

2020 Interim Results Announcement

2020.08.31



- This presentation is prepared by Anton Oilfield Services Group (the “Company”) solely for the purpose of corporate communication and general reference that would not be reproduced or redistributed to any other person without the permission of the Company. The presentation is not intended as an offer to sell, or a solicitation for an offer to buy or subscribe for any class of securities or notes of the Company and its subsidiaries (collectively referred to as the “Group”) in any jurisdiction. This presentation is a brief summary in nature and should not be relied upon as a complete description of the Group, its business, its current or historical operating results or its future business prospects. This presentation is provided without any representations or warranties of any kind, either expressed or implied.
- The Company specifically disclaims all responsibilities in respect of any use of or reliance on any information, whether financial or otherwise, contained in this presentation.

Agenda



**2020 Interim Results
Summary**



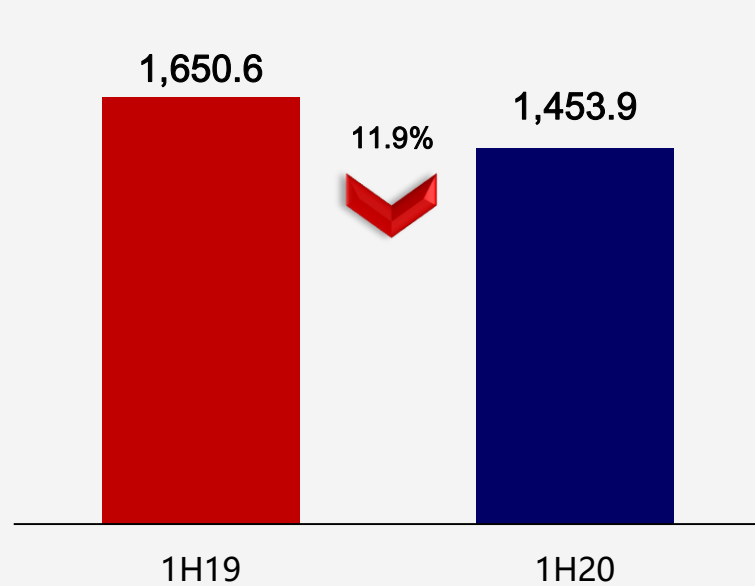
H2 Outlook



Q&A

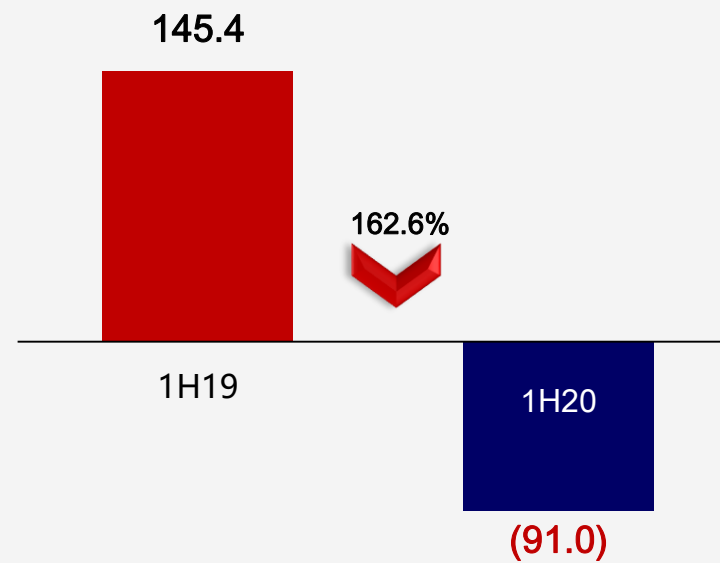
Revenue

RMB Million



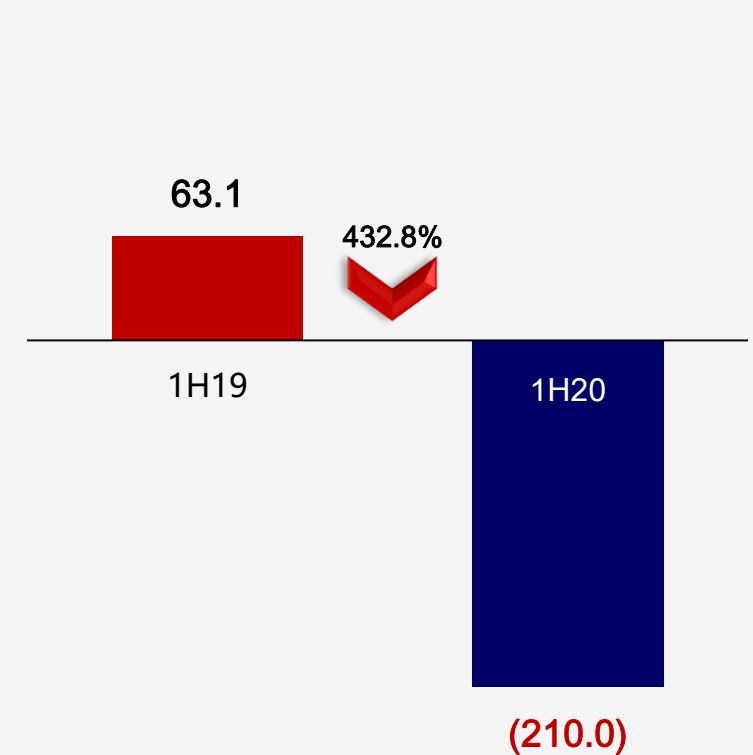
Profit Attributable to Equity Holders

RMB Million



Free Cash Flow

RMB Million



01

Revenue maintained basically stable under the dual pressure of pandemic and low oil price. Domestic market increased against the downturn.

