



海隆控股有限公司*
Hilong Holding Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1023

2025 Interim Results



* For identification purpose only

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Results Highlights



Results Highlights

Oilfield Services

- ❖ Segment revenue decreased by 36.7% compared with 2023. Acquired more high-end customers with our high technology drilling tools products
- ❖ In US/Canada and Middle East high-end markets, Hilong signed a series of high-end contracts and remained tech ahead of the competition in the drilling tools markets, such as Precision Drilling, PD, SAVANA and Ensign, our high technology drilling tools acquired high-end customers' recognition.
- ❖ In North America market, Hilong won all high-end orders for various high-end customers, such as our high-tech HLNST special screw head
- ❖ In the Middle East market, products such as high strength sour service and high torque drilling pipes acquired recognition from high-end customers
- ❖ HL130S/HL135S and super-high-strength HLU165, HLNST, RFID electronic labeling of drilling pipes and intelligent drilling pipes made significant progress in R&D and markets. Related drilling tool enterprises under the Group were recognized as "New National Specialized Small Giant". High strength sour service drilling pipe for ultra-deep and complex wells won the gold award of Shanghai New Invention Competition

- ❖ Continuously developing High-tech Integrated Turnkey Project business model, "One body, two wings" business model, segment revenue decreased by 8.6%
- ❖ Drilling rigs utilization rate is leading in oilfield industry, completed oilfield digital management solutions in countries such as Brazil and Libya, promoted oilfield digital management tech.
- ❖ The Oilfield Service Division adopted multiple approaches which focused on the transformation towards "light assets and technology-driven" operations, expanded new businesses in all directions, and enhanced integrated service capabilities through technological innovation.
- ❖ Focused on the transformation of technology driven operations and expanded new business in various directions, which indicated that Hilong's turnkey business capability has been highly recognized by high-end customers
- ❖ Hilong successfully signed new contracts in the Middle East, Southeast Asia and Africa. Participated in technical service and oilfield trading, Made improvements in environmental technology for drilling and workover wells, nanofluids production enhancement (MPD) technology, directional and horizontal well drilling and other comprehensive technical services.

In 1H2025, Hilong's business developed steadily. We achieved a revenue of about RMB 2322 mn (5.8% decrease compared with 1H2024) and gross profit of about RMB 401 mn

Offshore Engineering Services

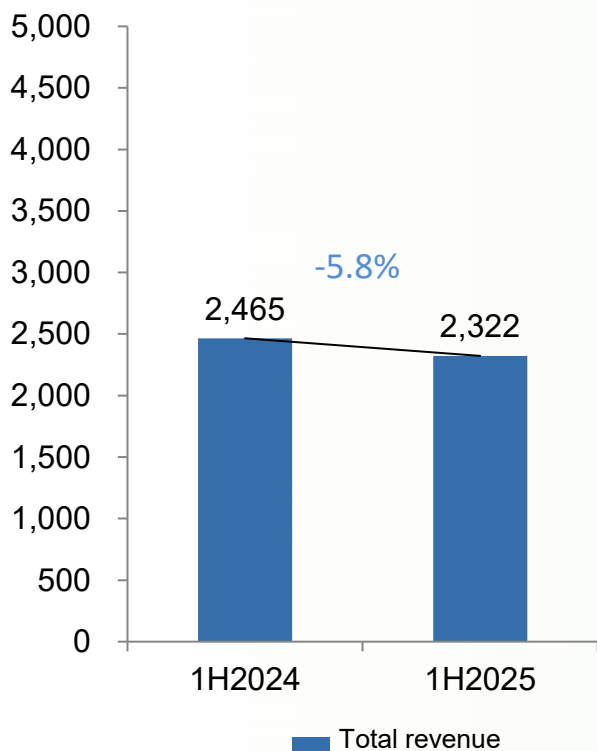
- ❖ Transforming into high-tech specialized integrated EPCIC turkey offshore services, actively explore business opportunities in Southeast Asia, Middle East, West Africa and South America. Segment revenue increased by 86.0%
- ❖ Synergy among our "Four Centers" facilitated sales and contracts boost in the markets Successfully
- ❖ Congo EPC projects successfully completed. Entered into Middle East Saudi Arabia and South East Asia markets. 2025 was a year of great significance in the development of Hilong Offshore Engineering, with remarkable progress in infrastructure management, operational capability and business development, further improving the international and domestic project management capabilities and overseas project design and construction capabilities.
- ❖ Applied for national innovative small and medium-sized enterprise, new R&D projects established for processing and implemented digital transformation

