海隆控股有限公司*
Hilong Holding Limited
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1623

2026 Interim Results

* For identification purpose only

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Content

Results Highlights

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Recorded revenue of RMB 2.36 billion (up 1.4% YoY) and gross profit of RMB 640 million in 1H2026. The Oilfield Services segment emerged as the core growth engine with a substantial 55.1% increase in revenue. The Oilfield Equipment Manufacturing and Services segment achieved significant breakthroughs in high-end markets. The Offshore Engineering Services segment maintained sufficient orders.

Oilfield Equipment Manufacturing and Services

- Sustained efforts in high-end markets (US, Canada, Middle East) with active expansion of premium client orders.
- High-end products such as HL130S, HL135MS, and HLU165 continue to win strong customer recognition.

Oilfield Services

- Integrated Turnkey Project Services capabilities are continuously being refined and strengthened.
- The "One body, two wings" business model is delivering visible results.

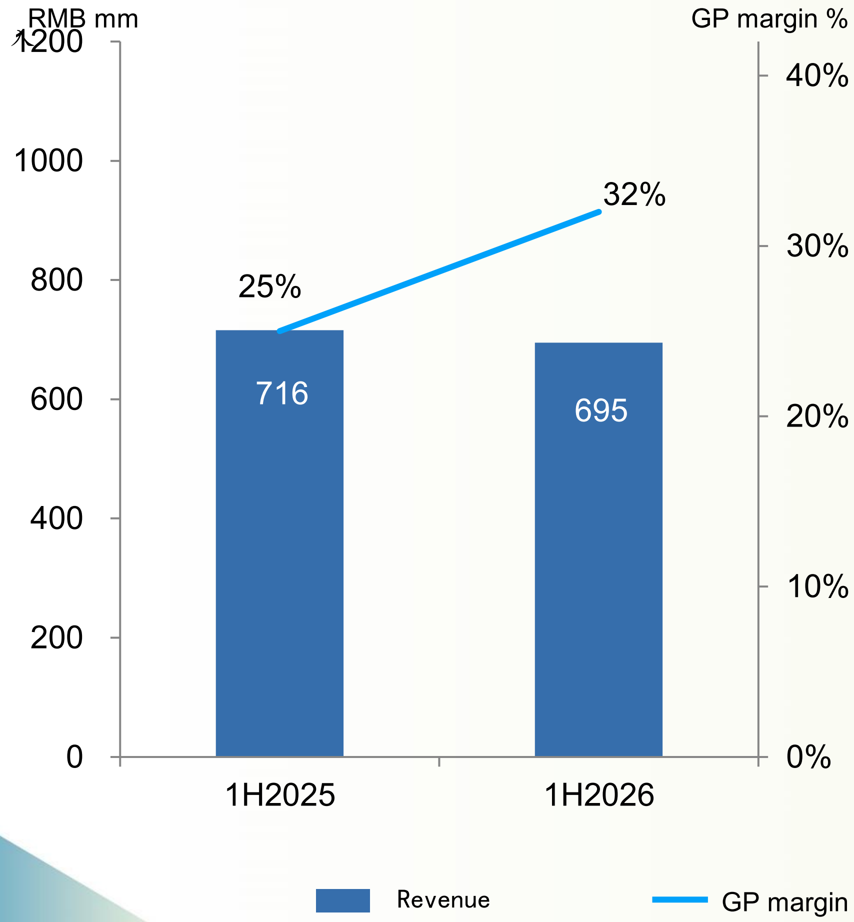
Offshore Engineering Services

- Transitioning from installation-focused to EPCIC contracting services.
- Established comprehensive capabilities across the entire industry chain.
- Successfully delivered benchmark projects, earning recognition from premium clients with full orders

Business Review

Oilfield Equipment Manufacturing and Services

Segment Revenue of RMB695 million



Focusing on Top-Tier Clients, Driving Cutting-Edge Innovation

- **North America 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-tech HLNST special screw head has entered the market and received new orders.**

- **Middle East market: products such as high strength sour service and high torque drilling pipes acquired high recognition，further consolidating our industry position and brand influence in the region.**

