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**Lever Style Corporation**

**利華控股集團**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1346)**

## **DISCLOSEABLE TRANSACTION ACQUISITION OF ASSETS**

### **THE ASSET PURCHASE AGREEMENT**

The Board is pleased to announce that on 17 December 2025, after trading hours, the Purchaser (an indirectly wholly-owned subsidiary of the Company) entered into the Asset Purchase Agreement with the Vendors and the Vendors' Guarantor, pursuant to which, the Vendors have agreed to sell and the Purchaser has agreed to purchase the Sale Assets at a purchase price equivalent to the total Earn Out Amounts. The parties agreed to fix the initial purchase price at US\$13 million as at the date of the Asset Purchase Agreement.

The Vendors' activewear segment is the fastest-growing one in the apparel industry, and it complements the Group's existing strength in the fashion segment. The Vendors' product sophistication and customer tier are also on par with the Group's premium positioning. The Group plans to add value by cross-selling additional products to the Vendors' customers and by enhancing operating leverage.

With the US market challenged by tariffs and Europe's economy still sluggish, 2025 has become the most challenging year for the Group since COVID. Given the increasing risk of tariff-induced US recession in 2026, the Group has further tightened credit controls, significantly reducing business volumes with the Group's two largest customers from 2024 due to credit concerns. As such, 2025 will represent a step back from the consecutive robust growing business trend in recent years.

## **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the purchase of the Sale Assets exceeds 5% but is less than 25%, the entering into of the Asset Purchase Agreement and the transactions contemplated thereunder constitute a disclosable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The valuer adopted the market approach to estimate the possible value(s) of the Sale Assets and the valuer considered that the market approach was the most appropriate. As the valuation of the total Earn Out Amounts includes statements which explicitly or implicitly quantify the anticipated level of future profits or losses arising from the Sale Assets for the 24 months after Closing Date, the valuation of the total Earn Out Amounts constitutes a profit forecast under Rule 14.61 of the Listing Rules. The Company will make further announcement(s) within fifteen (15) business days after the publication of this announcement in compliance with Rule 14.60A of the Listing Rules.

The Board is pleased to announce that on 17 December 2025, after trading hours, the Purchaser (an indirectly wholly-owned subsidiary of the Company) entered into the Asset Purchase Agreement with the Vendors, pursuant to which, the Vendors have agreed to sell and the Purchaser has agreed to purchase the Sale Assets at a purchase price equivalent to the total Earn Out Amounts. The parties agreed to fix the initial purchase price at US\$13 million as at the date of the Asset Purchase Agreement.

Set out below is a summary of the principal terms of the Asset Purchase Agreement.

## **ASSET PURCHASE AGREEMENT**

### **Date**

17 December 2025 (after trading hours)

### **Parties involved**

Vendors: (i) Active Apparel Group Pty Ltd; and

(ii) Active Apparel Group (America) LLC

Vendors' Guarantor: AAG Holdco Pty Ltd

Purchaser: Lever Style Limited, an indirectly wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors, the Vendors' Guarantor and their respective ultimate beneficial owner(s) are Independent Third Parties.

## **Subject matter**

Pursuant to the Asset Purchase Agreement, the Vendors have agreed to sell and the Purchaser has agreed to purchase the Sale Assets at a purchase price equivalent to the total Earn Out Amounts. The parties agreed to fix the initial purchase price at US\$13 million as at the date of the Asset Purchase Agreement. The Sale Assets comprise of (1) the AAG (AUS) Sale Assets and (2) the AAG (US) Sale Assets.

(1) The AAG (AUS) Sale Assets comprise mainly of:

- (a) the AAG (AUS) Purchase Orders;
- (b) the AAG (AUS) Accounts Receivable; and
- (c) the AAG (AUS) Asset Records.

(2) The AAG (US) Sale Assets comprise mainly of:

- (a) the AAG (US) Purchase Orders;
- (b) the AAG (US) Accounts Receivable; and
- (c) the AAG (US) Asset Records.