**Oilfield Equipment
Manufacturing & Services**

Financial Overview

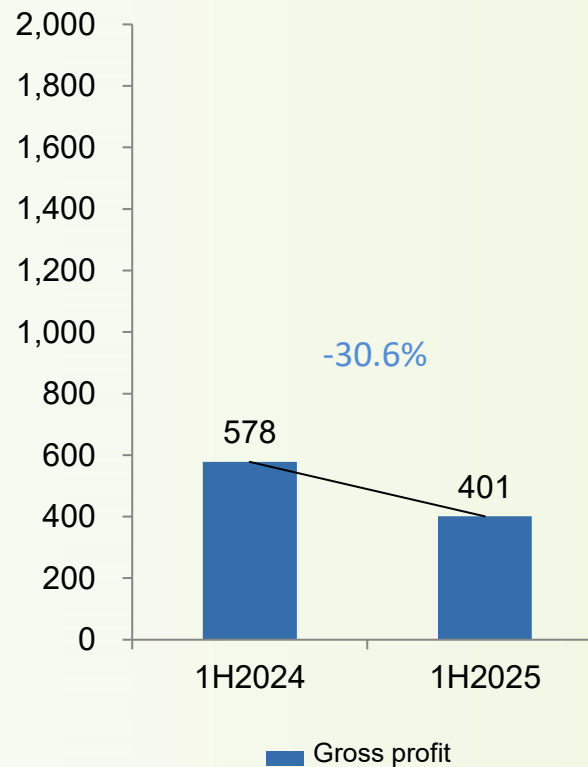
Revenue


RMB mm



Gross Profit

RMB mm

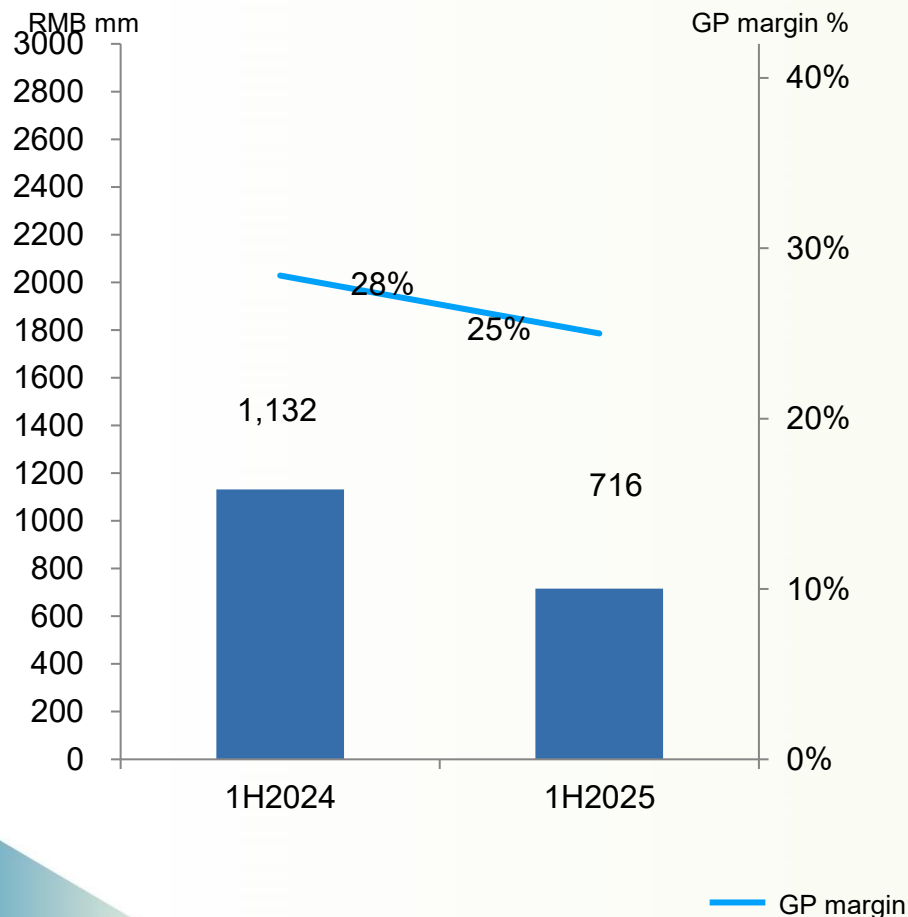


 In 1H2025, the Company realized a total revenue of RMB2322 million and gross profit of RMB401million

