

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)

Anton Oilfield Services Group Announces 2018 Interim Results

(27 August 2018, Hong Kong) **Anton Oilfield Services Group** (“**Anton Oilfield**” or the “**Group**”; Hong Kong Stock Exchange Stock Code: 3337), a leading independent oil and gas fields technical services provider, is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2018.

During the reporting period, revenue of the Group increased by approximately 33.2% from RMB875.4 million in the same period of 2017 to RMB1,165.9 million in the first half of 2018, a significant increase and record high. Profit attributable to equity holders of the Company increased by approximately 596.7% from a profit of RMB12.2 million in the same period of 2017 to a profit of RMB85.0 million for the first half of 2018. Net profit was RMB 113.4 million, an increase of RMB 68.4 from RMB 45.0 million last year, or 152.0%. Benefiting from the speeding up of execution of oil and gas development projects across-the-board as well as ample orders backlog.

Oil and gas industry showing stronger signs of recovery

In the first half of 2018, international crude oil price continued to rise, with the oil and gas industry showing stronger signs of recovery. Oil companies further increased their investment in new capacity construction, which provided more market opportunities in oil and gas development.

The Group continued to play its core strengths to actively contest high quality orders in overseas and domestic key markets. In the first half of 2018, it achieved a strong growth in winning new order, and a new breakthrough on the volume of total order backlog. In the first half of the year, RMB3,002.0 million of new orders were recorded, representing a year-on-year growth of 112.6% from

RMB1,412.2 million in the same period of 2017, among which, new orders from overseas markets accounted for RMB2,031.4 million, or 67.7% of total orders.

Achieved a new breakthrough of project model

The Group has achieved a new breakthrough of “large-scale” “asset-light” “integrated” project model in the first half, and won a tender for the “Integrated Field Management Service (IFMS)” project in a large oilfield with rich reserves in south Iraq. In which, the Group has ascended to the “top-place” in the oilfield technical service industry chain, and replaced the role of an international oil company to provide integrated management of the oilfield for the customer as a “contractor”.

Comprehensive control of financial management, continued to intensify internal cost control measures

In terms of financial management, the Group promoted comprehensive control with “cash flow” as the core in 2018, focused on improving working capital turnover efficiency and strengthened full-process control over accounts receivable, inventory and accounts payable, resulting in a large improvement in operating cash flow level in the first half. Regarding cost control, the Group continued to intensify internal cost control measures along with a fast business growth, all cost and expense ratios was kept under a strict control to safeguard a further increase in the Group’s profit margin. Besides, the Group actively strengthened cooperation with domestic banks in the first half and achieved a growth of credit lines. It is further exploring in-depth cooperation with financial institutions under the “combining industry with financing” model in order to obtain further support from financial institutions towards the Group’s business development.

Outlook

In the second half of 2018, upstream exploration and development of global oil and gas market is expected to remain active. Market-wise, the Group will continue to advance its globalization strategy. In the domestic market, the Group will actively seize market opportunities presented by the vigorously promoting development of natural gas and unconventional resources in the PRC, focusing on the development of more quality projects in the southwest shale gas market and the Xinjiang natural gas market.

Overseas, in the Iraqi market, the Group will seize the established large-scale

integrated oilfield management project opportunities, further strive for its additional capital expenditure projects, and further deepen cooperation with international oil companies operating in the Iraqi market to win more large international oil company projects. In global emerging markets, with the support of the national “Belt and Road” initiative, the Group will actively promote further cooperation with national policy financial institutions, and strive to further promote large-scale integrated general contracting projects with the “combining industry with financing” model in “Belt and Road” countries, such as Pakistan, Kazakhstan, and Ethiopia.

The Group will further strengthen cooperation with financial institutions, especially with the national policy financial institutions and promote the “combining industry with financing” model to realize the cooperation between the project and the capital in order to reduce allocation of the Group’s own funds, reduce the project operation risks, and promote the development of the Group’s international business the Group has entered into a business cooperation agreement with CRCC Financial Leasing Co., Ltd. on 24 August, pursuant to the agreement, both parties will jointly consolidate the advantages in their respective industries to actively implement the “One Belt, One Road” national strategy through mutual cooperation in various areas. The Group has also signed an agreement with Bank of Beijing on the overseas performance bond cooperation, and obtained a special credit of RMB 350.0 million. The Group can use this credit to issue performance bonds for its overseas projects with certain amount of deposits. This cooperation will strongly support the development of the Group’s overseas business. Besides, the Group’s newly won large-scale project in Iraq in the first half has got insurance coverage from Sinasure which can cover corresponding political and commercial risks of this project. Basing on this insurance coverage, the Group can cooperate with financial institutions such as banks to carry out factoring business to accelerate the recovery of funds.

About Anton Oilfield Services Group

Anton Oilfield Services Group (Hong Kong Stock Exchange Stock Code: 3337) is a leading independent integrated oilfield engineering and technical services provider. The products and services of the Group cover the entire process of development and production cycle of oil and gas resources, including integrated services, drilling services, well completion services and down-hole operations,

with comprehensive network coverage over prime business areas in China and global markets, spanning across 14 countries including China, Middle East, Central Asia and Africa, and the Americas, providing solutions from multiple perspectives to oil companies for resolving the issues of increasing production, improving speed, reducing cost, safety and environmental protection in oil and gas fields. The Group's rapid growth has benefited from the resource advantages in China and business expansion in overseas markets, now it has become the best private oilfield engineering and technical cooperation partner in China and the best Chinese partner in global operations. The Group's strategic objective is to become a global leading oilfield technical services company based in China.

This press release is issued by **Wonderful Sky Financial Group Company Ltd.** on behalf of **Anton Oilfield Services Group**

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