## **Consideration**

The purchase price for the Sale Assets is equivalent to the total Earn Out Amounts. The parties agreed to fix the initial purchase price at US\$13 million as at the date of the Asset Purchase Agreement.

Payment of the purchase price is as follows:

- (a) 70% of the Initial Purchase Price will be paid on the Closing Date;
- (b) regarding the Post-Closing Payment Amount, in respect of each month following the month in which the net value of the Collected Sale AR following Closing exceeds 70% of the Net Working Capital Sale AR Amount as shown in the Final Closing Calculation, a sum being a proportion of the unpaid balance of the Initial Purchase Price, equivalent in percentage of the excess net value of the Sale Assets received bears to such Net Working Capital Sale AR Amount, will be accrued for payment to each of the Vendors in an agreed proportion within 15 Business Days of the end of that month, until the remaining balance of the Initial Purchase Price, after deducting the Write Offs, has been fully paid; and
- (c) each Earn Out Amount will be paid as set out in the section headed “Earn Out Amount” below.

### ***Earn Out Amount***

The Purchaser must pay each Earn Out Amount to the Vendors on the relevant Earn Out Payment Date. In the event that an Earn Out Amount is equal to or less than zero, then no payment is required to be made by the Purchaser to the Vendors or by the Vendors to the Purchaser in respect of the Earn Out Amount.

In respect of each Earn Out Period, no Earn Out Amount shall be payable for that Earn Out Period unless and until the cumulative aggregate of the Earn Out Amounts for that Earn Out Period and all preceding Earn Out Periods exceeds the Initial Purchase Price, in which case the amount payable on the relevant Earn Out Payment Date for that Earn Out Period shall be limited to the amount by which such cumulative aggregate exceeds the Initial Purchase Price (the “**Excess**”), less any Excess previously paid according to the Asset Purchase Agreement. For the avoidance of doubt if, for any Earn Out Period, the cumulative aggregate of the Earn Out Amounts for that Earn Out Period and all preceding Earn Out Periods is equal to or less than the Initial Purchase Price, no Earn Out Amount shall be payable for that Earn Out Period.

The basis of the consideration was determined on arm’s length basis with reference to the valuation of the Sale Assets as at 20 November 2025, which is between the range of approximately US\$12.4 million and US\$14.8 million, being the value rendered by GW Financial Advisory Services Limited, an independent valuer. The consideration will be paid by the internal cash resources of the Group.

### **Closing**

Closing shall take place on the Scheduled Closing Date pursuant to which, the Sale Assets shall be transferred to the Purchaser from the Vendors. Closing will not occur until the Vendors have complied with all of their closing obligations set out in the Asset Purchase Agreement.

### **Guarantee**

Pursuant to the Asset Purchase Agreement, the Vendors’ Guarantor irrevocably and unconditionally:

- (a) guaranteed to the Purchaser the due and punctual performance and observance by each Vendor of all of the obligations contained in or implied under the Asset Purchase Agreement that must be performed and observed by that Vendor (“**Guaranteed Obligations**”) whether incurred alone or together with the other Vendor; and
- (b) indemnifies the Purchaser from and against, and must pay to the Purchaser on demand the amount of, all losses (as stated under the Asset Purchase Agreement) which the Purchaser suffers, pays or incurs as a result of or in connection with the Vendors failing, or being unable, to pay any amount or to perform any of the Guaranteed Obligations in accordance with the Asset Purchase Agreement.

## **REASONS FOR ENTERING INTO THE ASSET PURCHASE AGREEMENT**

The Vendors' activewear segment is the fastest-growing one in the apparel industry, and it complements the Group's existing strength in the fashion segment. The Vendors' product sophistication and customer tier are also on par with the Group's premium positioning. The Group plans to add value by cross-selling additional products to the Vendors' customers and by enhancing operating leverage. With the organic business negatively affected by the deteriorating economic environment, the Group has put more focus on pursuing inorganic growth.