02

Facing industry shocks, actively optimized business structure, fully transforming to asset-light business model.

03

Maintained efficient operations with information tools, further streamlined the management structure

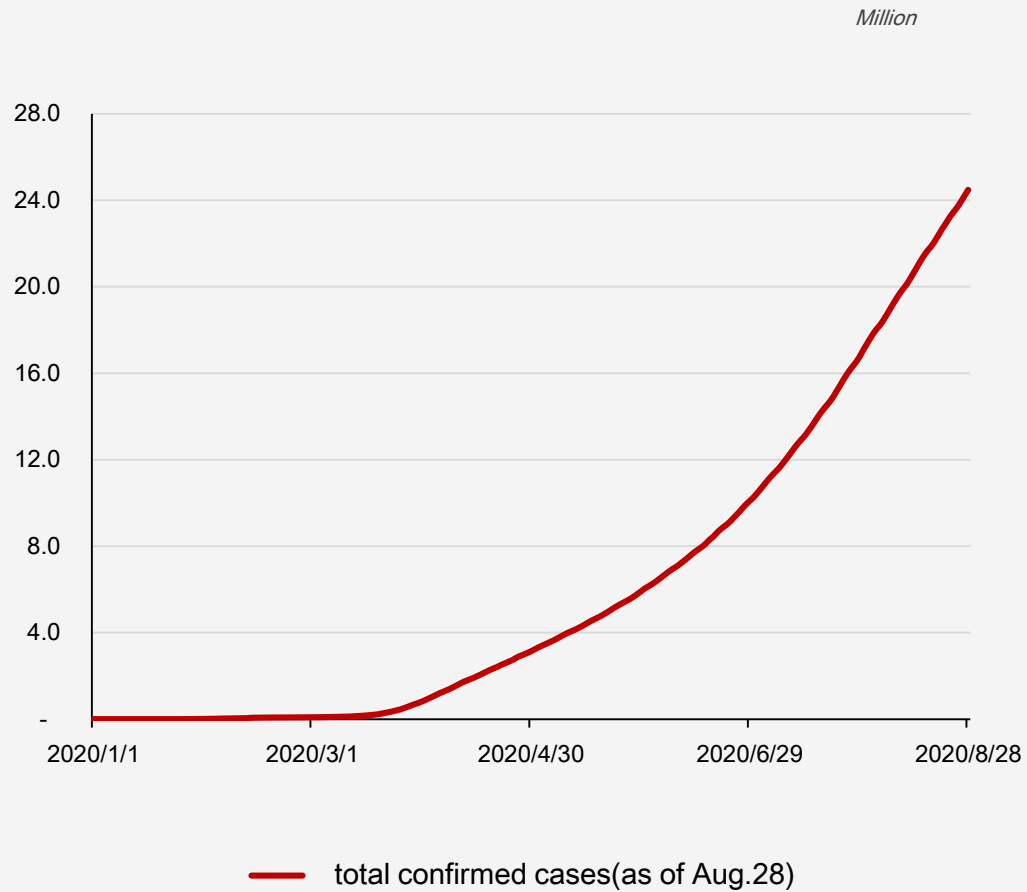
04

Although under industry pressure, still proactively managing debt, and assure adequate liquidity.

