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 Second Quarter of 2026 and Outlook for the Third Quarter of 2026

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 April to 30 June 2026 (the "**Quarter**").

OVERVIEW OF OPERATIONS IN THE SECOND QUARTER OF 2026

In the second quarter, the Middle East situation experienced a phased easing, although regional conflicts and security risks persisted. Major energy transportation routes gradually resumed, and global supply chain disruptions marginally alleviated, while regional uncertainty remained at a high level. OPEC+ continued its phased production increase, presenting a market landscape characterized by phased supply easing alongside inventory rebuilding. Amid the interplay of supply-demand rebalancing and macroeconomic expectations, oil prices retreated from high levels and stabilized with fluctuations around USD70 per barrel. With the resumption of production in the Middle East, upstream oil and gas investment and service demand remained robust.

During the second quarter, the Group advanced its operations along the core priorities of "key market expansion" and "operational quality and efficiency improvement." On one hand, the Group accelerated the expansion of new global markets, such as the GCC countries, North Africa, and key markets like Iraq. It strengthened the exploration of long-term project opportunities, promoted the conversion of key business opportunities, and actively positioned itself for oil and gas development and large-scale integrated projects. On the other hand, the Group continuously deepened its Amoeba management reform, promoting real-time and refined management of operational data. It strengthened cost control, cost reduction, and efficiency enhancement, while improving turnover efficiency and cash flow quality. Concurrently, the Group optimized its operational delivery and technical support systems to continuously enhance operational resilience and profitability.

ORDERS IN THE SECOND QUARTER OF 2026

In the second quarter, the Group recorded new orders of RMB3,109.3 million, representing a year-on-year increase of 3.2%. Specifically, new orders from the Iraq market amounted to approximately RMB632.2 million, a year-on-year decrease of 65.1%; new orders from other overseas markets reached approximately RMB1,551.7 million, a substantial year-on-year increase of 441.0%; and new orders from the China market totaled approximately RMB925.5 million, a year-on-year increase of 1.3%.

In overseas markets, in Iraq, the Group secured bids for oilfield operation and maintenance (O&M) projects, mud services, and downhole operations during the quarter. However, the bidding progress for some major projects was delayed due to disruptions in the Middle East situation. Furthermore, the contract for the Majnoon integrated oilfield management project – a large-scale project in Iraq – expired during the quarter and was not renewed. Consequently, new orders for the quarter decreased by 65.1% year-on-year against a high base in the same period last year. Despite short-term market pressure caused by the geopolitical situation, the Group's senior management maintained a high level of focus on the Iraq market throughout the quarter. Multiple high-level visits and business exchanges were conducted with the Iraq national oil companies, laying a solid foundation for deepening market cooperation in the future.

In other emerging overseas markets, the Group continuously intensified its customer development and sales conversion efforts, actively capitalizing on production resumption and incremental business opportunities in the Middle East to drive efficient project implementation. During the quarter, the Group obtained operator qualification from ALNAFT (the National Agency for the Valorization of Hydrocarbon Resources) in Algeria, paving the way for comprehensive participation in future oil and gas project opportunities in that market. In terms of new project acquisition, the Group secured bids for oilfield O&M, drilling services, and completion technical services in markets including Chad, Algeria, and Kazakhstan. This further enhanced regional diversification and operational resilience, providing strong supplementary growth for overseas business. Additionally, the Group achieved a significant breakthrough in the Kuwait market during the quarter by winning the bid for the integrated O&M project of northern production facilities. This marks a major breakthrough in entering the high-end oil and gas services market in the GCC region, which will further elevate the Group's brand influence and market competitiveness in the Gulf region. Overall, new orders from other overseas markets surged by 441.0% year-on-year in the second quarter.

In China market, during the period, while consolidating its fundamental position in traditional oilfield services, the Group actively advanced its strategic expansion into energy asset operation and new energy infrastructure. In the second quarter, the Group secured a bid for the investment, construction, and O&M of ultra-fast charging infrastructure for new energy heavy-duty trucks. This project is highly aligned with the strategic direction of the Chinese government's latest initiatives to promote the scaled application of new energy heavy-duty trucks. Backed by clear external policy support and first-mover advantages, this milestone signifies substantial progress for the Group in the new energy infrastructure and energy asset operation sectors. The initial term of this project is nine years, with the option to negotiate an extension prior to expiration, and is expected to generate revenues of no less than RMB680 million over the period. As the project will be implemented in phases, the Group, on a prudent basis, only recognized the estimated revenue amount for the first phase, approximately RMB242.0 million, as new orders for the quarter. In the traditional advantageous oil and gas services market, the Group secured orders for cementing technical services, OCTG (Oil Country Tubular Goods) inspection, and smart drilling, achieving a 1.3% year-on-year increase in new orders for the quarter.

