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CDHORIZON

Investor Presentation
Horizon Construction Development

August 2026

Disclaimer

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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

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- Horizon Construction Development ("HCD") has been in the dominant position in China's equipment operation service industry for years.
  - Total asset reaches about RMB35.80 billion, and the volumes of aerial work platforms ("AWPs") is leading globally;
  - Established 544 branches globally;
  - Cumulatively served over 430,000 clients.

Upstream manufactures

XCMG 徐工集团
ZOOMLION 中联重科
DINGLI Exceed · New Height
LGMG 临工重机
TEREX

External equipment resources

Financial leasing companies

Sales & lease demand

Multi-category one-stop comprehensive operational services provider[1]

Total Asset

35.80 Billion

202K units
Aerial work platform
(Leading globally[2])

10K units
forklift, earth-moving machinery, mining equipment, road equipment, etc.

1,207K tons
Neo-excavation support system
(Leading in China)

596K tons
Neo-formwork system
(Leading in China)

Global Outlets

544

- Across China and **10** overseas countries

Diverse services

Downstream clients[1]

- Cumulatively served over **430K** clients globally, including approx. **7.7K** overseas clients
- Covering **multi-scenario** demands

Factory & logistics
Green energy
Transportation construction
Data center
Logistics facilities
Commercial office
Marine & shipyards
Municipal sanitation
Mining program

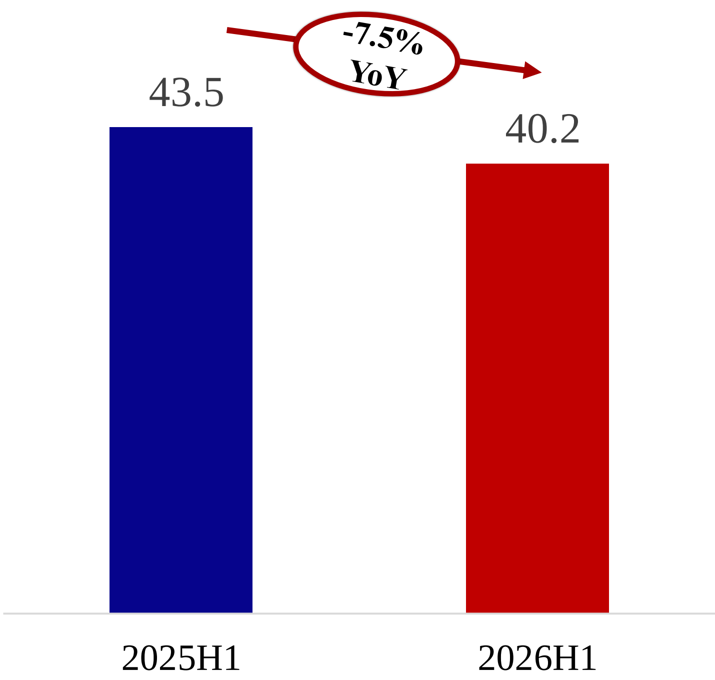
Notes:
1. Data for 2026H1;
2. According to 2025 ACCESS50 (Global Top 50 AWP Rentals) by UK KHL Group.

Contents

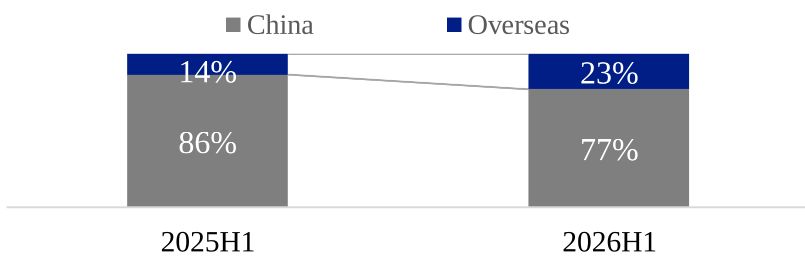
Revenue performance

- In the first half of 2026, the Company recorded a revenue of approx. RMB4.02 billion, with a year-on-year decrease of approx. 7.5%.
- In the respect of revenue by region, the proportion of overseas revenue has increased to approx. 23%.
- In the respect of revenue by business type, the proportion of operating lease services increased year-on-year, while the proportions of engineering and technical services and asset management and other services decreased.

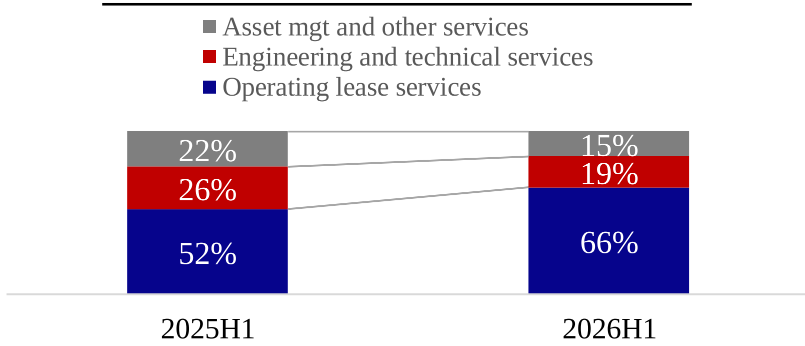
Total revenue (RMB'00 million)



Revenue structure (by region)



Revenue structure (by business)

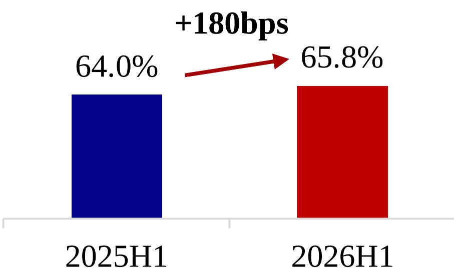


Revenue by business segment – operating lease services

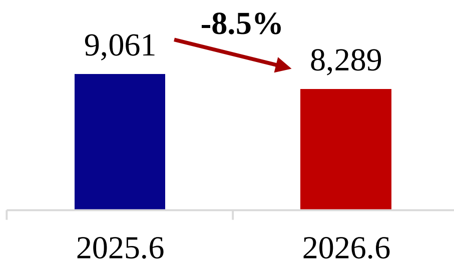
- Affected by market conditions, the rental prices in the mainland China's market continued the downward trend throughout the year, while the utilization rate of AWPs and neo-formwork system saw increase year-on-year.
- During the reporting period, the operating lease services revenue increased approx. 16.4% year-on-year, with the domestic aspect up by approx. 3% after excluding overseas aspect.

Main asset for rental ①: Aerial work platform

Average utilization rate

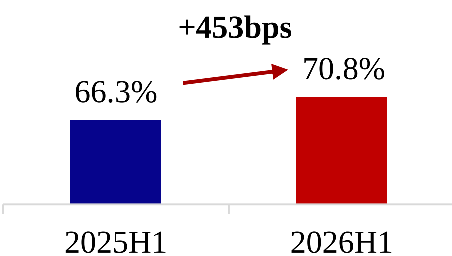


Domestic market rental price index[1]

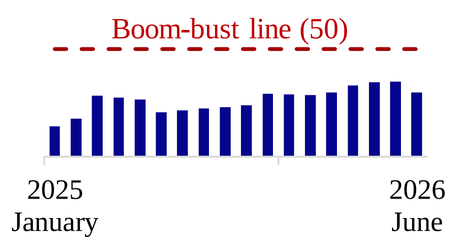


Main asset for rental ②: Neo-formwork system

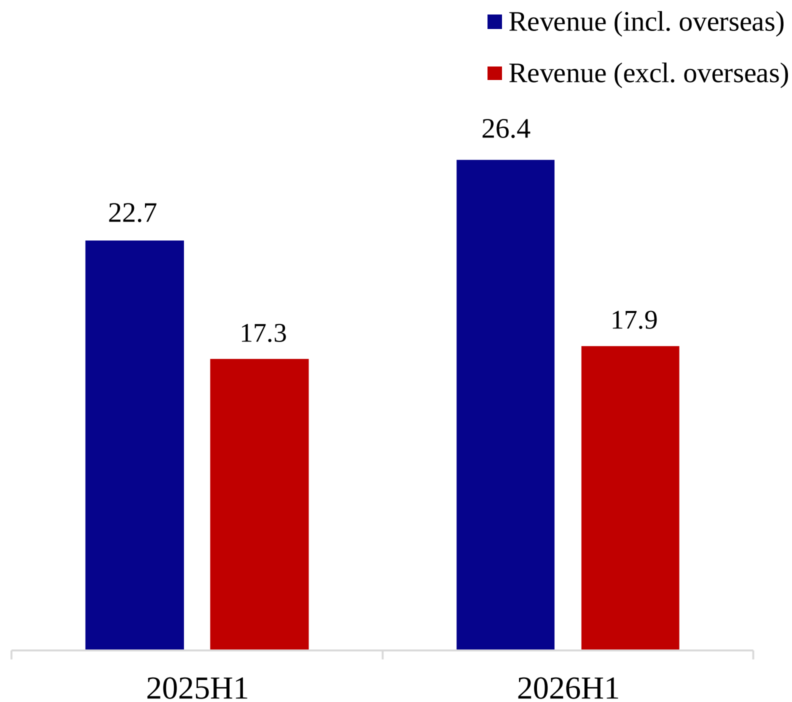
Average utilization rate



Domestic market rental price index below the boom-bust line[1]



Revenue of operating lease services (RMB'00 million)



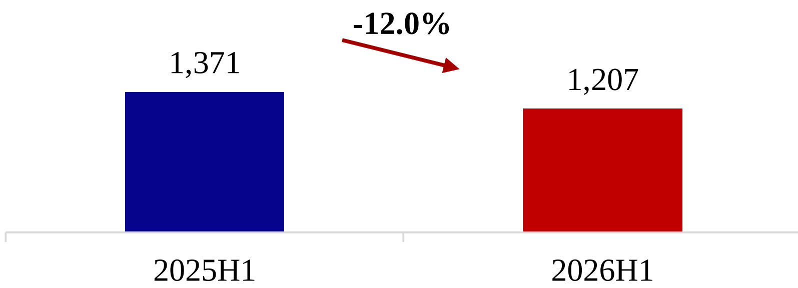
Note:
1. Source: China Construction Machinery Association, and China Construction Materials Rental Contractor Association

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, by proactively phasing out low-value-added engineering businesses in addition to the disposal of materials. Therefore, the revenue of engineering and technical services witnessed an obvious decrease year-on-year.