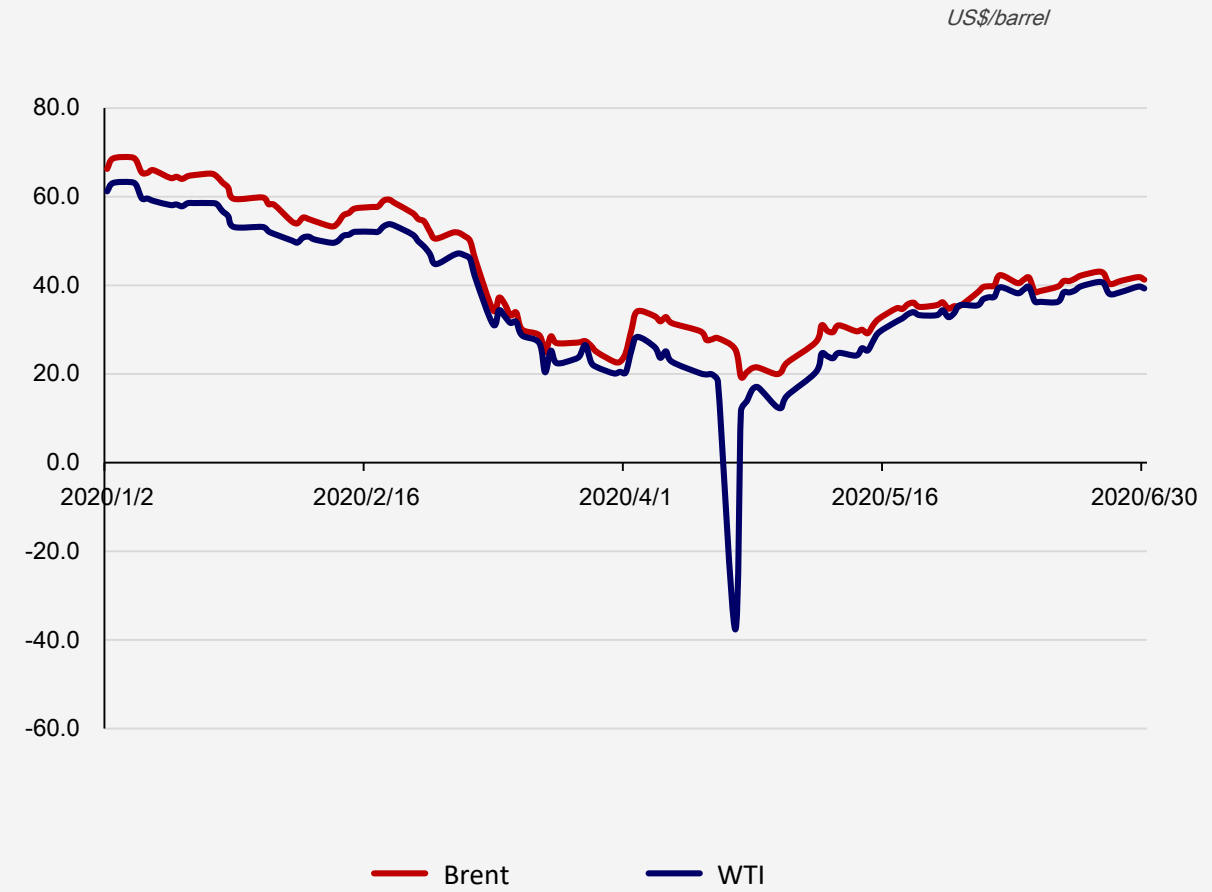
05

Fought against the pandemic, protected our common home. Focusing on long-term sustainable development.