Remarks: The Group's quarterly voluntary order disclosure aims to provide investors with more information about the business operations for reference. With the expansion of the Group's overseas business and the upgrading of its business model, future orders tent to be more long-term and large-scale projects, whose acquisition cycle would be longer, and the bidding cycle affected by multiple factors. Therefore, the order performance in a single quarter is not enough to reflect the actual business trend of the Group. Investors need to make a comprehensive evaluation.

OPERATION IN THE SECOND QUARTER OF 2026

During the quarter, impacted by the fluctuating Middle East situation and disruptions to oil transportation in the Strait of Hormuz, oilfield projects in the Iraq region were affected to a large extent. Construction on certain asset-heavy projects of the Group in Iraq was delayed, whereas asset-light personnel projects, such as oilfield O&M, were less affected. Adhering to a customer-centric approach and maintaining a frontline presence, the Group ensured the orderly advancement of key client projects by strengthening safety control, resource coordination, and construction organization, and by flexibly adjusting operational paces. The Group also proactively prepared for clients' production resumption projects to ensure rapid initiation, demonstrating its project execution and delivery assurance capabilities in complex environments. In early July, the Group's Dhufriyah oilfield project achieved phased progress with the successful drilling of the first well. Concurrently, the sixth Joint Management Committee meeting was held in Baghdad, where both parties reached a consensus on subsequent drilling arrangements and the optimization of surface engineering plans, laying the foundation for further development evaluation and steady project advancement. In other overseas markets, the Group's technical service advantages were prominently demonstrated. Mud services in Chad and sand control and stable production services in Libya achieved excellent operational results, highlighting the Group's technical strengths and on-site delivery capabilities in complex oilfield scenarios.

In the China market, the effectiveness of the Group's technology-empowered operations continued to materialize. During the period, the Group continuously optimized oilfield stimulation plans, increasing the stimulated reservoir volume (SRV) in relevant fracturing projects by over 10%. The Group also applied remote field eddy current testing technology for the first time, achieving blind-spot-free full-wall thickness inspection. Furthermore, the T-ALL Inspection Group's Ziyang OCTG maintenance base was officially put into operation, with an annual maintenance capacity of approximately 90,000 pipes. This further enhanced the Group's comprehensive service capabilities in OCTG integrity management, green and low-carbon practices, and smart manufacturing.

As of June 30 2026, the Group had order backlog of approximately RMB18,516.5 million. Of which, order backlog in the Iraq market was approximately RMB7,285.1 million, accounting for approximately 39.3% of the total backlog; order backlog in other markets was approximately RMB2,427.3 million, accounting for approximately 13.2%; and order backlog in the China market was approximately RMB8,804.2 million, accounting for approximately 47.5% 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 SECOND QUARTER OF 2026

During the quarter, in response to regional market fluctuations, the Group maintained its strategic focus, prioritizing the enhancement of operational resilience, organizational efficiency, and risk management capabilities to continuously consolidate its management foundation. The Group improved its global employee services and localized support systems, strengthening overseas assurance, compliance management, and resource coordination. It bolstered its talent pool of leading experts, key positions, and global talent, enhancing professional capabilities through tiered training programs. In terms of operational management, the Group continuously optimized its organizational mechanisms, strengthening business units, frontline execution, and closed-loop implementation. In finance and supply chain management, it advanced multi-entity financial control, procurement process optimization, and predictive procurement to enhance cost, capital, and risk management capabilities. In digitalization and intelligence, the Group continuously improved data governance, operational visualization, and the construction of smart business platforms to enhance operational insights and decision-making efficiency.

