



宏信建发
CDHORIZON

Investor Presentation

Horizon Construction Development

March 2026

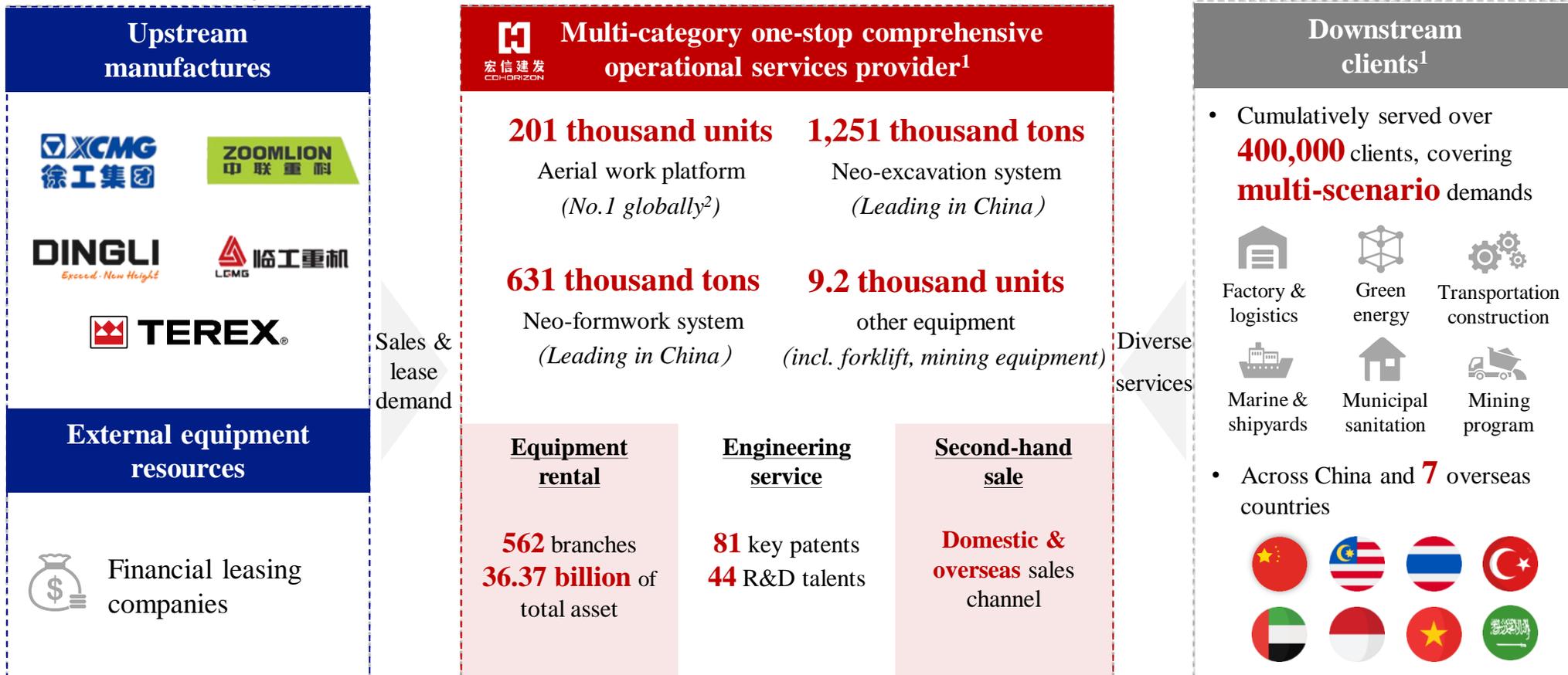
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Note: Unless otherwise specified, all monetary amounts stated herein are denominated in RMB.

HCD: The leading comprehensive equipment operation service provider in China

- Horizon Construction Development (“HCD”) has been in the dominant position in China’s equipment operation service industry for years.
 - Total asset reaches about **RMB36.37 billion**, and the volumes of aerial work platforms (“AWPs”), Neo-excavation systems & Neo-formwork systems under management are **leading the domestic market**;
 - Established **562** branches globally;
 - Cumulatively served over **400,000** clients.



Notes:

1. Data for FY2025;

2. According to 2025 ACCESS50 (Global Top 50 AWP Rentals) by UK KHL Group.

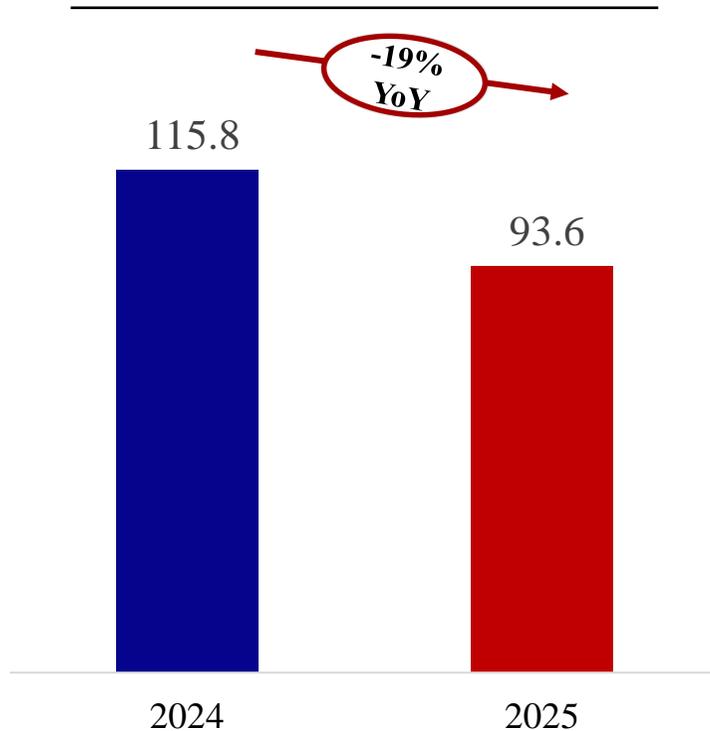
① **Results Overview**

② **Business Analysis**

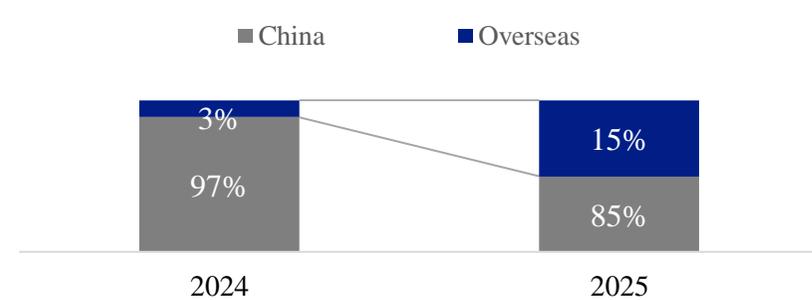
Revenue performance

- In 2025, the company recorded a revenue of approx. RMB9.36 billion, with a year-on-year decrease of approx. 19%.
- In the respect of revenue by region, the proportion of overseas revenue has increased to approx. 15%.
- In the respect of revenue by business type, the proportion of operating lease services has increase year-on-year while other services decreasing.

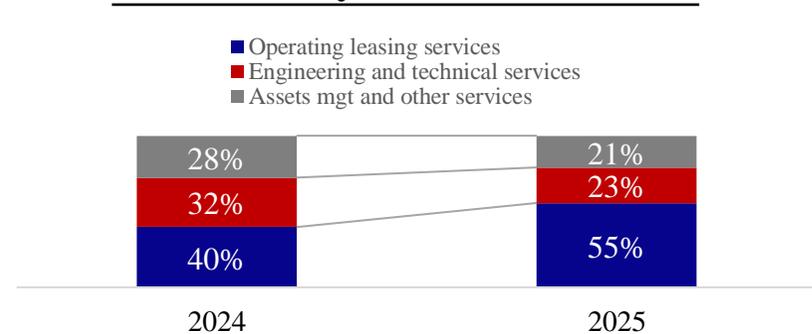
**Total revenue
(RMB'00 million)**



**Revenue structure
(by region)**



**Revenue structure
(by business)**



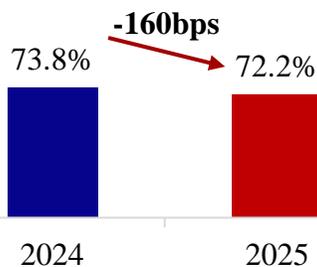
Revenue by business segment – operating lease services

- Affected by market conditions, the rental prices in the mainland China’s market continued the downward trend throughout the year, while the utilization rate of AWP’s slightly decreased year-on-year and neo-formwork system saw a notable decline.
- During the reporting period, the operating lease services revenue increased approx. 12% year-on-year, but the domestic aspect went down by approx. 8% after excluding overseas aspect.