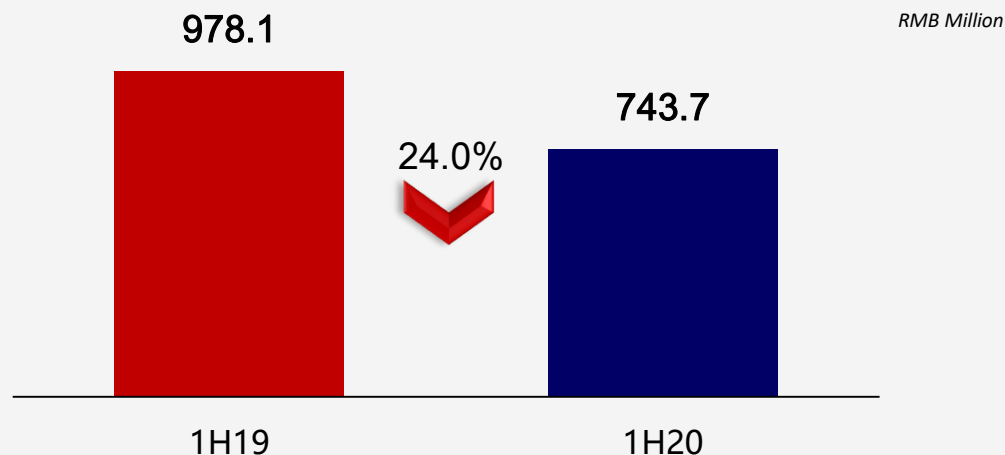
The COVID-19 Pandemic Outbroke Globally



Oil Price Plunged

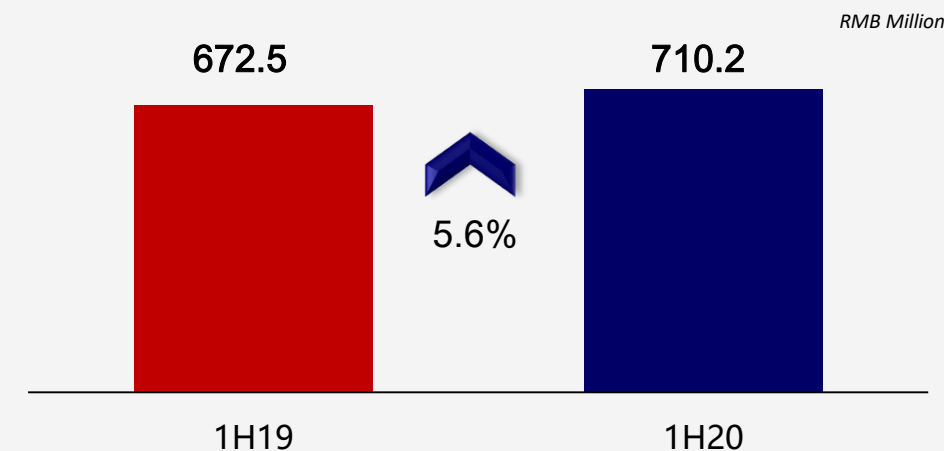


Overseas Market Bear Pressure Revenue Declined



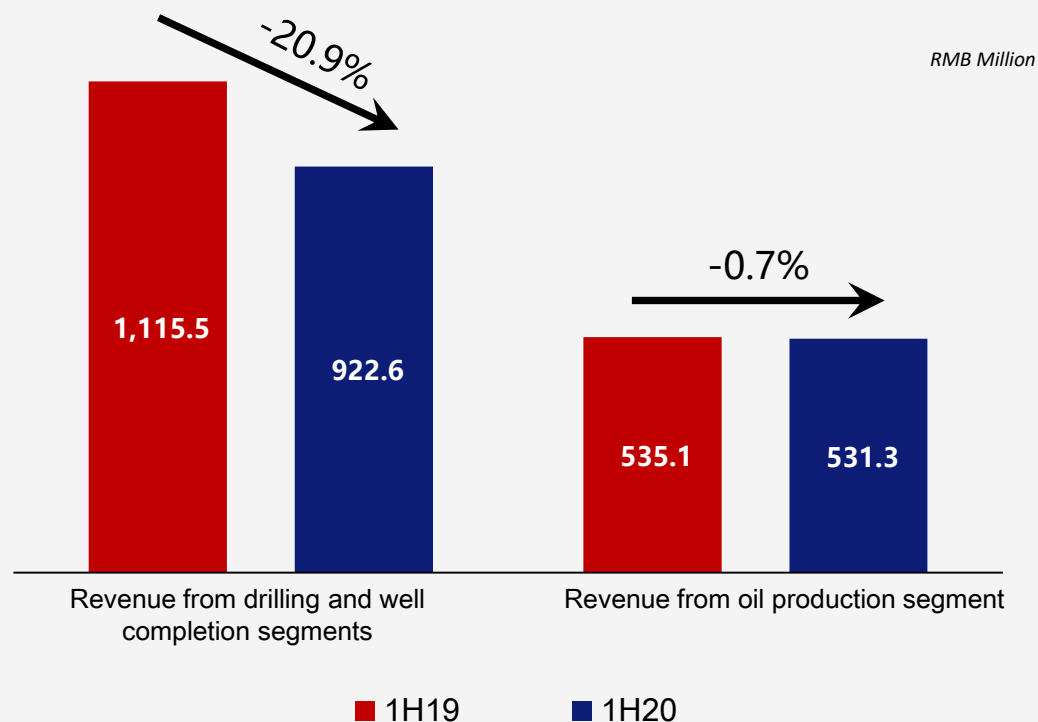
- With pandemic spread globally, overseas countries closed the board and implemented various quarantine policies, mobilization of personnel was prohibited, which severely impacted overseas operations.

Domestic Revenue Maintained Stable



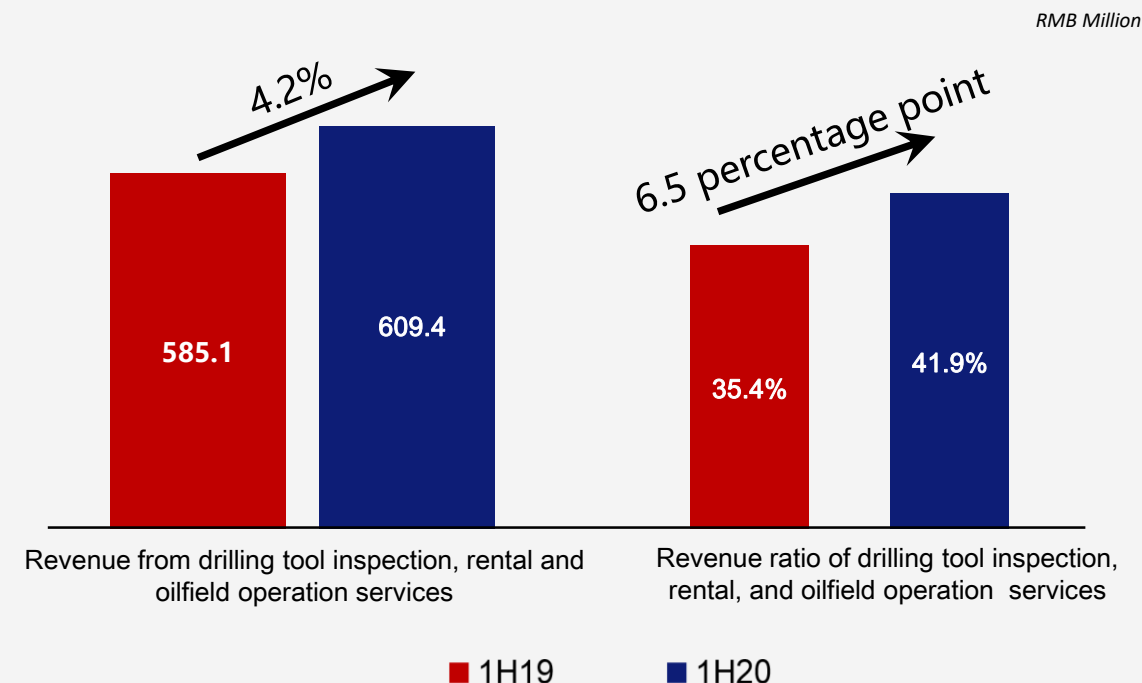
- The pandemic was controlled effectively, domestic projects fully resumed by the end of the first quarter.
- Revenue in Xinjiang market and Southwest shale-gas market achieved stable growth.

Projects Related to Customers' OPEX Maintained Stable



- Revenue from oil production business that related to customers' OPEX maintained stable, although revenue from customers' CAPEX declined.