During the period, the Group successfully completed the shareholders' general meeting approval for the distribution of the 2025 final dividend and fulfilled the cash dividend payment of RMB0.037 per share, totaling approximately RMB112 million. This represented a year-on-year increase of 53.4% in dividend distribution. The Group continues to support return growth through steady operations, remaining committed to enhancing shareholder returns and creating long-term shareholder value.

At the end of June, the Group's first asset securitization project – the application for the spin-off and listing of its subsidiary, T-ALL Inspection, on the Stock Exchange of Hong Kong Limited (HKEX) – formally received written consent from the HKEX. The formal listing application for T-ALL Inspection has been submitted, bringing the project into a substantive advancement stage.

In terms of Environmental, Social, and Governance (ESG), the Group was once again selected for the S&P Global Sustainability Yearbook (China Edition) 2026 during the quarter. This marks the third consecutive year that the Group is the only Chinese oilfield services company included in the Yearbook, reflecting its industry-leading performance in sustainable development and ESG governance. The employee welfare practices of the Group's Majnoon project were nominated for the "Workplace Wellbeing" category at the International SOS Foundation Duty of Care Awards 2026, demonstrating the Group's continuous investment in the health, safety, and well-being of its employees during global operations. Additionally, in June, the Group was successfully elected as a director unit of the National Energy Internet Industry and Technology Innovation Alliance, further evidencing its accumulated capabilities in energy technology collaborative innovation, industrial intelligentization, and digital management.

OPERATIONAL OUTLOOK FOR THE THIRD QUARTER OF 2026

In the third quarter, driven by the renewed escalation of the Middle East situation, global energy market and supply chain risks may rise, and oil and gas supply-demand dynamics and prices will remain uncertain. The importance of energy security will be further highlighted, keeping upstream investment and energy infrastructure demand robust. Against this backdrop, the Group will continue to strengthen its oilfield technical services and integrated solutions capabilities, accelerate the development of digital and intelligent operations and energy asset operation businesses, and leverage its global footprint, decentralized mechanisms, and Amoeba management to enhance operational efficiency and asset returns.

In terms of market development, the Group will continue to advance the construction of its global market platform, closely monitoring changes in market and customer demands. In the Iraq market, the Group will focus on resource preparation, coordinate with clients' production resumption arrangements, promote the orderly recovery of existing projects, and accelerate the implementation of major project opportunities. In other overseas markets, the Group will expedite expansion in key regions including the Middle East, North Africa, Central Asia, and Southeast Asia, strengthening customer development and partner network construction to rapidly open up new market landscapes, generate new business increments, and provide strong support for overseas business growth. In the China market, relying on its long-term customer base, the Group will continue to expand oilfield stimulation, mature oilfield development, energy infrastructure, and new business opportunities to improve market operational quality.

In terms of products and technologies, the Group will enhance its design and innovation capabilities, focusing on industrial service bases and key customer needs to drive the frontline implementation of technologies, digital and intelligent products, and innovative solutions, thereby improving design, on-site support, and delivery efficiency. The Group will deepen the integration of artificial intelligence with the oil and gas industry, refine its independently controllable digital and intelligent products and on-site smart solutions, accumulate intellectual property and core technologies, and expand its network of high-quality partners. This will promote technical cooperation, industrial investment, and global market synergy, providing support for business growth and long-term competitiveness.

In terms of management, centered on global operations and high-quality development, the Group will continuously optimize its management systems and operational mechanisms to enhance organizational synergy, resource allocation, and decision-making efficiency, providing assurance for market expansion, project delivery, and long-term growth. Concurrently, the Group will actively advance the spin-off listing application process for T-ALL Inspection, striving to realize its first asset securitization project at the earliest opportunity.

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

DISCLAIMER

- The unaudited operational information above has been prepared based on the Group's preliminary internal data. Given the various uncertainties in contract signing, construction progress, and customer plans, there may be discrepancies between the quarterly operational data disclosed herein and the information in the Group's regular financial reports. Therefore, the quarterly operational data published here should only be used as a reference for a specific period.

- The quarterly operational information provided above does not constitute and should not be considered an invitation or solicitation to purchase or sell any securities or financial products of the Group. It is not intended to provide any investment services or investment advice. Investors should exercise caution when trading the Company's securities and avoid inappropriate reliance on such data.

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

Hong Kong, 17 July 2026

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, Mr. WEE Yiaw Hin and Ms. CHEN Xin.