closer to and better support the global business. Meanwhile, the Group further recruited outstanding talents with international vision and working ability globally to join Anton, and continued to strengthen the construction of globalized talents to empower the business. In addition, through the internal online management platform of digital intelligence, the Group has enhanced our global business interconnection and cooperation, and carried out globalized and efficient operation and management to improve management efficiency.

In terms of environment, society and governance (ESG), the Group comprehensively summarized and sorted out the Group's achievements in sustainable development in 2023, and released the Group's "2023 Sustainability Report". In 2023, the Group helped the industry transition to sustainable development through active technological innovation, carbon reduction and the promotion of green business; actively fulfilled its social responsibilities and made progress together with its stakeholders; and refined its corporate governance, trying to be the benchmark of sustainable development in the industry through practical actions.

OPERATIONAL OUTLOOK FOR THE SECOND QUARTER OF 2024

The industry will continue to transform to be greener, sustainable and more digitalized, bringing new opportunities for the Group's business development. The Group will focus on the long-term strategic objectives and promote the full process eight solutions to customers in the global oil and gas emerging markets, contributing to the sustainable development of the oil and gas industry.

In terms of market, the Group will continue to step up its efforts in exploring the emerging global oil and gas markets, laying out the national markets in the Middle East, Africa, Central Asia and Southeast Asia, establishing strategic partnerships with local international and national oil companies and realizing the landing of new order projects.

In terms of products and technologies, the Group will continue to promote the upgrading and transformation of the Group's business by relying on the all-round eight solutions and focusing on the sustainable development demand of oilfield customers.

In terms of management, the Group will continue to promote the globalization of its management and operations and build a future-oriented, entrepreneurial and global team with leadership. At the same time, continue to focus on cash flow and return on assets, form a new asset-light, fast-turnover and platform-based business model through full-value process changes, and promote changes in the cash-flow operating business model to achieve overall healthy growth in cash flow and return on assets.

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 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, 12 April 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.