USAS Building System (Shanghai) Co., Ltd.
美聯鋼結構建築系統（上海）股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2671)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026 AND CHANGE OF COMPLIANCE ADVISER

FINANCIAL SUMMARY

- For the six months ended 30 June 2026, the total revenue of the Group was approximately RMB451.7 million, representing a decrease of 68.3% from approximately RMB1,424.1 million for the same period in 2025.

- For the six months ended 30 June 2026, the gross profit of the Group was approximately RMB61.6 million, representing a decrease of 57.6% from approximately RMB145.3 million for the same period in 2025. The Group's gross profit margin was 13.6%, representing an increase of 3.4% from 10.2% as compared with the same period in 2025.

- For the six months ended 30 June 2026, the profit of the Group was approximately RMB9.9 million, representing a decrease of 84.2% from approximately RMB62.6 million for the same period in 2025.

- The Board resolved not to declare any interim dividend for the six months ended 30 June 2026.

The board of directors (the "**Board**") of USAS Building System (Shanghai) Co., Ltd. (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**"), together with comparative figures for the six months ended 30 June 2025.

In this announcement, "we", "us", and "our" refer to the Company and where the context otherwise requires, the Group.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2026 — UNAUDITED

*(Expressed in Renminbi ("**RMB**"))*

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
Revenue	*5*	**451,747**	1,424,109
Cost of sales		**(390,187)**	(1,278,839)
Gross profit		**61,560**	145,270
Other income	*6*	**4,690**	3,638
Other gains and (losses), net		**(7,114)**	29
Selling and distribution expenses		**(11,075)**	(11,566)
Administrative expenses		**(36,025)**	(33,015)
Research and development expenses		**(7,846)**	(9,292)
Reversal of impairment loss/(impairment loss)		**5,200**	(7,910)
Listing expenses		**—**	(5,819)
Finance costs		**(5,618)**	(5,189)
Profit before income tax		**3,772**	76,146
Income tax credit(expenses)	*7*	**6,096**	(13,517)
Profit for the period		**9,868**	62,629
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**318**	43
Other comprehensive income for the period		**318**	43
Total comprehensive income for the period		**10,186**	62,672

	Notes	Six months ended 30 June **2026** ***RMB'000***	2025 *RMB'000*
Profit attributable to:			
Owners of the Company		**1,502**	62,649
Non-controlling interests		**8,366**	(20)
		9,868	62,629
Total comprehensive income attributable to:			
Owners of the Company		**1,820**	62,692
Non-controlling interests		**8,366**	(20)
		10,186	62,672
		RMB cents	RMB cents
Earnings per share attributable to the owners of the Company	*8*	**1**	65

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2026 — UNAUDITED

(Expressed in RMB)

	Notes	**As at 30 June 2026** *RMB'000*	As at 31 December 2025 *RMB'000*
Non-current assets			
Investment in subsidiaries		**38,020**	—
Properties, plant and equipment		**66,481**	58,942
Investment properties		**—**	1,798
Right-of-use assets		**12,959**	15,250
Intangible assets		**5,630**	5,897
Goodwill		**4,076**	4,076
Contract assets	*10*	**74**	798
Deposits		**38**	38
Deferred tax assets		**21,209**	14,360
Total non-current assets		**148,487**	101,159
Current assets			
Inventories		**74,064**	71,652
Trade and bills receivables	*9*	**337,790**	327,120
Financial assets measured at fair value through profit or loss		**24,000**	—
Income tax recoverable		**—**	2,268
Other receivables, deposits and prepayments		**305,327**	206,289
Contract assets	*10*	**586,633**	739,840
Amounts due from related companies		**10,412**	117
Pledged deposits		**21,080**	37,535
Restricted deposits		**1,398**	22,314
Cash and cash equivalents		**254,207**	419,503
Total current assets		**1,614,911**	1,826,638