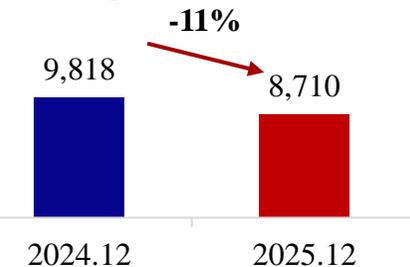


Main rental asset ①: Aerial work platform

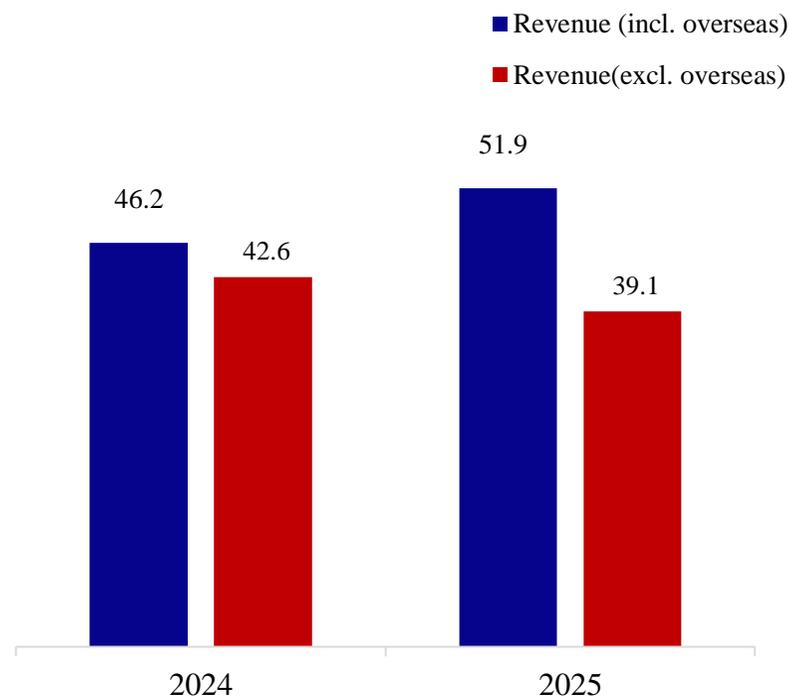
Average utilization rate



Domestic market rental price index¹

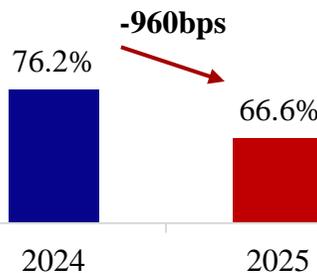


Revenue of operating lease services (RMB'00 million)

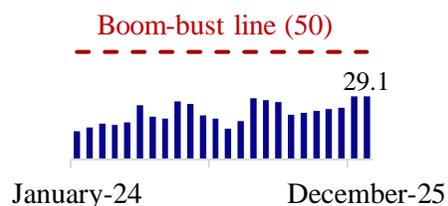


Main rental asset ②: Neo-formwork system

Average utilization rate



Domestic market rental price index below the boom-bust line¹



Note:

1. Source: China Construction Machinery Association, and China Construction Materials Rental Contractor Association



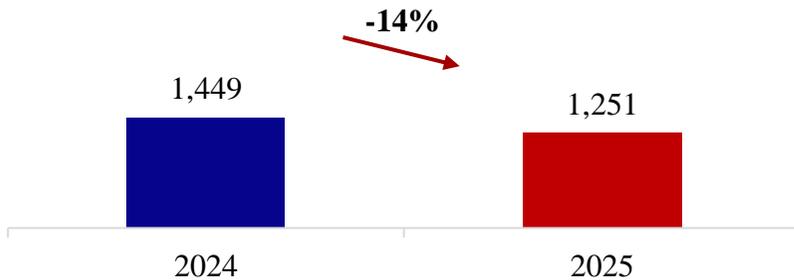
Revenue by business segment – engineering and technical services

- The company has implemented a proactive scaling-back strategy for its material-related businesses in mainland China, and in 2025 continued to dispose of inefficient material assets from the previous year, leading to a year-on-year decline in engineering and technical services revenue.



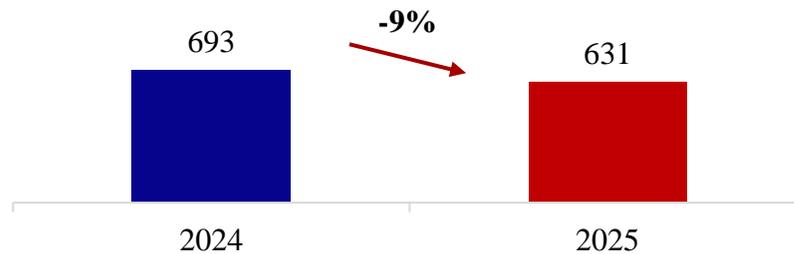
Main material asset ①: Neo-excavation support system

Equipment volume (thousand tons)

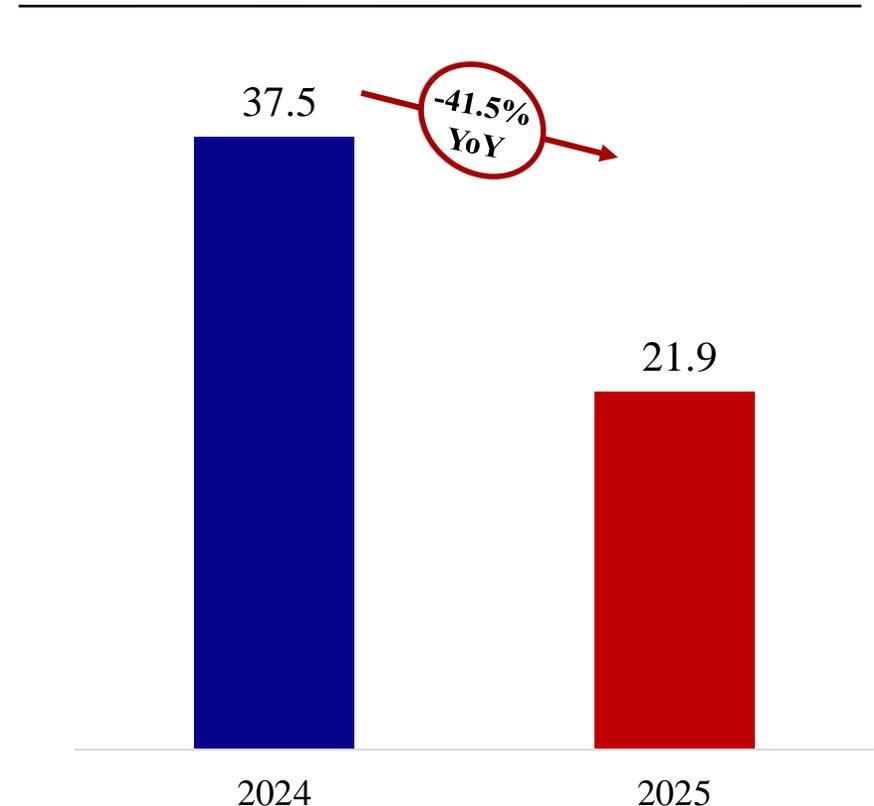


Main material asset ②: Neo-formwork system

Equipment volume (thousand tons)



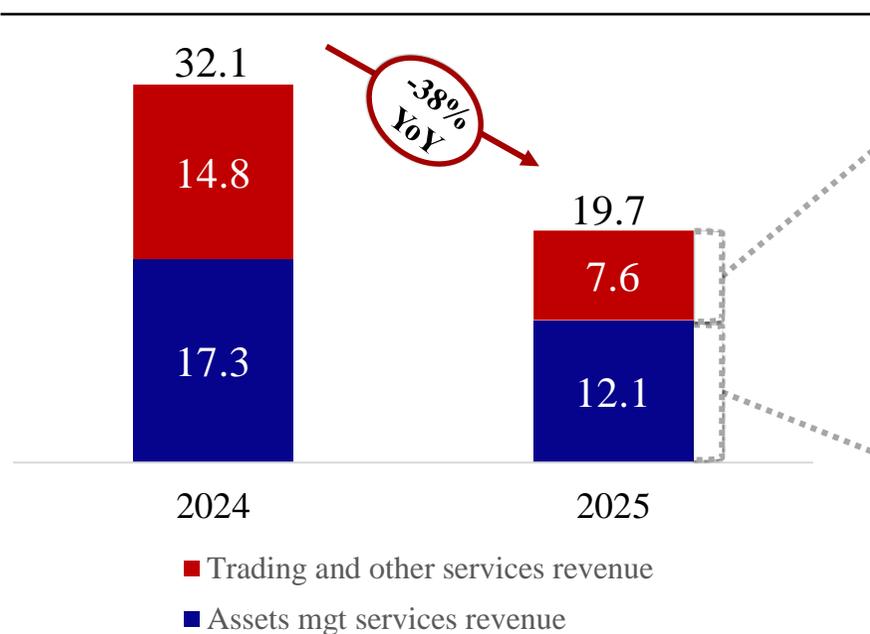
Revenue of engineering and technical services (RMB'00 million)



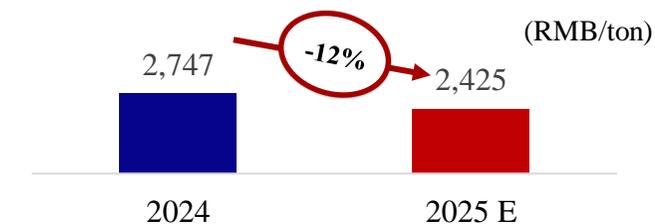
Revenue by business segment – asset management and other services

- The company’s asset management services contributed approx. RMB1.21 billion of revenue, with a year-on-year decrease of approx. 30%, primarily due to the prudent reduction in the management scale of equipment entrusted by peers in response to the downturn in the domestic market.
- The trade and other services revenue generated from, e.g., the sales of disposed equipment and materials, amounted to approx. RMB760 million, with a year-on-year decrease of approx. 49%, mainly due to the slowdown of material disposal volume.

Revenue of asset management and other services (RMB'00 million)

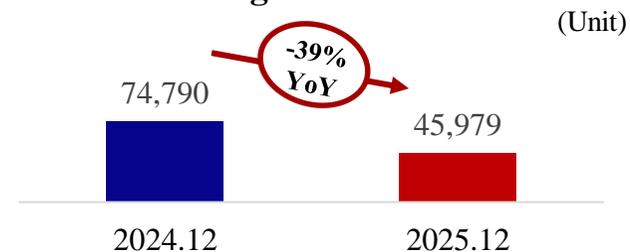


Downtrend in domestic scrap steel prices



Data source: MySteel.net

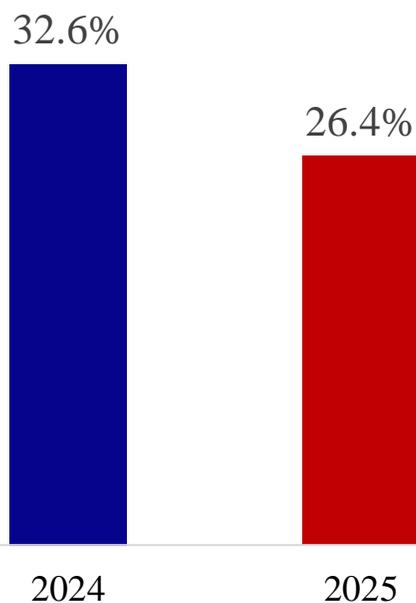
Reduction of AWP units under asset management model



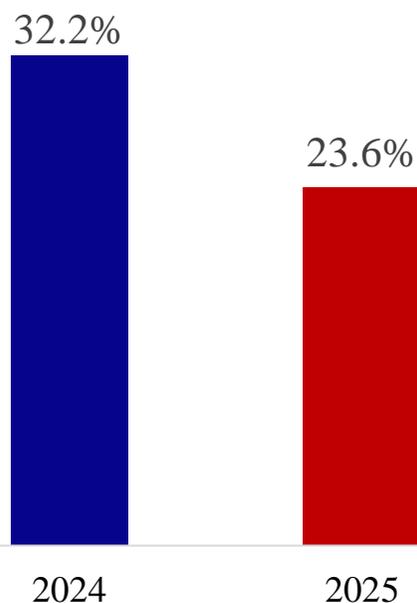
Gross profit margin performance

- Against the backdrop of adjustments in the domestic market environment, the gross profit margin of domestic business declined significantly; meanwhile, the gross profit margin of overseas business remained stable. Due to the large proportion of domestic business, the Company's overall gross profit margin declined.