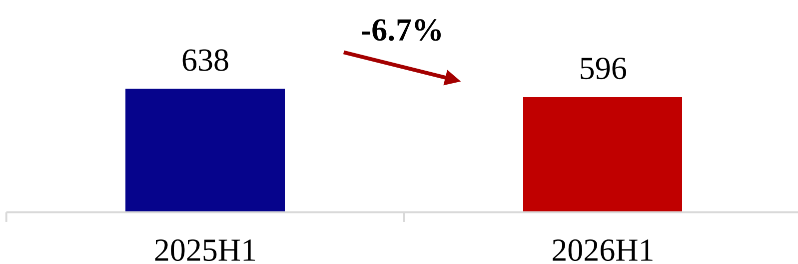
Main material asset ①: Neo-excavation support system

Equipment volume (thousand tons)

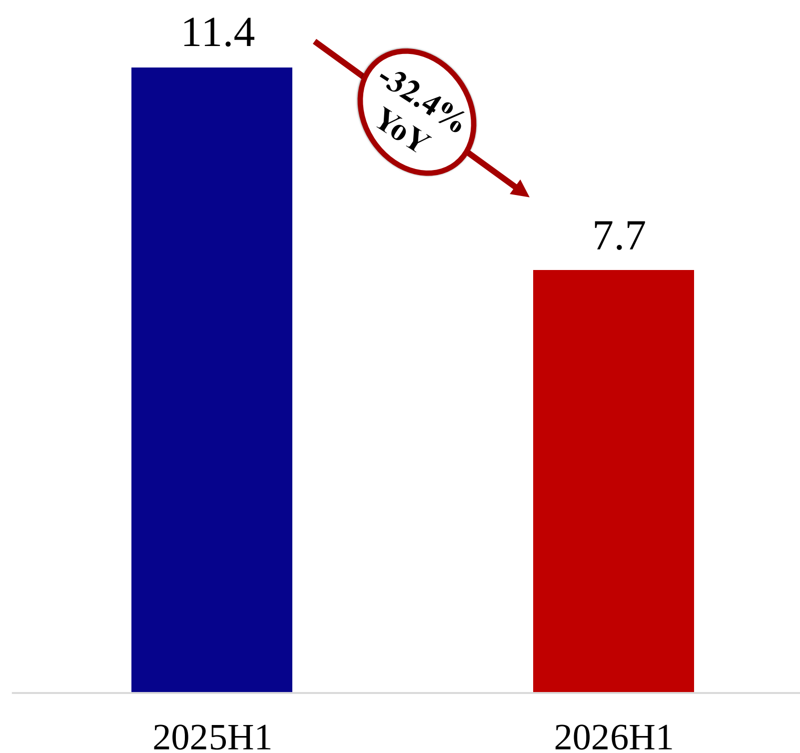


Main material asset ②: Neo-formwork system

Equipment volume (thousand tons)



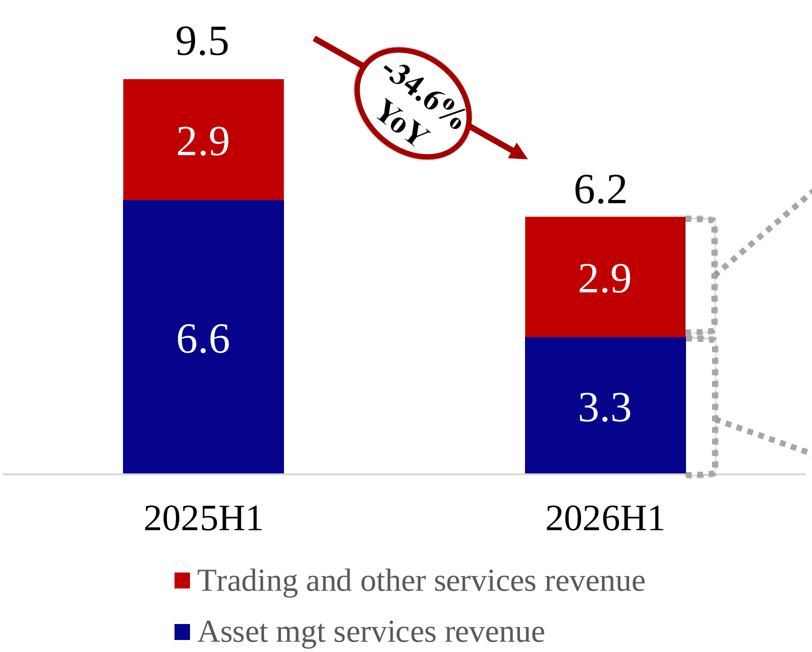
Revenue of engineering and technical services (RMB’00 million)



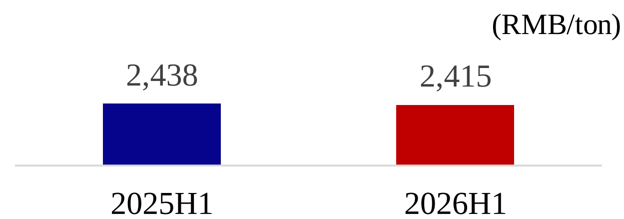
Revenue by business segment – asset management and other services

- The Company's asset management services contributed approx. RMB0.62 billon of revenue, with a year-on-year decrease of approx. 34.6%, primarily due to the prudent reduction in the management scale of equipment entrusted by peers in response to the downturn in the domestic market.
- During the reporting period, the Company continued to optimize the asset structure, and then the trade and other services revenue generated from, e.g., the sales of disposed equipment and materials, amounted to approx. RMB0.29 billion, remaining relatively stable year-on-year.

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

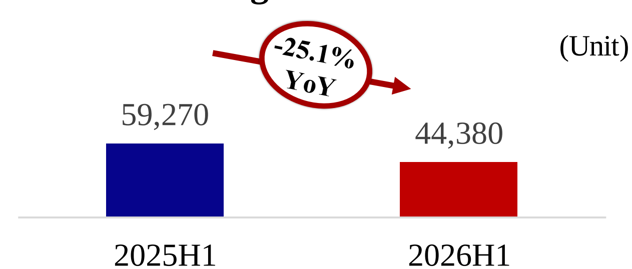


Average domestic prices of scrap steel prices in H1 were broadly flat YoY



Data source: iFind

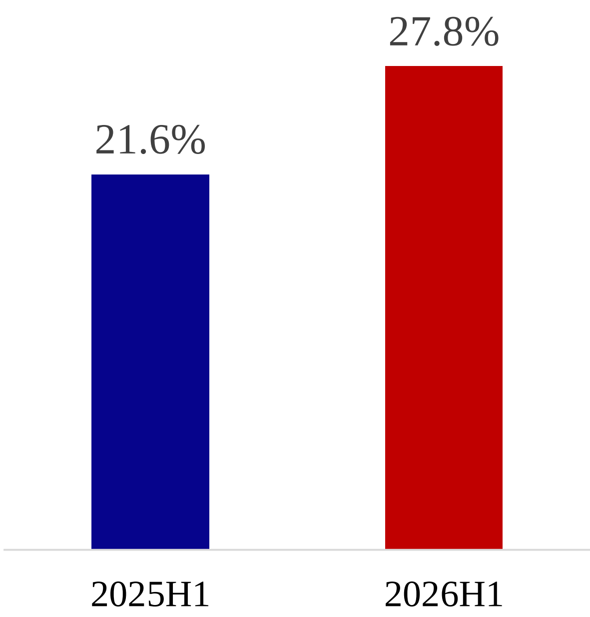
Number of AWPs under asset management model



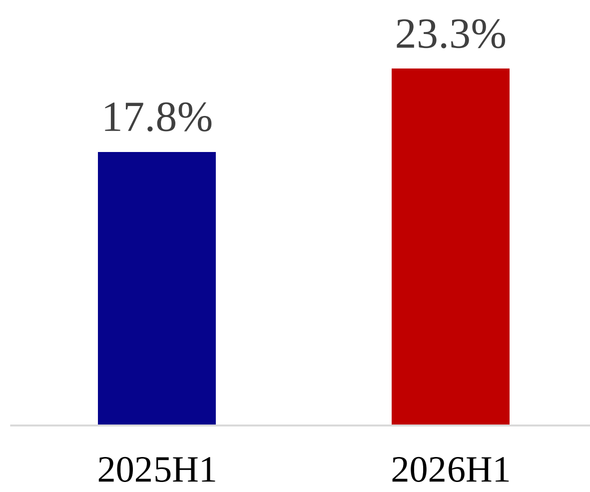
Gross profit margin performance

- During the reporting period, the Company's domestic gross profit margin improved and the proportion of high-margin overseas business further increased, leading the overall gross profit margin to experience increment compared to the same period of last year.
- There were no material changes to the Company's accounting policies with respect to depreciation during the period.

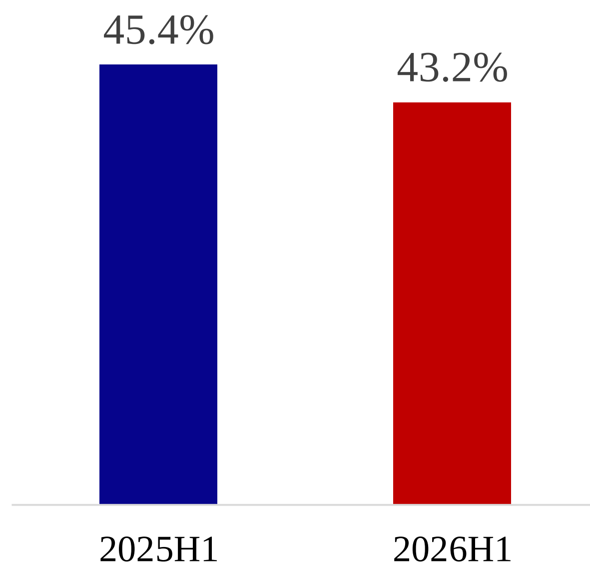
Gross profit margin of the Company



Gross profit margin of domestic business



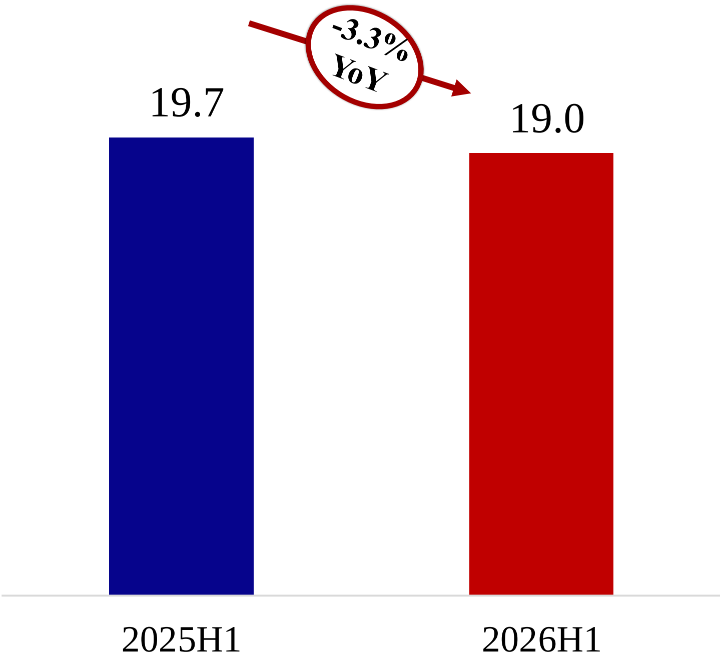
Gross profit margin of overseas business