- **High strength sour service and high torque drilling pipes HL130S/HL135MS, large-specification ultra-high-strength drill pipe HLU165 drilling pipes, HLNST, RFID electronic labeling and intelligent drilling pipes achieved R&D breakthroughs and deployed to the markets.**

- **Delivered numerous R&D outcomes during the reporting period, focusing on differentiated products tailored to customer needs, automated and digitalized production upgrades, and forward-looking technical research.**

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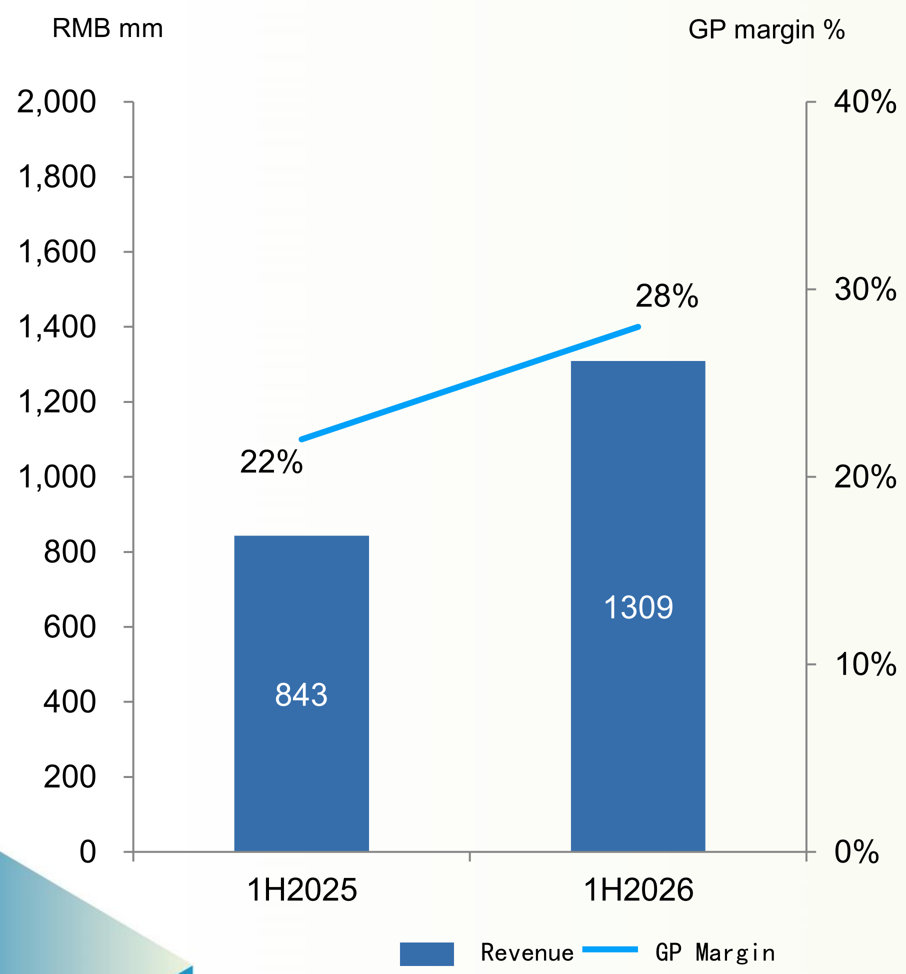
Oilfield Services

