



Investor Presentation

Horizon Construction Development

July 2025

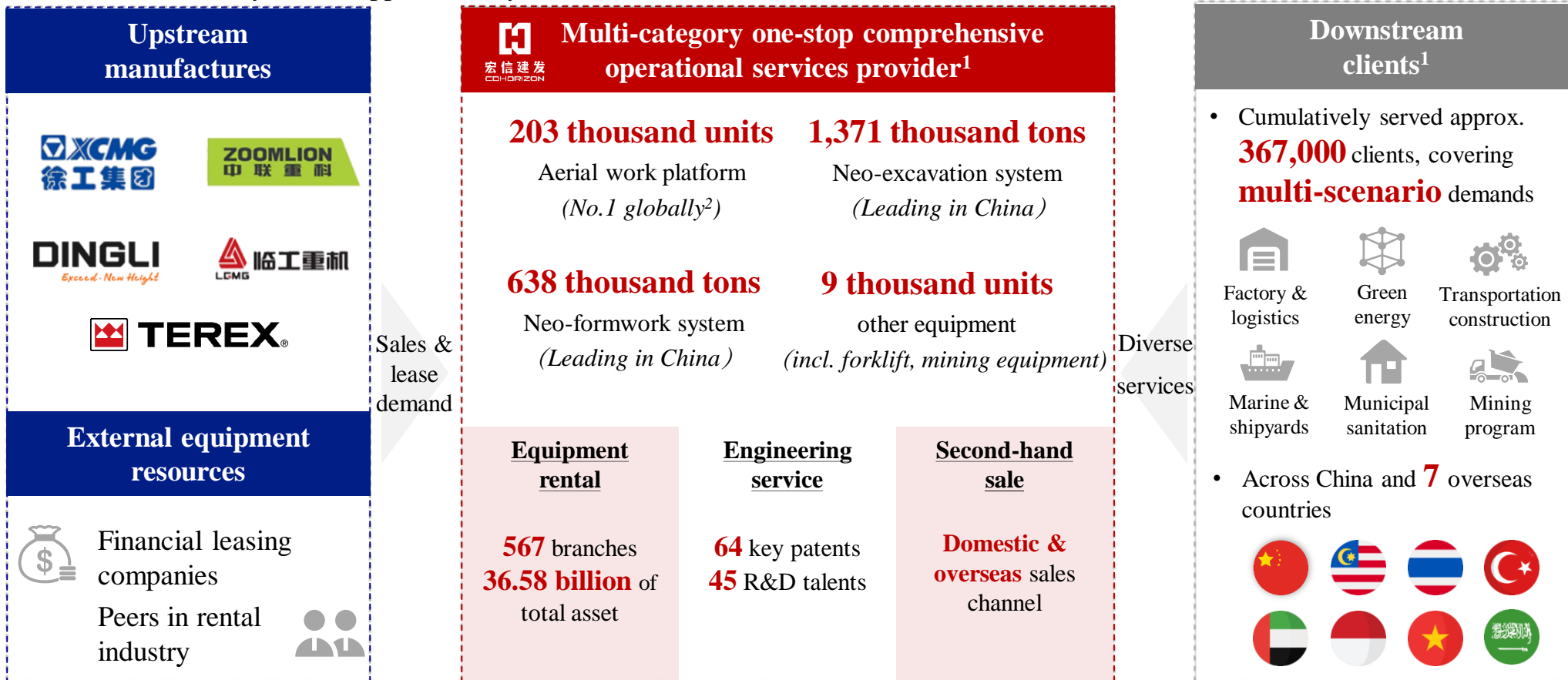
Disclaimer

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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

- Horizon Construction Development (“HCD”) has been in the dominant position in China’s equipment operation service industry for years.
 - Total asset reaches about **RMB36.58 billion**, and the volumes of aerial work platforms (“AWPs”), Neo-excavation systems & Neo-formwork systems under management are **leading the domestic market**;
 - Established **567** branches globally;
 - Cumulatively served approximately **367,000** clients.



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



Phase 2 (gradually entering)



Phase 3



- Absolutely leading in China market
- Explore the Southeast Asian market
- Equipment operation with selective categories
- 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
- **First-class global provider of comprehensive equipment operation services**, with a multinational business group structure

Note:

1. Formulated at the beginning of 2024.

① Interim Business Review

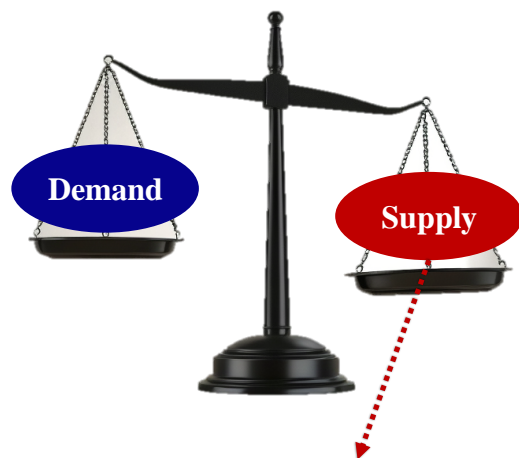
② Interim Financials Review

1. Domestic Business

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 domestic rental prices of aerial work platforms and scaffolding are still showing a downward trend.

Domestic supply and demand pattern unchanged

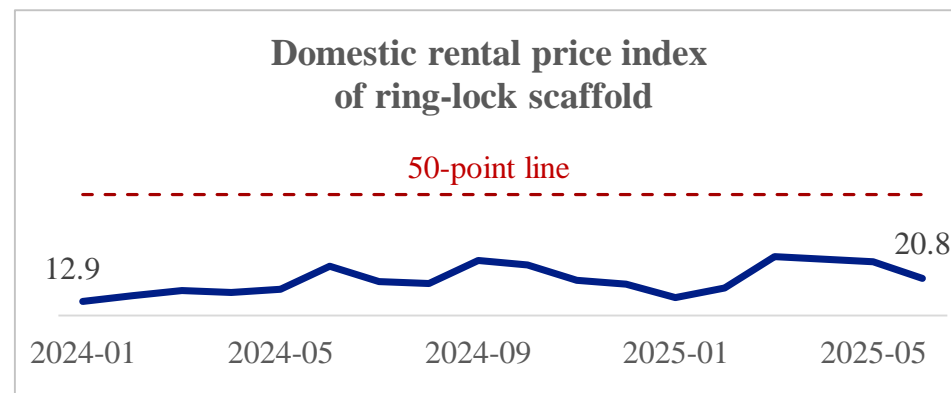
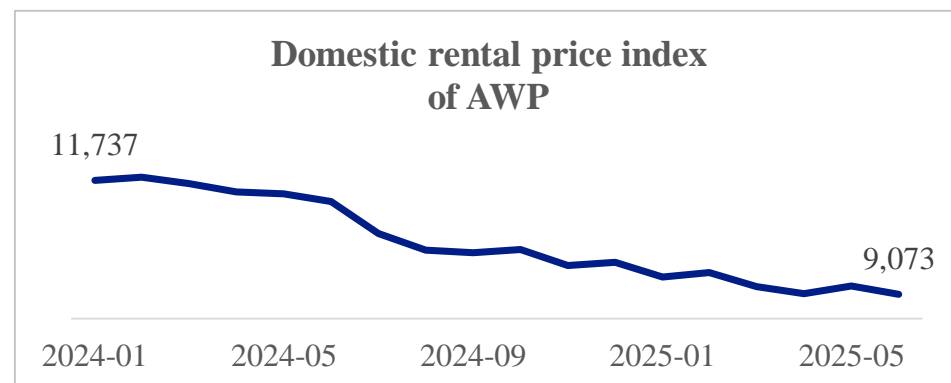


Take AWP industry as an example:

- 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

.....

Continuous pressure on rental price of AWP and ring-lock scaffold in China¹



Domestic strategy: from "scale-driven" to "lean management"

The industry situation faced by the company

- After more than a decade of development in mainland China, the company has built the global top-tier AWP fleet and business network.
- With the changes in the market environment in recent years, the return on investment of the entire equipment operation industry has faced challenges, and the supply side has entered a stage of clearing.
- During the industry clearance and adjustment period, cash flow is more important than scale, and safety and stability take priority over occupying market share.

The company's response strategy

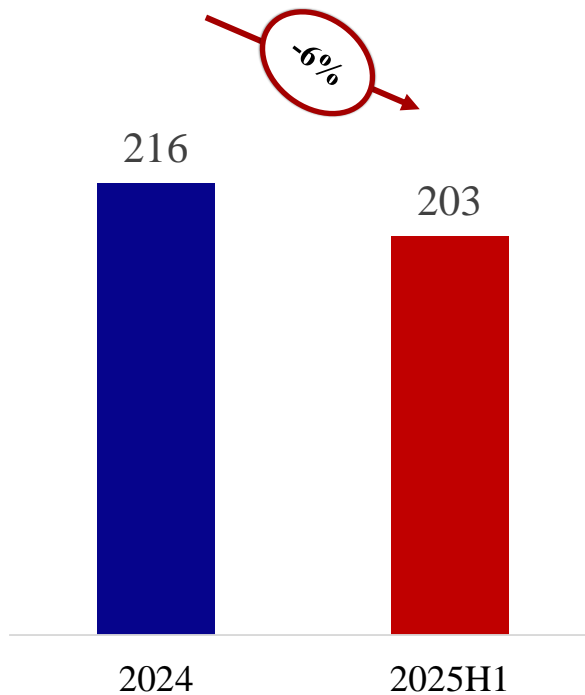
The company will take the lead in shifting from "scale-driven" to "**lean management**" in China:

- Control capital expenditure and net debt
- Optimize asset structure and capital allocation
- Improve business operation efficiency and quality

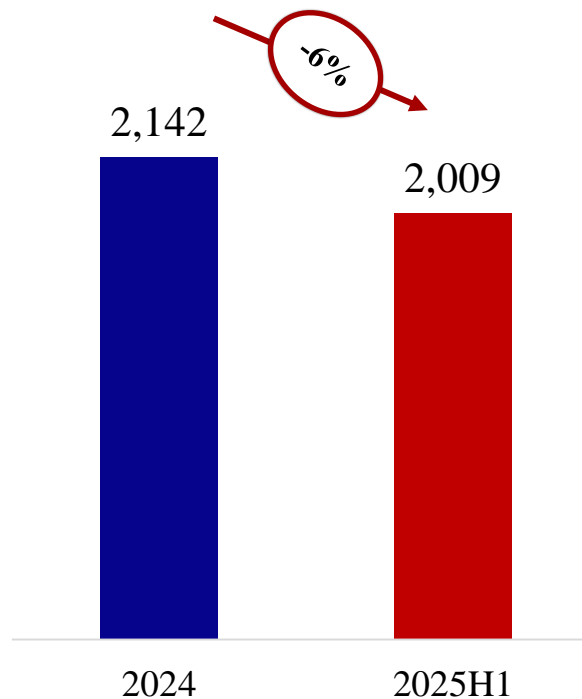
Proactively control business scale

- Following the adjustment to its “scale-driven” strategy, the company has disciplined the scale of equipment and material management as well as capital expenditures.