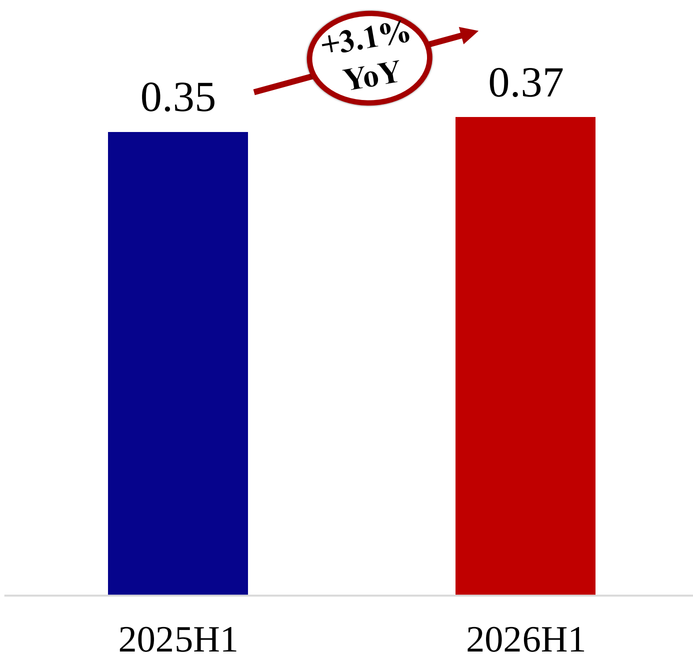
Profitability performance

- In the first half of 2026, EBITDA decreased by approx. 3.3% year-on-year, while net profit increased by approx. 3.1% year-on-year.

EBITDA (RMB'00 million)



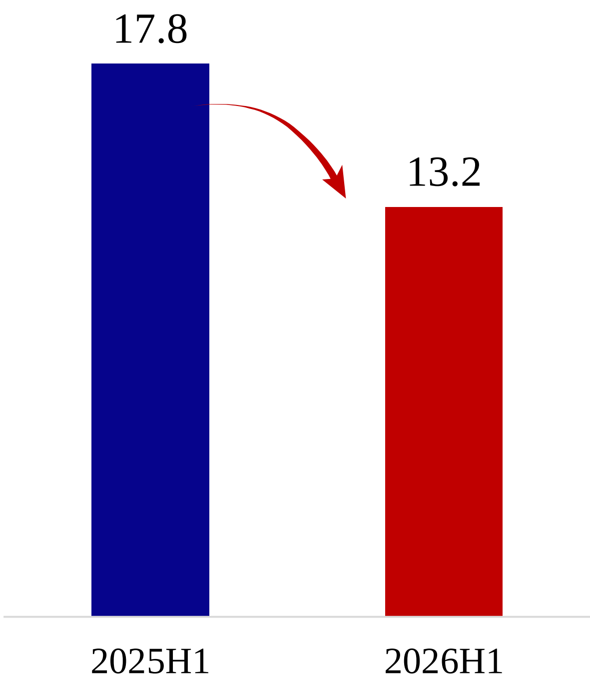
Net profit (RMB'00 million)



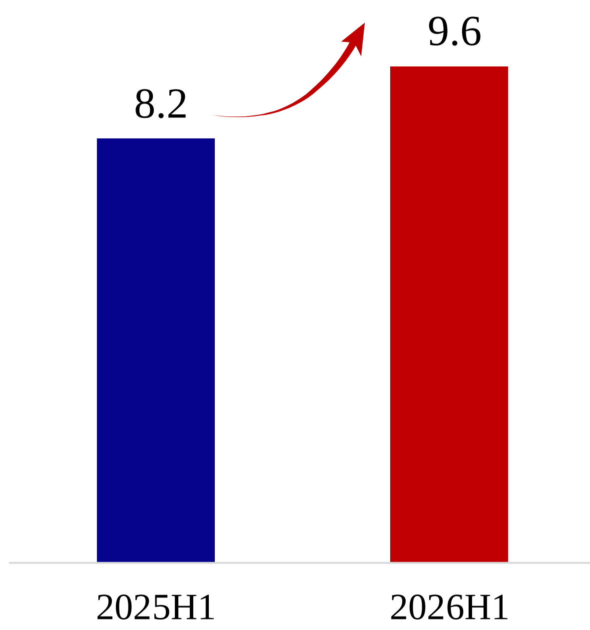
Free cash flow performance

- In the first half of the year, the Company's operating net cash flow declined year-on-year, while the capital expenditure slightly increased, resulting in a year-on-year decrease in free cash flow.

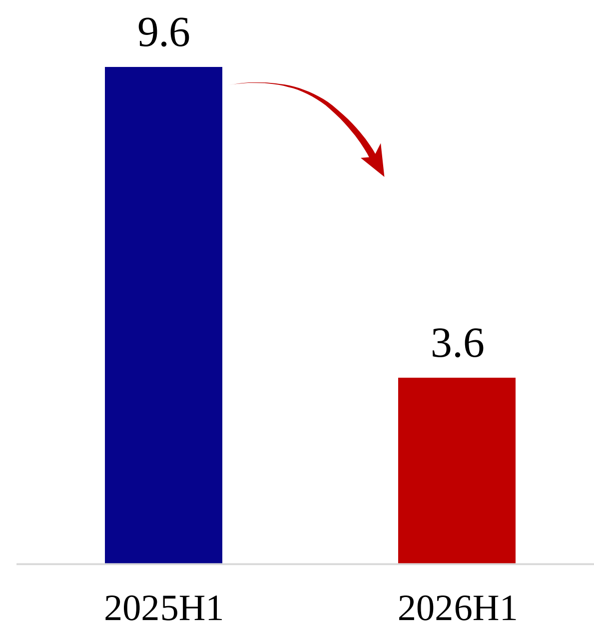
Operating net cash flow (RMB'00 million)



CAPEX (RMB'00 million)



Free cash flow[1] (RMB'00 million)



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

Condensed Balance Sheet

(RMB'00 million)	30 Jun 2026	31 Dec 2025	Change
Total assets	**358**	364	**-1.6%**
Equipment and material for leasing and services	**203**	209	**-3.1%**
Trade receivables, notes receivables and contract assets	**84**	86	**-1.7%**
Total liabilities	**247**	250	**-1.2%**
Total equity	**111**	113	**-2.3%**
Equity attributable to owners of the parent	**111**	113	**-2.3%**
Net assets per share (RMB/share)	**3.53**	3.61	**-2.2%**

Condensed Income Statement

(RMB'00 million)	2026H1	2025H1	Change
Revenue	**40.2**	43.5	**-7.5%**
EBITDA	**19.0**	19.7	**-3.3%**
Net profit	**0.37**	0.35	**+3.1%**
EPS (RMB/share)	**0.012**	0.011	**+9.1%**
ROA	**0.2%**	0.2%	**+0.0pct**
ROE	**0.7%**	0.6%	**+0.1pct**

Condensed Cash Flow Statement

(RMB'00 million)	2026H1	2025H1	Change
Net change in cash and cash equivalents	-0.9	3.9	-123.7%
Net cash flows from operating activities	13.2	17.8	-25.7%
Net cash flows from investing activities	-5.8	-8.6	32.1%
Net cash flows from financing activities	-8.2	-5.2	-57.8%
Effect of foreign exchange rate changes, net	-0.1	-0.1	-78.3%
Cash and cash equivalents at the end of the period	14.3	21.8	-34.4%

Contents

Highlights

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

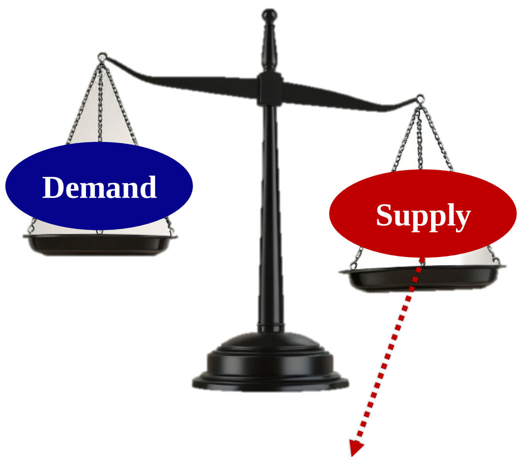
2. Overseas business operating system continues to be strengthened, building a new engine for growth.