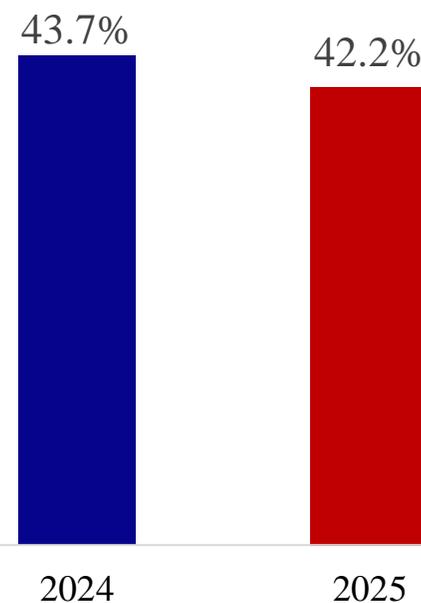
Gross profit margin of the Company



Gross profit margin of domestic business



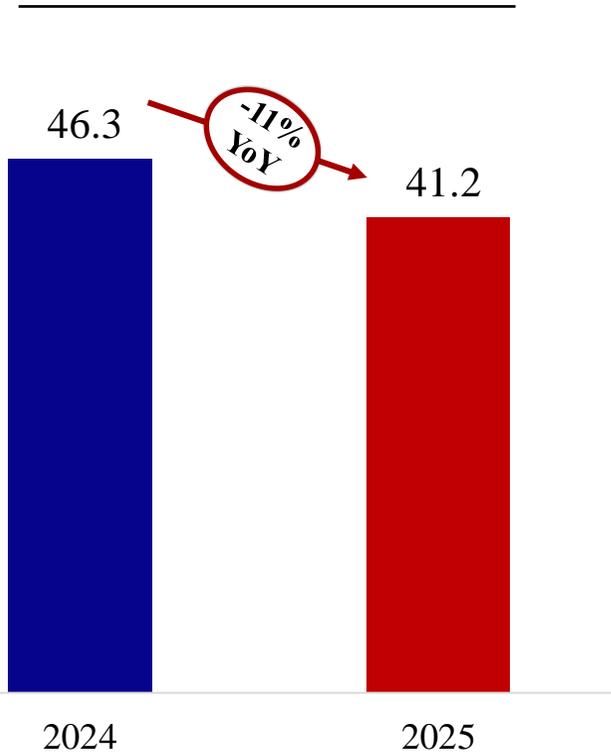
Gross profit margin of overseas business



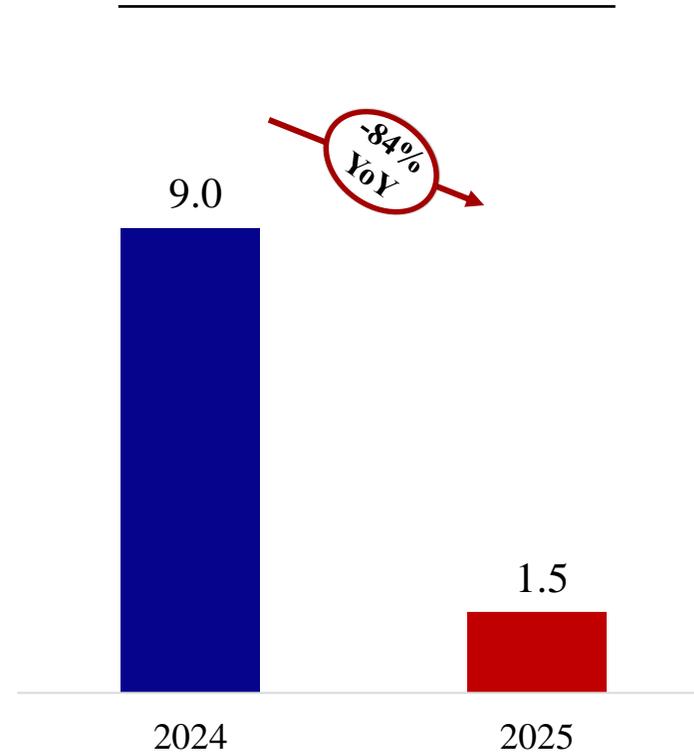
Profitability performance

- In 2025, EBITDA decreased by approx. 11% year-on-year, and net profit decreased by approx. 84% year-on-year.

EBITDA
(RMB'00 million)



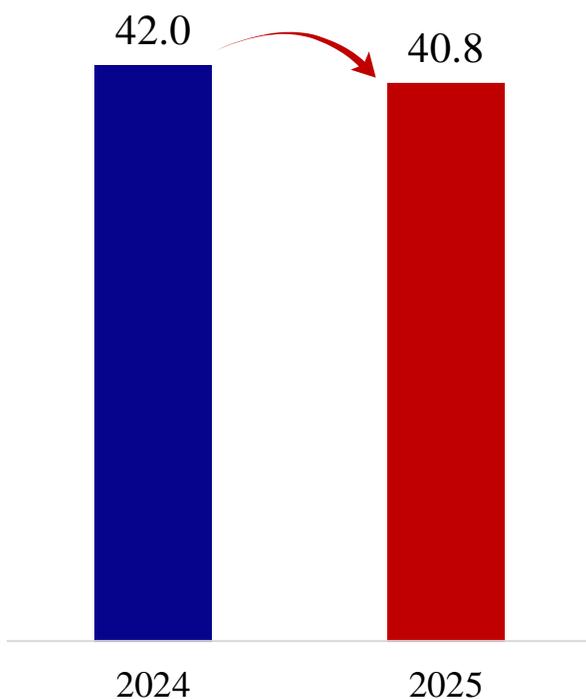
Net profit
(RMB'00 million)



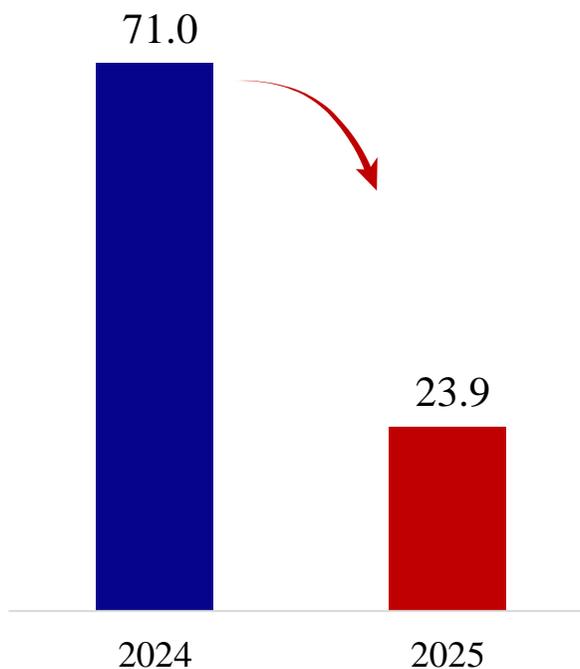
Free cash flow performance

- The company's operating net cash flow slightly decreased year-on-year, and the capital expenditure remarkably decreased year-on-year. Therefore, the free cash flow turned positive.
- The Board approved the declaration of a final dividend of HKD0.016 per share, payable on 9 July 2026.

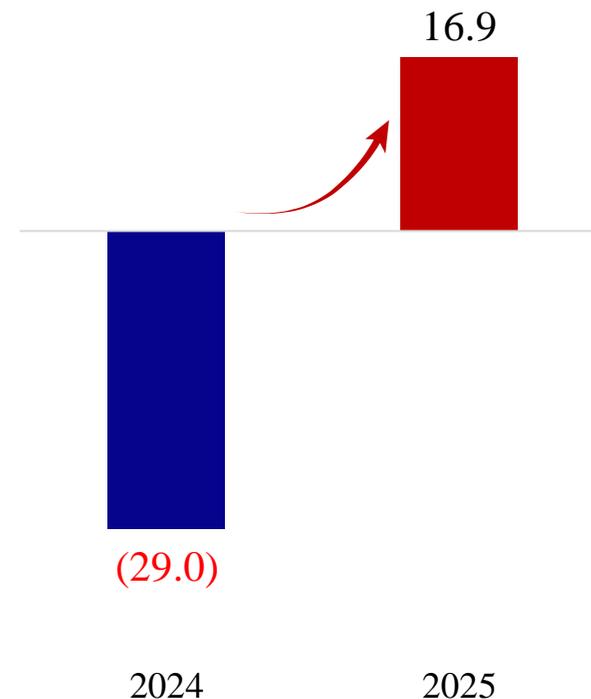
Operating net cash flow (RMB'00 million)



CAPEX (RMB'00 million)



Free cash flow¹ (RMB'00 million)



Note:

1. Free cash flow is calculated by deducting capital expenditure from operating cash flow

Condensed Balance Sheet

(RMB'00 million)	31 Dec 2025	31 Dec 2024	Change
Total assets	364	364	-0.2%
Equipment and material for leasing and services	210	216	-3.1%
Trade receivables and contract assets	75	66	+13.2%
Total liabilities	250	250	+0.3%
Total equity	113	115	-1.2%
Equity attributable to owners of the parent	113	115	-1.2%
Net assets per share (RMB/share)	3.61	3.66	-1.4%

Condensed Income Statement

(RMB'00 million)	2025	2024	Change
Revenue	93.6	115.8	-19.2%
EBITDA	41.2	46.3	-11.1%
Net profit	1.5	9.0	-83.6%
EPS (RMB/share)	0.047	0.282	-83.3%
ROA	0.4%	2.6%	-2.2pct
ROE	1.3%	8.1%	-6.8pct

Condensed Cash Flow Statement

(RMB'00 million)	2025	2024	Change
Net change in cash and cash equivalents	-2.6	-3.8	N/A
Net cash flows from operating activities	40.8	42.0	-3.0%
Net cash flows from investing activities	-21.7	-67.6	+67.9%
Net cash flows from financing activities	-21.7	21.4	N/A
Effect of foreign exchange rate changes, net	0.0	0.4	N/A
Cash and cash equivalents at the end of the period	15.2	17.8	-14.7%

1

Results Overview

2

Business Analysis



Highlights

1. Domestic business maintained steady adjustments and resiliently responded to the environment.

2. Overseas business operating system continues to be strengthened, building a new engine for growth.

1. Domestic business maintained steady adjustments and resiliently responded to the environment.

The market environment in mainland China

- Affected by factors such as the external environment, the supply and demand pattern of the domestic equipment operation industry has not changed.
- The growth rate of domestic aerial work platform volume has outpaced demand growth, leading to severe "involution" competition among most companies in the industry.