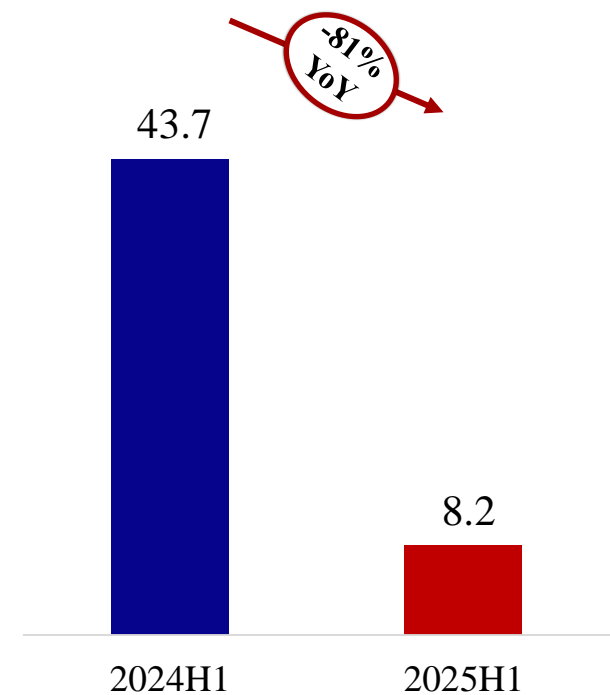
**Management scale of
AWPs
(in thousand units)**



**Management scale of
material assets
(in thousand tons)**

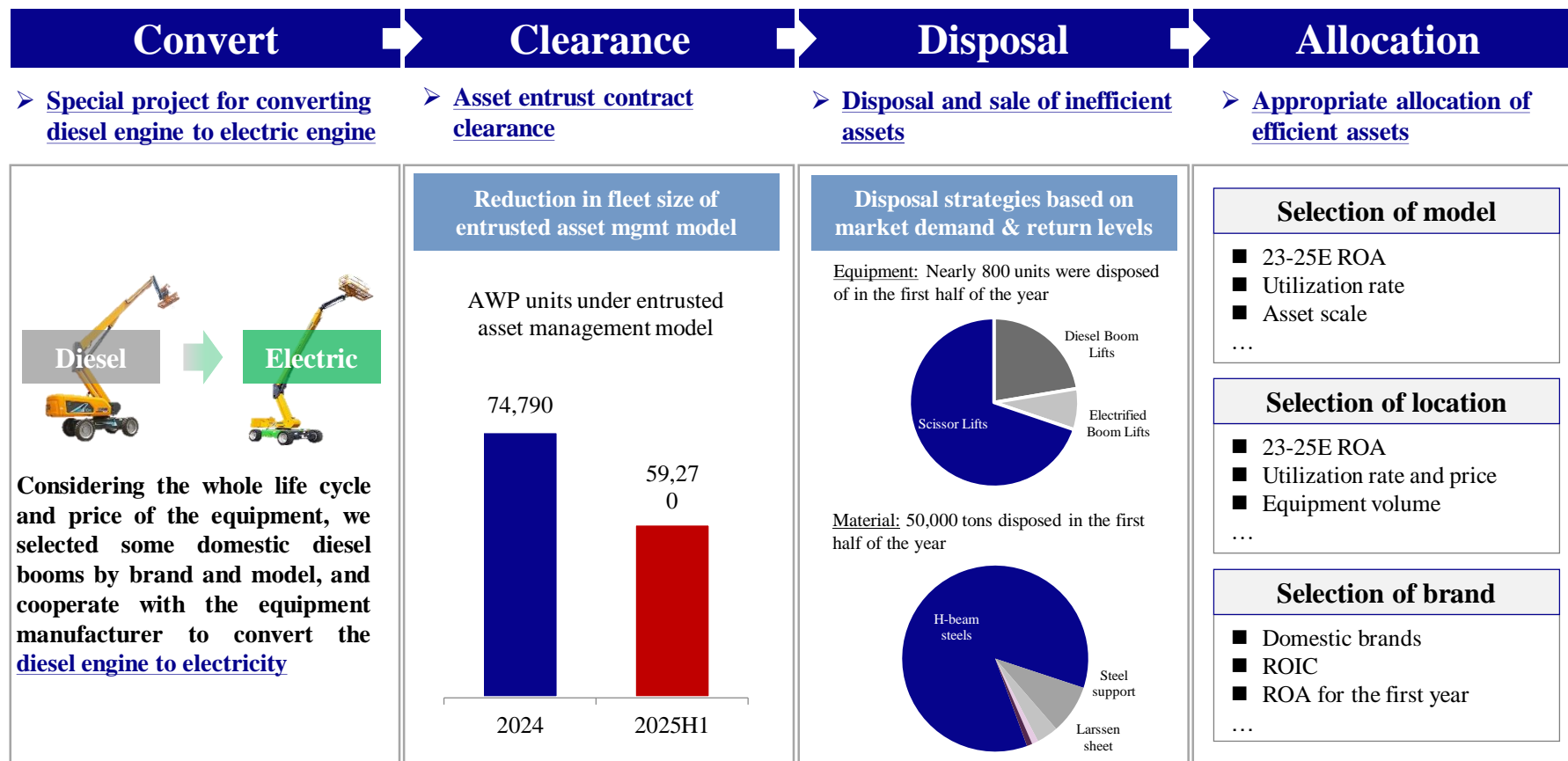


**CAPEX
(RMB'00 million)**



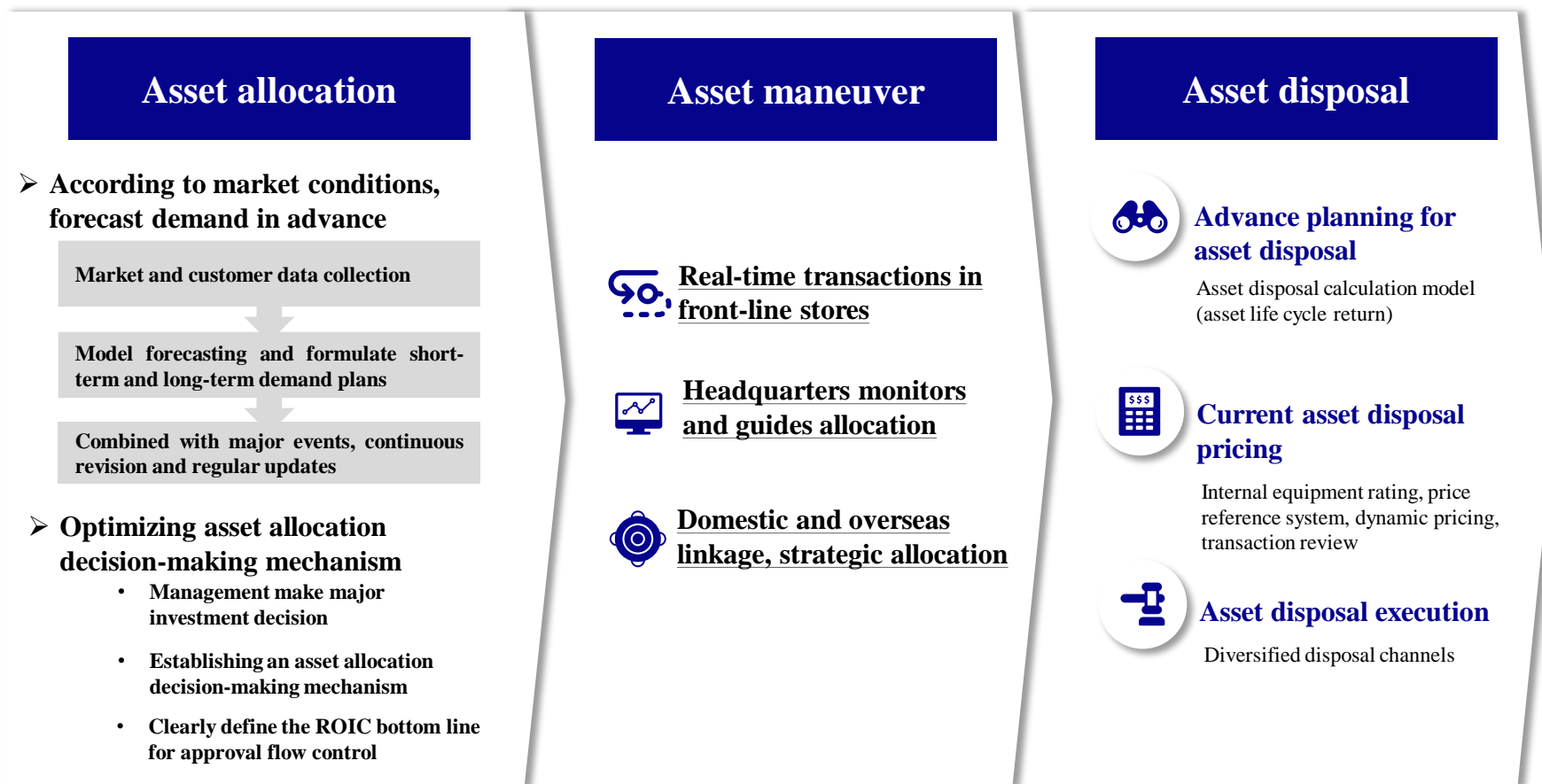
Optimized asset structure

- Adhering to the pursuit of "lean management", the company optimized its asset structure in the first half of the year through asset transformation, asset entrust contract clearance, disposal of inefficient assets and addition of efficient assets.



Optimized asset lifecycle management

- In the process of optimizing and adjusting the asset structure, we started from improving the complete mechanism of asset allocation and allocation and disposal, achieving further optimization of operational efficiency around the entire life cycle of assets.

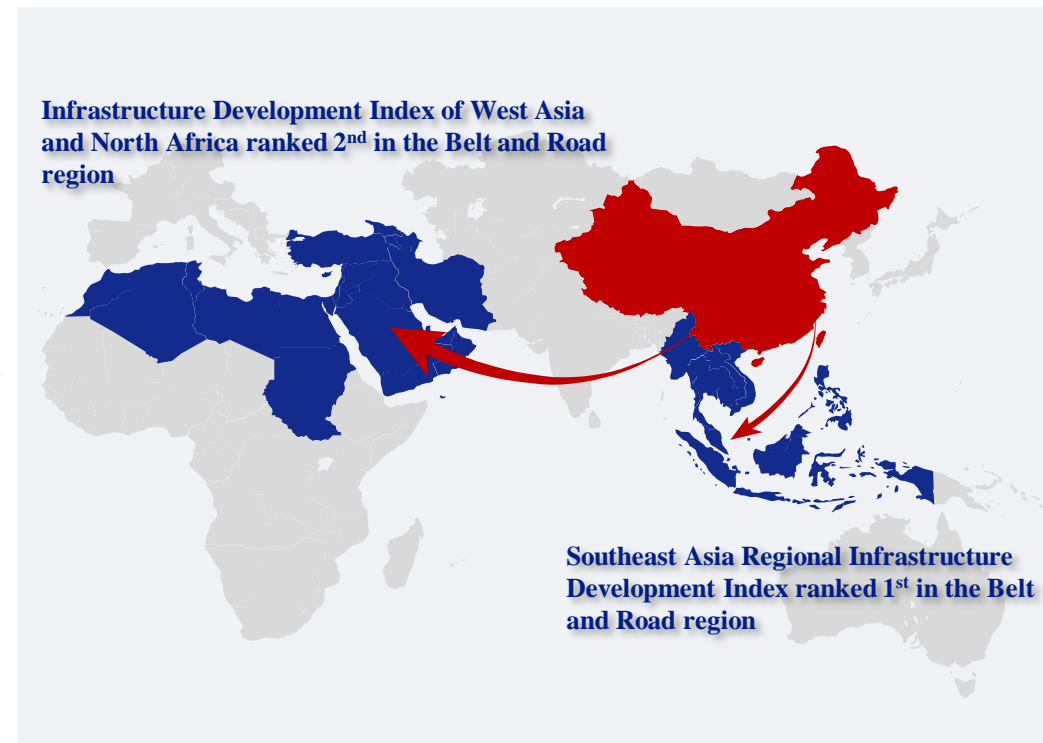
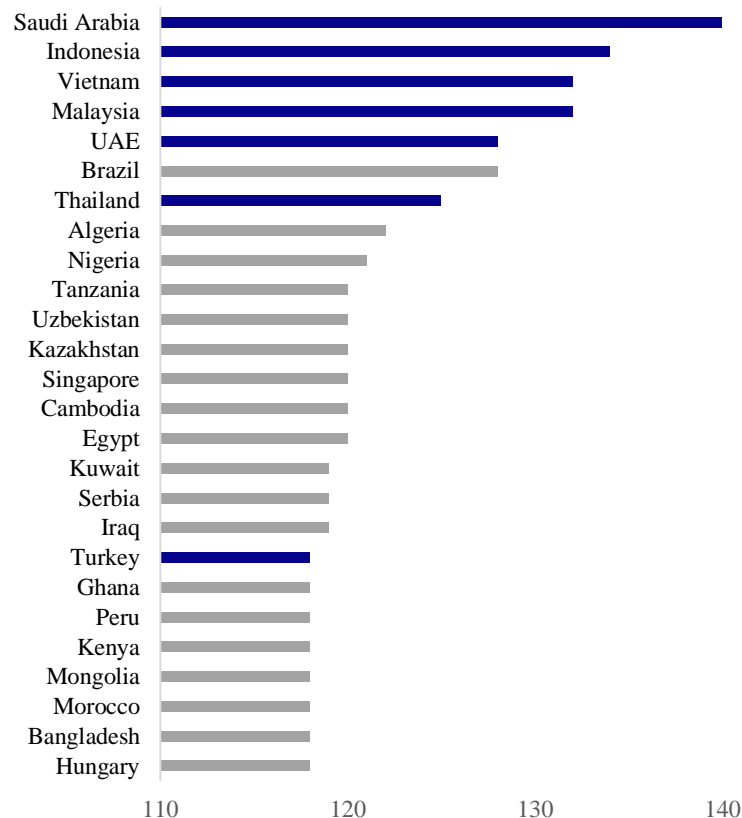