Optimize business structure, high-quality business grew against the downturn

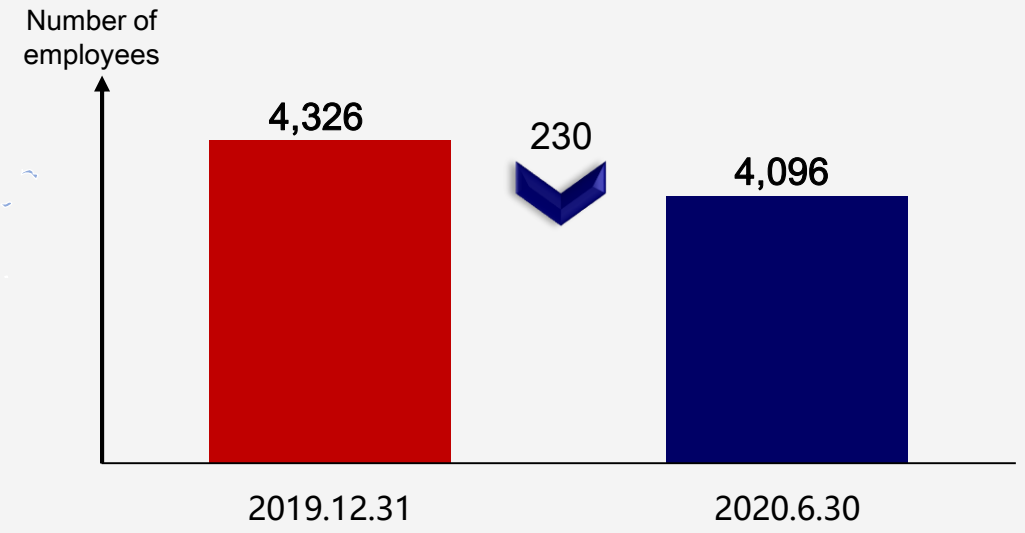


- Grasped customers' needs for security, inspection services recorded growth.
- Renewed contract of mega oilfield management project in southern Iraq, maintained stable work volume and price.

Global business regions remote work together in "one office" with information tools



Streamlined management structure
Appropriately laid off people



- Streamlined Management Structure and Improved Efficiency
- Retained Core Talents, and appropriately laid off employees

Free cash flow reduced due to multiple factors

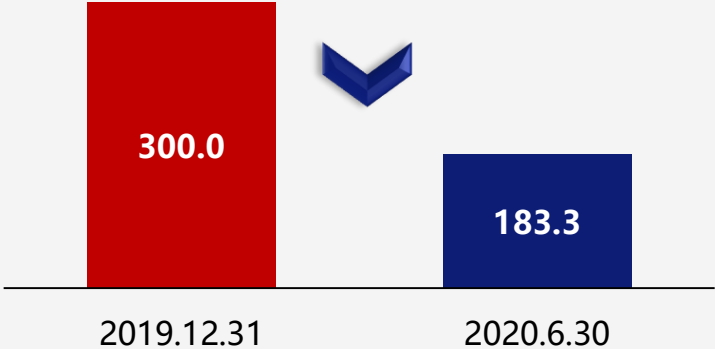
RMB Million

	1H19	1H20
Operating Cash Flow	268.0	95.4
Interest Paid	135.0	182.5
Capital Expenditure	69.9	122.9
Free Cash Flow	63.1	-210.0

- Profit for the first half shrank, interest expenses increased for the USD Bond issued by the end of 2019 for the insurance of liquidity, resulted in the decline of Free Cash Flow

Proactively managed the debt based on the premise of safety

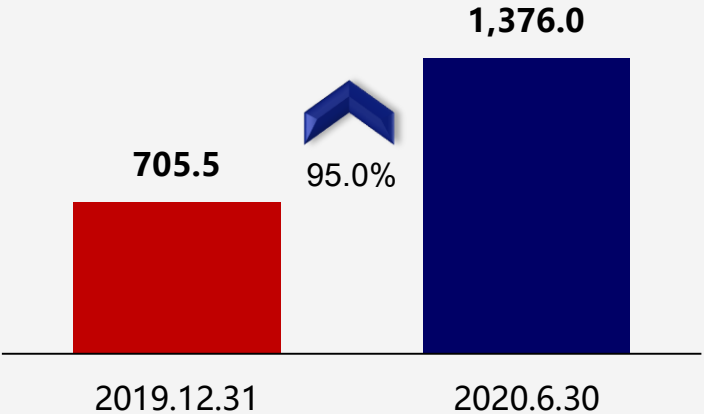
Balance of 2020 Notes US\$ million



- Offered a tender in February and repurchased US\$102.7million of the 2020 Notes.
- Repurchased another US\$14.0million of the 2020 Notes from the secondary market

Strengthened Cooperation with Financial Institutions

Undrawn Credit Facilities RMB Million



- Strengthened cooperation with financial institutions, developed new partners

Help Stakeholders Fought Against the Pandemic



Employee's Families



Customers



Local Communities

- Zero affection of employees globally
- Provided more than 20,000 prevention materials to employees' families, customers and local communities

Published the First Independent Sustainability Report



- Upgraded QHSE Committee to ESG Committee, all staffs participate in ESG management
- Comprehensively reviewed ESG management, Published the First Independent Sustainability Report