Business Review

Oilfield Equipment Manufacturing and Services

Segment Revenue of RMB716 million

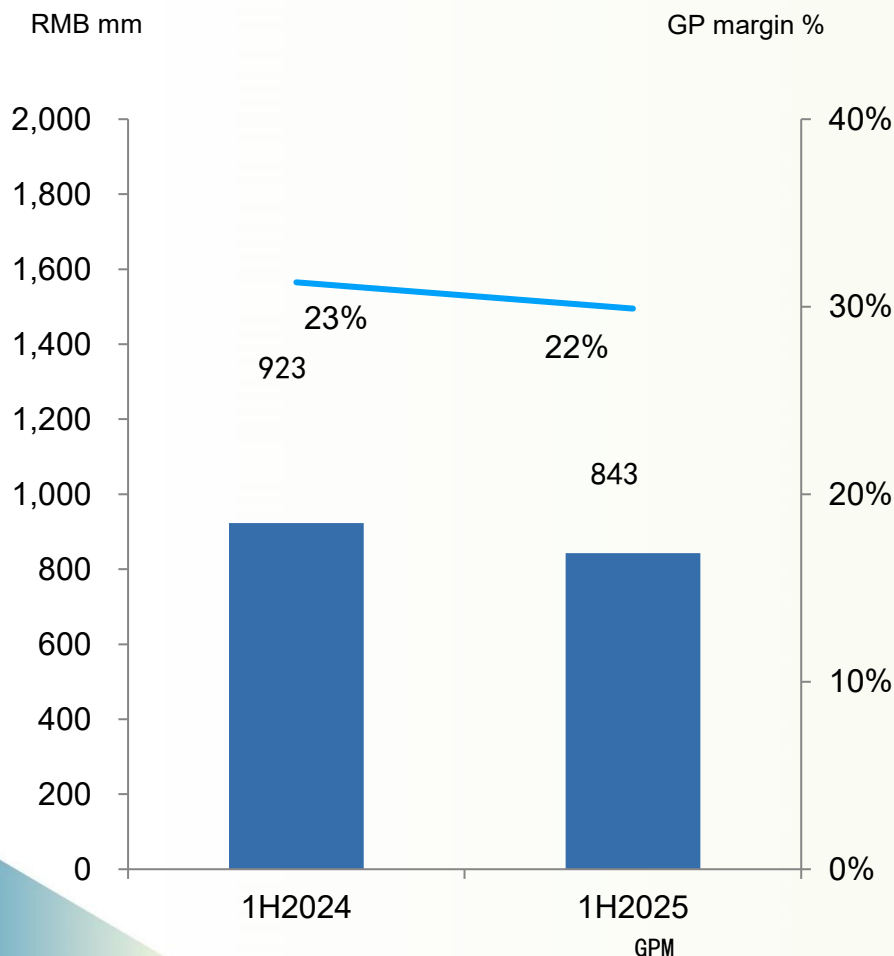


Higher-end Markets and Customers Higher Technology of Drilling Tools

- ❖ Segment revenue decreased by 36.7% compared with 1H2024
- ❖ In US/Canada and Middle East high-end markets, Hilong signed a series of high-end contracts and remained tech ahead of the competition in the drilling tools markets, such as Precision Drilling, PD, SAVANA and Ensign, our high technology drilling tools acquired high-end customers' recognition.
- ❖ In North America market, Hilong won all high-end orders for various high-end customers, our high-tech HLNST special screw head has entered the market and received new orders
- ❖ In the Middle East market, products such as high strength sour service and high torque drilling pipes acquired high recognition
- ❖ HL130S/HL135S and super-high-strength HLU165 drilling pipes, HLNST,RFID electronic labeling of drilling pipes and intelligent drilling pipes made significant progress in R&D and markets. Related drilling tool enterprises under the Group were recognized as "New National Specialized Small Giant". High strength sour service drilling pipe for ultra-deep and complex wells won the gold award
- ❖ Shanghai Hilong Drilling Pipe was newly awarded "National Manufacturing Individual Champion", automation and digitalization elevated production capability after upgrading our product lines
- ❖ Projects for drilling tools have achieved progressive milestones:
 - HL130S/HL135MS and other high strength sour service, high strength, high torque drilling pipe and products had achieved successful progress, HL125S acquired a series of international orders, HLU165 has great potential
 - Promotion project of HLNST special screw head had acquired new orders in North American market; high-pressure resistant special screw head development for marine riser established R&D technology projects
 - R&D such as the research of electronic labeling drilling pipe and wellhead interaction technology for deep wells and the research of intelligent drilling pipe had achieved optimal results and progress
 - The informatization and automation transformation had elevated production capacity after the assembly line had been upgraded