2. Overseas Business

Overview of overseas markets

- 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)



HCD implements the "3+3+3" strategy to fully realize business layout in the selected overseas markets

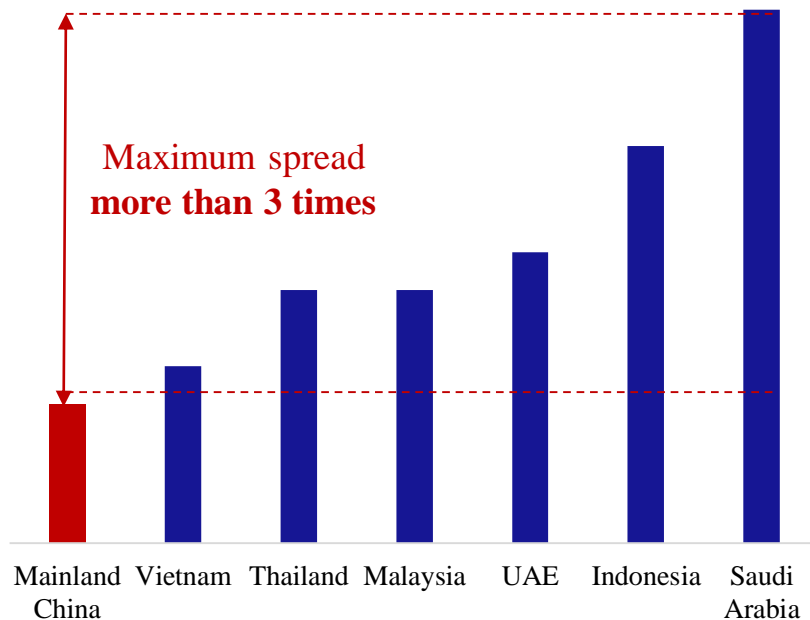
Yields of overseas market

- At present, the overseas countries that the Company has entered into are experiencing strong demand for equipment operation services. At the same time, due to the limited service capacity by peers in the local markets, local rental prices have brought higher returns to leasing companies.

Comparison of equipment rental prices between China and abroad

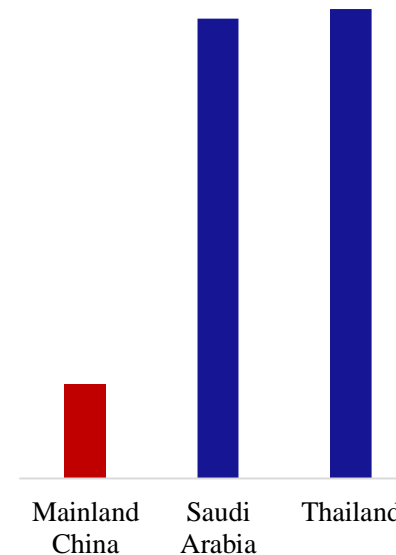
Equipment

Monthly rent of a certain type of AWP

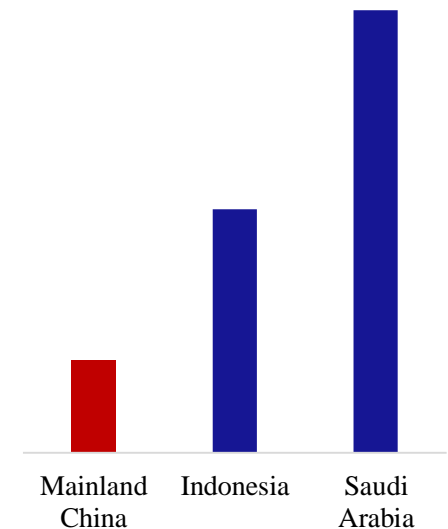


Materials

Monthly rent of ring-lock scaffold



Monthly rent of Larson steel sheet pile



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 30 June 2025)



Approx. **RMB4.3 billion**
of AUM scale¹
Over **15 thousand** units
of equipment²

63
overseas branches

932 talents
Over **85%** of localization

Note:








1. Original asset value;

2. Including AWP, mining and other 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	14	8	12	10	8	8	3
AUM ² (RMB'00 million)	5.1	4.5	6.1	7.5	11.6	7.7	0.9
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	>4,600	>3,000	>1,800	>1,800	>2,000	>1,500	>900

Note:

1. As of 30 June 2025;

2. Original asset value;

3. Including AWP, mining and other equipment.

Multi-dimensional upgrading of overseas operation capabilities

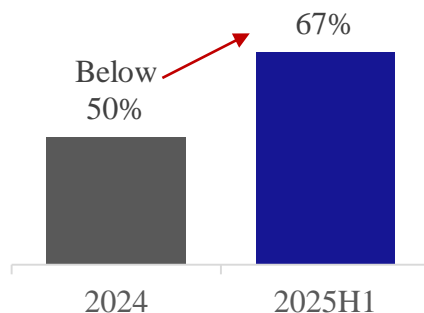
- Based on the marketing advantages for clients with Chinese background, the company actively expands its local client base and gradually establishes a trusting partnership.
- Overseas equipment management categories are more diverse, not only adapted to local conditions, but also conducive to cross-selling and dispersing equipment category concentration risks.
- Explore wet-lease business and expand business boundaries.

Stronger local customer penetration

Past: Mainly serving Chinese-capital background customers

Now: Chinese-capital background+ local customers

Trends in the proportion of overseas local customers

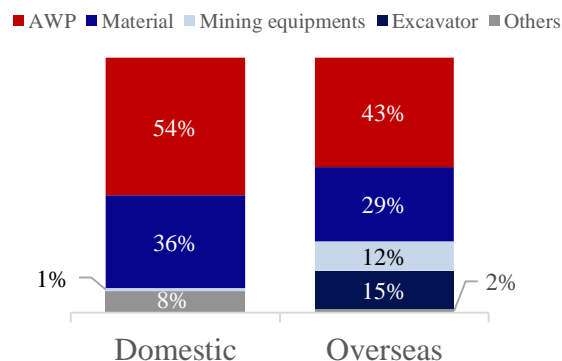


More diverse equipment portfolio

Past: Rely on three major traditional product lines

Now: A more balanced and diversified portfolio

Structure of asset under mgmt (By original asset value)



Navigating new business models

Past: Mainly dry leasing

Now: Dry lease and wet lease (with operator provided)



Take Saudi Arabia as an example: :

- A total of 19 wet lease projects have been completed, and the wet lease equipment includes excavators, telehandlers, etc.
- Manage about 80 operators

The upgrade of overseas operation capabilities brings competitive barriers

- We have shifted from an only “project-based” system to a “project plus client-based” system to market to large clients who have more comprehensive and high-end demands, and have established competitive barriers overseas through comprehensive service capabilities for multiple equipment categories.

Large clients with more comprehensive demands

Traditional “project-based”
system to access client



“client-based” system
to access clients



Fundamental capabilities: diversified overseas equipment categories, large scale and sophisticated service system

Our project case in 2025: Abu Dhabi Mid Island Parkway Road and Bridge Construction Project



HCD provided China Harbour Engineering Company Limited with comprehensive equipment services including 13 excavators, 5 telehandlers, 6 AWP, and 1,500 tons of ring-lock scaffolding.

Use digital solutions such as artificial intelligence to improve efficiency and control risks

- Through the company's own internal digital capabilities, domestic artificial intelligence LLM models are integrated into overseas business processes to build an intelligent solution matrix covering the entire business chain.
- At present, AI applications built based on DeepSeek R1 have expanded to multiple rental business scenarios such as contract review, asset management, work order management, and legal proceedings, forming an application scenario coverage from front-end business support to back-end risk management.

建筑工程施工合同.pdf 审查 法律危险 (工程) 退出审查

1 / 211 70%

مكتب الضرائب	الرقم الضريبي	ADDRESS	TAX OFFICE	TAX NUMBER
المالك	التمثيل	PHONE	EMAIL ADDRESS	
مكتب التسجيل	المسجل التجاري	REGISTRY OFFICE	REGISTRY NUMBER	

اسم الشركة	المسجل	TITLE / COMPANY	ADDRESS
مكتب الضرائب	الرقم الضريبي	TAX OFFICE	TAX NUMBER
المالك	التمثيل	PHONE	EMAIL ADDRESS
مكتب التسجيل	المسجل التجاري	REGISTRY OFFICE	REGISTRY NUMBER

2- موضوع الاتفاقية
سيتم الترخيص باستخدام الآلة (التي سيشترك فيها الطرفان) المشار إليها في المصفوفة (المرفقة في
عنوان اسم الآلة المرفقة: 1. عربات اسناد الآلة) للمستأجر ليعمل على الموقع
Saudi Arabia Eastern Province Dammam Principality في
4473, 7735, Gharb Al Dhahran, Dhahran 34471, Saudi Arabia/Aramco Building
3140. يبدأ على الشروط والأحكام الموضحة في هذه الاتفاقية

3- مدة الإيجار
3.1 تكون مدة الإيجار ("المدة") يوماً ما لم يتم إتمامها مسبقاً وفقاً
لشروط هذه الاتفاقية. تبدأ المدة من التاريخ الذي يتم فيه تسليم الآلة إلى
المستأجر من قبل المورد.

3.2 إذا قام المستأجر بإلغاء الاتفاقية قبل إتمام المدة، يضمن على المستأجر
تسليم المصارف المالية إلى المورد قبل مدة 3 نفل عن المصارف والمصارف الاتفاقية
مستندة في رسالة قسرية مدة الإيجار ("تاريخ الإلغاء") في هذه الحالة يكون
المستأجر مسؤولاً عن دفع جميع المصارف المستحقة وغير المستحقة حتى تاريخ
الرجوع بالآلة إلى رسوم الإيجار المتبقية المحددة في عرض سعر الآلة عن
الفترة المتبقية من المدة.

2. Subject of the Agreement
The Lessor shall rental the machine (hereinafter jointly referred to as
"Machine") specified in the Machine Quotation (Annex 1: Machine Quotation)
to the Lessor to be used in the construction area located at Saudi Arabia
Eastern Province Dammam Principality 4473, 7735, Gharb Al Dhahran, Dhahran
34471, Saudi Arabia/Aramco Building 3140 on the basis of the terms and
conditions set forth in the Agreement.