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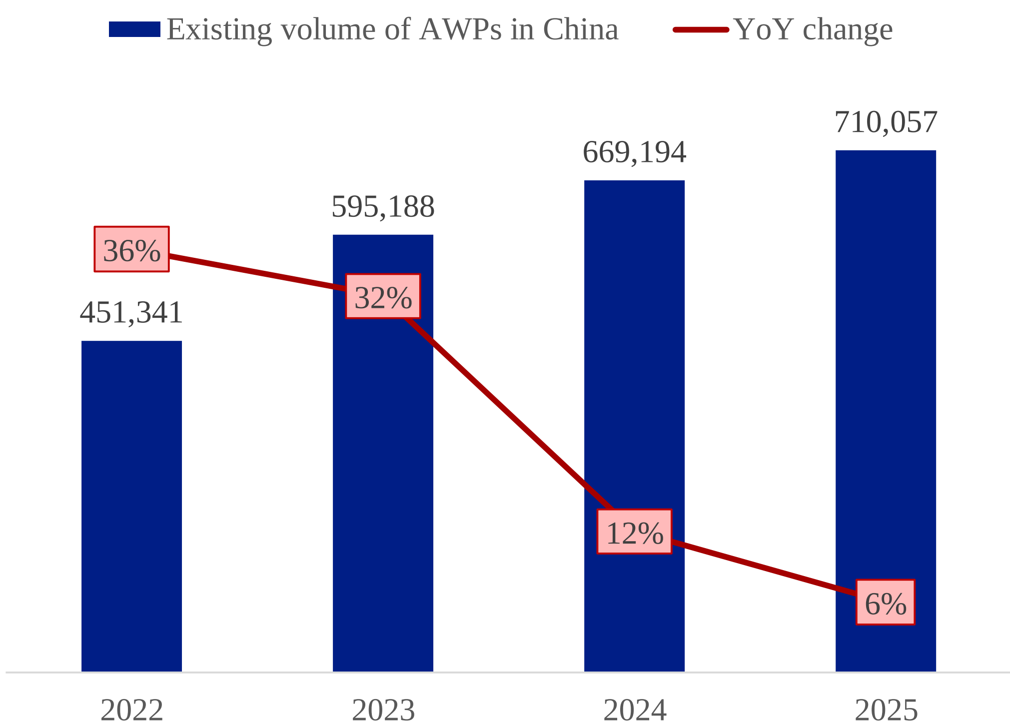
The existing volume of aerial work platforms in China continues to grow

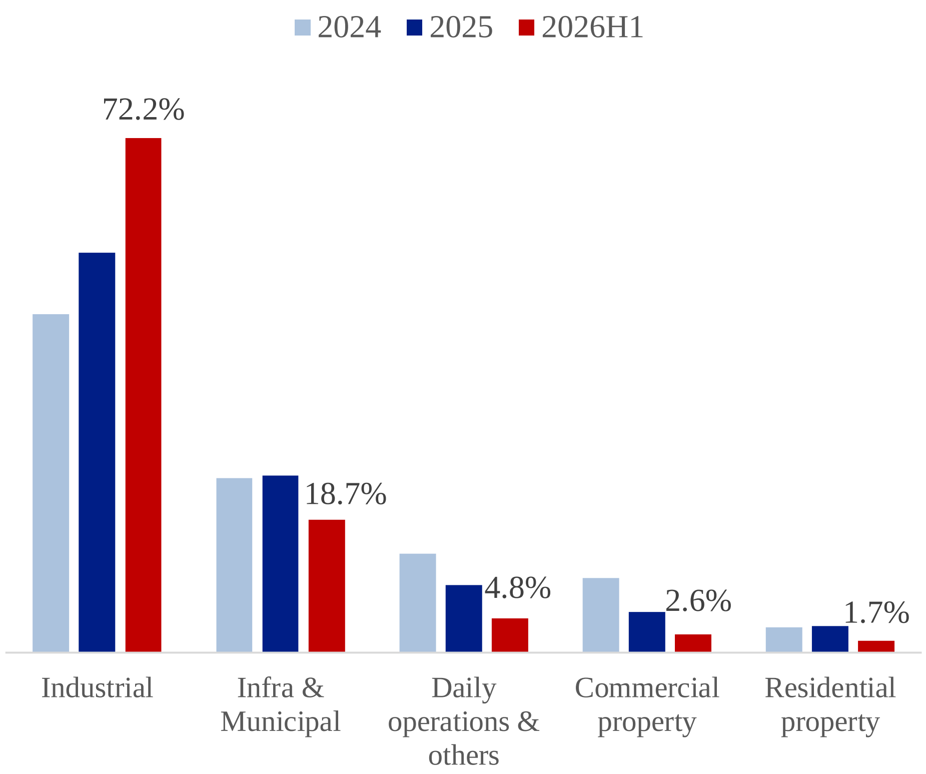


Source: 《IPAF Rental Market Report 2026》

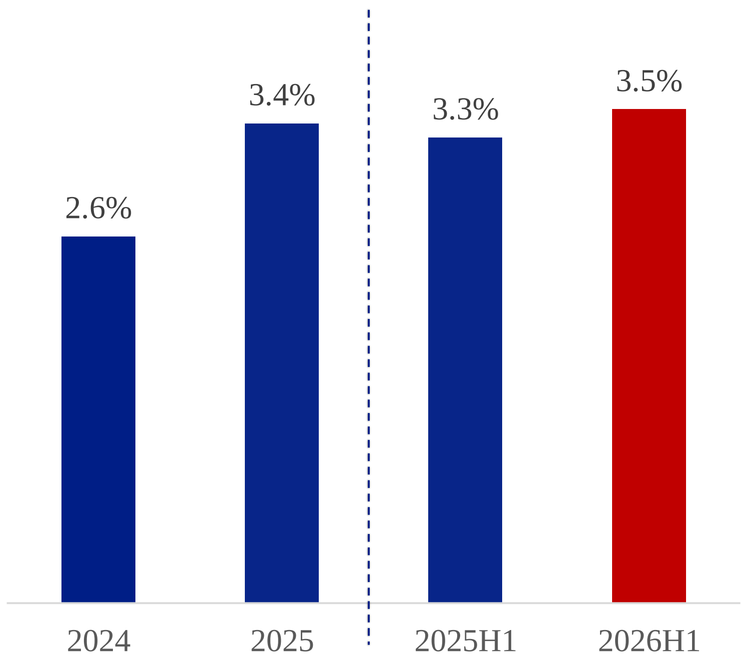
Domestic business demand is broad and remains resilient

- 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 long relied not on a single major client, but on a broad base of business demand.

Domestic Revenue Breakdown by Scenario and Source



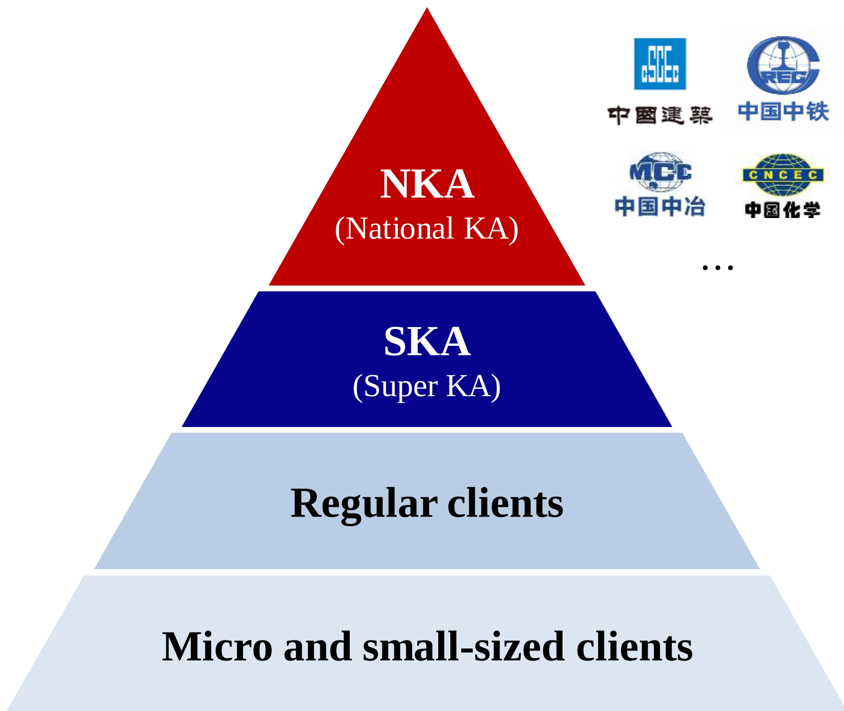
Top 5 client (entity-level) concentration rate



Build on our inherent strengths to deepen relationships with quality clients and enhance revenue sustainability

- Fully leveraging the Company's unique edge in the equipment rental sector, we will deepen strategic collaboration with NKAs (national key-account clients) and SKAs (super key-account clients) to enhance client loyalty and secure more recurring revenue.

Tiered client management



- **General equipment**: Upgraded from fragmented store-level engagement to joint development with key accounts, with dedicated relationship managers. Building a "1+X" product solution portfolio to enhance value creation.
- **Neo-excavation support system**: Focusing on high-value rental clients, infrastructure developers and bridge & road contractors, with a particular emphasis on SOEs and central government-affiliated entities.
- **Neo-formwork system**: Advancing "Headquarter-to-Headquarter" strategic cooperation, deepening integrated service models, and providing customized formwork engineering solutions to clients.

Strategic partnership with China Railway 25th Bureau

Visit by Deputy GM of CSCEC 8th Bureau

Business structure optimization has been gradually translating into margin improvement

- Through multiple initiatives including pricing management, performance reviews and asset optimization, the Company is streamlining the business mix—expanding high-efficiency areas and shrinking low-efficiency ones—to restore domestic gross margins.