Oilfield Services

Segment Revenue of RMB843 million

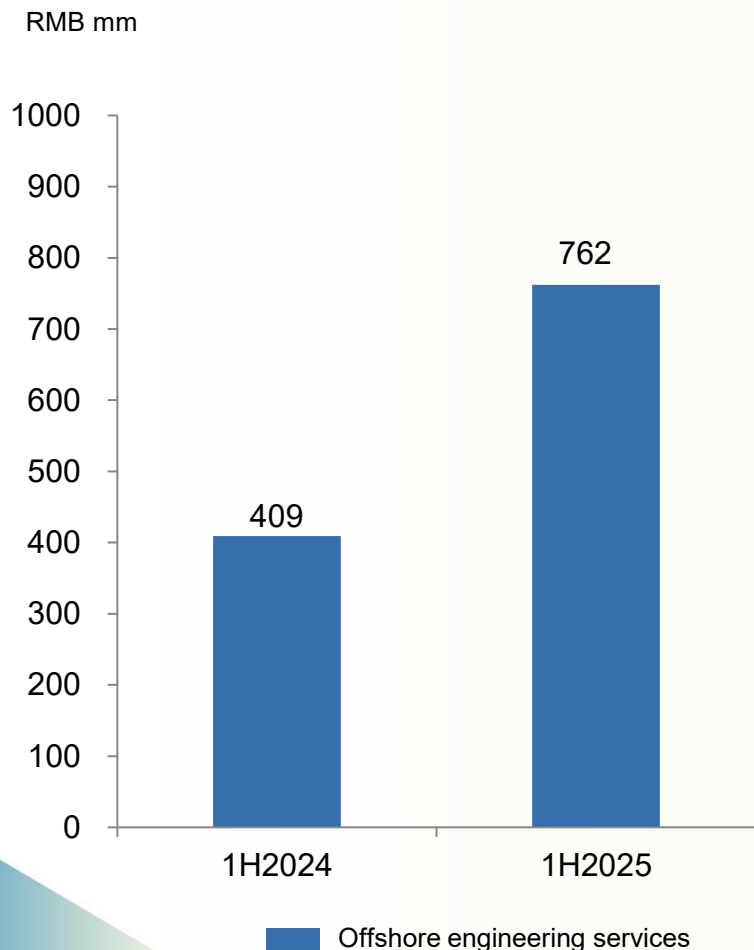


High Technology Integrated Turnkey Service Achieved Stable Growth

- ❖ Continuously developing High-tech Integrated Turnkey Project business model, “One body, two wings” business model, segment revenue increased by 8.6%
- ❖ Drilling rigs utilization rate is leading in oilfield industry, Drilling rigs utilization rate is leading in oilfield industry, completed oilfield digital management solutions in countries such as Brazil and Libya, promoted oilfield digital management tech with sufficient workloads
- ❖ The Oilfield Service Division adopted multiple approaches which focused on the transformation towards “light assets and technology-driven” operations, expanded new businesses in all directions, and enhanced integrated service capabilities through technological innovation.
- ❖ Focused on the transformation of technology driven operations and expanded new business in various directions, which indicated that Hilong's turnkey business capability has been highly recognized by high-end customers