With the US market challenged by tariffs and Europe's economy still sluggish, 2025 has become the most challenging year for the Group since COVID. Given the increasing risk of tariff-induced US recession in 2026, the Group has further tightened credit controls, significantly reducing business volumes with the Group's two largest customers from 2024 due to credit concerns. As such, 2025 will represent a step back from the consecutive robust growing business trend in recent years.

The Group will continue to explore strategic merger and acquisition opportunities to further strengthen its product category portfolio, expand its production base, and gain scale that creates synergies and incremental profitability.

The Directors (including the independent non-executive Directors) consider that the terms of the Asset Purchase Agreement are fair and reasonable and on normal commercial terms and that the entering into of the Asset Purchase Agreement is in the interests of the Company and its Shareholders as a whole.

## **INFORMATION OF THE GROUP**

The Group has been principally engaged in providing supply chain solutions in multiple apparel categories for notable brands.

## **INFORMATION OF THE VENDORS**

Active Apparel Group Pty Ltd is a company incorporated in Australia. Its principal business is the design, production and supply of performance and stretch fabric apparel, primarily for premium activewear brands.

Active Apparel Group (America) LLC is a company incorporated in the United States of America. Its principal business is the design, production and supply of performance and stretch fabric apparel, primarily for premium activewear brands.

Both Active Apparel Group Pty Ltd and Active Apparel Group (America) LLC are ultimately owned as to 27.20%, 20.81%, 30.23% and 17.53% by Meaningful Partners – ILP, Meaningful Partners – IQLP, John Ziegler and Paul McCloskey respectively. Meaningful Partners – ILP and Meaningful Partners – IQLP are within the Meaningful Partners group which is a private equity firm based in Los Angeles, California which seeks investments in purposeful consumer businesses with a focus on certain long-term thematic trends. To the best of knowledge, information and belief of the Directors, having made reasonable enquiries, Meaningful Partners is founded and controlled by Jake Capps.

## **INFORMATION OF THE VENDORS' GUARANTOR**

AAG Holdco Pty Ltd is a company incorporated in Australia and is a holding and investment company. It is ultimately owned as 27.20%, 20.81%, 30.23% and 17.53% by Meaningful Partners – ILP, Meaningful Partners – IQLP, John Ziegler and Paul McCloskey respectively. Each of the Vendors is an indirectly wholly-owned subsidiary of the Vendor's Guarantor.

## **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the purchase of the Sale Assets exceeds 5% but is less than 25%, the entering into of the Asset Purchase Agreement and the transactions contemplated thereunder constitute a disclosable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The valuer adopted the market approach to estimate the possible value(s) of the Sale Assets and the valuer considered that the market approach was the most appropriate. As the valuation of the total Earn Out Amounts includes statements which explicitly or implicitly quantify the anticipated level of future profits or losses arising from the Sale Assets for the 24 months after Closing Date, the valuation of the total Earn Out Amounts constitutes a profit forecast under Rule 14.61 of the Listing Rules. The Company will make further announcement(s) within fifteen (15) business days after the publication of this announcement in compliance with Rule 14.60A of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“AAG (AUS) Accounts Receivable”	the accounts receivables (net of customer deposits) owed to Active Apparel Group Pty Ltd by customers (including Existing Customers);
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“AAG (AUS) Asset Records”	to the extent within the possession or control of Active Apparel Group Pty Ltd, all documentations, database and records in respect of the AAG (AUS) Sale Assets and physical samples of the Existing Customers of Active Apparel Group Pty Ltd;
“AAG (AUS) Purchase Orders”	the orders for Products placed by Existing Customers with Active Apparel Group Pty Ltd on or before the Closing Date that are due to be completed by Active Apparel Group Pty Ltd after the Closing Date;
“AAG (AUS) Sale Assets”	AAG (AUS) Purchase Orders, AAG (AUS) Accounts Receivable and AAG (AUS) Asset Records;
“AAG (US) Accounts Receivable”	the accounts receivables (net of customer deposits) owed to Active Apparel Group (America) LLC by customers (including Existing Customers);
“AAG (US) Asset Records”	to the extent within the possession or control of Active Apparel Group (America) LLC, all documentations, database and records in respect of the AAG (US) Sale Assets and physical samples of the Existing Customers of Active Apparel Group (America) LLC;
“AAG (US) Purchase Orders”	the orders for Products placed by Existing Customers with Active Apparel Group (America) LLC on or before the Closing Date that are due to be completed by Active Apparel Group (America) LLC after the Closing Date;
“AAG (US) Sale Assets”	AAG (US) Purchase Orders, AAG (US) Accounts Receivable and AAG (US) Asset Records;
“Asset Purchase Agreement”	the asset purchase agreement dated 17 December 2025 entered into between the Vendors, the Purchaser and the Vendors’ Guarantor in respect of the sale of the Sale Assets by the Vendors to the Purchaser;
“Board”	board of Directors;
“Business Day”	a day that is not a Saturday, Sunday, public holiday or bank holiday in Hong Kong or in Brisbane, Queensland;
“Closing”	completion of the transaction(s) contemplated under the Asset Purchase Agreement;