Segment Revenue of RMB1309 million

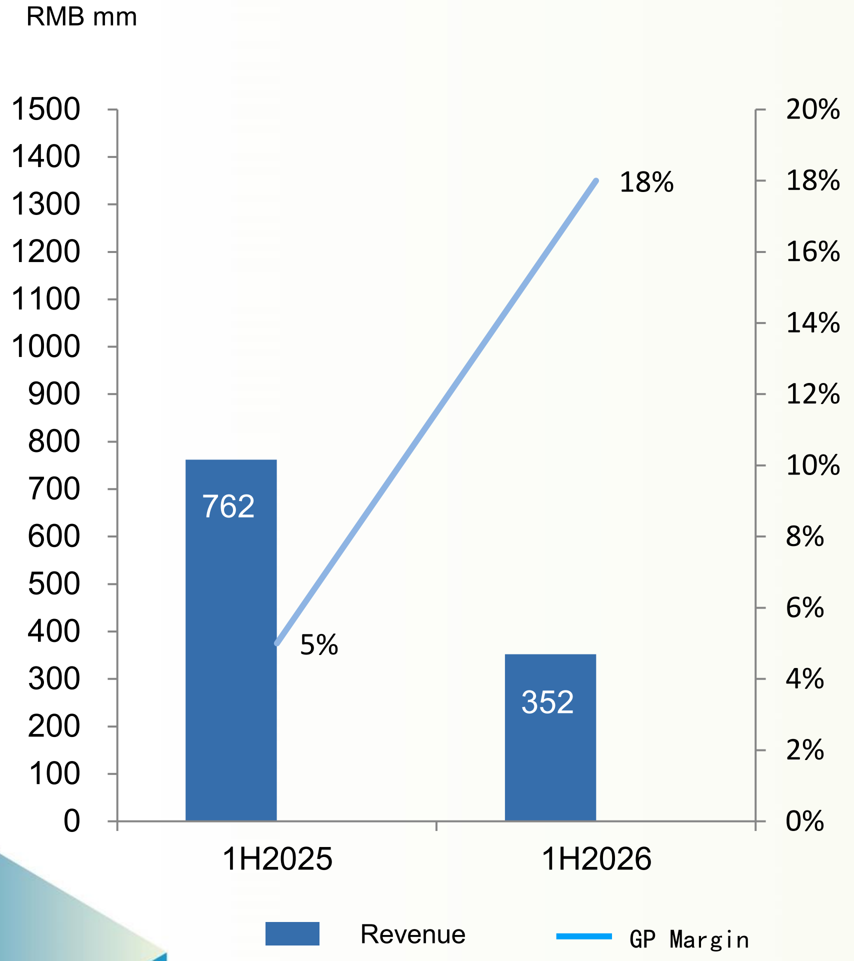


"One Body, Two Wings": Committed to Transforming into High-Tech Integrated Turnkey Services

- **Focused on the transformation of technology driven operations and expanded new business, which indicated that Hilong's turnkey business capability has been highly recognized by high-end customers**
- **Promoting a strategy anchored by drilling and workover business as the body, while achieving synergistic growth through our two wings: technical services and trading services.**
- **Drilling rigs utilization rate is 76%, further solidified our asset operational efficiency and profitability.**
- **Upgrading our comprehensive technical service capabilities across multiple areas, such as in environmental technology for drilling and workover wells, nanofluids production enhancement, (MPD) and (RSS) and directional/horizontal drilling.**
- **The volume of oilfield trade services also increased YoY, bringing new business revenue.**

Offshore Engineering Services

Segment Revenue of RMB352million



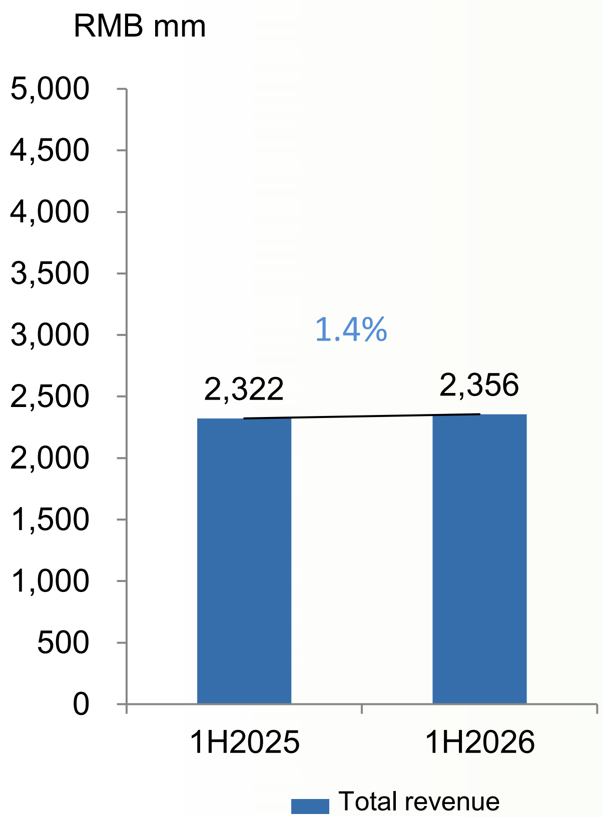
Orders Increased, transforming to EPCIC

- **Transforming from installation to EPCIC**
  - **Congo EPC projects successfully completed**
  - **Congo Installation and transportation project**
  - **Signed PTTEP Myanmar ASK Project by**
- **Rapid growth in orders, further consolidates our market share and industry position in the offshort engineering**
- **Empowering the entire value chain with technology to build a modern offshore engineering service provider with core competitiveness.**