	Notes	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Current liabilities			
Trade and bills payables	*11*	**476,243**	692,414
Other payables and accruals		**72,294**	106,602
Contract liabilities	*12*	**66,415**	45,573
Lease liabilities		**294**	3,589
Income tax payable		**1,320**	6,480
Amounts due to related companies		**1**	264
Bank borrowings		**565,557**	410,653
Total current liabilities		**1,182,124**	1,265,575
Net current assets		**432,787**	561,063
Total assets less current liabilities		**581,274**	662,222
Non-current liabilities			
Lease liabilities		**146**	298
Government grants		**1,015**	—
Total non-current liabilities		**1,161**	298
Net assets		**580,113**	661,924
Capital and reserves			
Share capital	*13*	**120,550**	120,550
Reserves		**459,563**	503,598
Equity attributable to owners of the Company		**572,100**	624,148
Non-controlling interests		**8,013**	37,776
Total equity		**580,113**	661,924

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1. CORPORATE INFORMATION

The Company was established in Shanghai, the People's Republic of China ("**the PRC**") on April 17, 1999 as a limited liability company under the laws of China. The address of the Company's registered office and principal place of incorporation is 208 Jiangtian Road East, Songjiang Industry Park, Songjiang District, Shanghai, China.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on December 30, 2025.

The Company is an integrated prefabricated steel structure building ("**PS building**") subcontracting service provider in the industrial sector of PS building market. It offers integrated services for construction projects across industries, covering project design and optimization, procurement, manufacturing and installation. The Company is primarily engaged in the construction of PS buildings in the PRC, and to a lesser extent, overseas. The Group's business is organized into three business categories: (i) PS building subcontracting services, (ii) general contracting services, and (iii) industrial environmental equipment.

2. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements (the "**unaudited interim financial statements**") are prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). These unaudited interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended 31 December 2025.

The accounting policies adopted in the preparation of this unaudited interim financial statements are consistent with those adopted in the Company's annual audited consolidated financial statements for the year ended 31 December 2025,which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which also include HKASs and Interpretations) issued by the HKICPA, except for the adoption of the amendments to HKFRSs as disclosed in note 3 below.

3. APPLICATION OF AMENDMENTS TO HKFRSS

The Group has applied the amendments to HKFRSs which are mandatorily effective for the annual period beginning on 1 January 2026. The application of these amendments has had no material impact on the Group's unaudited interim condensed consolidated financial statements.

4. ISSUED BUT NOT YET EFFECTIVE HKFRSS

The following amendments to standards, and interpretation that have been issued, but are not yet effective for the six months ended 30 June 2026 and have not been early adopted by the Group:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards -Volume 11[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[1]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[1]

1 Effective for annual periods beginning on or after January 1, 2027

2 No mandatory effective date yet determined but available for adoption

The Group has already commenced an assessment of the impact of these amended standards and interpretation. According to the preliminary assessment made by the directors of the Company now comprising the Group, no significant impact on the financial performance and positions of the Group is expected when they become effective.

5. SEGMENT INFORMATION AND REVENUE

The Group's chief operating decision maker ("**CODM**") has been identified as the chief executive officer who reviews revenue analysis of the Group as a whole. For the purposes of resource allocation and assessment of segment performance, the CODM reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and no other discrete financial information is provided to the CODM. Accordingly, the Group has only one operating and reportable segment and no further analysis of this single segment is presented.

The management of the Group assesses the performance of the reportable segment based on the revenue and gross profit for the period of the Group as presented in the consolidated statement of profit or loss and other comprehensive income. The accounting policies of the reportable segment are the same as the Group's accounting policies. No analysis of the Group's assets and liabilities is regularly provided to the management of the Group for review.

In the following table, revenue is disaggregated by major products and service lines, timing of revenue recognition and primary geographical market.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Major product/service		
PS building subcontracting services	**317,029**	1,247,277
General contracting services	**94,397**	141,547
Sales of industrial environmental equipment	**40,321**	35,285
	451,747	1,424,109
Timing of revenue recognition		
At a point in time	**40,321**	35,285
Transferred over time	**411,426**	1,388,824
	451,747	1,424,109
Primary geographical market		
The PRC	**293,080**	1,269,731
Southeast Asia *(Note (i))*	**103,478**	119,094
United States	**23,332**	28,605
Others *(Note (ii))*	**31,857**	6,679
	451,747	1,424,109

Note i: Principally included Thailand, Vietnam and Malaysia.