General equipment-related business

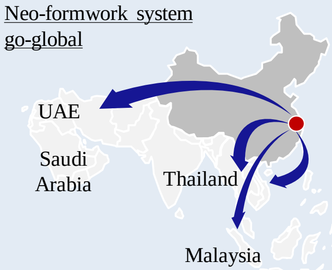
- focusing on high-margin orders through rental price floor monitoring and order-level gross margin KPI
- Upgrading diesel-driven boom-lifts to electrified model to boost efficiency
- Further scaling down the proportion of entrusted equipment
- Disposing or redeploying low-efficiency domestic equipment to overseas when scaling up high-efficiency products

Material asset-related business

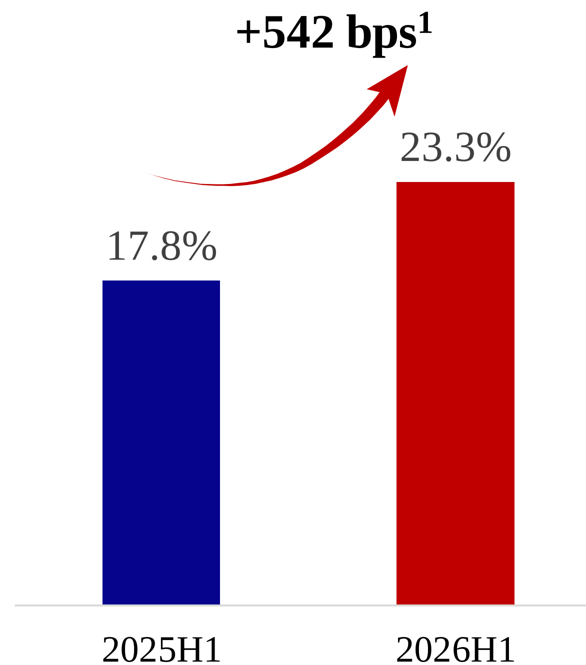
- Exiting low-margin engineering businesses while increasing the share of higher-margin operations
- Taking neo-formwork systems global while trimming low-efficiency domestic business

Secured multiple contracts for the lower Yalong River steel trestle bridge project, with 80,000 tones of materials already delivered

Neo-formwork system go-global



Domestic gross profit margin



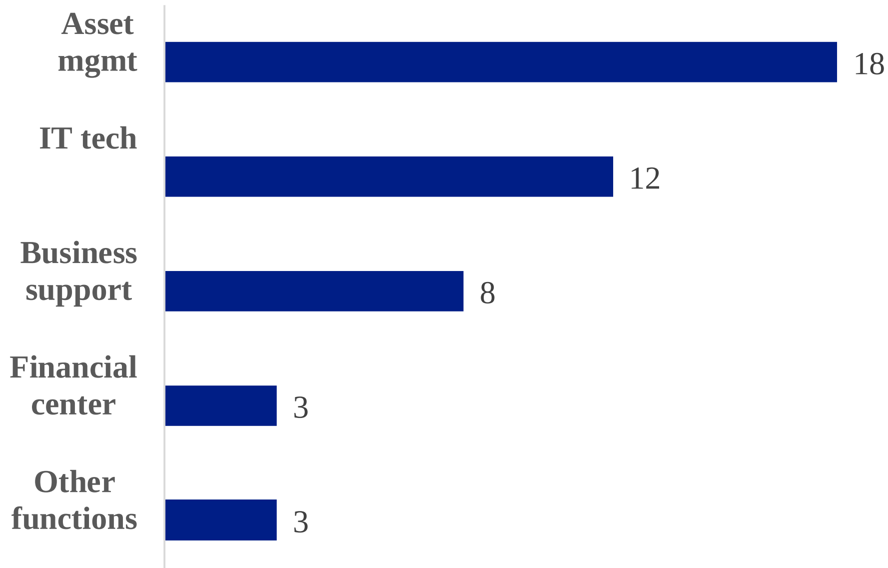
Note:

1. Changes are based on unrounded gross margin data.

Launching an AI strategy to progressively boost operational productivity

- AI has been elevated to a company-level strategic priority for HCD. Currently, the Company will first focus on core business scenarios, improve the efficiency of each business link through AI single-point tools, and build a foundation for intelligent agent application technology.
- The next phase will involve upgrading from traditional human-machine interaction to a multi-agent collaborative network to automate and intelligentize complex business processes, significantly improving end-to-end processing efficiency.

Applicable scenarios for AI tech



44 AI-applicable efficiency scenarios have been identified and are being gradually deployed. Examples include intelligent client assistants, telemarketing support, rental order validation, maintenance work order verification, and off-hire asset inspection…

Example of AI-driven efficiency: Asset condition check and loss determination after return

AI recognition: the off-hire photo is invalid because the equipment's left edge is cropped out
Impact: improved review efficiency and reduced disputes over loss liability

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

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- Through optimizing domestic warehouse layouts and implementing refined logistics management, the cost efficiency for operating leasing services has been improved.

Logistics & warehouse management

Streamline of warehouse management

1 Optimized outlet assessment

Evaluate based on criteria such as asset volume, dispatch rates, transport costs and size

2 Standardized infrastructure

Upgrade the standard & supplier pool to decrease the infrastructure cost

Innovative transport capacity and models

1 Chartered transport

Based on updated order data and warehouse mapping, 95 charter vehicles are covering 86 outlets

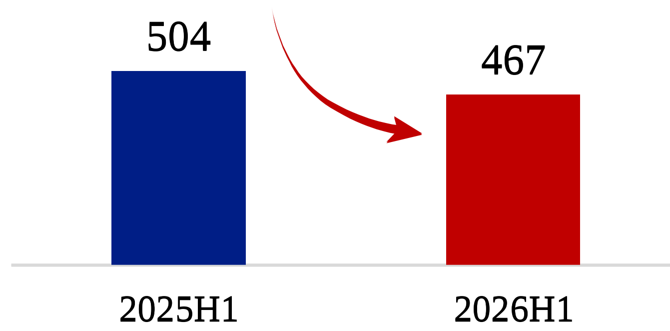
2 Pilot program for new energy recovery trucks

Lower energy and maintenance costs deliver ~20% annual cost savings per vehicle vs. fuel-powered models.

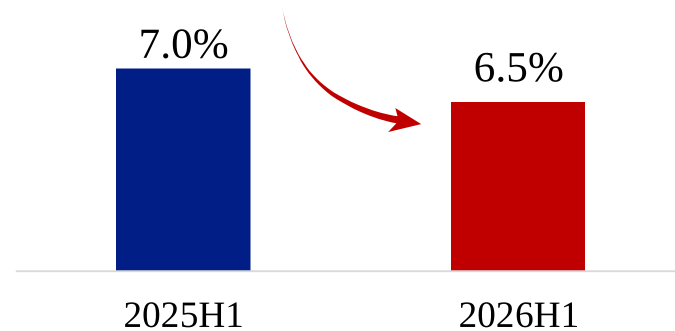
3 Optimized supplier resources

Expanding capacity resources and streamlining procurement and pricing workflows.

Streamline the domestic outlets



Logistic and lifting cost ratio[1]



Note:
1. Refers to the logistics and lifting costs as a percentage of revenue

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

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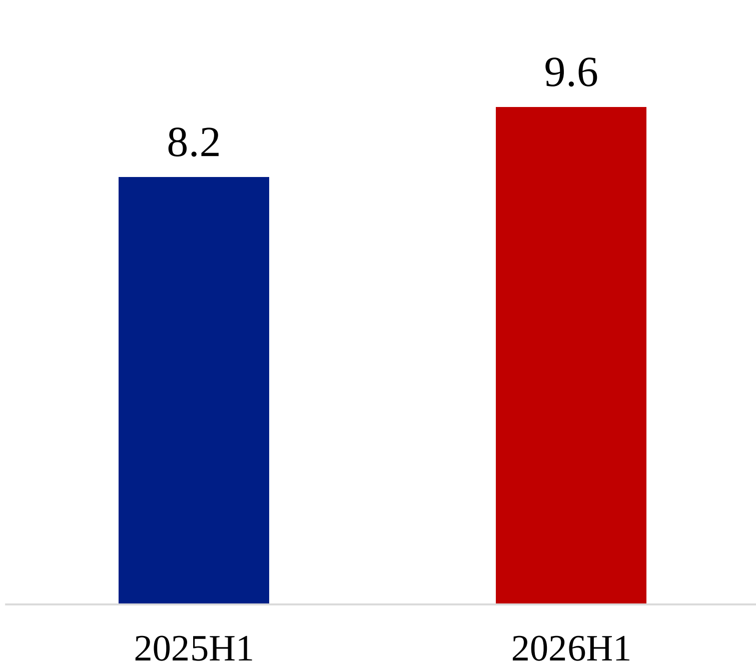
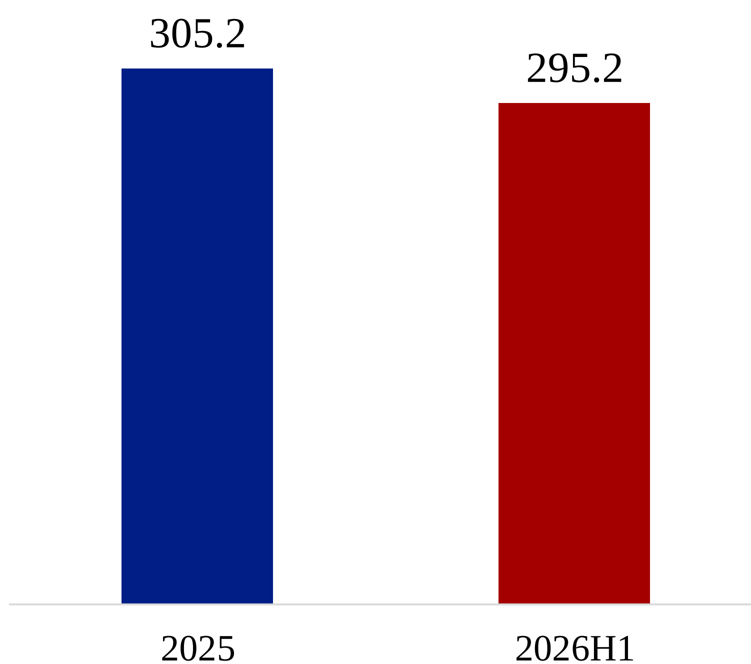
- Based on factors within the domestic operating leasing industry environment, the Company proactively control the scale of domestic asset under management and imposed strict disciplinary controls on total capital expenditure to ensure a safe and stable debt-to-asset ratio.