Domestic supply and demand pattern unchanged

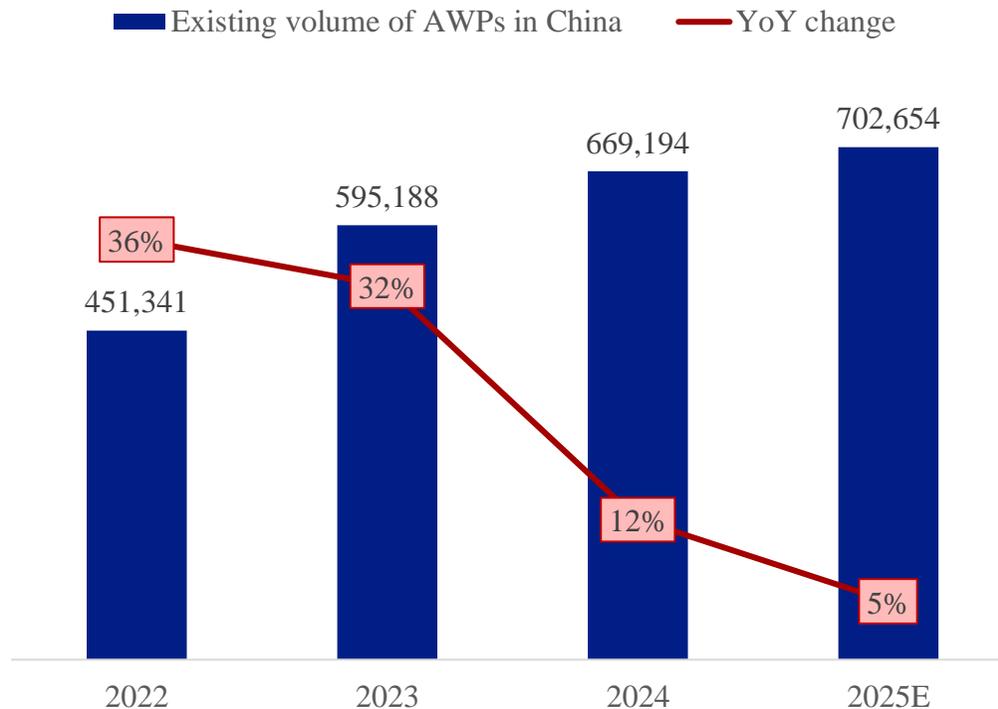


Take AWP industry as an example:

- Existing manufacturers in the industry: affected by foreign anti-dumping measures
- New manufacturers entering to the industry: adding new capacity to the market
- Small and medium-sized rental companies: relying on manufacturers for financial support, facing great cash flow pressure, and reducing prices to survive

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The existing volume of aerial work platforms in China continues to grow

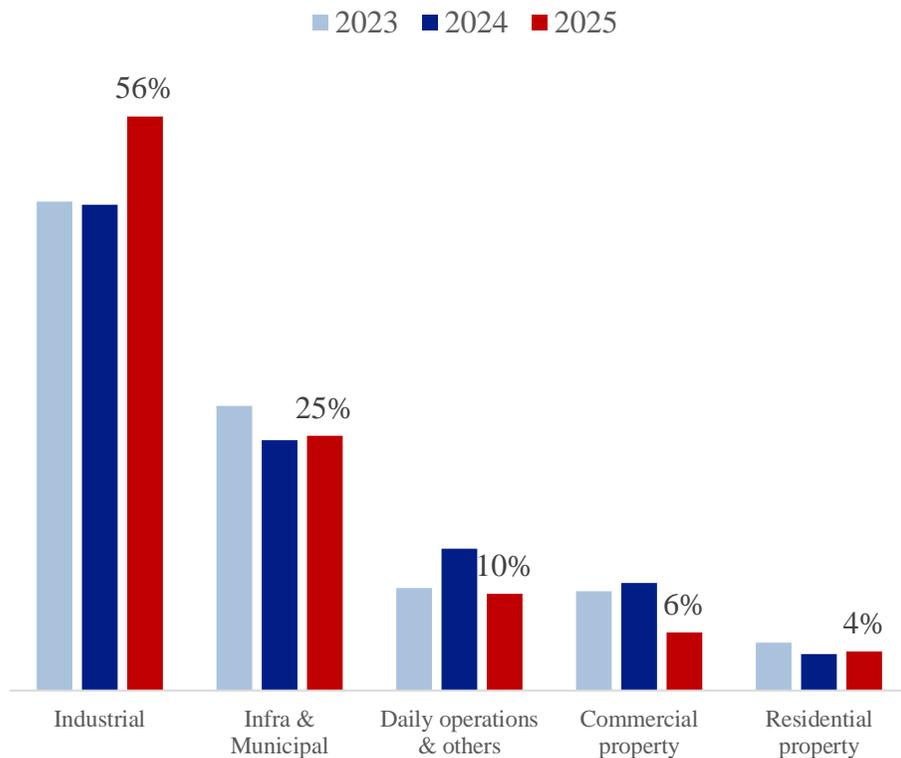


Source: «IPAF Rental Market Report 2025»

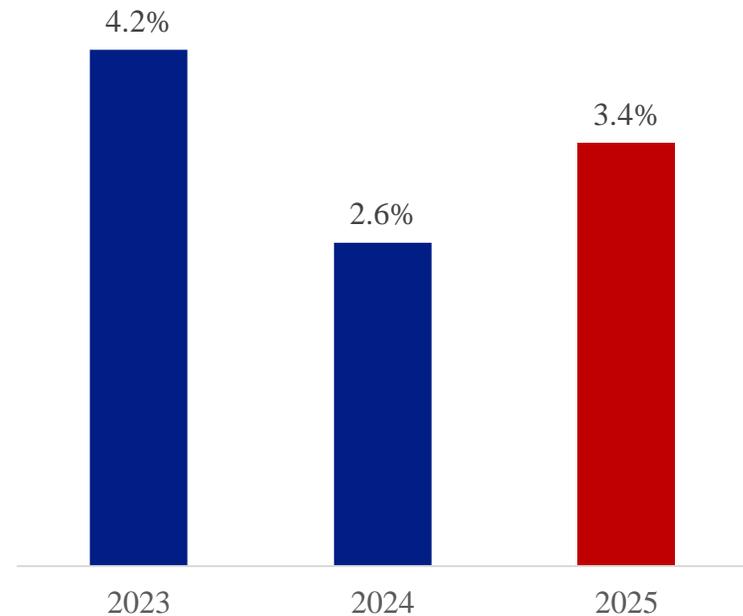
Domestic business demand is broad and remains resilient

- The Company's domestic revenue has long been derived from a wide range of scenarios and orders in the industrial and infrastructure sectors, while the high-risk real estate sector continues to contribute relatively little to the Company's operating leasing business revenue. Furthermore, the Company has not long relied on a single major client but with but a broad base of business demand.

Equipment usage scenarios breakdown in 2025



Top 5 client (entity-level) concentration rate in 2025



In response to the industry adjustment period, the Company continued to proactively optimize its asset structure.

- The Company optimizes and adjusts its domestic asset structure through various means, including asset transformation, asset entrust contract clearance, sale and disposal, and asset relocation to oversea markets.



General Equipment

Transformation

Boom lifts from diesel-drive to electric:

Has transferred nearly **800** units, with rental prices and utilization rate reaching the level of electric ones

Clearance

Terminated equipment subleased from peers:

Has terminated **15+ thousand** AWP's in batches within the year, reaching 95% of clearance rate

Sale and disposal

Disposal of inefficient equipment:

Has disposed approx. **2,000** unites of general equipment

Relocation

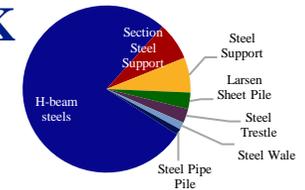
Transfer to overseas:

Has transferred over **5,700+** units, including scissor lifts, boom lifts, spider lifts, generators and truck cranes, to oversea markets.



Neo-Excavation Support Material

Disposed approx. **114K** tons & transferred 10K and 600 tons to Vietnam and UAE



Disposal breakdown by product types



Neo-Formwork System Material

Transferred approx. **27K** tons in total to Saudi Arabia, UAE, Malaysia, Thailand and so on & disposed approx. 3K tons



Overseas transfer breakdown by country

Through lean management measures, the Company's cost-to-revenue ratio has been optimized

- Through optimizing domestic warehouse layouts and implementing refined logistics management, reductions in key cost-to-revenue ratios¹ for operating leasing services have been achieved.