3. Rental Term
3.1 The rental term ("Term") shall be days, unless terminated earlier
in accordance with the terms of this Agreement. The Term shall commence on
the date upon which the Machine are delivered to the Lessee by the Lessor.

3.2 If the Lessee terminates the Agreement before expiry of the Term, the
Lessee shall give at least 3 months notice in writing to Lessor and the Agreement
shall be deemed terminated at the end of the notice period ("Date of
Termination"). In such case, the Lessee shall be liable for the payment of all
amounts due and unpaid up to the Date of Termination plus the monthly
leasing fee as specified in the Machine Quotation for the remaining period of
the Term.

المستأجر [Lessee] المورد [Lessor]

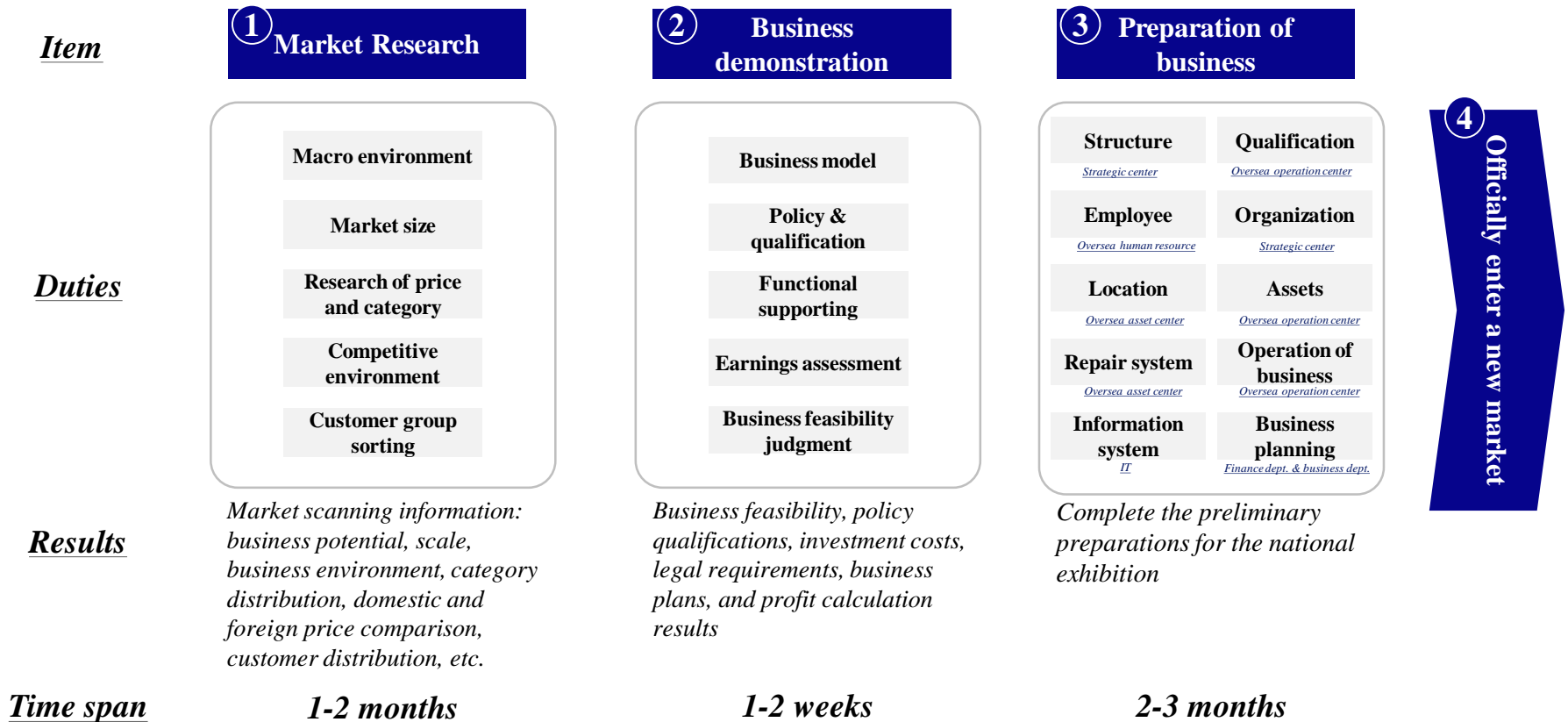
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Our AI application case:
For the commercial contract review of overseas formwork projects, with the help of the natural language processing capabilities of the big model, the key terms of the contract can be quickly captured across languages, risk loopholes can be accurately identified, the traditional manual review cycle can be shortened, and the compliance accuracy rate can be improved.

Accelerate the pace of expansion into new overseas countries through a strong in-house team and equipment scale

- The management team, which has been trained in China's mature market and complex environment, combines China's manufacturing advantages and digital experience. Based on the past overseas experience of exploring and developing in seven overseas countries and the Hong Kong Special Administrative Region, a methodology for expanding into new overseas countries has been refined. After the system is formed, the pace of expansion into new countries will be accelerated.

Establish a mature overseas new country expansion system



Expected to expand into 3 to 5 new countries in the second half of this year.

Alternative path to overseas expansion: M&A

- In addition to going abroad with its own system, the company strives to accelerate its overseas expansion in the "Belt and Road" countries through equity cooperation and external expansion.

The company's criteria for selecting overseas M&A targets

Regional leading company



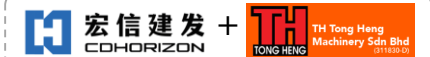
The local leading enterprises are superior to HCD in terms of local client channels, brand building and local cultural integration, and can help HCD quickly integrate into the local market

Professional equipment operation service provider



Enterprises with multiple professional technologies and new product category operation capabilities can help HCD quickly open up the channels of new products and new industries

2025H1 M&A Case



In May 2025, HCD completed the first transaction under its overseas M&A strategy, namely the acquisition of TH Tong Heng Machinery Sdn. Bhd., a long-established leading rental service provider in Malaysia.

TH Tong Heng Machinery acquisition summary

- On May 30, the company completed the acquisition of an 80% equity interests in TH Tong Heng Machinery Sdn. Bhd. (“TH” or “TH Tong Heng Machinery”), valuing the transaction at 6 times adjusted EBITDA.
- TH and HCD demonstrate strong complementary synergies, presenting substantial business integration value.

Target company



TH Tong Heng Machinery

Malaysia's largest **comprehensive multi-category equipment** rental company, with AWP fleet size ranking **1st in Malaysia among local companies** and **71st globally**

- ✓ 1,400 units of AWP
- ✓ 700 units of other equipment
- ✓ 5 branches
- ✓ ~1,000 local clients

2024 Financials	Revenue ~100 million	Total asset ~300 million
	EBITDA ~70 million	ROA 11%
	Net profit ~30 million	Gearing ratio 44%

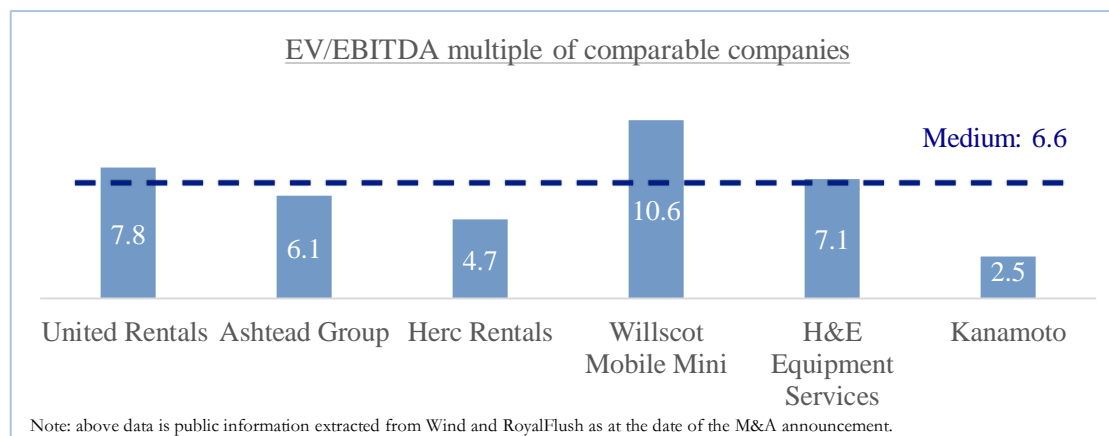
Currency: RMB

Transaction

Staged Acquisition: three phases to complete: 80% equity acquired on the closing date (completed), additional 10% in 3 years, and final 10% in 10 years, afterwards achieving full ownership.

Valuation: 6 times adjusted EBITDA, with an equity value of MYR210 million (approx. RMB 350 million).

Business Integration: Deep integration with the company's existing Malaysian operations across equipment, facilities, IT systems, business operations and personnel, after which our AWP leasing business will hold an absolute market leadership position in Malaysia.

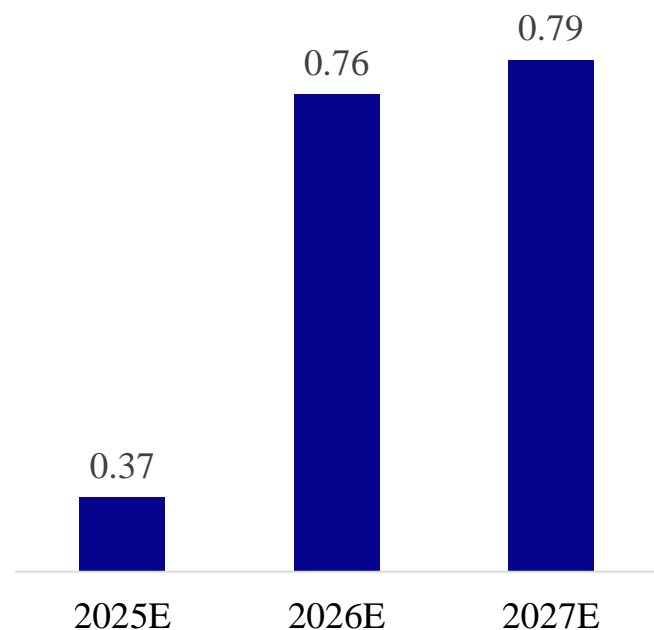


M&A enhances corporate value

- While delivering tangible financial benefits, M&A serves to deepen the operational sophistication of HCD.