Note ii: Principally included Germany, Canada, Australia and other territories.

6. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest income	**3,777**	420
Gain on sale of scrap materials	**285**	1,583
Rental income	**451**	1,544
Government grants	**177**	30
Sundry income	**—**	61
	4,690	3,638

7. INCOME TAX CREDIT/(EXPENSES)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current tax		
— PRC Enterprise income tax	**1,026**	14,068
Deferred taxation	**(7,122)**	(551)
Income tax Credit/(Expenses)	**(6,096)**	13,517

The Group is subject to income tax in the PRC and certain overseas jurisdictions. The Company and its subsidiaries operating in Mainland China are generally subject to PRC Enterprise Income Tax at a rate of 25%. The Company was previously accredited as a New and High-Technology Enterprise and was entitled to a preferential tax rate of 15% for the period from 2023 to 2025. The certificate expired on 31 December 2025 and the Company is currently applying for re-accreditation. Based on management's assessment, the Company has applied the preferential tax rate of 15% for the six months ended 30 June 2026. The Company is also entitled to a super deduction of 175% on qualifying R&D expenses.

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions (Thailand: 20%; Malaysia: 17%; Hong Kong: 16.5%).

The Group is subject to the Pillar Two rules in certain jurisdictions. Based on management's assessment, the Group's effective tax rates in all relevant jurisdictions exceed 15%, and accordingly, the Group does not expect to be liable for any top-up taxes under the Pillar Two framework.

8. EARNINGS PER SHARE

The basic and diluted earnings per share attributable to the owners of the Company are calculated as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Earnings		
Profit for the purposes of basic and diluted earnings per share attributable to owners of the Company	**1,502**	62,649
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**120,550,005**	95,950,005

	Six months ended 30 June	
	2026	2025
	RMB cents	*RMB cents*
Earnings per share	**1**	65

There were no potential ordinary shares outstanding during the six months ended 30 June 2026 and 2025, and hence the diluted earnings per share is the same as basic earnings per share.

9. TRADE AND BILLS RECEIVABLES

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
Trade receivables	**327,570**	373,328
Bills receivables	**50,611**	2,880
	378,181	376,208
Less: Provision for impairment	**(40,391)**	(49,088)
	337,790	327,120

The Group's trading terms with trade debtors are mainly on credit. The credit period granted to its trade debtors is generally up to 90 days from invoice.

Included in trade receivables are trade debtors (net of impairment losses) with the following ageing analysis, based on invoice dates, at the end of reporting period.

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Within 1 year	**223,109**	188,398
1–2 years	**88,786**	100,695
2–3 years	**16,207**	26,347
3–4 years	**8,616**	11,680
Over 4 years	**1,072**	—
	337,790	327,120

10. CONTRACT ASSETS

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Contract assets	**614,643**	766,246
Retention receivables	**1,313**	8,440
	615,956	774,686
Less: Provision for impairment	**(29,249)**	(34,048)
	586,707	740,638
Represented as:		
Current portion	**586,633**	739,840
Non-current portion	**74**	798
	586,707	740,638

11. TRADE AND BILLS PAYABLES

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Trade payables	**368,283**	560,303
Bills payables	**107,961**	132,111
	476,243	692,414

As at 30 June 2026 and as at 31 December 2025, the Group's trade and bills payables are non-interest bearing and credit periods granted by suppliers is generally up to 90 days.

Ageing analysis

The aging analysis of trade and bills payables, based on the invoice date, as of the end of each reporting period, is as follows:

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
Within 1 year	**475,878**	627,679
1–2 years	**—**	44,729
2–3 years	**—**	9,829
Over 3 years	**365**	10,177
	476,243	692,414

12. CONTRACT LIABILITIES

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
PS building subcontracting services	**66,415**	39,110
General contracting services	**—**	757
Sales of industrial environmental equipment	**—**	5,706
	66,415	45,573

13. SHARE CAPITAL

During the Reporting Period, there was no change in the Company's issued share capital and the number of shares in issue.

14. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, the Group had no significant events from the end of the Reporting Period and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are an integrated prefabricated steel structure building ("**PS building**") subcontracting service provider in the industrial sector of PS building market. We offer integrated services for construction projects across industries, covering project design and optimization, procurement, manufacturing and installation. We are primarily engaged in the construction of PS buildings in the PRC, and to a lesser extent, overseas. By leveraging our technology and expertise, we have built a reputation in China's industrial sector of the PS building market.

We are committed to driving continuous innovation within the industrial sector of the PS building market. From research and development, design, production, and engineering application to comprehensive project management, we deliver safe and efficient integrated PS building services. This holistic approach has enabled us to develop distinctive competencies in the industry.

Our business is organized into three business categories, defined by revenue recognition models and operational characteristics: (i) PS building subcontracting services, (ii) general contracting services, and (iii) industrial environmental equipment. These interconnected business categories create synergies that fuel the sustained growth of our Group.

Building on our core expertise in industrial construction, we have cultivated a strong market position and a competitive strategy. Our focus has been on partnering with leading enterprises in dynamic and rapidly evolving industries, enabling us to develop a high-quality and long-term customer base.

We have already obtained key industry certifications in multiple countries, with a strategic focus on Southeast Asia. This positions us to deliver tailored products and services that meet the specific needs of our target clients, establishing a foundation for further international market expansion and drove the sustainable growth of the Group.

The revenue for the Reporting Period was approximately RMB451.7 million, representing a decrease of 68.3% from approximately RMB1,424.1 million for the same period in 2025. The profit for the Reporting Period was approximately RMB9.9 million, representing a decrease of 84.2% from RMB62.6 million for the same period in 2025.

OUTLOOK

The Group adheres to a "dual-wheel drive" strategy to ensure steady growth in its core business, thereby achieving the core strategic goal of "high-quality sustainable growth". The Group will expand and upgrade its existing prefabricated steel structure building component facilities to increase core high-quality production capacity, ensuring that it can meet growing demand while maintaining a competitive edge, thereby consolidating its market position. In addition, to capture the growth potential arising from the increasing demand for efficient and scalable construction services in Southeast Asian countries, the Group has established overseas production facilities for the manufacture of prefabricated steel structure building components to support local projects. The Group will respond swiftly to local market demand and optimize resource allocation, thereby expanding its brand influence and service capabilities in the surrounding regional markets.

In the second half of 2026, the Group will continue to advance its "Green Building+" strategy by developing BIPV (building-integrated photovoltaic systems) and industrial environmental equipment as synergistic businesses, integrating them with its core operations to enhance comprehensive service capabilities and competitive advantages. The Group will also dedicate itself to comprehensively advancing digital operations, and establishing a fully integrated Industrial Internet of Things platform. This will optimize resource allocation, enhance operational efficiency, and lay a solid foundation for technological innovation and sustainable growth.

FINANCIAL REVIEW

Revenue

Since its inception, PS building subcontracting services have been the cornerstone of our business and continue to be the largest contributor to our revenue. Our focus remains on delivering comprehensive PS building subcontracting services, which encompass project design and optimization, procurement, production, on-site installation, and quality assurance. Over the years, we have continuously honed our expertise and expanded the range of services we offer within this domain. During the Reporting Period, revenue from PS building subcontracting services was approximately RMB317.0 million, representing a decrease of 74.6%. Such decrease was primarily due to (i) fluctuations in the order cycle of major customers: in fiscal year 2025, the Group's core major customer concentrated its order releases, resulting in a historically high revenue base for the same period of the previous year. In fiscal year 2026, the total order volume from the major customer declined significantly compared with the same period of the previous year, leading to a notable year-on-year decrease in revenue for the Group and its subsidiaries, as the high base from the prior year was no longer present to support the figures; and (ii) delayed commencement of newly signed orders and deferral of revenue recognition: new orders signed by the Group in 2026 were contracted relatively late in the year, with project initiation and delivery schedules predominantly concentrated in the second half of the year. As revenue recognition follows project acceptance/delivery milestones, effective output could not be generated in the first half of the year to offset the gap caused by the high base from the same period last year. The Group currently maintains a sufficient order backlog, and newly signed projects have successively entered the construction/delivery phase.