Agenda



**2020 Interim Results
Summary**

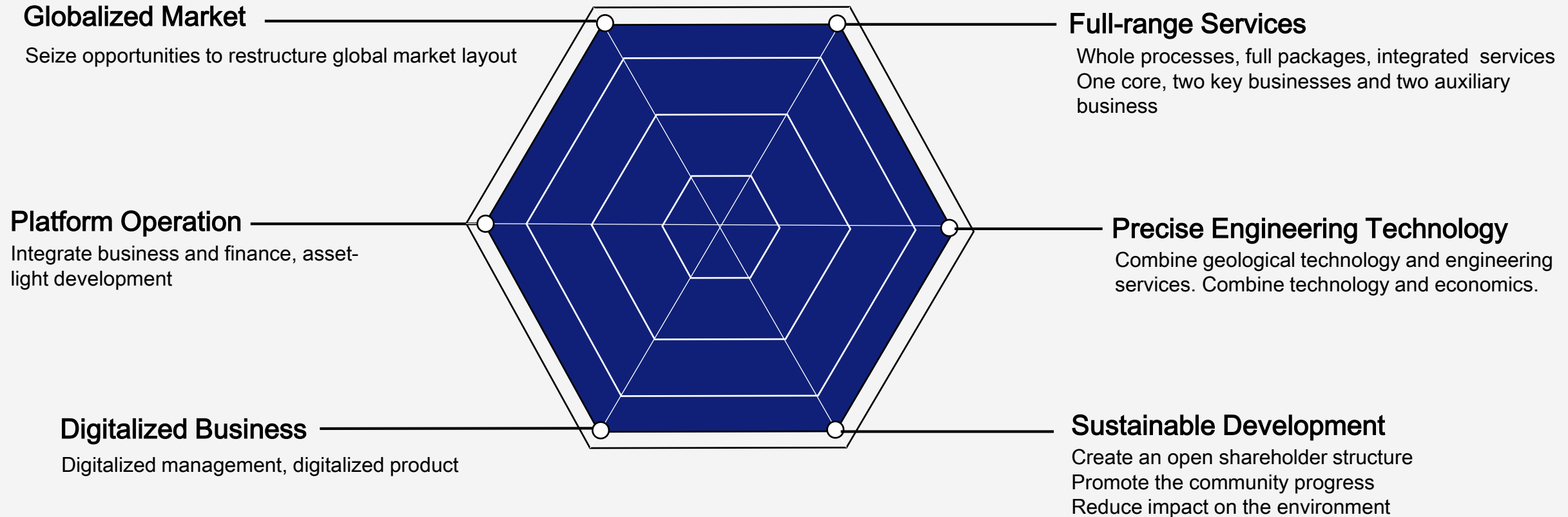


2H20 Outlook

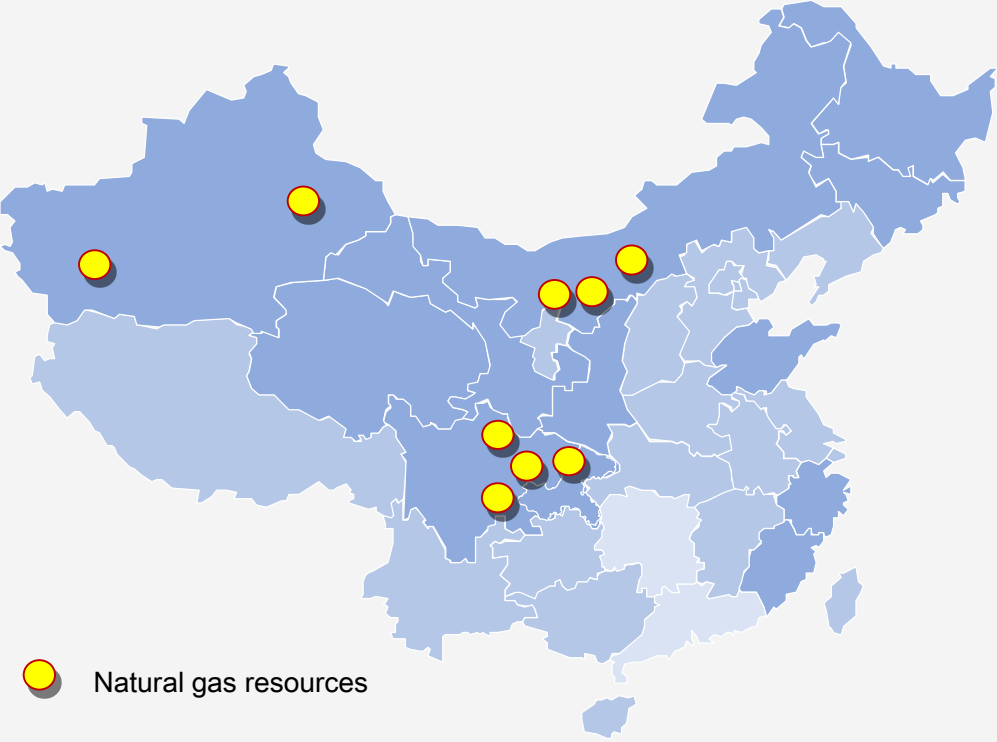


Q&A

- 01 Proactively transform to create a brand-new Anton
- 02 Seize opportunities to grab market share
- 03 Launch the comprehensive internal and external digitalization
- 04 Talent first, cultivate talents for long-term development
- 05 Integrate business with finance, reserve strategic resources for long-term development