Estimated annual EBITDA generated by TH

Unit: RMB '00 million



Synergies for overseas business after the integration with TH

Since the completion of the transaction, both parties have achieved business integration and post-acquisition transition—including legal closing, key teams retention and client communication. Moving forward, the “TH Expertise” will further empower HCD's overseas business ecosystem:

Asset lifecycle management capabilities

TH's well-developed global equipment second-hand sales network will be integrated into HCD's asset management ecosystem

Supply chain resources

TH's existing supply chain assets will be incorporated

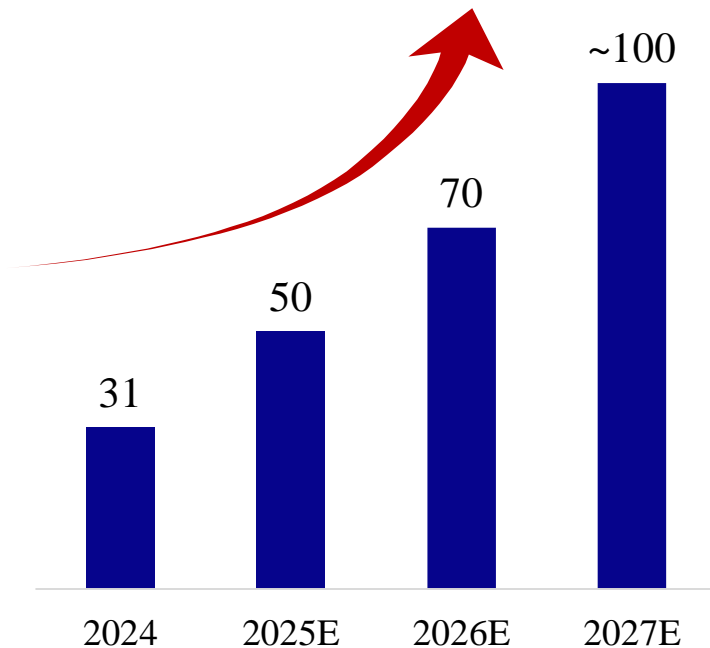
Talent pool development

TH's original team will be integrated into HCD's international talent bank

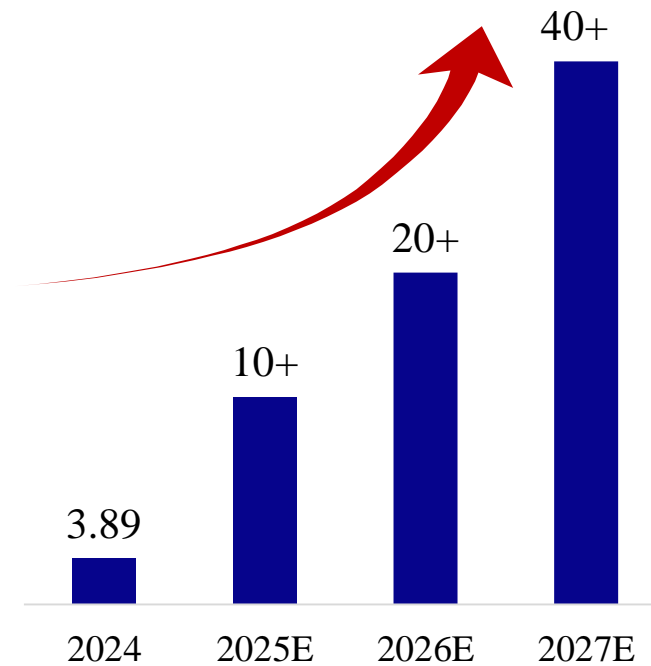
Overseas business plans for the next three years

- Looking forward, the company plans to increase input in overseas markets and drive further growth in overseas revenue in the next three years.

Oversea business asset management scale planning (RMB'00 million)



Oversea business revenue scale projection (RMB'00 million)



1

Interim Business Review

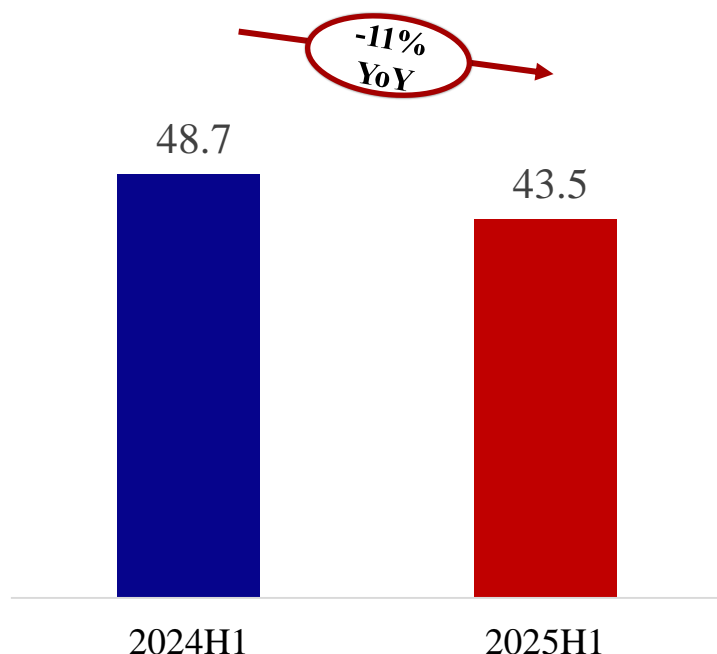
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Interim Financials Review

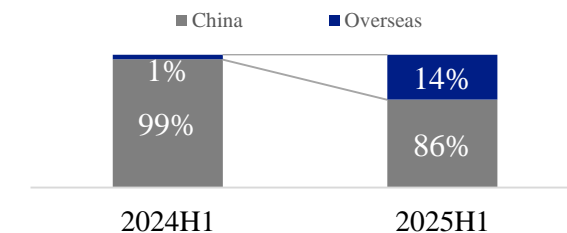
Revenue performance

- In the first half of 2025, the company recorded a revenue of approximately RMB4.35 billion, with a year-on-year decrease of approximately 11%.
- In the respect of revenue by region, the proportion of overseas revenue has increased to approx. 14%.
- In the respect of revenue by business type, the proportion of operating lease services has increase year-on-year while that of engineering and technical services decreasing.

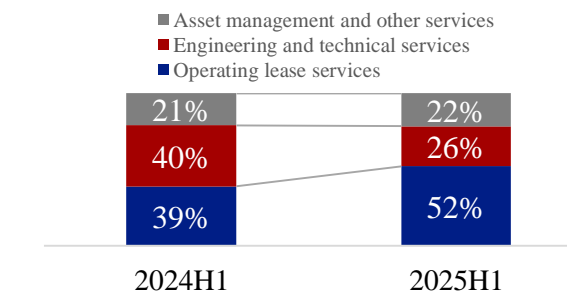
Total Revenue
(RMB'00 million)



Revenue structure
(by region)



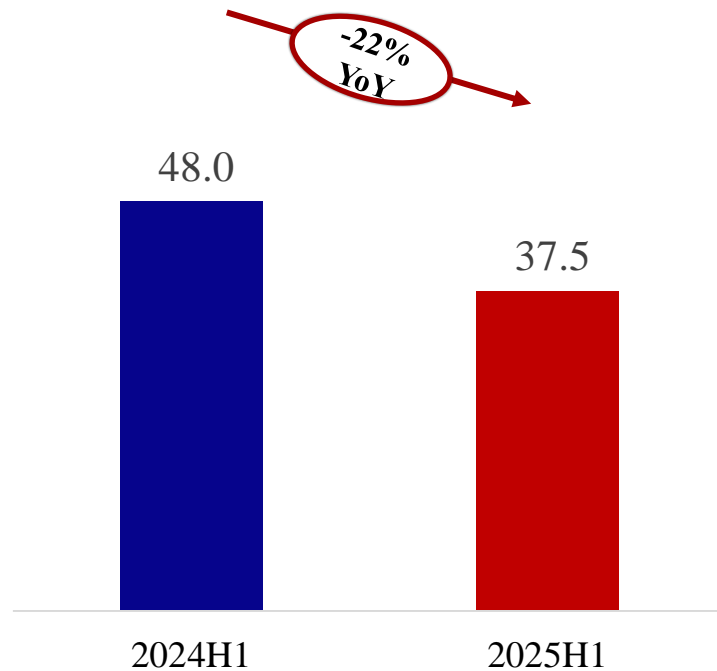
Revenue structure
(by business)



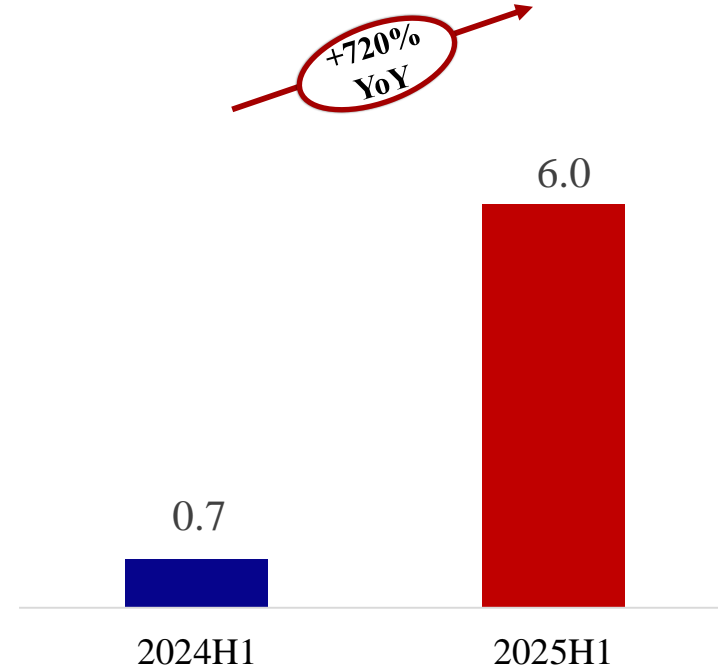
Revenue by region

- In the first half of 2025, the revenue of our China's business showed decrease, while the overseas business's revenue maintained robust growth and reached approx. RMB600 million.

Revenue of mainland China & Hong Kong's business (RMB'00 million)



Revenue of overseas business (RMB'00 million)



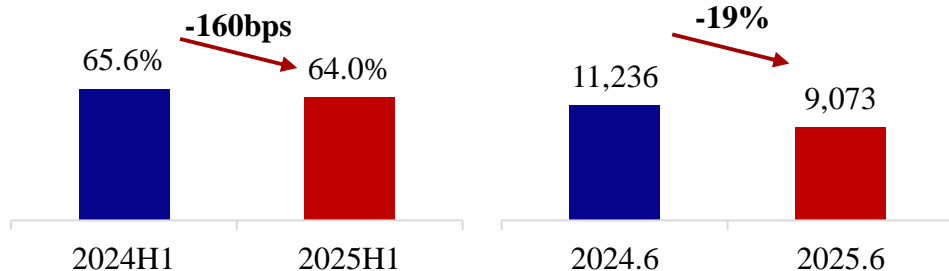
Revenue by business segment – operating lease services

- Affected by market conditions, the rental prices in the mainland China's market continued the downward trend in the first half of 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. 19% year-on-year, but the domestic aspect went down by approx. 6% after excluding overseas aspect.



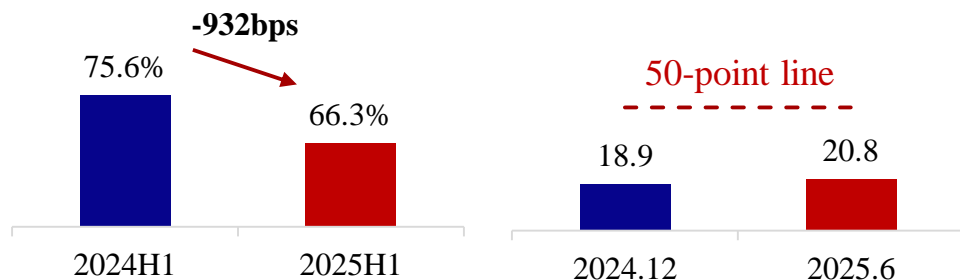
Main rental asset ①: Aerial work platform

Average utilization rate (%) Market rental price index¹

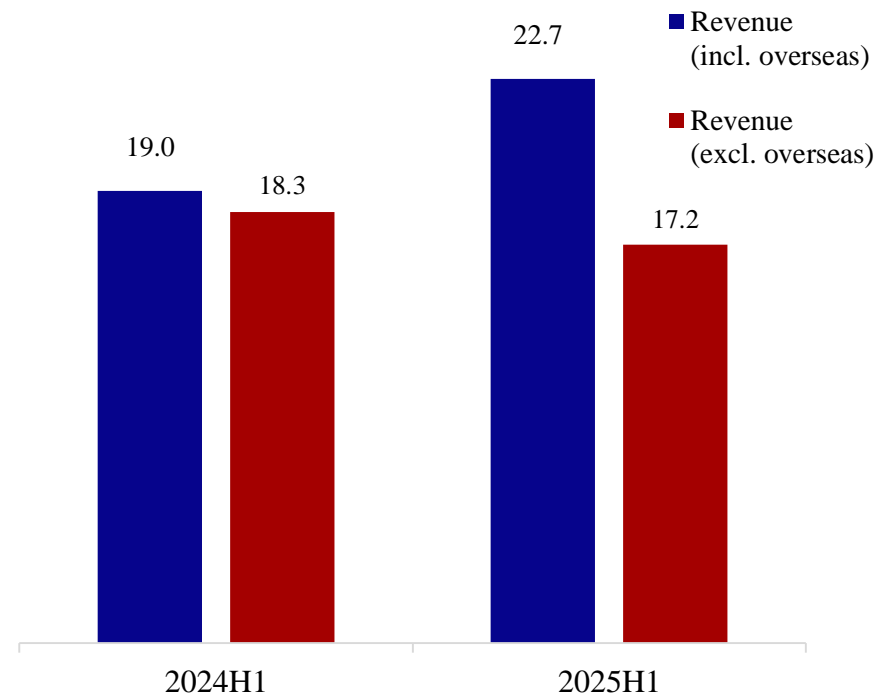


Main rental asset ②: Neo-formwork system

Average utilization rate (%) Market rental price index¹



Revenue of operating lease services (RMB'00 million)