With capacity release and concentrated project acceptances in the second half of the year, the Group expects full-year revenue to be effectively restored. The Group will continue to optimize its customer and product line structure to reduce concentration risk with any single major customer and enhance revenue stability.

In addition to our core PS building subcontracting services, we have expanded into general contracting services, having obtained the Grade I General Contracting Qualification for Construction Projects (建築工程施工總承包一級資質). This qualification enables us to serve as both a general contractor and a specialized subcontractor, allowing us to offer comprehensive subcontracting services across all stages of a project. We provide general contracting services for both PS building subcontracting projects and PC building projects. During the Reporting Period, revenue from general contracting services was approximately RMB94.4 million, representing a decrease of 33.3%. Such decrease was primarily due to: (i) in the corresponding period of 2025, several general contracting projects secured in 2024 had entered their primary construction phases and recognized revenue, thereby establishing a relatively high comparative base; and (ii) during the Reporting Period, certain general contracting projects already secured remained in the design and pre-construction preparation stages and had not yet progressed to the primary performance obligation and revenue recognition phases.

Our industrial environmental equipment business category was established to address the rising demand for specialized products in industrial manufacturing environments. This business category primarily focuses on the Machinery Filtering and Acoustic Systems ("**MFAS**") line, which currently generates the vast majority of our revenue. During the Reporting Period, revenue from environmental equipment business category was approximately RMB40.3 million, representing an increase of 14.3%. Such increase was primarily due to: (i) increased demand from downstream manufacturing sectors for environmental protection ancillary products such as workshop dust removal and noise control, which encompassed both supporting procurement for new plant construction projects and equipment demand arising from technological upgrading and retrofitting of existing plants; (ii) conversion of supporting orders leveraging existing customer resources, alongside the Company's proactive efforts to expand external customer channels, resulting in an increase in independent external orders for mechanical filtration and acoustic systems; and (iii) revenue recognition during the Reporting Period from multiple MFAS product line orders previously contracted, which were completed and accepted during the reporting period, thereby driving the growth of this segment.

Cost of Sales

During the Reporting Period, our cost of sales comprised material costs (including costs paid to outsourcing suppliers primarily for main structural components), subcontracting costs (mainly labor subcontracting), labor costs, manufacturing overheads and other costs.

Among these, material costs (primarily consisting of raw materials and outsourcing product costs) have consistently been the largest component of our cost structure, accounting for approximately 62.8% of our total cost of sales for the six months ended 30 June 2026 (2025: 73.4%).

The principal raw material used in our construction projects is steel plate. The price of steel plate fluctuates due to factors such as global supply and demand dynamics, market competition and regulatory changes, many of which are beyond our control.

Gross Profit and Gross Profit Margin

During the Reporting Period, the gross profit of the Group was approximately RMB61.6 million, representing a decrease of 57.6% from approximately RMB145.3 million for the same period in 2025. The Group's gross profit margin increased from 10.2% in the previous period to 13.6% in the Reporting Period. This increase was primarily attributable to: (i) changes in the business mix, as revenue from comprehensive contracting services with lower gross margins declined as a proportion of total revenue, while revenue from the industrial environmental equipment business, which carried relatively higher gross margins, increased its share; (ii) optimization of the project structure in the PS building subcontracting business, with reduced acceptance of low-bid projects and improved project profitability; and (iii) stabilization of price fluctuations in certain major raw materials, coupled with continued strengthening of project cost controls, which collectively contributed to an overall increase in the consolidated gross margin.

Administrative Expenses

The Group's administrative expenses increased by approximately 9.1% from approximately RMB33.0 million for the six months ended 30 June 2025 to approximately RMB36.0 million for the Reporting Period, the increase was primarily attributable to the Company's support for overseas business expansion, including the establishment of the manufacturing subsidiary in Thailand, an increase in legal fees and other expenses related to overseas operations.