Capital expenditure (RMB'00 million)



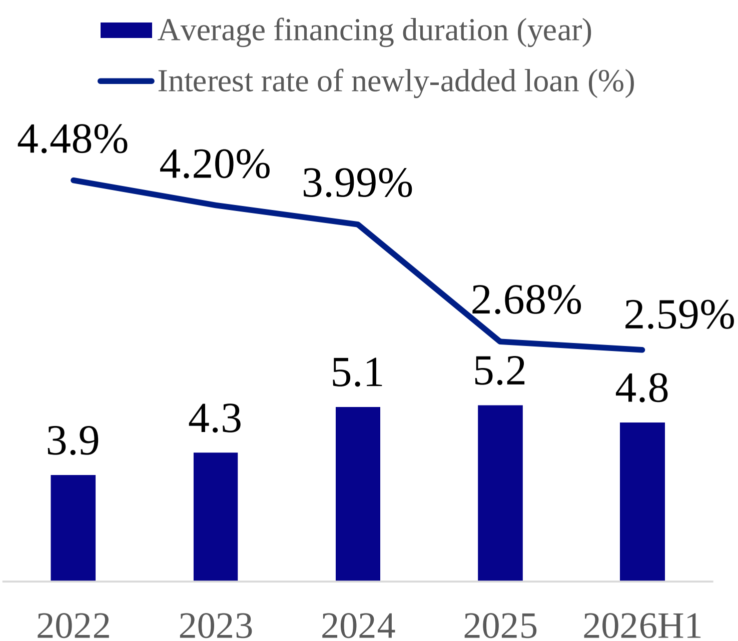
Total domestic assets (RMB'00 million)



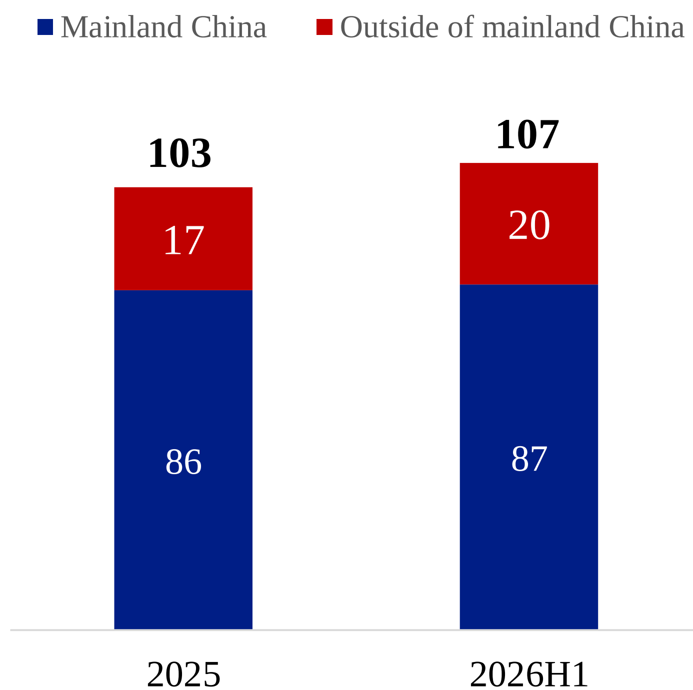
The Company is equipped with the industry-leading funding capabilities

- 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 manufacturers. In 2026H1, our financing structure kept optimized and credit sources remained abundant. During the period, the number of collaborative institutions increased to 107, among which there were 20 overseas institutions; 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

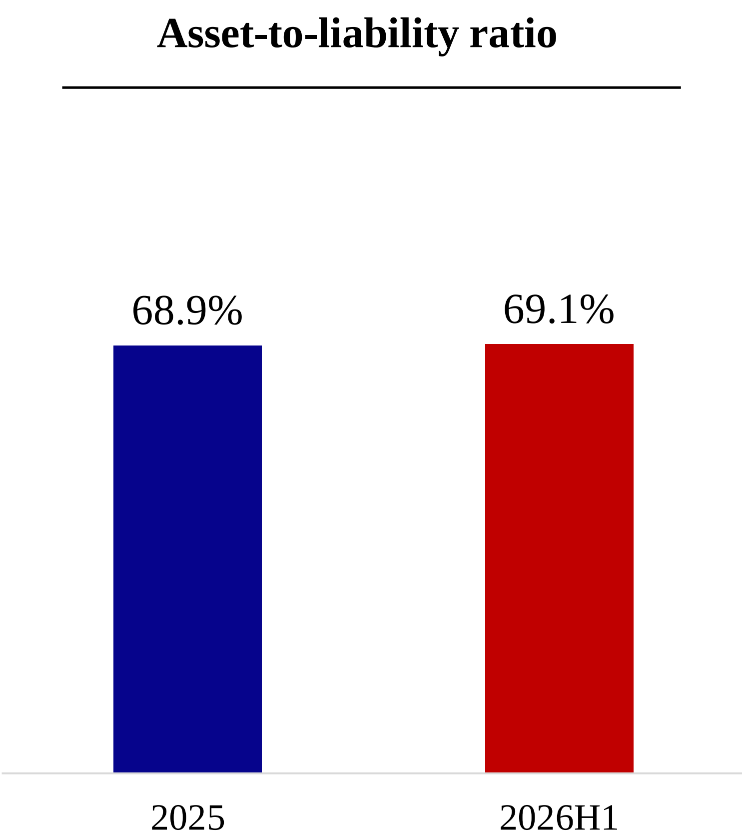


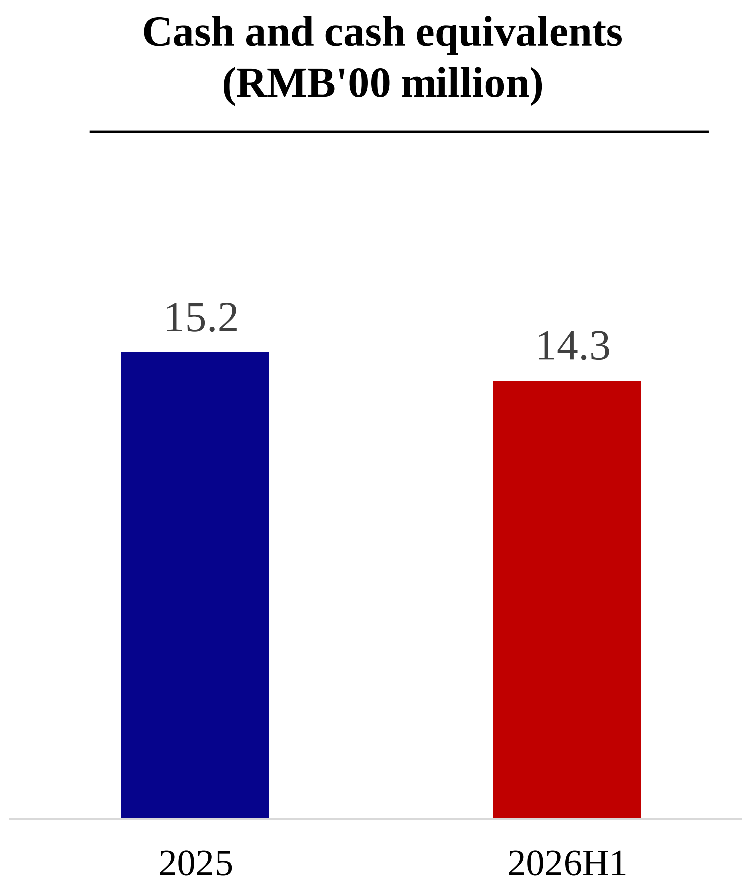
Number of collaborative institutions



Capital structure

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





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

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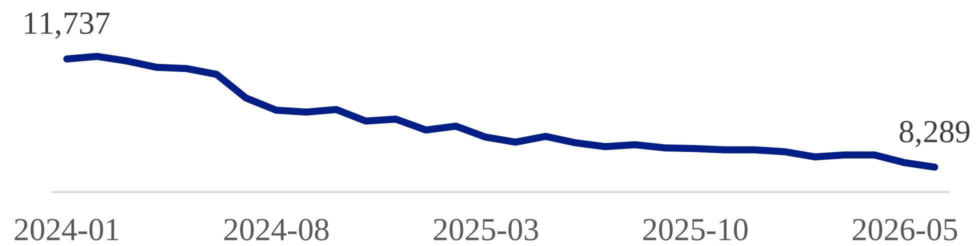
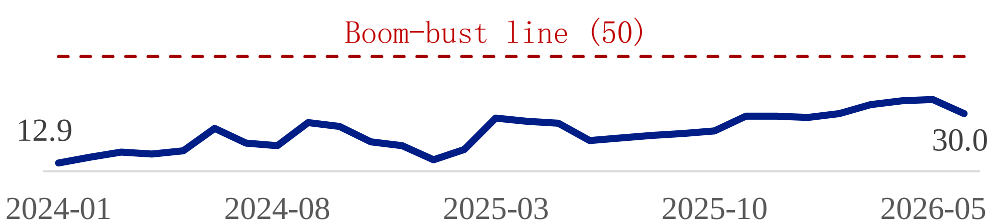
- The current domestic industry environment remains challenging, but both the sales side and rental prices are gradually entering a bottoming-out phase.
- The Company will leverage a capital structure superior to that of our peers and maintain a prudent operational stance to prepare for potential future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

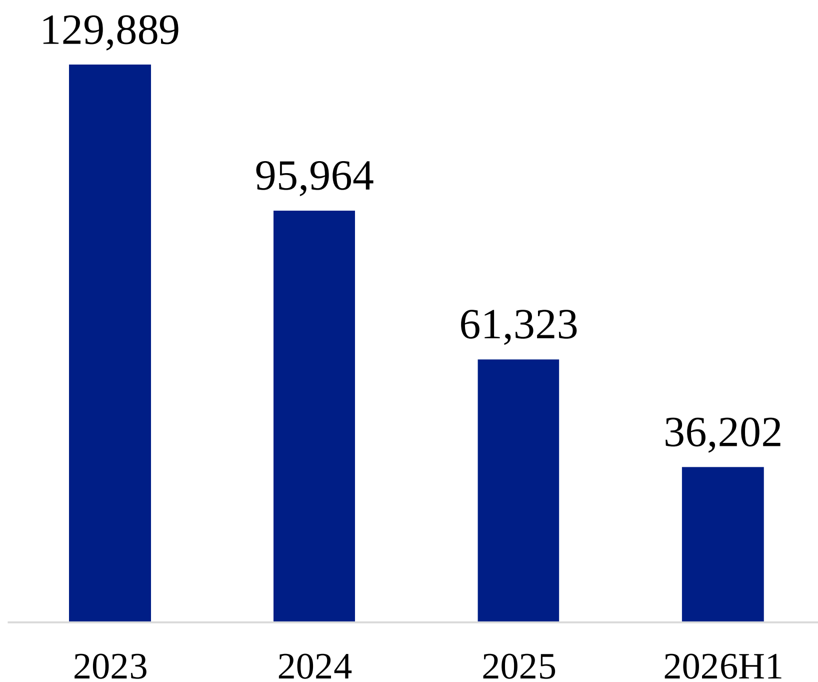
Domestic rental price index of AWP
(from January 2024 to June 2026)



Domestic rental price index of ring-lock scaffold
(from January 2024 to June 2026)



Domestic sales volume of major Chinese AWP manufacturers (units)