Note:

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

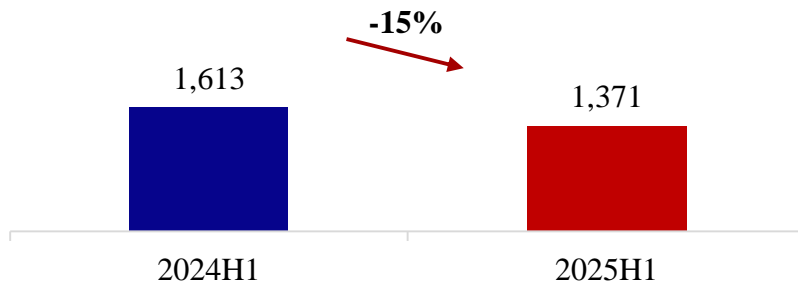
Revenue by business segment – engineering and technical services

- The company has implemented a proactive scaling-back strategy for its material-related businesses in mainland China, combined with moderate disposals of material asset conducted since the second half of 2024, leading to a year-on-year decline in engineering and technical services revenue.



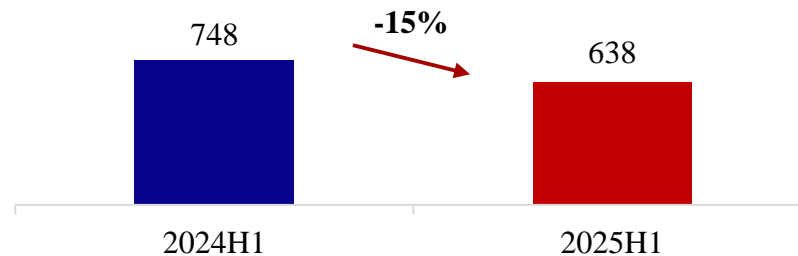
Main material asset ①: Neo-excavation support system

Equipment volume (thousand tons)

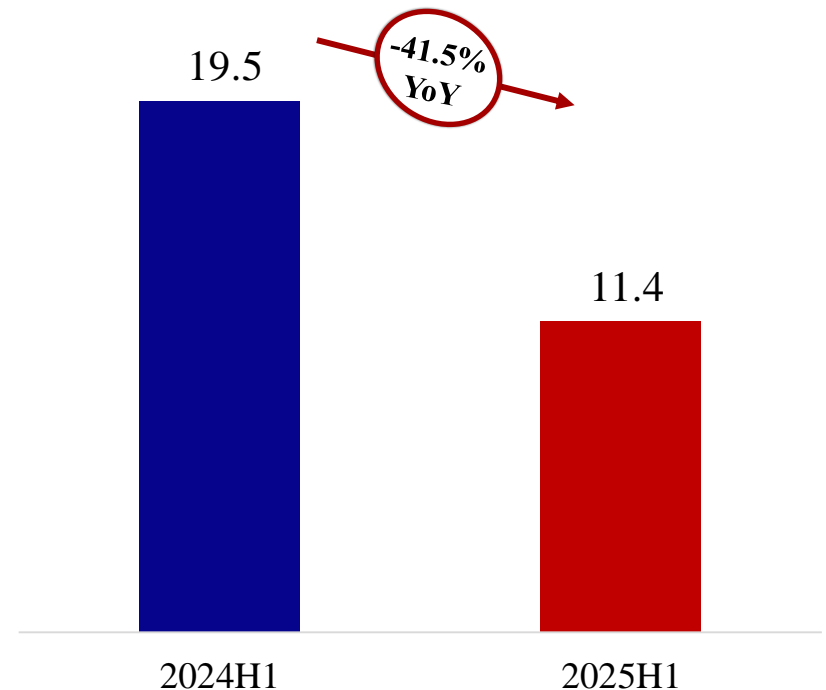


Main material asset ②: Neo-formwork system

Equipment volume (thousand tons)



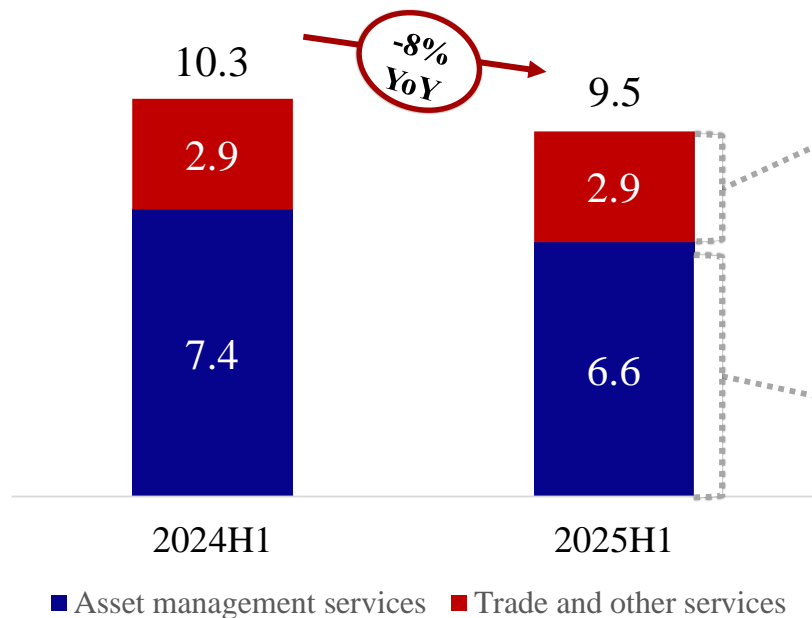
Revenue of engineering and technical services (RMB'00 million)



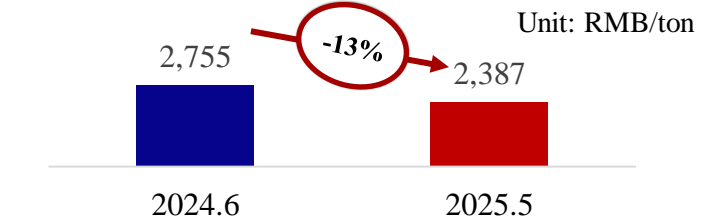
Revenue by business segment – asset management and other services

- The company's asset management services contributed approx. RMB660 million of revenue, with a year-on-year decrease of approx. 11%, 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 RMB290 million, almost remaining stable year-on-year.