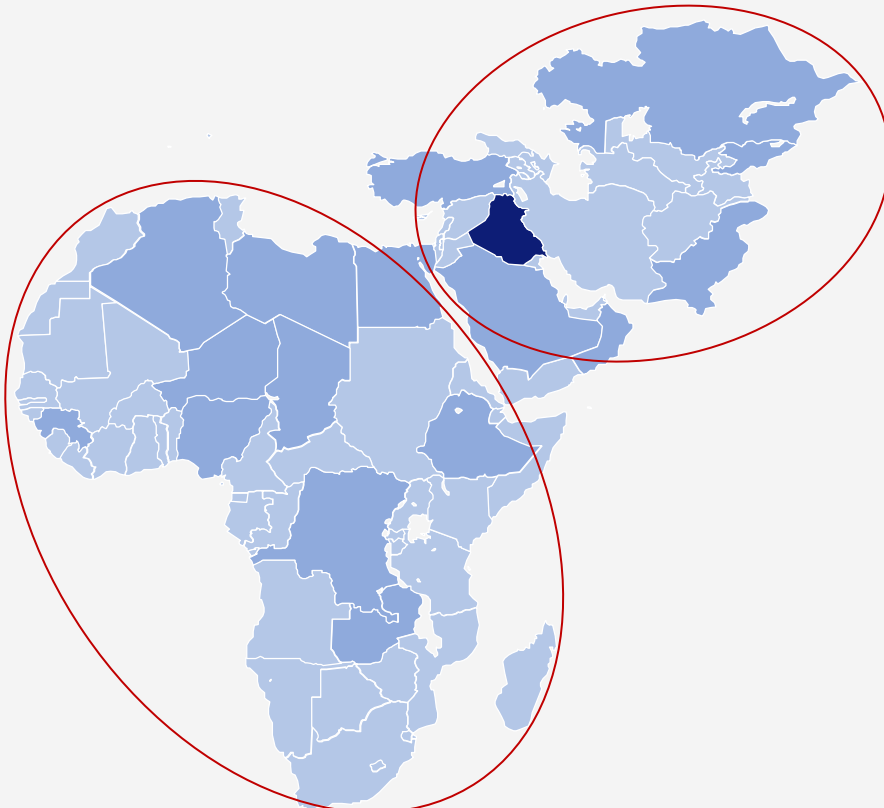


China, urgent needs for energy self-sufficiency under the current international situation



- Fully promote precision engineering services combining geological technology and engineering, capture the market with technology.

The pandemic gradually controlled, the overseas markets gradually recovers



- Leveraging cost-efficiency advantages, distribute and breakthrough global emerging market.
- Seek opportunities to duplicate oilfield management services