- ❖ Hilong successfully signed new contracts in the Middle East, Southeast Asia and Africa. Participated in technical service and oilfield trading, such as tubing and casing business. Made improvements in environmental technology for drilling and workover wells, nanofluids production enhancement (MPD) technology, The volume of oilfield trade services also increased significantly compared with 1H2024 , bringing new business income
- ❖ Technology R&D and digital transformation were actively promoted to elevated operation management efficiency:
 - The R&D project regarding MPD technology had conducted preliminary research and achieved positive results
 - Hilong had conducted R&D of nanofluids production enhancement technology with the compatibility test and technology verification experiment
 - Made improvements in environmental technology services, rock fragments processing and well recovery, rotary steering system (RSS), and other comprehensive technical services

Offshore Engineering Services

Segment Revenue of RMB762million



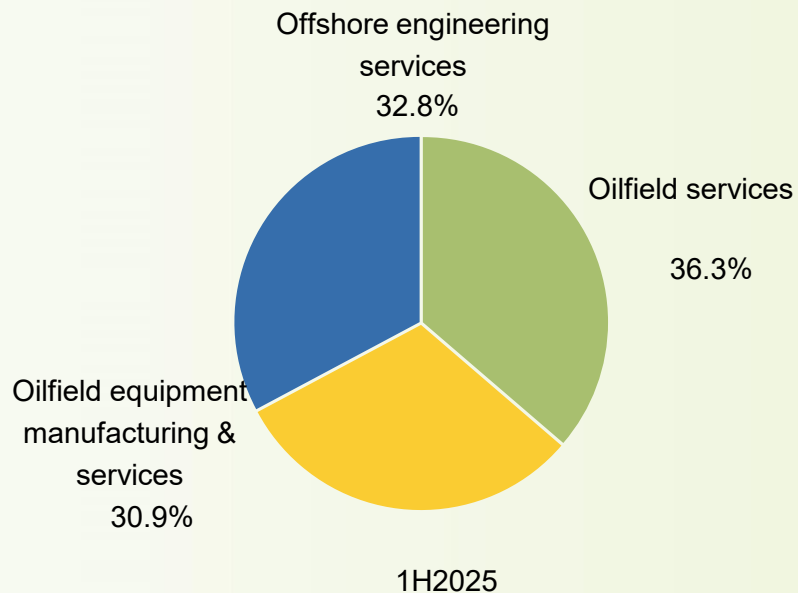
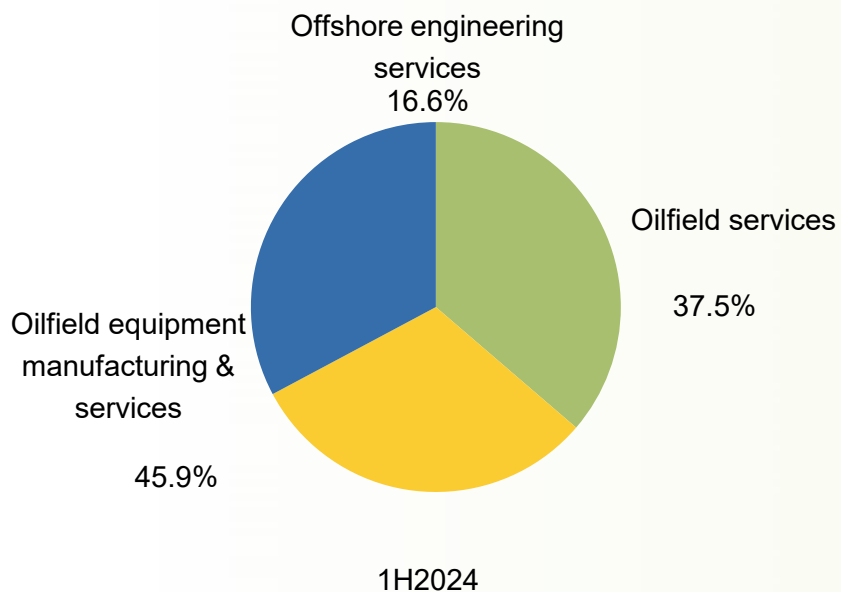
Orders on Hand & Revenue Increased Transforming to EPCIC