“Closing Calculation”	Vendors’ calculation of the Net Working Capital Sale AR Amount;
“Closing Date”	the date on which Closing occurs;
“Collected Sale AR”	the Sale AR in the list provided by the Vendors to the Purchaser at Closing that has been collected or otherwise settled;
“Company”	Lever Style Corporation, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1346);
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly;
“Director(s)”	the director(s) of the Company;
“Earn Out Amounts”	collectively, the First Earn Out Amount, the Second Earn Out Amount, the Third Earn Out Amount and the Fourth Earn Out Amount;
“Earn Out Payment Date”	the date that is 10 Business Days after the date on which the relevant Earn Out Statement is accepted or deemed to be accepted by the Vendors in accordance with the Asset Purchase Agreement;
“Earn Out Period”	each of the First Earn Out Period, Second Earn Out Period, Third Earn Out Period and Fourth Earn Out Period;
“Earn Out Statement”	a statement (prepared in accordance with the terms set out in the Asset Purchase Agreement) that sets out the Purchaser’s good faith calculation of the NPAT for the relevant Earn Out Period;
“Existing Customers”	the customers of the Vendors as set out in the Asset Purchase Agreement;
“Final Closing Calculation”	the agreed and amended version of the Closing Calculation to be agreed by the Vendors and the Purchaser according to the Asset Purchase Agreement;



“First Earn Out Amount”	an amount equal to 2.5 x the NPAT in respect of the First Earn Out Period that is accepted or deemed to be accepted by the Vendors;
“First Earn Out Period”	the 6-month period commencing on the date immediately following the Closing Date;
“Fourth Earn Out Amount”	an amount equal to 2 x the NPAT in respect of the Fourth Earn Out Period that is accepted or deemed to be accepted by the Vendors;
“Fourth Earn Out Period”	the 6-month period commencing on the date immediately following the end of the Third Earn Out Period;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules;
“Initial Purchase Price”	US\$13,000,000;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Net Working Capital Sale AR Amount”	means the amount calculated in accordance with the following formula:  $A + B$ <p>where:</p> <p>A = Sale AR that is specified in the list provided by the Vendors to the Purchaser at Closing;</p> <p>B = the aggregate of the customer deposits amounts provided by the Vendors to the Purchaser (expressed as a negative amount) at Closing;</p>