Logistics management

transportation unit cost reduction

Regional price negotiation with suppliers
Pilot of charter service model in selected cities

Supplier cooperation

Algorithm tools to improve route planning
Cooperation models optimized to reduce costs



Warehouse management

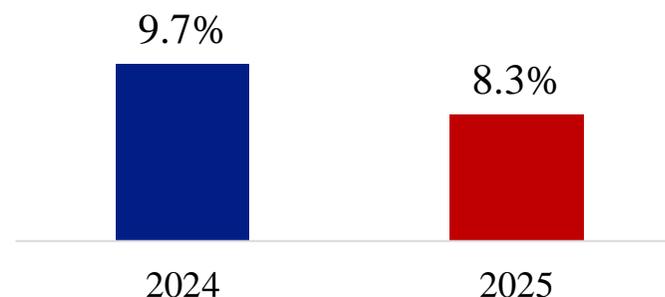
Replacement & rent reduction

Replacement of 95 high-rental cost sites
176 sites renewed with reduced rental price

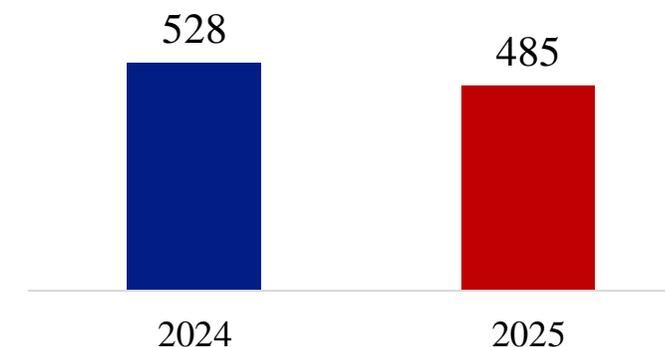
Layout optimization

Domestic optimization, incl. warehouse closures/consolidation and area reductions, with a reduction of approx. 145K m²

Logistic, lifting & warehouse ratio¹



Number of Domestic branches



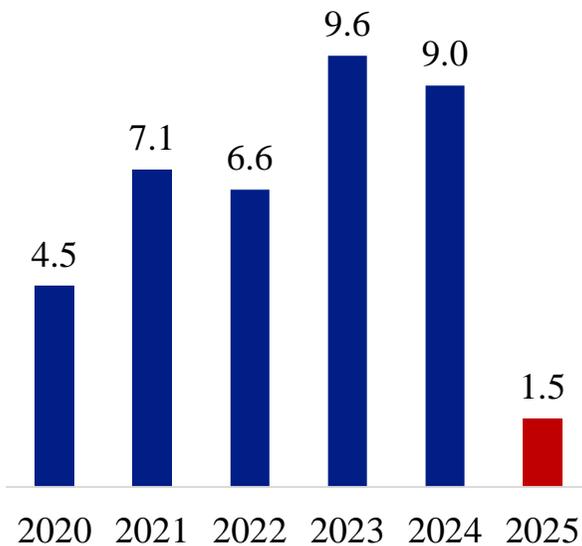
Note:

1. Refers to the sum of logistics and lifting costs as well as rental and property management services costs as a percentage of revenue

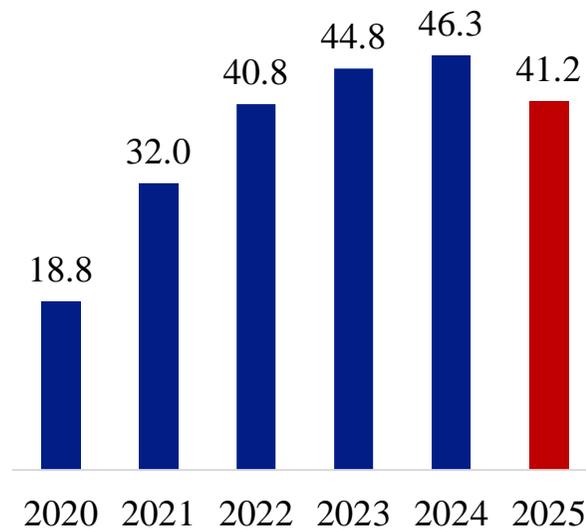
The Company maintained a relatively stable operating cash flow

- During the period of a deep industry adjustment, the Company's performance was inevitably affected. However, despite significant performance fluctuations, our operating cash flow remained consistently stable.
- Small and medium-sized players account for about half of our industry, who face significantly greater operational pressure than us during the industry adjustment phase.

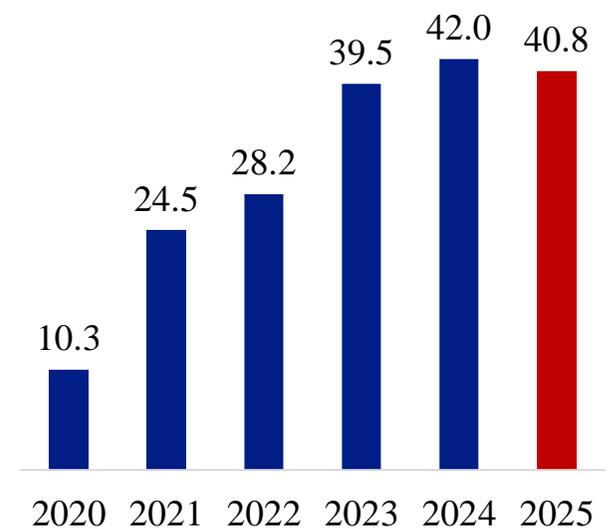
Net profit
(RMB'00 million)



EBITDA
(RMB'00 million)



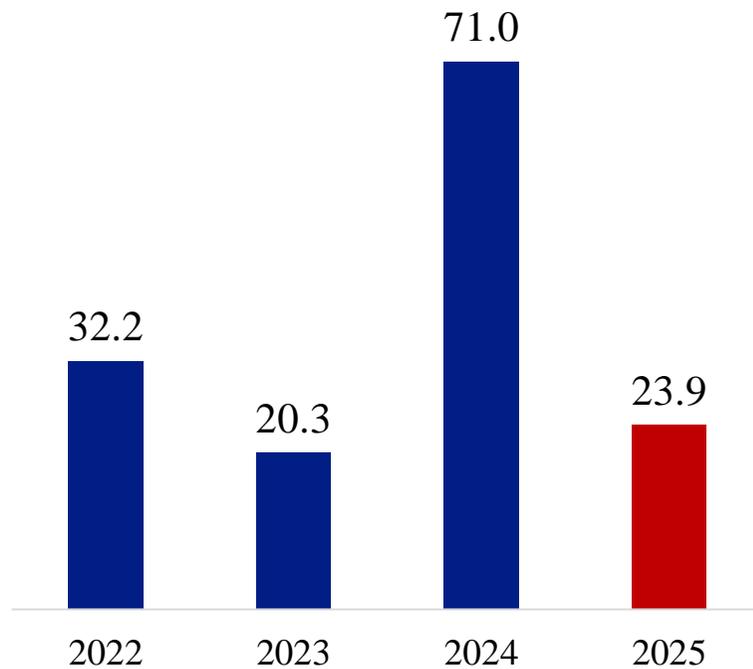
Operating net cash flow
(RMB'00 million)



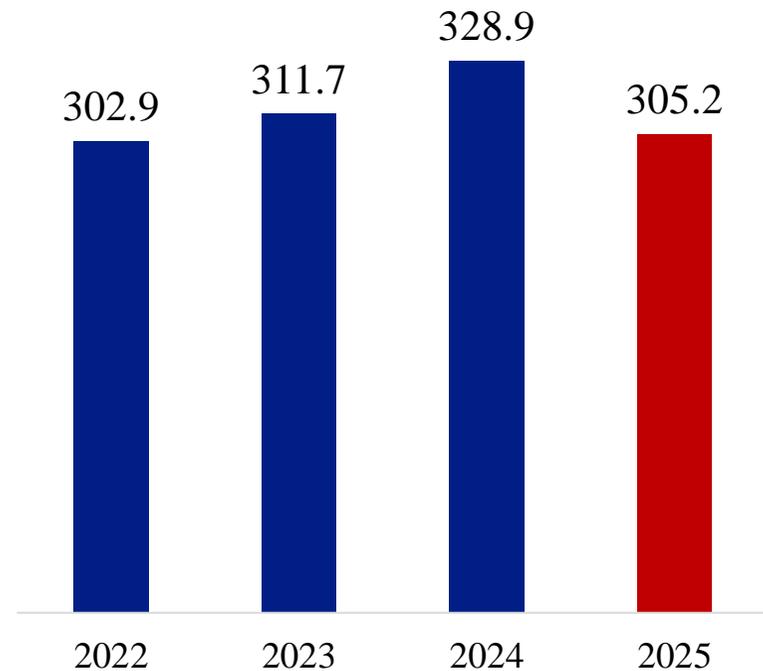
Prudently control overall capital expenditures and the scale of domestic asset under management

- Based on factors within the domestic operating leasing industry environment, the Company proactively control the scale of domestic asset under management and imposed strict disciplinary controls on total capital expenditure to ensure a safe and stable debt-to-asset ratio.

Capital expenditure (RMB'00 million)



Total domestic assets¹ (RMB'00 million)



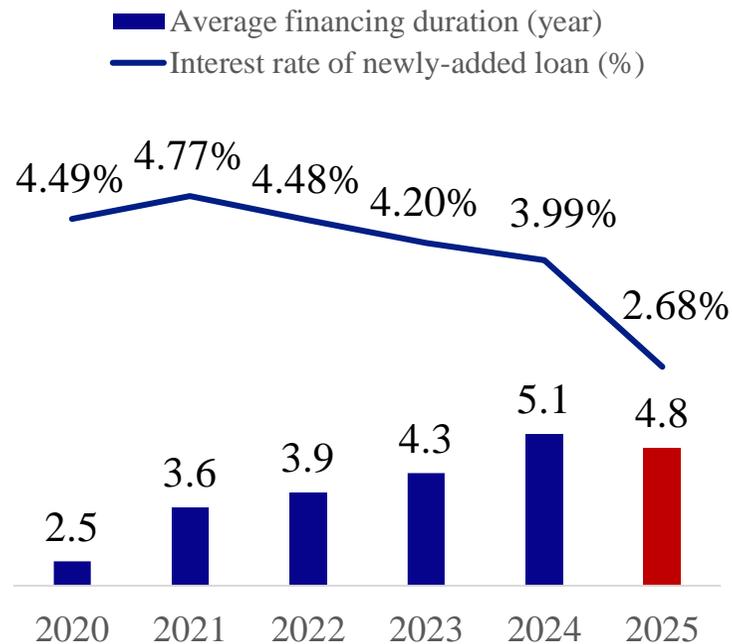
Note:

1. As the Company has begun expanding into overseas markets since 2023, the data for 2022 in the chart represents the company's total assets, while data for 2023 and subsequent years reflect domestic total assets.