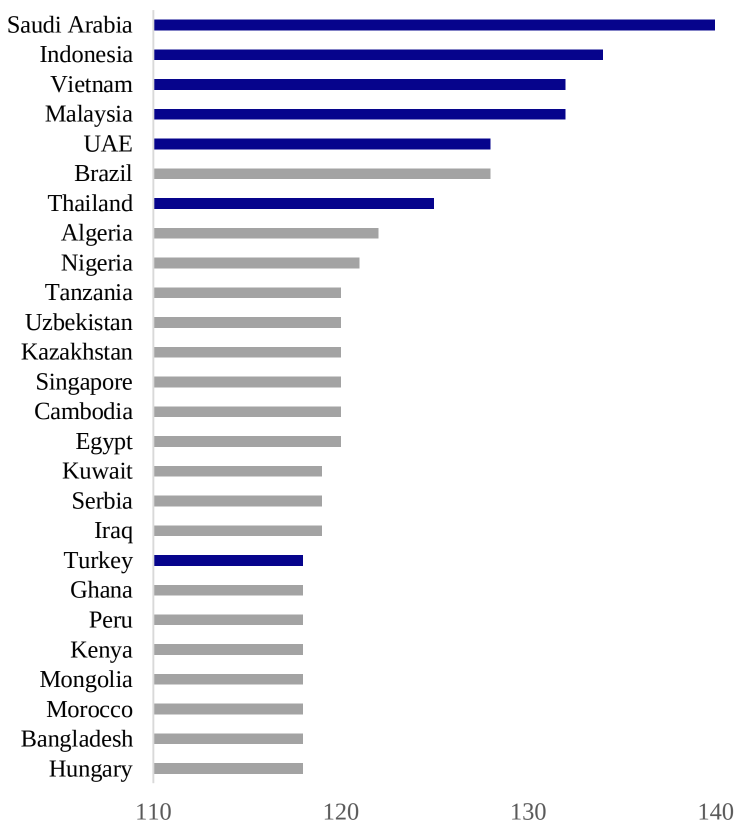
Source: China Construction Machinery Association and China Construction Materials Rental Contractor Association

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:

Source: *"One Belt, One Road" National Infrastructure Development Index Report 2025*, by China Foreign Engineering Contractors Association

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

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- In the future, under the "3+3+3" strategy[1], 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

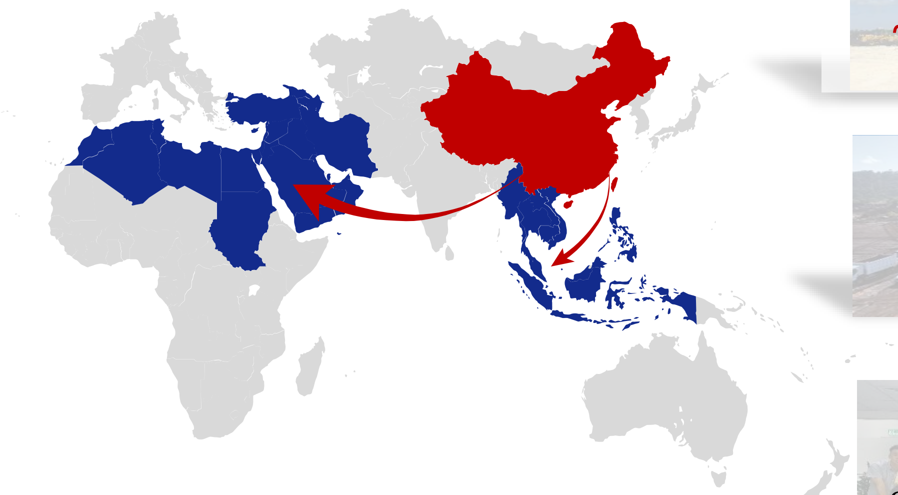
Note:
1. Formulated at the beginning of 2024.

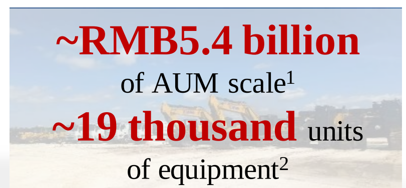
Overview of overseas presence

- In line with the Board's overseas strategy, the company has entered into the markets of Indonesia, Malaysia, Vietnam, Thailand, Saudi Arabia, the UAE, Turkey, Kazakhstan, Tanzania and Morocco, rapidly expanding its business network, workforce and assets.
- The overseas team will be further localized and internationalized, attracting senior talents with international management and operational experience in the overseas leasing industry.

Overseas business layout overview

(As of 30 June 2026)





Building an international high-level talent team

Markeon Moore

Markeon Moore joined us in February 2026 as the Senior Specialist in Lean Operations, bringing over 12 years of industry experience from United Rentals, where he most recently served as Director of Operational Excellence.

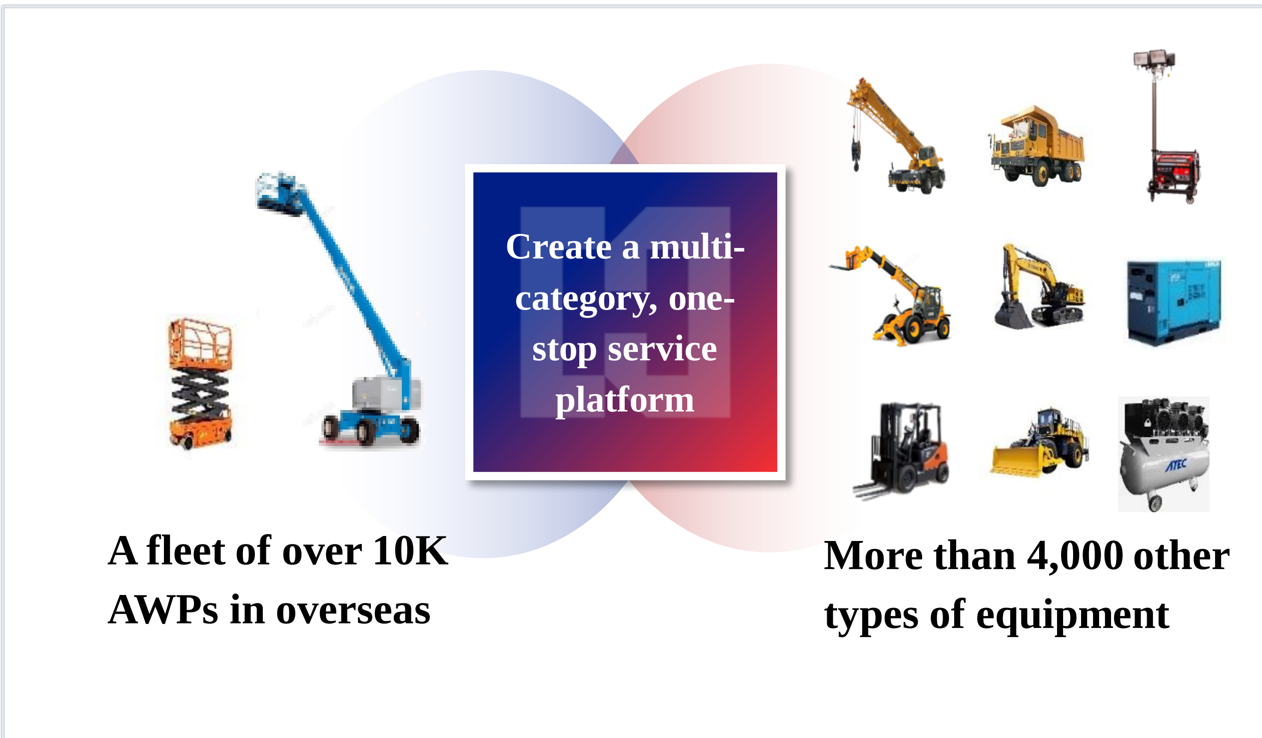
Ahmed Shabrawi

Ahmed Shabrawi joined us in April 2026 as Country Manager of the Saudi Arabia Business Department, bringing extensive management experience in the international equipment rental industry, including key leadership roles at Aggreko, Hertz Dayim Equipment Rental, Rapid Access (Loxam Group) and other top-tier firms.

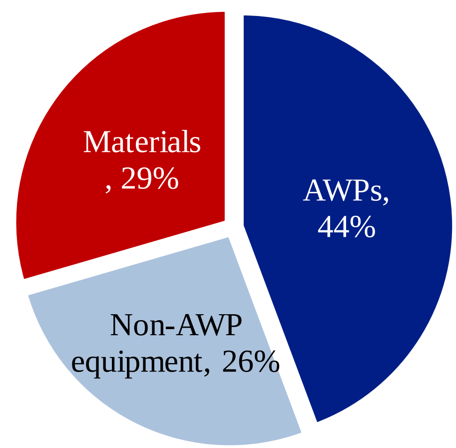
Note:
1. Original asset value;
2. Including AWP, mining and other equipment.

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 AWPs 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 AWPs in overseas markets, forming a multi-category, one-stop equipment service platform.



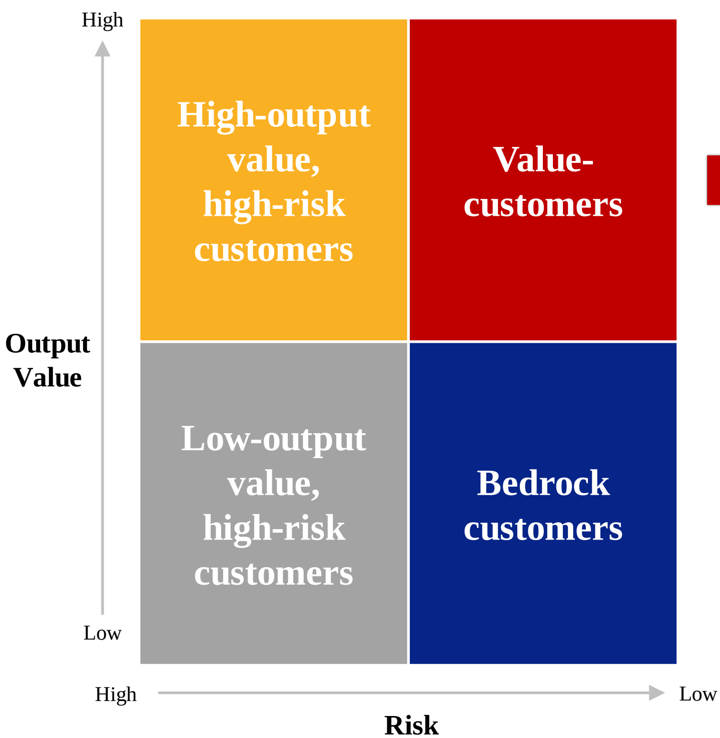
Structure of asset under mgmt (By original asset value)



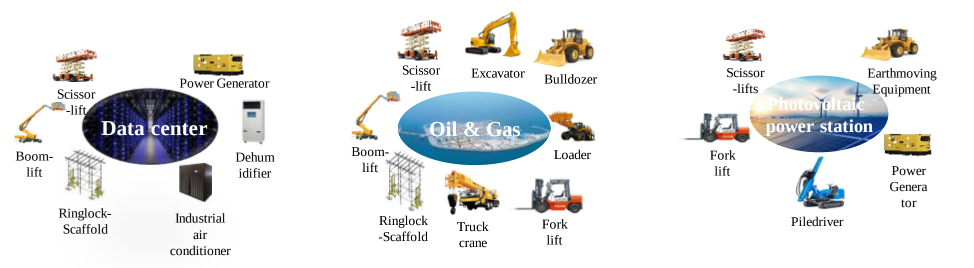
Focus on developing local value-customers

- In the overseas business department, customer segmentation and classification management is promoted based on customer value and risk dimensions.
- Deeply engaging with value-customers and enhance customer retention through one-stop solutions.
- Controlling the collaboration size of high-value, high-risk clients, exiting low-value/high-risk clients, and accompanying bedrock customers in long-term growth.