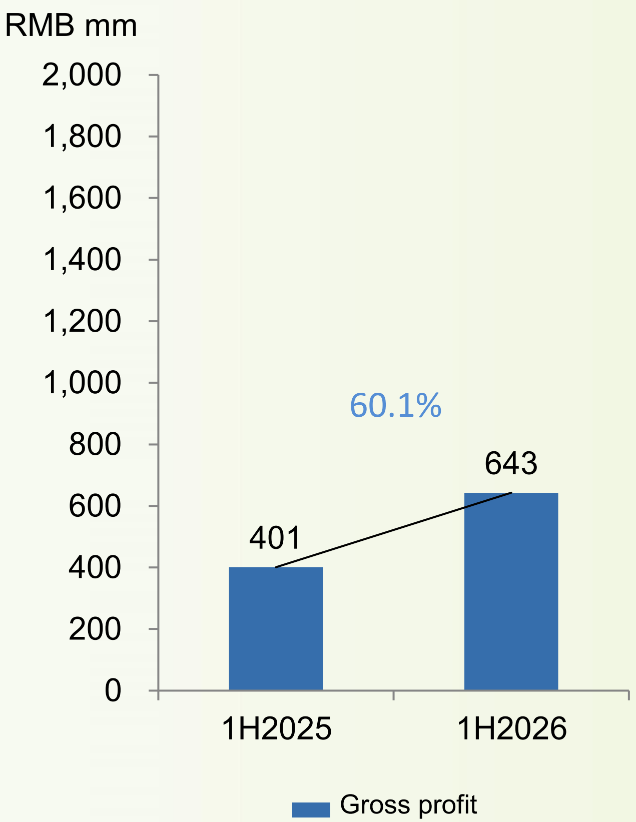
Financial Performance

Financial Overview

Revenue



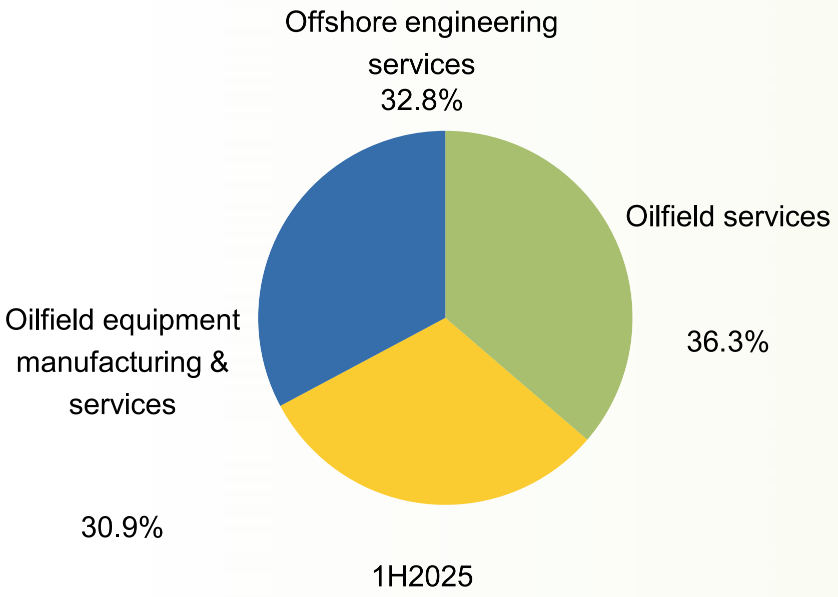
Gross Profit

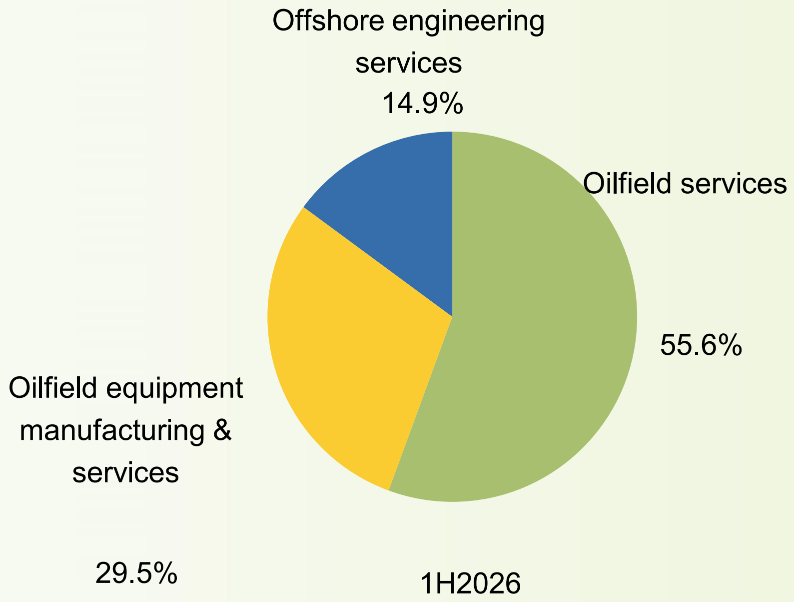


- In 1H2026, the Company realized a total revenue of RMB2,356 million and gross profit of RMB643million