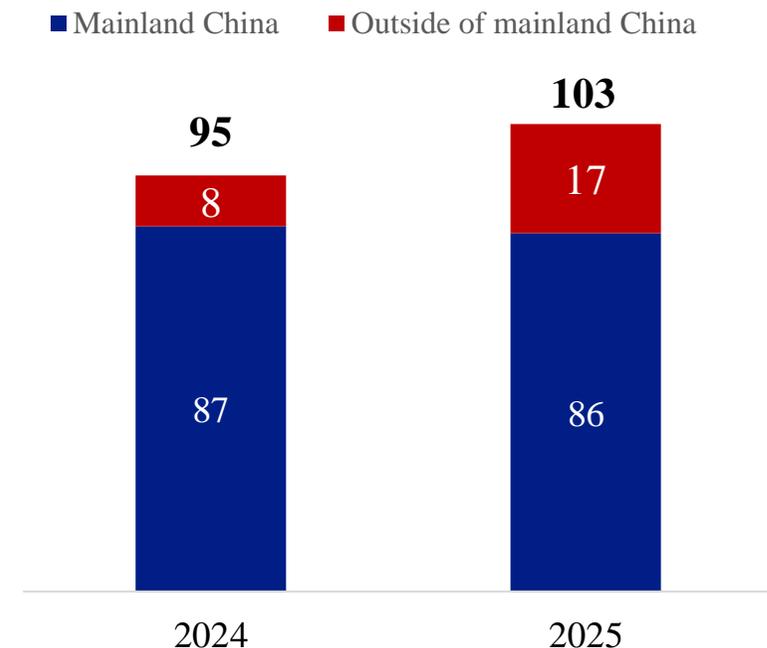
The Company is equipped with the industry-leading funding capabilities

- Medium and small-sized peers account for around 50% of players in the domestic industry, which are weak in funding with high leverage and relying on financing credit from manufacturers to sustain their operations.
- The Company has maintained independent funding capabilities without relying on manufactures. In 2025, our financing structure kept optimized and credit sources remained abundant. In the year, the number of collaborative institutions increased to 103, among which there were 17 overseas bank; the average financing duration maintained stable, and the interest rate of loan newly-added was improved remarkably.

Interest rate of newly-added loan and average financing duration



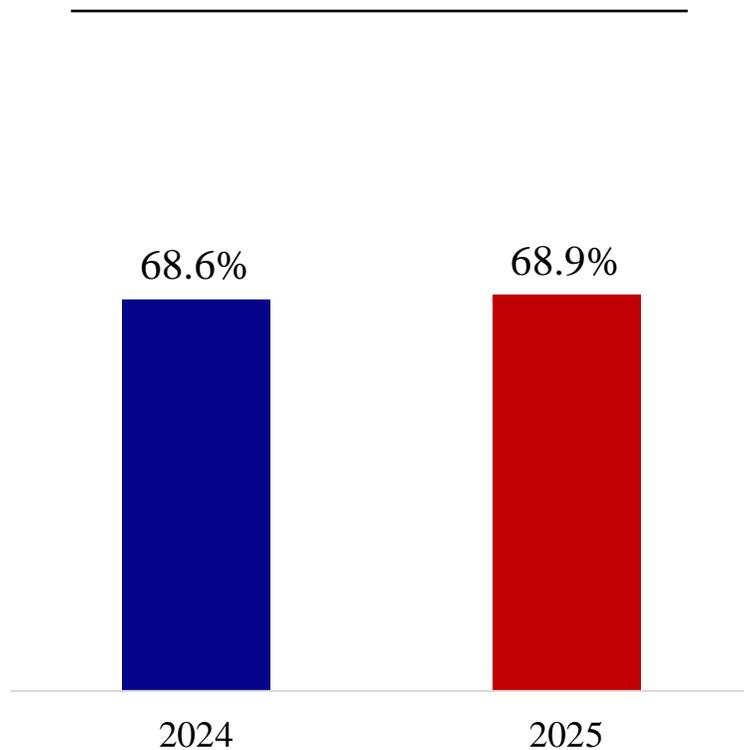
Number of collaborative institutions



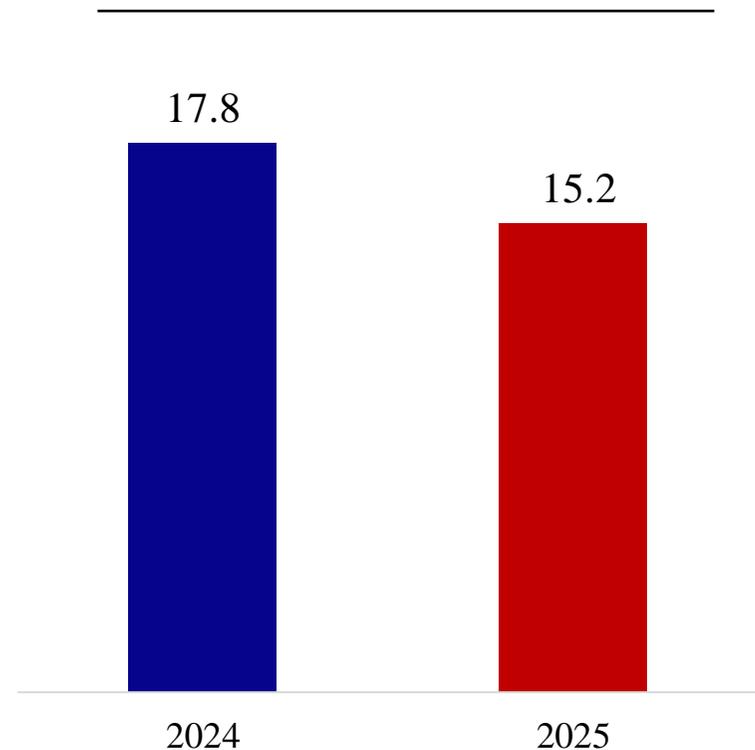
Capital structure

- In the year, the Company's leverage ratio maintained steady within the targeted control range, and the cash and cash equivalents remained adequate.

Asset-to-liability ratio

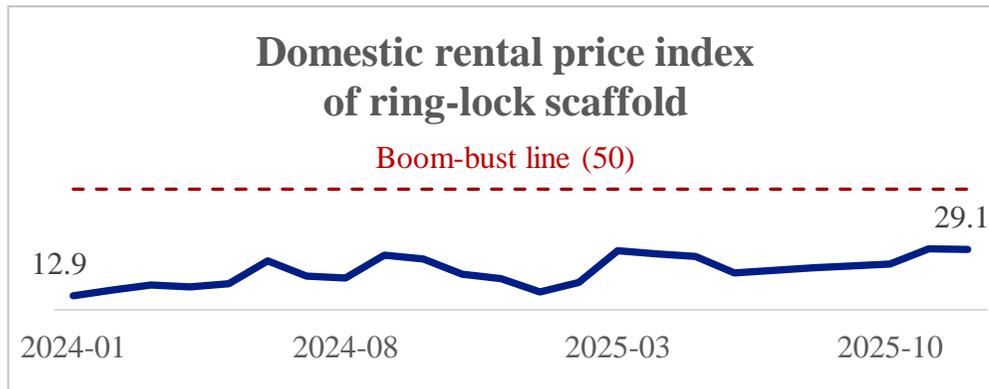
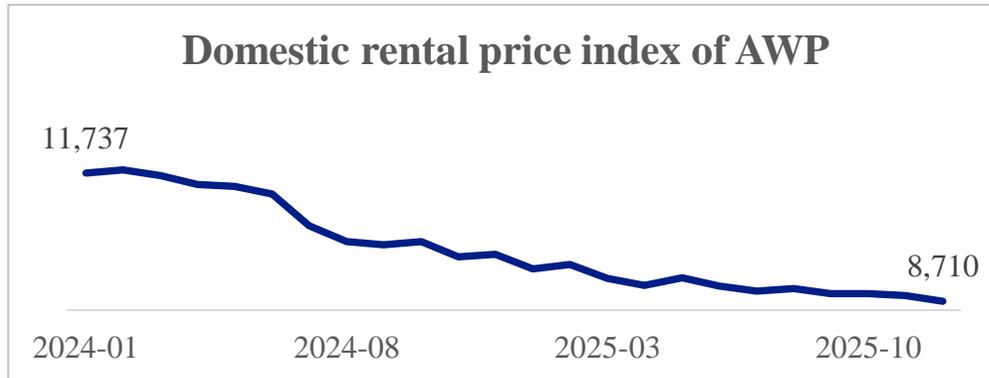


Cash and cash equivalents (RMB'00 million)

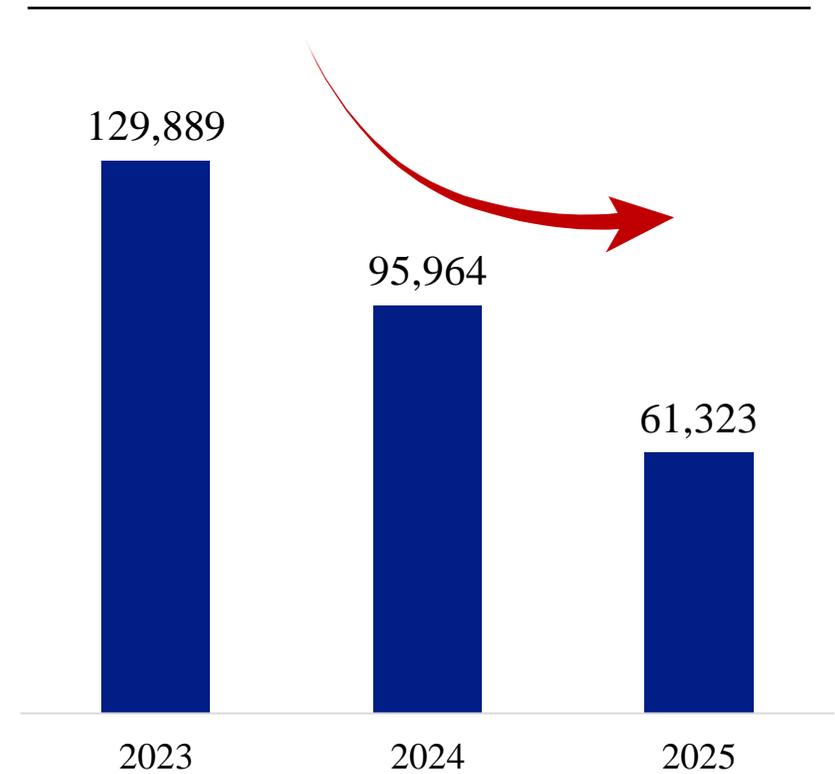


The industry is still in the phase of bottoming out. The Company will position itself to adapt to future changes

- The current domestic industry environment remains challenging, but both the sales side and rental prices are gradually entering a bottoming-out phase.
- The Company will leverage a capital structure superior to that of our peers and maintain a prudent operational stance to prepare for potential future possibilities.