- ❖ Transforming into high-tech specialized integrated EPCIC turkey offshore services, actively explore business opportunities in Southeast Asia, Middle East, West Africa and South America. Segment revenue increased by 86%
- ❖ Synergy among our “Four Centers” facilitated sales and contracts boost in the markets Successfully
- ❖ Congo EPC projects successfully completed. Entered into Middle East Saudi Arabia and South East Asia markets
- ❖ 2025 was a year of great significance in the development of Hilong Offshore Engineering, with remarkable progress in infrastructure management, operational capability and business development, further improving the international and domestic project management capabilities and overseas project design and construction capabilities.
- ❖ Won the bid for several projects in Southeast Asia, the Middle East, Africa and South America, orders and workloads are sufficient. Offshore engineering service is the business segment with the most development potential of Hilong. We will continue to transform from installation business to turnkey project high technology specialized service business,
- ❖ Applied for national innovative small and medium-sized enterprise, new R&D projects established for processing and implemented digital transformation
- ❖ Continuously developed high-tech R&D and digitalization capacity, several R&D projects made significant progress:
 - The research on large-sized block floating bracket technology has been carried out with research, analysis, and information collection
 - Anchored ship near platform sea pipe laying program has been carried out preliminary research. The thematic study on pipeline landing in the near-shore section developed successfully
 - Research on the development of calculation programs for barge inclination experiments, visualization of offshore installation of wind power projects, and digital system also achieved preliminary results