Revenue Breakdown

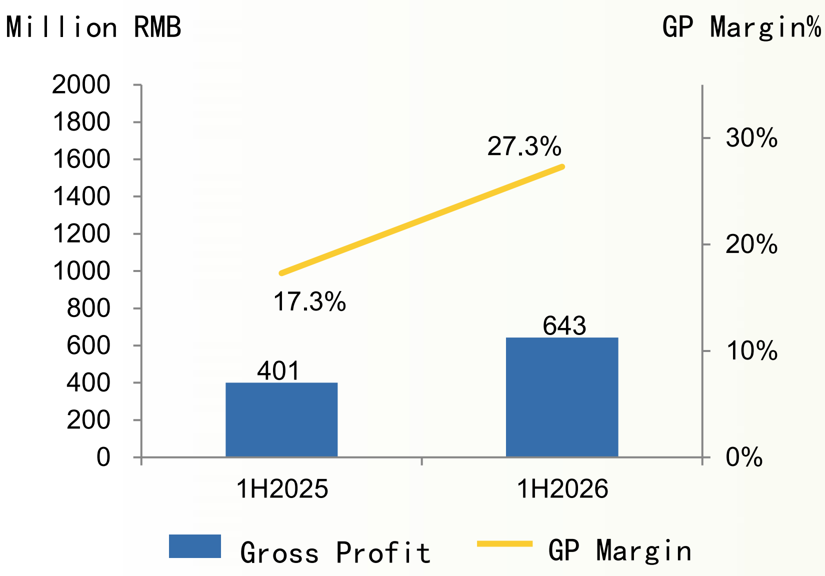
Revenue Breakdown by Segment



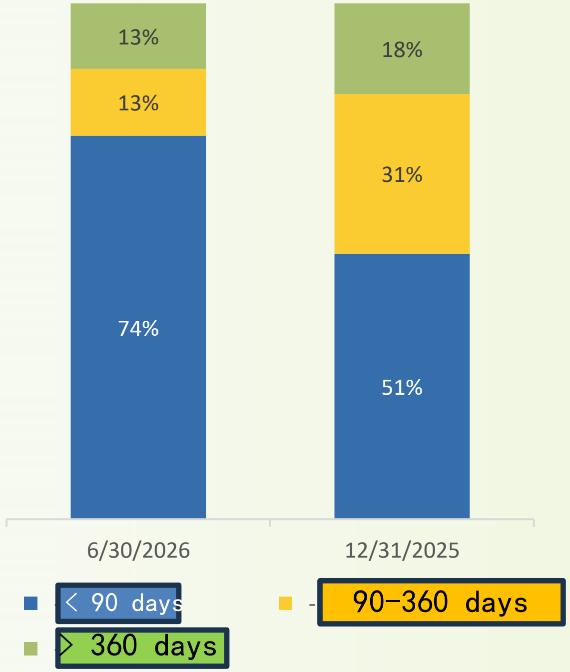


Gross Profit and Account Receivable

Gross Profit and Margin



Account Receivable Analysis



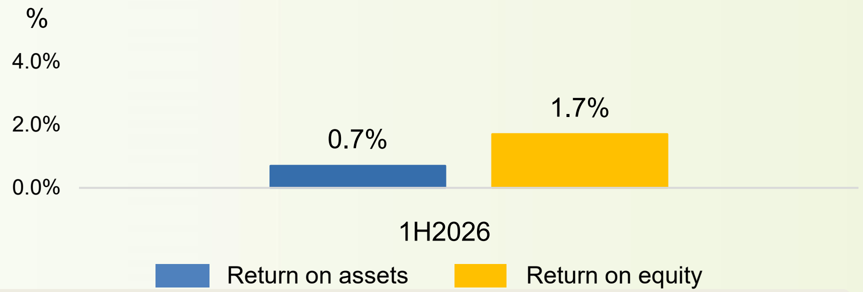
RMB 000'	**6/30/2026**	12/31/2025
Account Receivable	**2,105,361**	2,423,326

Capital Structure and Return Rate

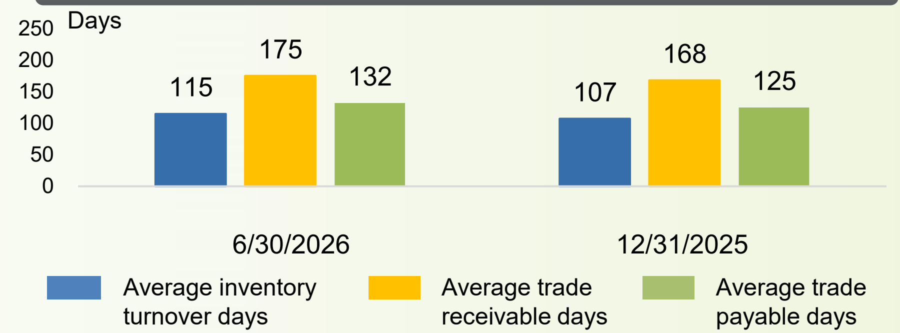
Capital Structure

	6/30/2026	12/31/2025
RMB mm		
Cash & cash equivalents	**605**	**777**
Current assets	**5,215**	**6,003**
Total assets	**6,862**	**7,648**
Short-term debt	**1,938**	**4,580**
Long-term debt	**2,031**	**102**
Total liabilities	**3,969**	**4,682**
Shareholders' equity	**2,903**	**2,969**
Minority interest	**-10**	**-3**
Total equity	**2,893**	**2,966**

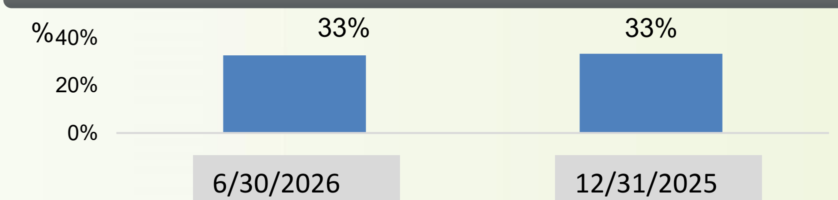
Return on Assets & Return on Equity[1]



Turnover Days for Current Assets[2]



Gearing Ratio: Net Debt/Total Capital[3]



Note:

1. Return on assets = net profit / ending balance of total assets;
   Return on equity = net profit / ending balance of total equit
2. 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
3. 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.

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

Oilfield Services

Business Development:

- Further develop business model of existing drilling and workover service, technical service and oilfield trade service, elevate Integrated turnkey project service
- 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

Offshore Engineering Services

Business Development:

- 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 markets
- Focusing on innovative technology and services, such as offshore integrated turkey service in international markets

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