Research and Development Expenses

The Group's research and development expenses decreased by approximately 15.6% from approximately RMB9.3 million for the six months ended 30 June 2025 to approximately RMB7.8 million for the Reporting Period, primarily due to differences in the stages and timing of investment in certain research and development projects during the Reporting Period, resulting in lower consumption of research and development materials and lower external technical service expenses.

Finance Costs

The Group's finance costs increased by approximately 8.3% from approximately RMB5.2 million for the six months ended 30 June 2025 to approximately RMB5.6 million for the Reporting Period, primarily due to an increase in bank borrowings to meet the Group's working capital requirements, which resulted in a higher average balance of bank borrowings and the related interest expenses during the Reporting Period.

Income Tax Credit/(Expenses)

The Group's income tax Credit/(Expenses) decreased by approximately 145.1% from approximately RMB13.5 million for the six months ended 30 June 2025 to approximately negative RMB6.1 million for the Reporting Period, primarily due to: (i) a decrease in current income tax expense as a result of lower taxable profits during the Reporting Period; and (ii) the recognition of a deferred tax credit of approximately RMB7.1 million in respect of deductible temporary differences.

Interim Dividend

The Board resolved not to declare any interim dividend for the Reporting Period.

Profit for the Reporting Period

As a result of the foregoing, the Group's profit decreased by approximately 84.2% from approximately RMB62.6 million for the six months ended 30 June 2025 to approximately RMB9.9 million for the Reporting Period.

Liquidity and Capital Resources

The Group's liquidity and capital resources are critical to supporting our operations, growth and financial stability. We primarily rely on cash generated from operating activities, supplemented by bank borrowings.

These resources enable us to meet working capital requirements, invest in new projects and sustain business growth. As at 30 June 2026, the Group's cash and cash equivalents amounted to approximately RMB254.2 million.

Properties, Plant and Equipment

Properties, plant and equipment constitute a significant component of our non-current assets, comprising essential assets such as buildings, machinery, office equipment, motor vehicles and leasehold improvements. These assets are crucial to the production, delivery and servicing of our prefabricated steel structure construction and related infrastructure projects.

As at 30 June 2026, the Group's properties, plant and equipment amounted to approximately RMB66.5 million, compared to RMB58.9 million as at 31 December 2025. The increase was primarily attributable to plant renovation costs incurred for capacity expansion in Shanghai and Suzhou, and the commissioning of new secondary structure and enclosure production lines in Thailand.

Contract Assets and Contract Liabilities

Contract assets represent the Group's right to consideration from customers for services and products that have been transferred to customers but for which no invoice has been issued. Contract liabilities primarily arise when the Group receives advances from customers and will be recognized as revenue when we fulfill the relevant performance obligations in the future.

The Group's contract assets decreased by approximately 20.8% from approximately RMB740.6 million for the year ended December 31, 2025 to approximately RMB586.7 million for the Reporting Period, primarily due to the billing of customers during the Reporting Period in respect of construction work which was recognized in prior periods; while the amount of work performed but not yet billed as at the end of the Reporting Period decreased in line with the lower level of project execution and revenue recognition.

The Group's contract liabilities increased by approximately 45.7% from approximately RMB45.6 million for the year ended December 31, 2025 to approximately RMB66.4 million for the Reporting Period, primarily due to an increase in advance payments received from customers in respect of certain PS building subcontracting projects for which the relevant performance obligations had not yet been fully satisfied, and the corresponding amounts had therefore not yet been recognized as revenue as at the end of the Reporting Period.

Inventories

The Group's inventories increased by approximately 3.4% from approximately RMB71.7 million for the year ended December 31, 2025 to approximately RMB74.1 million for the Reporting Period, remained relatively stable.

Trade and Bills Receivables

The Group's trade and bills receivables increased by approximately 3.3% from RMB327.1 million for the year ended December 31, 2025, to RMB337.8 million for the Reporting Period, remained relatively stable.