“NPAT”	the amount calculated using the formula below:  Sales – Expenses – Tax payable with references to line items categorized in Annexure I to this announcement;
“Post-Closing Payment Amount”	the amount that is equal to 30% of the Initial Purchase Price;
“Products”	activewear, swimwear and lifestylewear;
“Purchaser”	Lever Style Limited, a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company;
“Sale AR”	AAG (AUS) Accounts Receivable and AAG (US) Accounts Receivable;
“Sale Assets”	collectively, the AAG (AUS) Sale Assets and the AAG (US) Sale Assets;
“Scheduled Closing Date”	means the later of:  (a) 2 January 2026;  (b) a date deferred in accordance with the Asset Purchase Agreement; or  (c) such other date agreed by the Purchaser and the Vendors in writing;
“Second Earn Out Amount”	an amount equal to 2.5 x the NPAT respect of the Second Earn Out Period that is accepted or deemed to be accepted by the Vendors;
“Second Earn Out Period”	the 6-month period commencing on the date immediately following the end of the First Earn Out Period;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Third Earn Out Amount”	an amount equal to 2 x the NPAT in respect of the Third Earn Out Period that is accepted or deemed to be accepted by the Vendors;
“Third Earn Out Period”	the 6-month period commencing on the date immediately following the end of the Second Earn Out Period;
“Transferred Customers”	the Existing Customers which elect to transfer their custom to the Purchaser and/or place orders with the Purchaser following Closing;
“US\$”	United States dollar, the lawful currency of the United States of America;
“Vendors”	Active Apparel Group Pty Ltd and Active Apparel Group (America) LLC;
“Vendors’ Guarantor”	AAG Holdco Pty Ltd;
“Write Offs”	the positive amount (if any) by which (i) the total value of the Sale AR transferred to the Purchaser as reflected in the Final Closing Calculation exceeds (ii) the total value of the Collected Sale AR received by the Purchaser as at the expiry of the Fourth Earn Out Period as reflected in the Purchaser’s own accounts;
“%”	per cent.

By order of the Board  
**Lever Style Corporation**  
**Szeto Chi Yan Stanley**  
*Chairman and executive Director*

Hong Kong, 17 December 2025

*As at the date of this announcement, the Board comprises (i) Mr. SZETO Chi Yan Stanley (Chairman), Mr. LEE Yiu Ming and Mr. TAN William as executive Directors; and (ii) Mr. SEE Tak Wah, Mr. ANDERSEN Dee Allen, Ms. KESEBI Lale and Mr. LIU Gary as independent non-executive Directors.*

## ANNEXURE I

Formula	AAG	Category
A	Revenue	Sales
B	Cost of Sales	Expense
<b>C = A – B</b>	<b>GP</b>	
D	Sample Income	Sales
E	Sample Purchase	Expense
<b>F = D – E</b>	<b>Net Sample Cost</b>	<b>Expense</b>
<b>G = H + I + J + K</b>	<b>Selling Expenses</b>	
H	Transportation	Expense
I	Testing & Inspection Fee	Expense
J	Insurance Charge	Expense
K	Advertising & Publicity Expenses	Expense
L	<b>Financial Expenses</b>	<b>Expense</b>
<b>N = O + P + V + Z + AA + AB + AC</b>	<b>Administrative Expenses</b>	
<b>O</b>	<b>Staff Cost</b>	<b>Expense</b>
<b>P = Q + R + S + T + U</b>	<b>Shared Service Charges</b>	
Q	PD & MD	Expense
R	Corporate Production (Production + QA)	Expense
S	Marketing	Expense
T	Technical Development Centre	Expense
U	Shipping	Expense
<b>V = W + X + Y</b>	<b>OSG Charge (HQ allocation)</b>	
W	Finance & Accounting	Expense
X	Human Recourse & Administration	Expense
Y	IT	Expense
Z	Travelling, Entertainment, Gifts	Expense
AA	Office expenses (Utilities, Rental, Stationery, Depreciation, Maintenance, Consumables, Insurance, Others)	Expense
AB	Others (bad debt)	Expenses
AC	Other Income	Sales

Formula	AAG	Category
$AD = C - F - G - L - N$	Operating profit	
AE	Corporate service	Expense
$AF = AD - AE$	PBT	
AG	Tax%	Tax Payable
$AH = AF - AG$	PAT	NPAT