Financial Performance

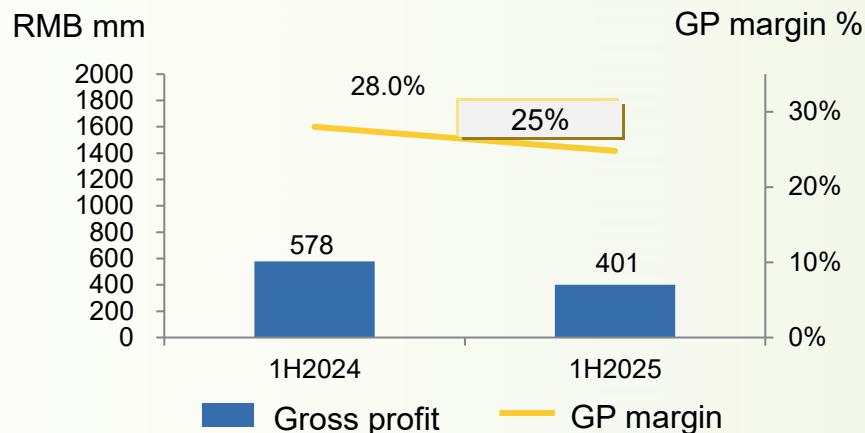
Revenue Breakdown

Revenue Breakdown by Segment



Gross Profit and Account Receivable

Gross Profit and Gross Profit Margin



Account Receivable

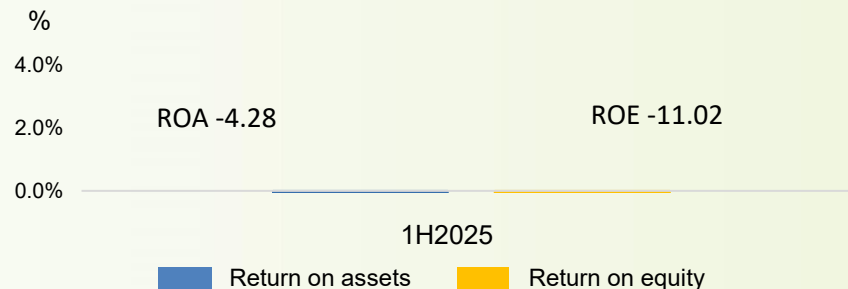
'000 RMB	6/30/2025	6/30/2024
- within 90 days	645,106	785,331
- over 90 days and within 180 days	106,802	322,212
- over 180 days and within 360 days	347,956	32,818
- over 360 days and within 720 days	134,229	116,201
- over 720 days	14,936	4,467

Capital Structure and Return Rate

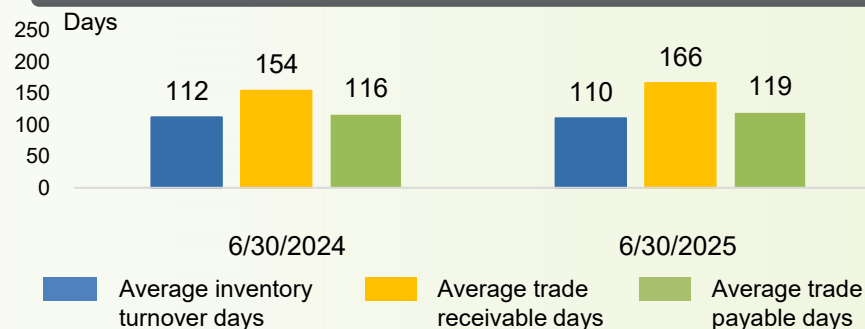
Capital Structure

	6/30/2025	6/30/2024
RMB mm		
Cash & cash equivalents	583	722
Current assets	5,015	5,166
Total assets	7,582	8,078
Short-term debt	2,479	2,686
Long-term debt	0	0
Total liabilities	4,633	4,819
Shareholders' equity	2,954	3,264
Minority interest	-5	-5
Total equity	2,949	3,259

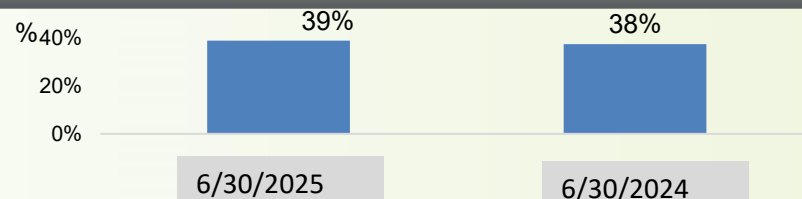
Return on Assets & Return on Equity¹



Turnover Days for Current Assets²



Gearing Ratio: Net Debt/Total Capital³



Note:

- Return on assets = net profit / ending balance of total assets;
Return on equity = net profit / ending balance of total equity
- Average inventory days = days in the period * average inventory of this period / cost of sales of this period
Average trade receivables days = days in the period * average net trade receivables of this period / revenue of this period
Average trade payables days = days in the period * average trade payables of this period / cost of sales of this period
- Net Debt = Long term debt + short term debt + lease liabilities – cash and cash equivalents and restricted cash – financial assets at fair value through profit or loss,
total capital = total equity + net debt