Targeting the needs of high-value customers and enhancing one-stop solution capabilities.



- Criteria for identifying value-customers: industry position, professional qualifications, potential cooperation amount, settlement and payment history...
- Deeply engage with value-customers and provide multi-category, one-stop solutions.



- Establish a key account marketing organization with dedicated personnel to develop valuable clients.
- Improve service quality and enhance customer retention.

Overseas business performance in each country

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- 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.

Overview of overseas countries (countries already established presence)[1]

	Malaysia	Thailand	Vietnam	Indonesia	Saudi Arabia	UAE	Turkey
No. of branches	12	8	13	10	16	11	4
AUM[2] (RMB'00 million)	7.8	4.7	6.3	6.8	15.1	12.6	0.7
Equipment units[3]	>4,100	>3,000	>2,100	>1,900	>4,000	>2,500	900
Number of collaborated value-customers	30	12	23	8	34	16	15

Note:
1. As of 30 June 2026;
2. Original asset value;
3. Including AWP, mining and other equipment.

New target markets

- In the first half of 2026, the Company further expanded into new overseas markets, entering the Moroccan, Tanzanian and Kazakhstani markets and gradually deploying its "people, branches and equipment". It is expected to officially enter the Brazilian market in the second half of the year.

Overview of overseas countries (countries recently established branches)[1]

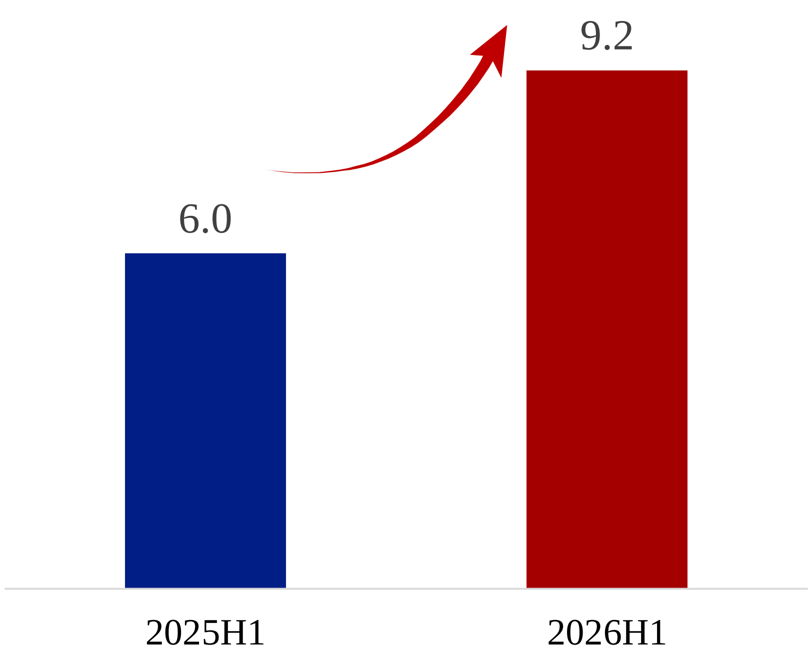
	Morocco	Tanzania	Kazakhstan	Brazil
No. of branches	1	1	1	Expect to enter the Brazilian market in the second half of the year.
AUM[2] (RMB'00 million)	0.1	0.1	0.2	
Equipment units[3]	46	30	88	

Note:
1. As of 30 June 2026;
2. Original asset value;
3. Including AWP, mining and other equipment.

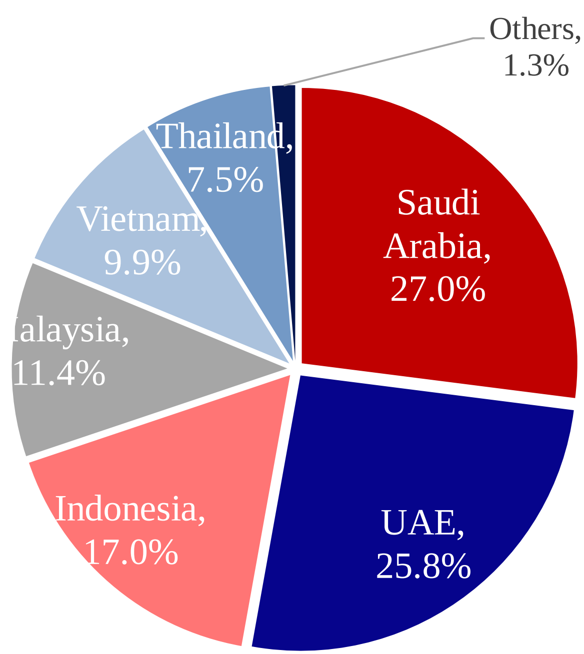
Overseas business revenue contribution becomes prominent

- In the first half of 2026, as the operating system in existing overseas countries was gradually improved, the scale of overseas business rapidly increased, achieving revenue of approximately RMB 920 million, representing a year-on-year increase of approximately 54.7%, and has formed a balanced development pattern between the Southeast Asia and Middle East regions.

Revenue of overseas business (RMB’00 million)



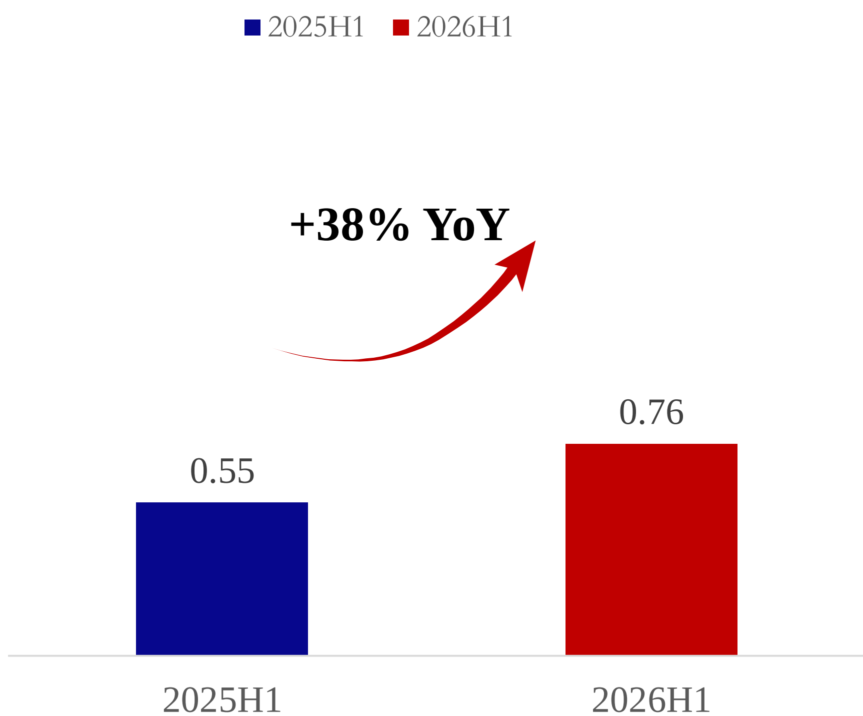
Overseas revenue breakdown by country in 2026H1



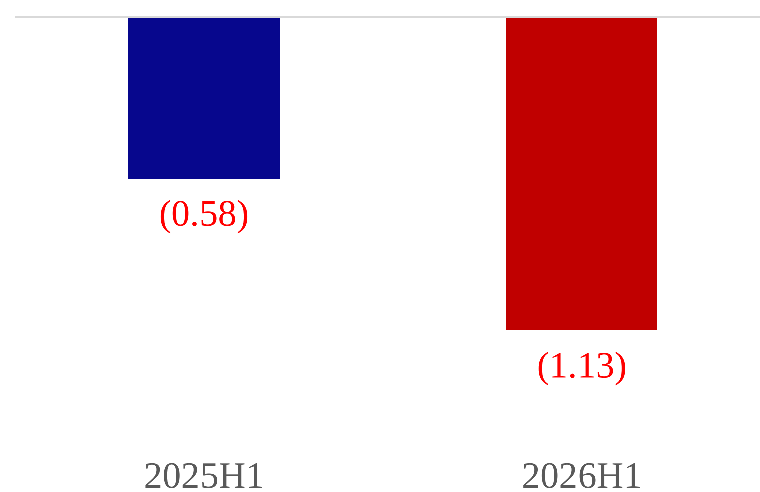
Profitability of overseas business

- In the first half of 2026, the Company's overseas business achieved approx. RMB76 million, increasing approx. 38% year-on-year from the same period of last year after excluding the expense accruals[1]

Net profit of overseas business (RMB'00 million, incl. expense accruals[1] impact)



Impact of expense accruals[1] on overseas business profits (RMB'00 million)



Note:
1. In view of the increasing maturity of the Group's overseas operations, the Group has allocated to the overseas segment certain expenses — including senior management compensation and interest costs — based on the segment's utilization of headcount resources and funding requirements for trade receivables.

Overseas business growth plan

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

Note: The forecast data contained on this page represents only the current expectations of the Company's management. Please refer to the full text of the "Disclaimer" on page 2 of the homepage materials for details. The Company has no obligation to update these forecasts.

Q & A

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