Domestic sales volume of major Chinese AWP manufacturers (units)

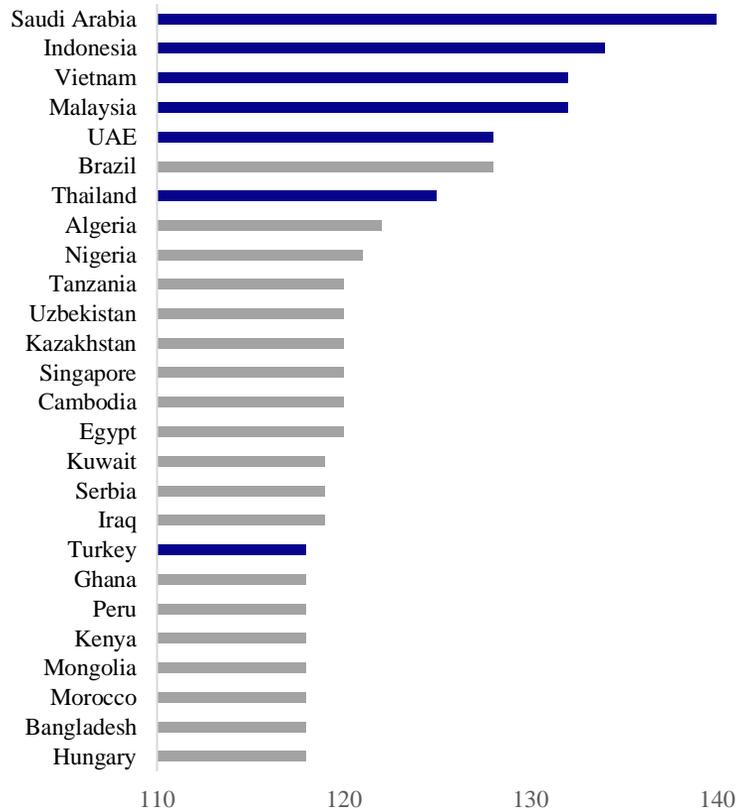


2. Overseas business operating system continues to be strengthened, building a new engine for growth.

Overseas market environment

- The fixed asset investment and construction demand in Southeast Asia, Middle East and North Africa continue to expand.
- It is expected that the demand for equipment operation services in these markets will continue to grow.

Infrastructure development index of “Belt and Road” cooperating countries in 2025 (Top 25)



Construction demand in overseas markets we have entered:



Our vision: Committed to building a world-class comprehensive equipment operation service provider

- In the future, under the "3+3+3" strategy¹, the company is committed to building a first-class comprehensive operation service provider across multiple national markets.

Phase 1



- Absolutely leading in China market
- Explore the Southeast Asian market
- Equipment operation with selective categories

Phase 2



- Absolutely leading in China market and Southeast Asia market
- Expand into new markets with the Middle East and North Africa region gradually taking shape
- Comprehensive equipment operation

Phase 3



- **First-class global provider of comprehensive equipment operation services**, with a multinational business group structure

Note:

1. Formulated at the beginning of 2024.

Overview of overseas presence

- In line with the Board's overseas strategy, the company has entered into the markets of Indonesia, Malaysia, Vietnam, Thailand, Saudi Arabia, the UAE, and Turkey, rapidly expanding its business network, workforce and assets.

Overseas business layout overview

(As of 31 Dec 2025)



Approx. **RMB5.0 billion**
of AUM scale¹

Approx. **19 thousand** units
of equipment²

77
overseas branches

1,368 talents
Over **87%** of localization

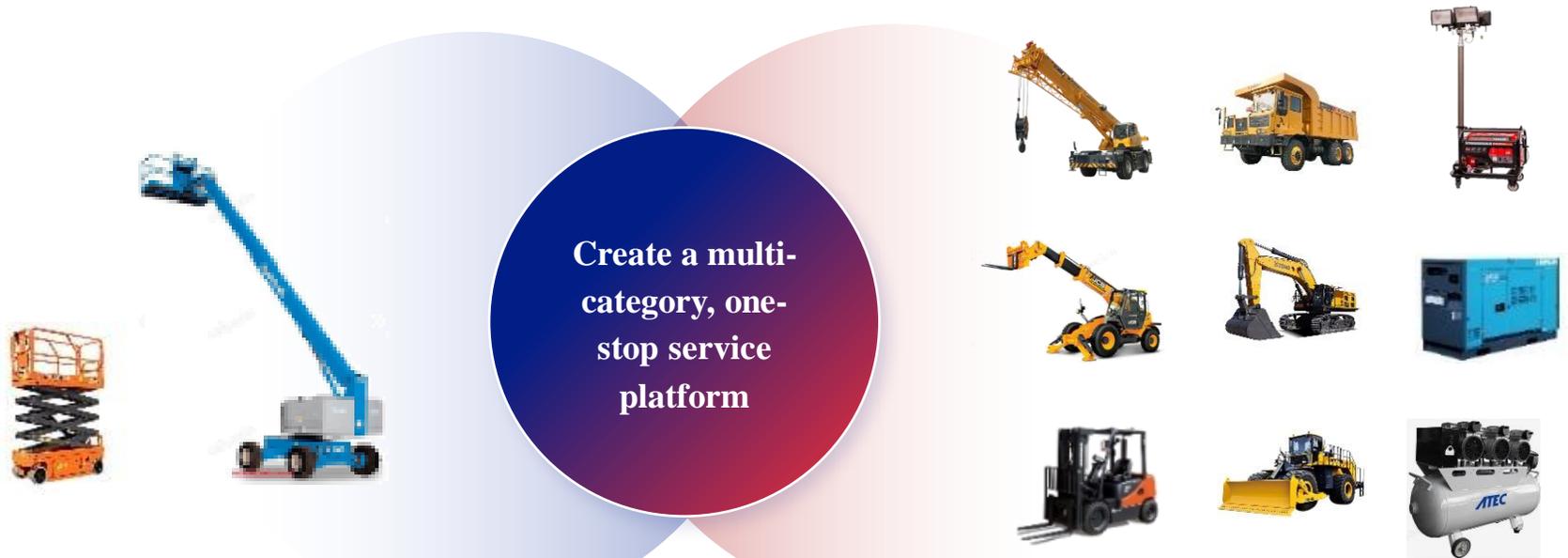
Note:

1. Original asset value;

2. Including AWP, mining and other equipment.

Developing a multi-category business model overseas

- Leveraging years of experience in domestic operating leasing services, the Company has expanded its overseas market presence, starting with AWP and gradually extending to a wider range of products including mining machinery, earthmoving equipment, telehandler and power equipment. We have already deployed over 4,000 equipment other than AWP in overseas markets, forming a multi-category, one-stop equipment service platform.



A fleet of over 10K AWP in overseas

More than 4,000 other types of equipment

Overseas business performance in each country

- As business branches, assets and management systems in each country are gradually put in place, most of the countries that the Company has tapped into have formed a local-leading business scale and entered a stable and good operating state.

Business conditions in overseas countries¹

	 Malaysia	 Thailand	 Vietnam	 Indonesia	 Saudi Arabia	 UAE	 Turkey
No. of branches	13	8	14	11	16	11	4
AUM ² (RMB'00 million)	5.3	4.7	5.9	7.7	14.6	10.4	0.8
Major products	【AWP】 【Ring-lock scaffold】	【AWP】 【Ring-lock scaffold】	【AWP】 【Ring-lock scaffold】 【Neo-excavation system】	【AWP】 【Ring-lock scaffold】 【Power generator】 【Mining equipment】	【AWP】 【Excavator】 【Ring-lock scaffold】 【Tele-handler】	【AWP】 【Ring-lock scaffold】 【Tele-handler】 【Excavator】	【AWP】
Equipment units ³	>4,400	>3,000	>2,200	>1,800	>3,900	>2,300	>900

Note:

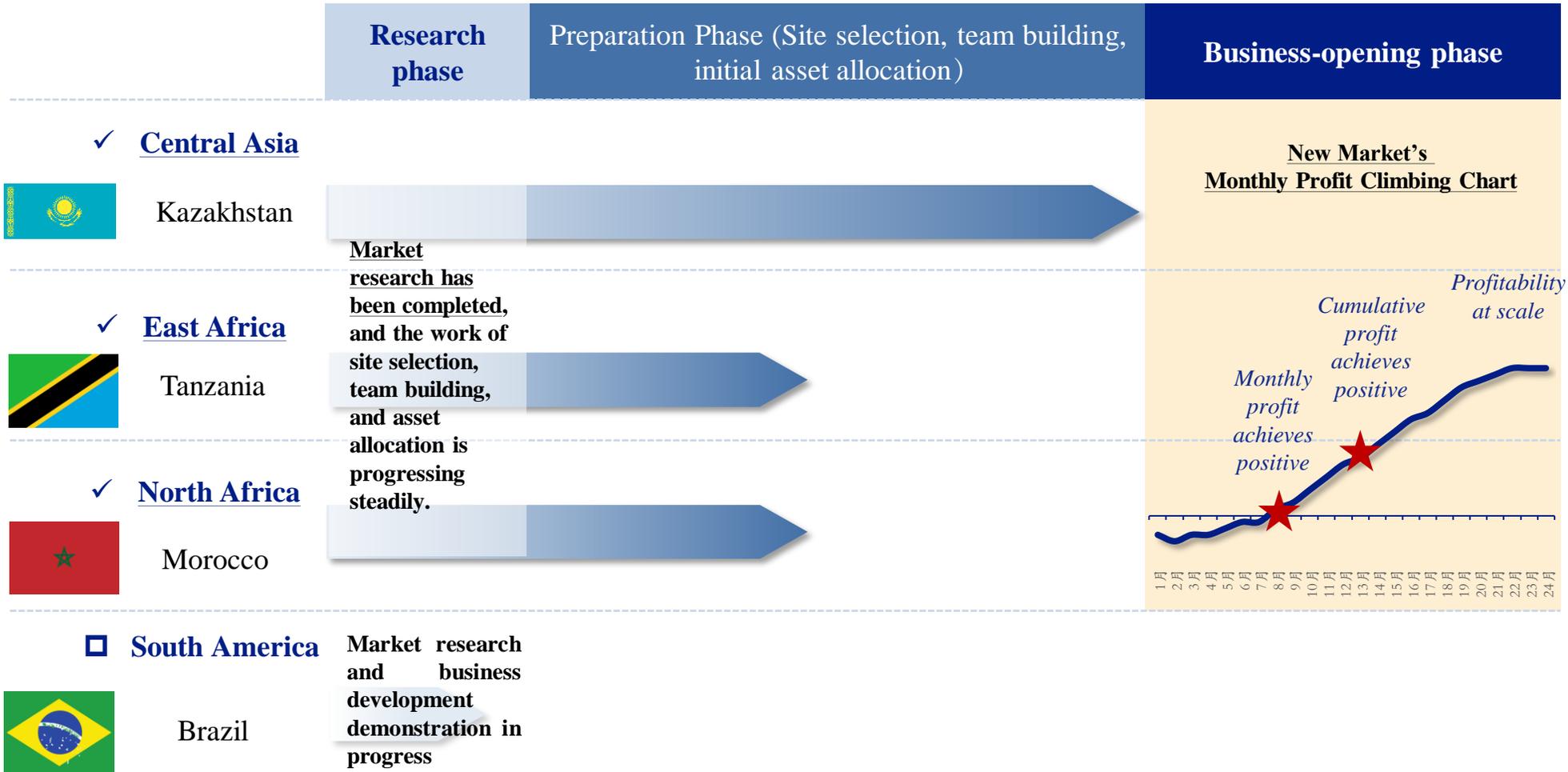
1. As of 31 Dec 2025;

2. Original asset value;

3. Including AWP, mining and other equipment.

Targeting new markets

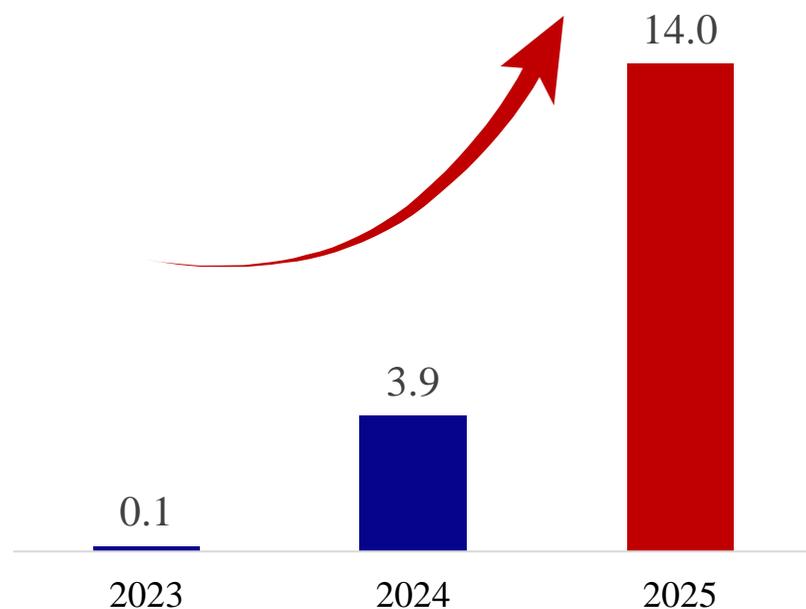
- Research, feasibility studies, and preparatory work for the target new markets have commenced since the second half of 2025. Kazakhstan, Tanzania, and Morocco are among the countries where operations will begin in 2026.



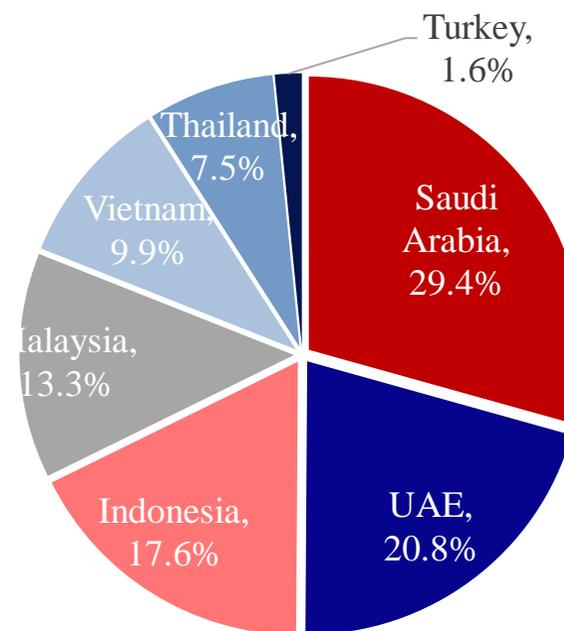
Overseas business revenue contribution becomes prominent

- In 2025, with the gradual improvement of the operating system in existing overseas countries, the scale of overseas business rapidly increased, achieving revenue of approximately RMB 1.4 billion for the year, representing a year-on-year increase of approx. 260.3%, and has formed a balanced development pattern between the Southeast Asia and Middle East regions.

**Revenue of overseas business
(RMB'00 million)**



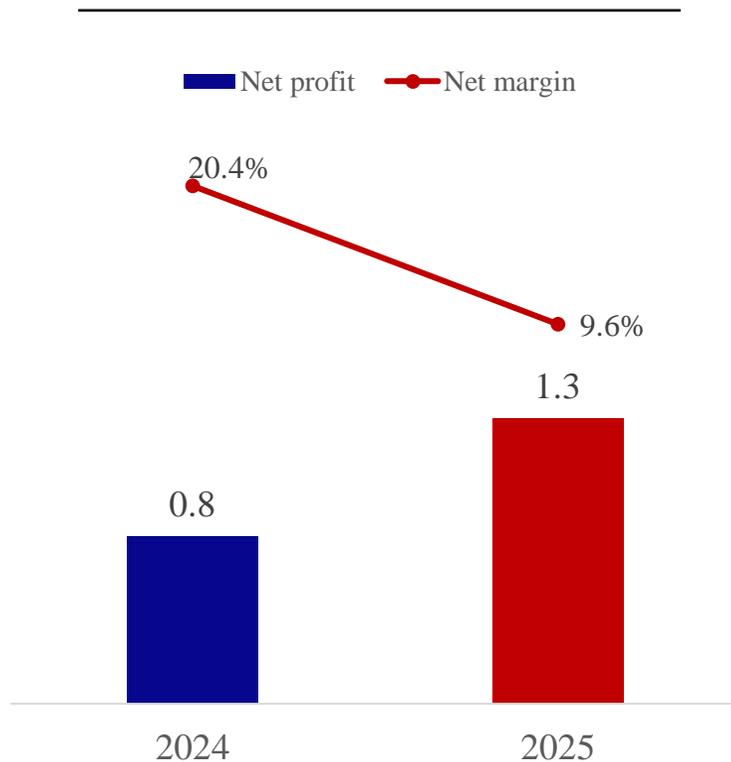
**Overseas revenue breakdown
by region in 2025**



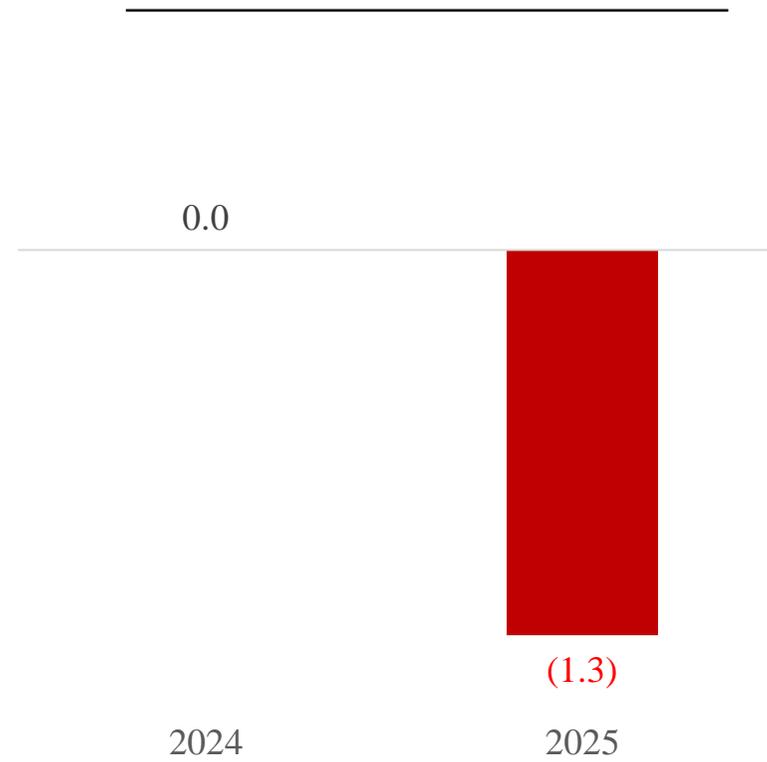
Profitability of overseas business

- In 2025, the company's overseas business is expected to generate a profit of approx. RMB 130 million, with a profit margin of approx. 10%. The main reason of the downtrend in profit margin is that as the overseas segment was gradually maturing, the Group allocated approx. RMB130 million as remuneration for senior management, interest expenses and others from segment profit from 2025 based on the proportion of assets held by the overseas segment.

**Net profit & net margin of overseas business
(RMB'00 million, incl. expense accruals impact)**



**Impact of expense accruals on overseas
business profits (RMB'00 million)**



Overseas business growth plan for next year

Overseas business targets in 2026

Overseas Revenue

- YoY growth by over 50%

Overseas Net profit

- YoY growth by over 30%

Overseas Assets

- Accounts for 20% of total assets

Q & A



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