Internal Digitalization

Digitalized Business Supporting Platform



Digitalized Employee Management Platform

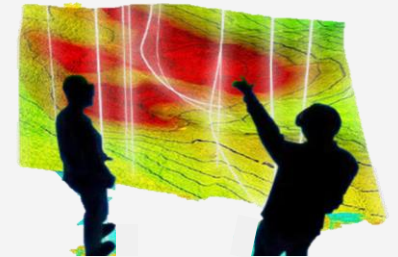


External Digitalization

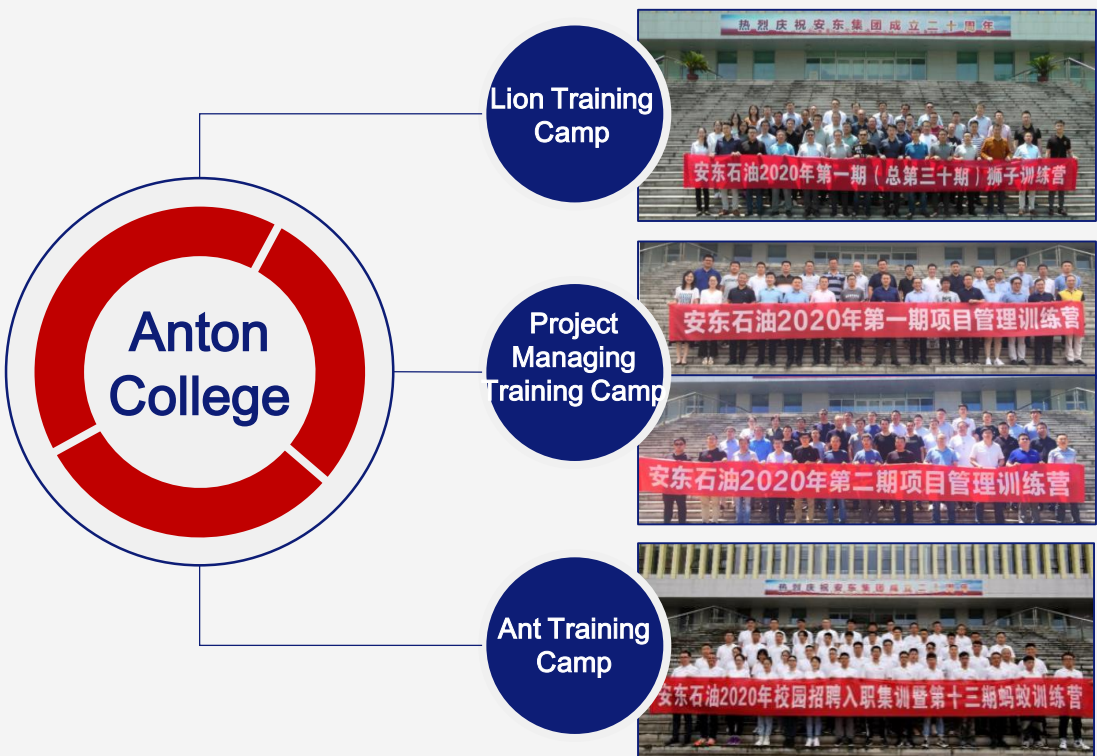
Digitalized Commercial System



Digitalized Products and Services



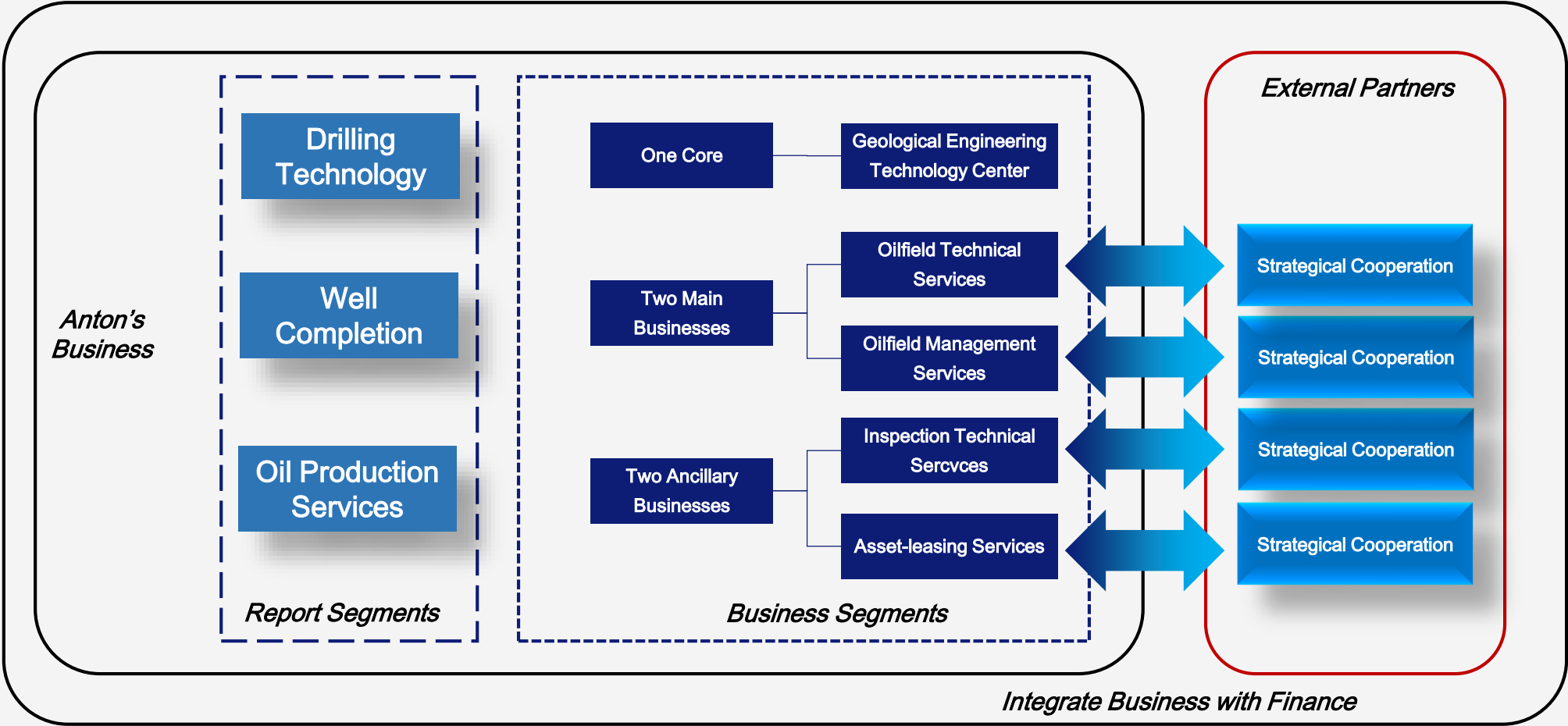
Cultivate internal Talents Through Anton College



Promote team upgrading through the introduction of outstanding talents



Securitize business and assets, cooperate with external partners, to achieve win-win development



- There are still large uncertainties in the second half due to the pandemic, yet we have seen the light at the end of the tunnel.
- make every effort to take cash flow as the core of our operating, ensure the liquidity.
- Get prepared to seize the opportunity emerges after the COVID-19 to achieve greater development.

Agenda



**2020 Interim Results
Summary**



2H20 Outlook



Q&A

Appendix



As at 30 June(RMB million)	2020	2019
Revenue	1,453.9	1,650.6
Cost of Sales	(1,036.5)	(1,091.0)
Gross Profit	417.5	559.6
Other gains, net	8.0	5.3
Selling expenses	(36.5)	(80.8)
Administrative expenses	(87.5)	(71.0)
Research and development expenses	(18.9)	(13.9)
Sales tax and surcharges	(6.6)	(6.6)
Operating Profit	177.8	366.3
Finance costs, net	(218.5)	(154.4)
Share of loss of a joint venture	1.2	0.4
Profit before Income Tax	(33.6)	212.7
Income tax expenses	(54.5)	(67.4)
Profit for the Year	(87.8)	145.3
Profit attributable to owners of the Company	(91.0)	145.4
Non-controlling interests	3.2	(0.1)

RMB million	30 June 2020	31 December 2019
Property, plant and equipment	2,139.0	2,137.9
Prepaid lease payments	0-	0
Intangible assets	256.1	260.0
Interest in a joint venture	5.9	5.8
Other non-current assets	3.3	3.3
Deferred income tax assets	30.3	34.6
Inventories	737.9	737.9
Trade and notes receivables	2,381.0	2,200.2
Prepayments and other receivables	659.8	648.0
Restricted bank deposits	421.9	368.7
Cash and cash equivalents	631.7	631.7
Total Assets	8,862.7	9,506.8
Capital and reserves attributable to owners of the Company	2,820.1	2,902.1
Non-controlling interests	58.7	55.5
Total Equity	2,878.9	2,957.7
Non-current liabilities	2,186.2	2,310.3
Current liabilities	3,797.7	4,238.8
Total liabilities	5,983.8	6,549.1
Total equity and liabilities	8,862.7	9,506.8

As at 31 December (RMB million)	2020	2019
Net cash generated from operating activities	95.4	268.0
Net cash used in investing activities	(122.9)	(69.9)
Net cash generated from financing activities	(991.5)	(185.4)
Net increase in cash and cash equivalents	(1,019.0)	(53.3)
Cash and cash equivalents at beginning of the year	2,422.9	686.6
Exchange (loss)/gain on cash and cash equivalents	8.4	(1.7)
Cash and cash equivalents at end of the year	1,412.3	631.7