Trade and Bills Payables

The Group's trade and bills payables decreased by approximately 31.2% from approximately RMB692.4 million for the year ended December 31, 2025 to approximately RMB476.2 million for the Reporting Period, primarily due to the reduced level of project execution during the Reporting Period, together with the settlement by the Group of certain outstanding amounts relating to prior purchases and subcontracting services in accordance with the relevant payment terms.

Capital Expenditure

The Group's capital expenditure primarily relates to additions to properties, plant and equipment and construction in progress in the course of our operations. For the Reporting Period, the Group incurred capital expenditure of approximately RMB13.9 million (2025: approximately RMB4.9 million).

Contingent Liabilities

During the Reporting Period and up to the date of this announcement, we had no material contingent liabilities other than those arising in the ordinary course of business.

Exposure to Fluctuations in Exchange Rates

Our financial statements are reported in RMB. Fluctuations in exchange rates between RMB and other currencies in regions where we operate may still pose some risk, particularly if certain transactions are settled in foreign currencies. The Group closely monitors the exchange rate fluctuations and reviews its foreign exchange risk management strategies from time to time.

The Board may consider hedging foreign exchange exposures where appropriate in order to minimize its foreign exchange risk.

Pledged Deposit

Pledged bank deposits carry fixed interest rate from 0.05% to 1.00% per annum and represent deposits pledged to banks to secure short-term bank loan and banking facilities granted to the Group and are therefore classified as current assets.

As at 30 June 2025, the Group had pledge deposit of RMB21.1 million (31 December 2025: RMB37.5 million).

Gearing Ratio

Gearing ratio equals total bank borrowings divided by total equity at the end of the respective year/period, multiplied by 100%.

As at 30 June 2026, the Group's gearing ratio was 97.5% (31 December 2025: 62.0%), primarily due to the payment of dividends of approximately RMB44.0 million during the same period.

Significant Investments, Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the reporting period, the Group disposed of its 43% equity interest in MEGA Construction (Jiangsu) Company Limited (the "**Subsidiary**"), and the transaction was completed on 18 June 2026. Immediately prior to the disposal, the Group held 51% equity interest in the Subsidiary, which was a non-wholly owned subsidiary of the Group; upon completion of the disposal, the Group held only 8% equity interest in the Subsidiary and ceased to have control over it, and accordingly, the Subsidiary is no longer consolidated into the Group's consolidated financial statements.

Saved as disclosed above, the Company did not have any significant investment, acquisition or disposal of subsidiaries, associates and joint ventures during the Reporting Period. The Board confirmed that the Group's transactions in financial assets during the Reporting Period, on a standalone basis and aggregate basis, did not constitute notifiable transactions under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

Future Plans for Material Investments or Capital Assets

Save as disclosed in the paragraph headed "Use of proceeds from the Listing" in this section, as at 30 June 2026, the Company did not have any future plans for material investments or additions of capital assets.

Events After the Reporting Period

Save as disclosed in this announcement, no significant events have occurred during the period from the end of the Reporting Period to the date of this announcement.

Use of Proceeds from the Listing

The Company's shares have been listed on the Main Board of the Stock Exchange since 30 December 2025 (the "**Listing Date**"). The net proceeds from the listing (after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the listing) amounted to approximately HK$139.89 million, which will be used for the purposes as set out in the Company's prospectus dated 18 December 2025 (the "**Prospectus**"). Up to the date of this announcement, the proposed use of net proceeds is consistent with that previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

	% of the total net proceeds	**Net proceeds from the Global Offering** *(HK$ in millions)*	**Actual utilised amount as at 30 June 2026** *(HK$ in millions)*	**Unutilised amount as at 30 June 2026** *(HK$ in millions)*	**Expected timeline of full utilization**
Capital investments	37.7	52.7	2.8	49.9	By the end of 2026
Finance upfront costs associated with new projects	26.7	37.4	0	37.4	By the end of 2029
Strengthen sales and marketing development	12.3	17.2	0	17.2	By the end of 2027
Selective acquisitions and investments	9.3	13.0	0	13.0	By the end of 2026
Enhancing research and development capabilities	9.0	12.6	0	12.6	By the end of 2028
Working capital and general corporate purposes	5.0	7.0	0	7.0	By the end of 2029
Total	100.0	139.9	2.8	137.1	

In the event of any material change in our use of net proceeds from the purposes described above or in our allocation of the net proceeds among the purposes described above, a formal announcement will be made.