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

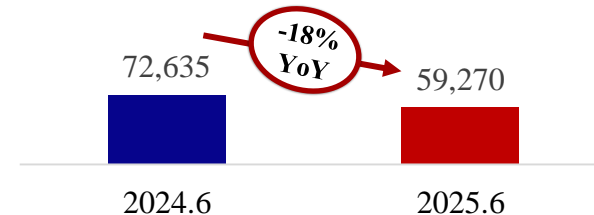


Downtrend in domestic scrap steel prices



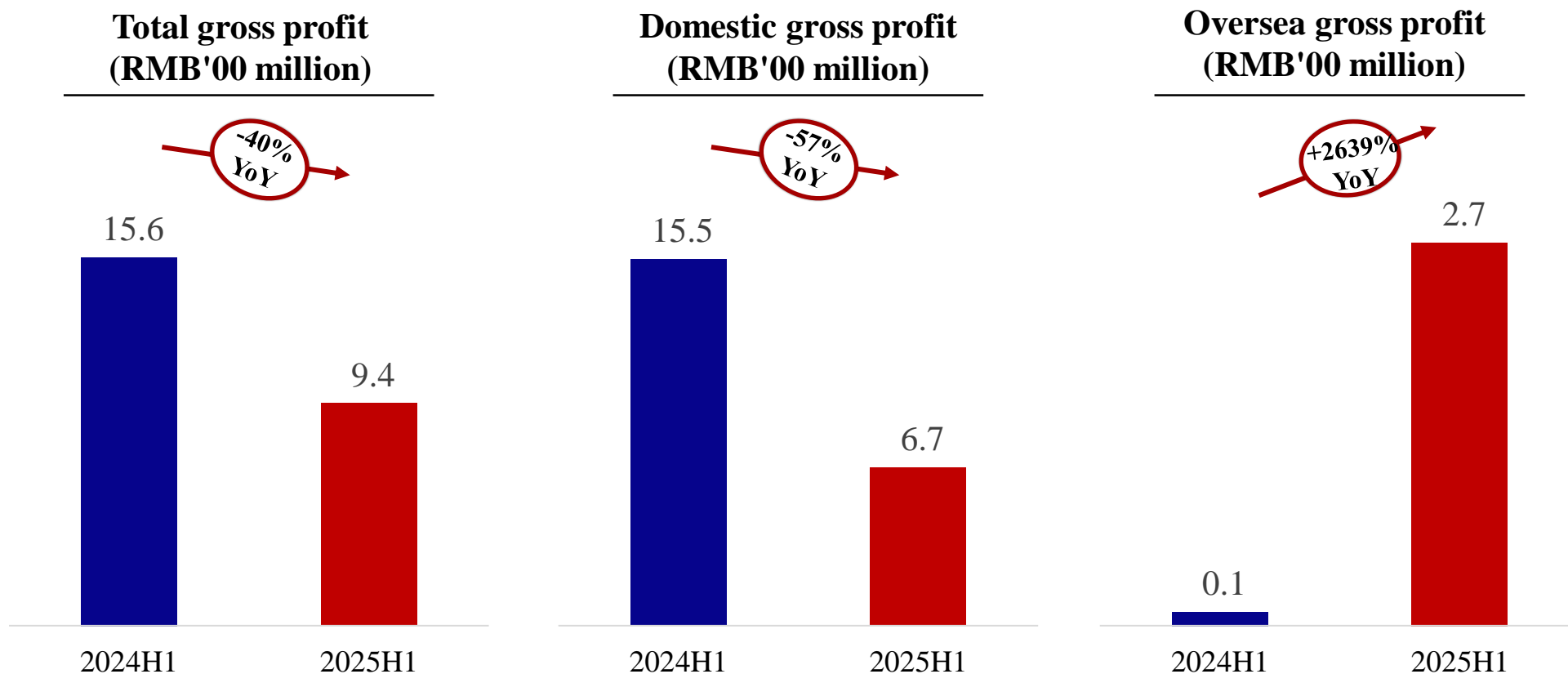
Source: WIND

Reduction of AWP units under asset management model



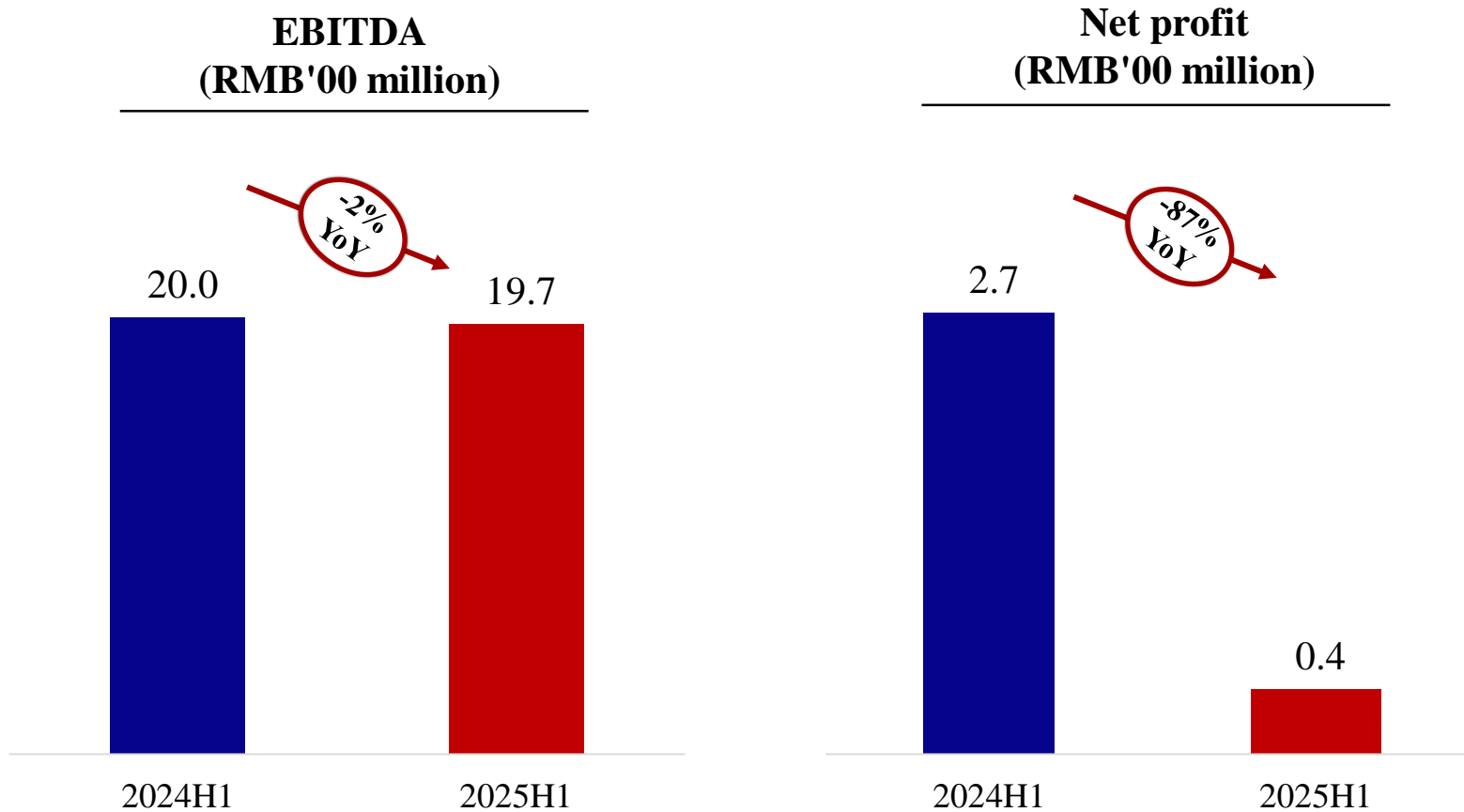
Gross profit

- Due to the aforementioned domestic market environment, the company proactively reduced the scale of its domestic business. Coupled with the seasonal factors of returning to work during the Spring Festival, the gross profit in the first half of the year was at a relatively low base, resulting in a significant year-on-year decline in domestic gross profit.
- Meanwhile, the company's overseas business has achieved scaled profits since the beginning of this year, so the overseas gross profit in the first half of the year showed a significant increase.



Profitability

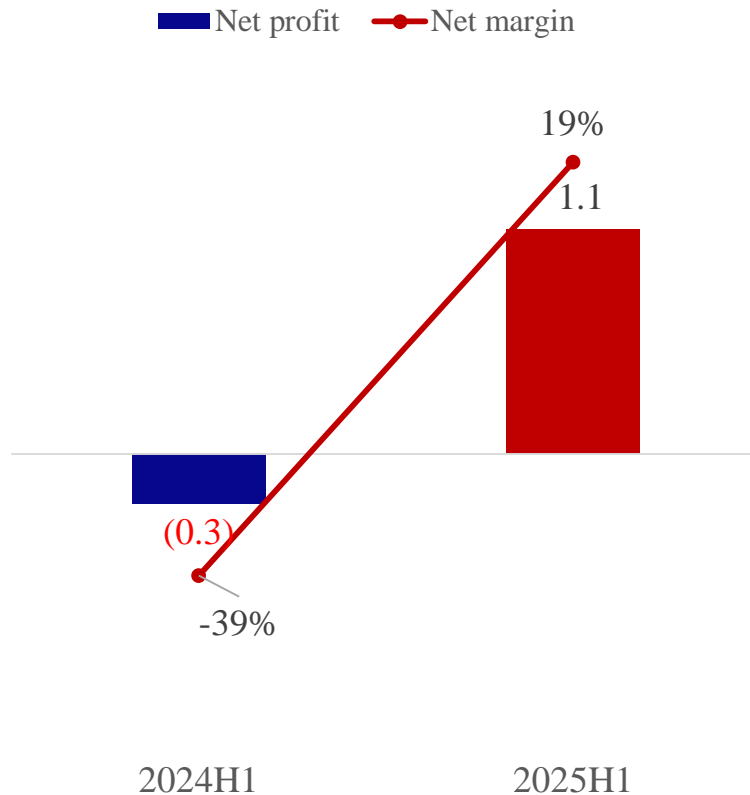
- In the first half of 2025, EBITDA fell by 2% year-on-year and net profit fell by 87% year-on-year.
- The discrepancy between the declines in net profit and EBITDA was primarily due to increased depreciation expenses and financial interest costs during the period. However, with no corresponding improvement in the return on asset ratio, net profit was further compressed by these charges.



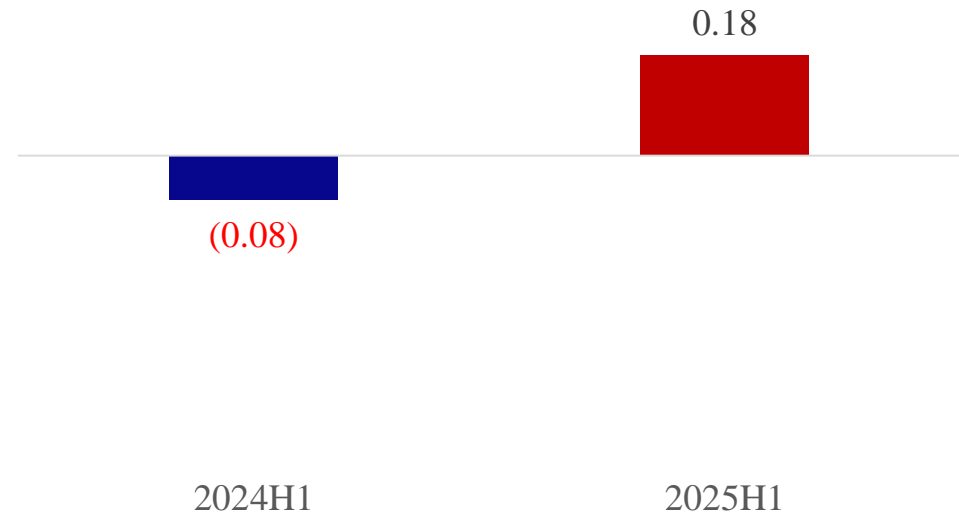
Profitability of overseas business

- In the first half of 2025, the net profit of overseas business recorded approx. RMB110 million with approx. 19% of net margin.

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



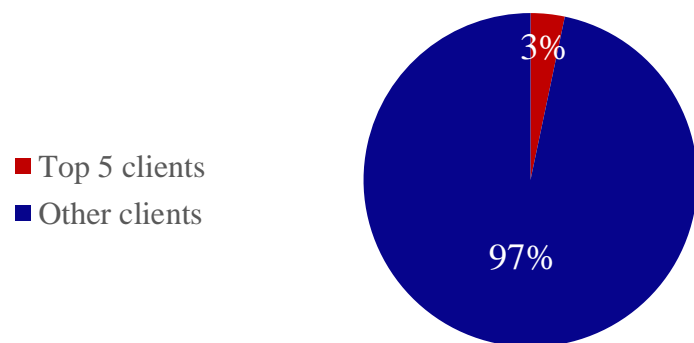
**Foreign exchange impact to net profit of
overseas business (RMB'00 million)**



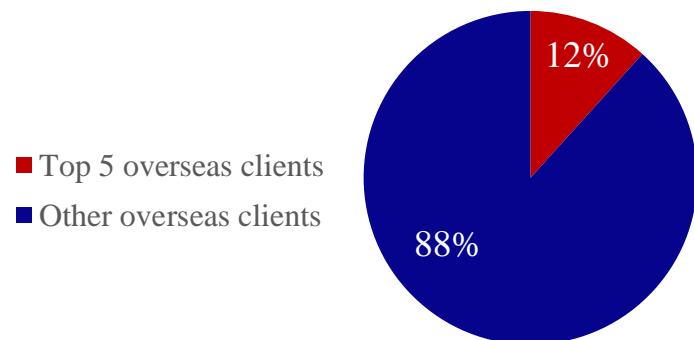
Clientele structure

- The company has built a well-diversified client portfolio, with its equipment serving a wide spectrum of industry scenarios. The overseas businesses are strategically distributed across multiple regions, ensuring a balanced and low-concentration client mix globally, thereby minimizing single-client exposure.

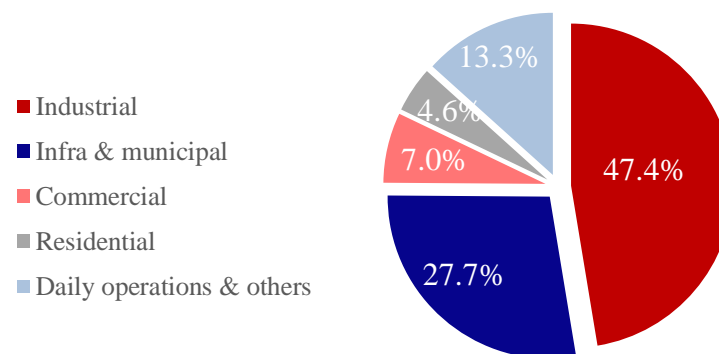
**Top 5 client (entity-level)
concentration rate in 25H1**



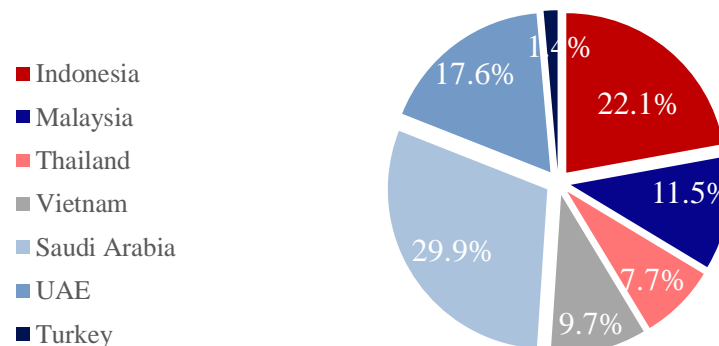
**Top 5 overseas client (entity-level)
concentration rate in 25H1**