Business Outlook



Higher-end Markets, Higher-end Customers Digitalization Intelligent High Technology Services

Oilfield Equipment Manufacturing & Services

Overseas Markets:

- ❖ Focus on US/Canada and Middle East markets, continue to provide high-end customers with high value-added products of drilling tools, and strengthen the development of differentiated high technology drilling tools
- ❖ In the Middle East, we will establish long-term and stable cooperative relations with more local partners as strengthening local investment and construction would be beneficial to the long-term income of Hilong, and we expect that there will be a huge development potential
- ❖ Stabilize businesses in the Americas and other markets and acquire new high-end orders. Promote high-end products such as HLNST special screw heads; continue to develop high-end markets, such as the Brazilian deep-water market and offshore blocks invested by Mexican international companies, etc.
- ❖ Design more high-tech products such as super high-strength HLU165, HLNST, HL130S and HL135MS high-pressure-resistant drilling tools for offshore riser, drilling pipes with eco-friendly screws and other special wells' drilling pipes, electronic labeling and intelligent drilling pipes

Domestic Market:

- ❖ Develop based on existing business opportunities while vigorously explore differentiated markets, cooperate with leading domestic business partners
- ❖ Provide high-end customers with a variety of high-tech drilling tools to meet their differentiated requirements, which are compatible with unconventional oil and gas resources

Technology R&D:

- ❖ Accelerate the automation and digitalization of equipment and production lines to elevation quality control
- ❖ Design and develop of super high-strength, corrosion-resistant and fatigue-resistant drilling tools, systems and HLNST special screw head, HL130S/HL135MS, RFID and intelligent pipes

Business Development:

- ❖ Further develop business model of existing drilling and workover service, technical service and oilfield trade service, elevate Integrated turnkey project service
- ❖ We will secure for signing of new contracts of new business and renewal of existing contracts in markets including Nigeria, Ecuador, Iraq, Oman, Brazil, Kuwait and Pakistan. Breakthrough of "existing market with new business", and develop various types of businesses, including drilling turnkey, oilfield environmental protection, oilfield trade service, etc.
- ❖ Continue to develop "new markets and new businesses" in the UAE, Libya, South East Asia, Central Asia and Europe. Facilitate the business opportunities in Libya, which will further benefit our African market
- ❖ Accelerate digital transformation; strengthen the promotion of drilling & workover rig automation, RSS and MPD drilling business; increase the construction and promotion of trade platforms

Technology R&D:

- ❖ Promote the R&D of oilfield production enhancement, especially nanofluids technology
- ❖ R&D and promotion of oilfield environmental protection/MPD/oilfield related technology

Business Development: Offshore Engineering Services

- ❖ Continue to develop specialized high technology EPCIC offshore engineering company
- ❖ We will make an effort in contracting and implementing projects such as offshore engineering R&D, digital and intelligence in the international market
- ❖ We will enhance offshore engineering technical services including installation of new platforms, modification of platforms, laying of submerged pipelines, laying of submerged cables, replacement of platform risers, land-associated gas recovery and land wellhead oil and gas processing. Accelerate the layout markets in the Middle East and Southeast Asia, Central Asia, South America, etc. Improve the efficiency of offshore engineering management
- ❖ Integrate various resources and realize the integration of the company's EPCIC service capabilities
- ❖ Develop "Four Centers" of offshore engineering to form integrated and coordinated internal management
- ❖ Focusing on innovative technology and services, such as offshore installation, ship leasing business, offshore construction management, and integrated turkey service

Technology R&D:

- ❖ Promote the digital transformation of the company and apply for a number of qualifications of offshore engineering
- ❖ Continue to carry out the research and application of various R&D projects

Q & A