To the extent that the net proceeds are not immediately applied to the above purposes, we will only deposit such net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions).

Purchase, sale or redemption of listed securities

As at June 30, 2026, there were no treasury shares held by the Company. During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of any treasury shares).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Maintaining a high standard of corporate governance and business ethics is one of the Group's primary objectives. The Group believes that conducting business in a responsible manner will maximize its long-term interests and those of its shareholders.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**Corporate Governance Code**") as set out in Part 2 of Appendix C1 to the Listing Rules. During the Reporting Period, the Company has complied with the applicable code provisions of the Corporate Governance Code and, where applicable, the recommended best practices of the Corporate Governance Code.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors and the Group's employees who, because of his/her office or employment, are likely to possess inside information.

Specific enquiries have been made by the Company to all the Directors, and all of the Directors have confirmed that they have complied with the Model Code during the Reporting Period. No incident of non-compliance of the Model Code by the employees was identified by the Company during the Reporting Period.

PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the Directors, the Company has maintained sufficient public float as required by the Listing Rules as at the date of this announcement. The Company maintained the minimum level of public float of 25% of its total number of issued Shares.

AUDIT COMMITTEE

The Company has established an Audit Committee with terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraphs C.4 and D.3 of Part 2 of the Corporate Governance Code. The Audit Committee comprises Mr. Charles Chiang Mah, Mr. He Zhicong and Mr. Chong Hon Wang. Mr. Chong Hon Wang is the chairman of the Audit Committee.

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the unaudited condensed consolidated financial information of the Group for the Reporting Period, including the applicable accounting policies and accounting standards adopted by the Group, and considers that such information has been prepared in compliance with the applicable Listing Rules and accounting standards.

PUBLICATION OF INTERIM RESULTS AND 2026 INTERIM REPORT

This announcement is published on the websites of the Company (www.usas.com) and the Stock Exchange (www.hkexnews.hk), and the interim report of the Company for the six months ended June 30, 2026 will be dispatched to the shareholders of the Company and published on the above websites in due course.

CHANGE OF COMPLIANCE ADVISER

This Board further announces that, pursuant to Rules 3A.29 and 13.51(6) of the Listing Rules, the compliance adviser's agreement entered into between the Company and SPDB International Capital Limited ("**SPDB**") dated 16 January 2025 will be terminated with effect from 22 August 2026 after mutual agreement between the Company and SPDB (the "**Termination**"), which was due to a change in the key personnel at SPDB whom had been responsible for providing compliance advisory engagement services for the Company. Save for the aforesaid, each of the Board and SPDB confirm that as at the date of this announcement, there is no other matter relating to the Termination that needs to be drawn to the attention of the shareholders of the Company and the Stock Exchange.

The Board further announces that Lego Corporate Finance Limited ("**Lego**"), which is a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), has been appointed as the new compliance adviser to the Company pursuant to Rule 3A.27 of the Listing Rules with effect from 22 August 2026, and such appointment will subsist until the earlier of (a) the date on which the Company satisfies Rule 13.46 of the Listing Rules in relation to its financial results for the first full financial year commencing after its initial listing (i.e., the financial year ending 31 December 2026), as referred to in Rule 3A.19 of the Listing Rules, and (b) the termination of the compliance adviser agreement between the Company and Lego in accordance with its terms.

By order of the Board
USAS Building System (Shanghai) Co., Ltd.
Mr. Brian B.Y. Chen
Chairman and Executive Director

Hong Kong, August 21, 2026

As at the date of this announcement, the Board comprises Mr. Brian B.Y. Chen and Ms. Angela Chen Mah as executive directors, Mr. Charles Chiang Mah and Mr. Wajdi Maalouf as non-executive directors, and Mr. Liu Xuming, Mr. He Zhicong and Mr. Chong Hon Wang as independent non-executive directors.