**Equipment usage scenarios
breakdown in 25H1¹**



**Overseas revenue breakdown
by region in 25H1**



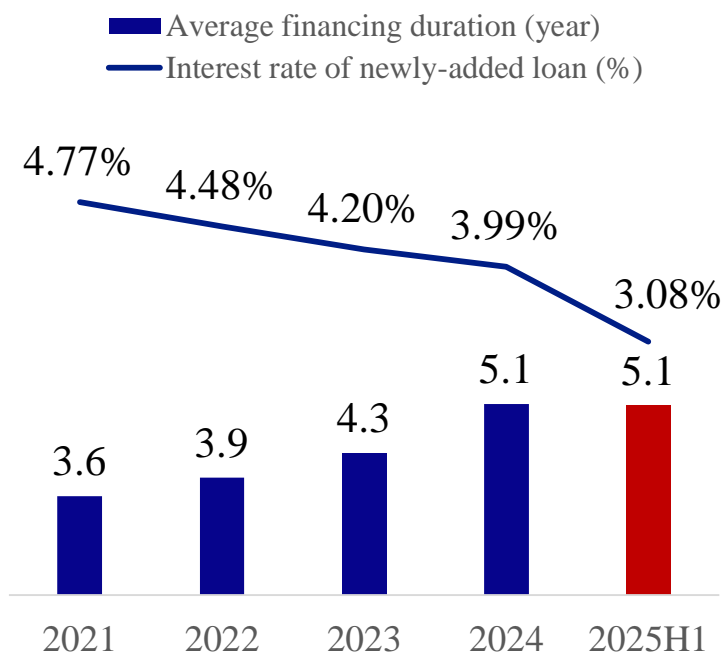
Note:

1. Based on the confirmed turnover derived from the equipment operated and managed by the company

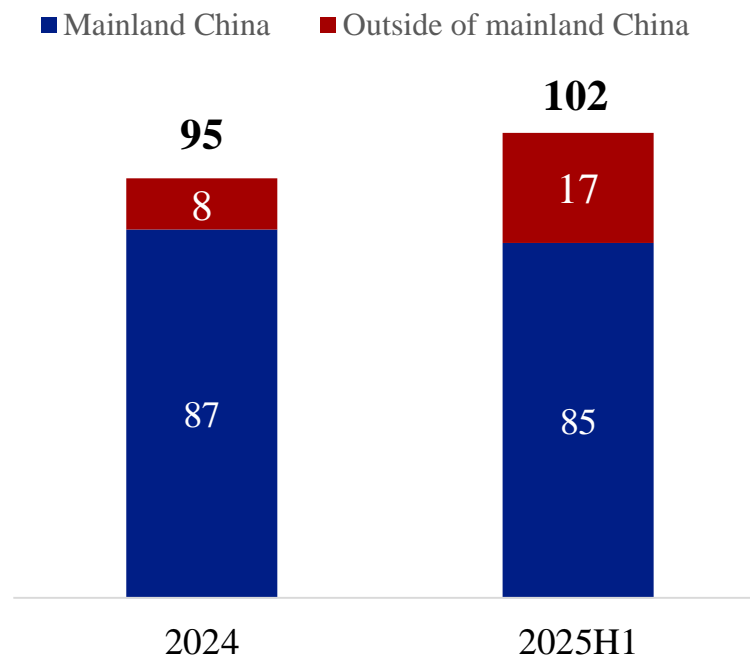
Funding status

- The funding structure has kept optimized with abundant credit resources. In the first half of 2025, the number of collaborative institutions increased to 102, among which there were 17 overseas bank; the average financing duration maintained stable, and the interest rate of loan newly-added was improved remarkably.
- Accelerating the expansion of overseas financing channels, the company established a cross-border syndicated loan by Bank of China and a club deal arranged by BOCHK in the first half of the year, raising an aggregate of approx. RMB1.6 billion. As of the end of June, the total overseas credit facilities reached approx. RMB3 billion.

Interest rate of newly-added loan and average financing duration

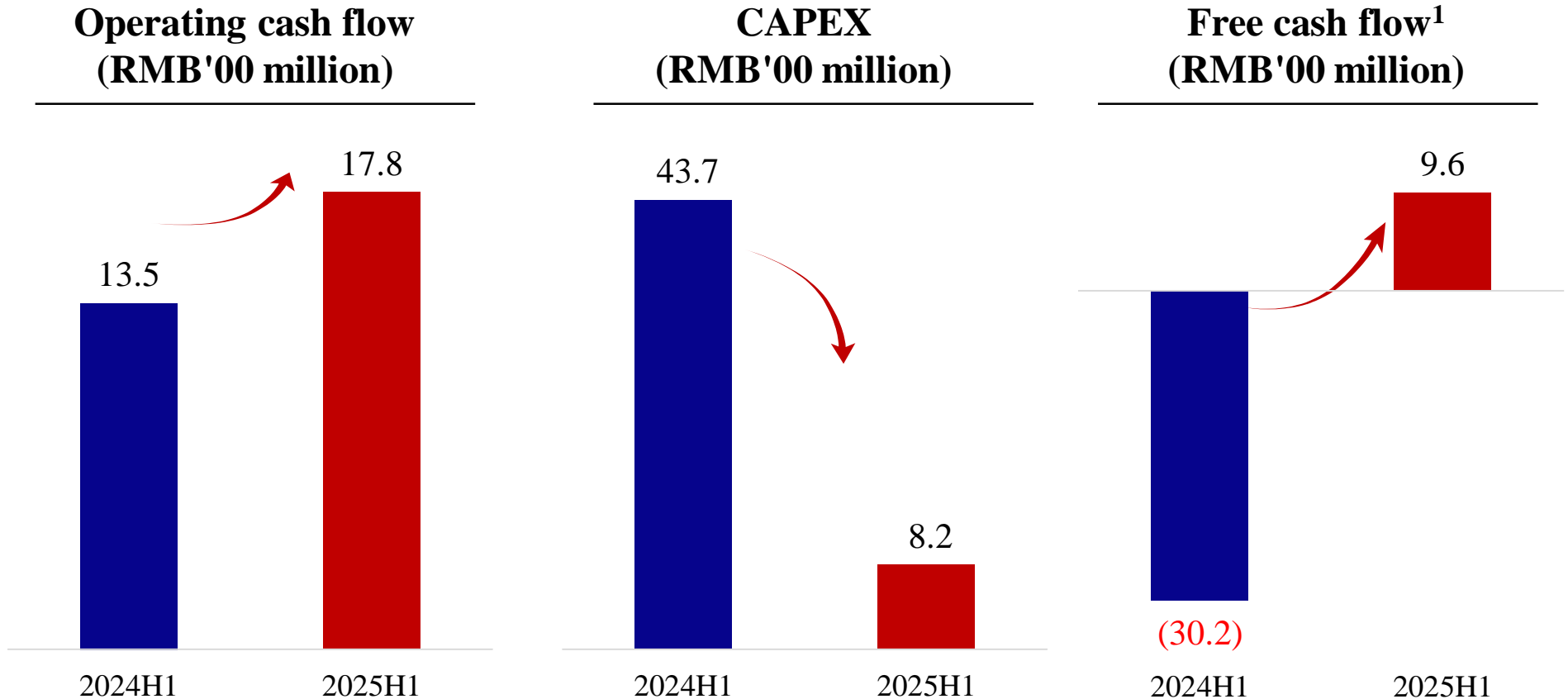


Number of collaborative institutions



Free cash flow performance

- The company's operating cash flow increased year-on-year, and the capital expenditure decreased year-on-year. Therefore, the free cash flow improved year-on-year.



Note:

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

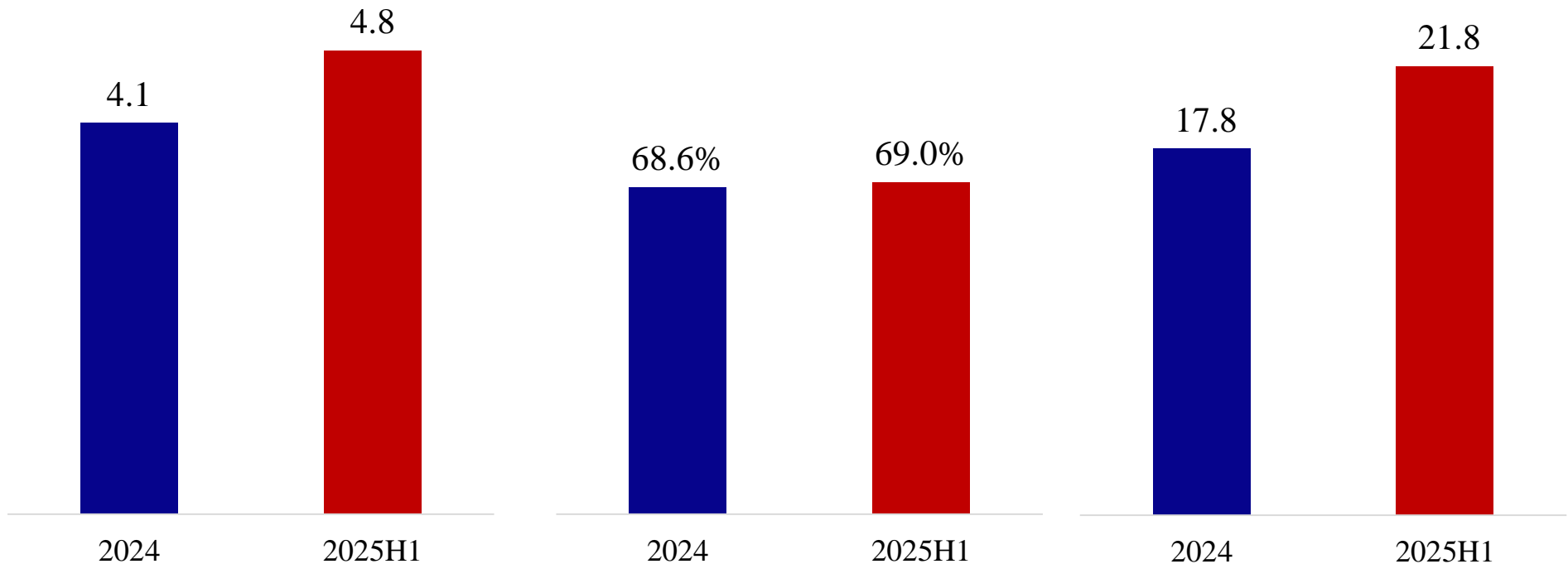
Capital structure

- During the reporting period, the company's leverage ratio and net interest-bearing debt-to-EBITDA ratio slightly increased, but both remained within the target control range, with ample cash and cash equivalents.

Net interest-bearing debt-to-EBITDA ratio

Asset-to-liability ratio

**Cash and cash equivalents
(RMB'00 million)**



Appendix: Condensed Balance Sheet

(RMB'00 million)	30 Jun 2025	31 Dec 2024	Change
Total assets	366	364	+0.4%
Equipment and material for leasing and services	211	216	-2.4%
Trade receivables and contract assets	68	66	+2.8%
Total liabilities	253	250	+1.1%
Total equity	113	115	-1.1%
Equity attributable to owners of the parent	113	115	-1.1%
Net assets per share (RMB/share)	3.62	3.66	-1.1%

Appendix: Condensed Income Statement

(RMB'00 million)	2025H1	2024H1	Change
Revenue	43.5	48.7	-10.7%
EBITDA	19.7	20.0	-1.7%
Net profit	0.4	2.7	-86.8%
EPS (RMB/share)	0.011	0.084	-86.9%
ROA	0.2%	1.6%	-1.4pct
ROE	0.6%	4.9%	-4.3pct

Appendix: Condensed Cash Flow Statement

(RMB'00 million)	2025H1	2024H1	Change
Net change in cash and cash equivalents	4.3	-2.2	N/A
Net cash flows from operating activities	17.8	13.5	+32%
Net cash flows from investing activities	-8.6	-31.1	+72%
Net cash flows from financing activities	-5.2	15.4	N/A
Effect of foreign exchange rate changes, net	-0.1	-0.1	+41%
Cash and cash equivalents at the end of the period	21.8	19.3	+13%

Q & A



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