**Lever Style Corporation**
**利華控股集團**
*(Incorporated in the Cayman Islands with limited liability)*
**(Stock Code: 1346)**

# INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

## PERFORMANCE HIGHLIGHTS (H1 2026)

- Revenue increased to US$113.2 million (up 23.8% YoY), driven by the 2 January 2026 acquisition of the Active Apparel Group Pty Ltd and Active Apparel Group (America) LLC ("**AAG**") business which is now successfully integrated into the Group's platform

- Net profit grew to US$ 5.4 million representing a 1.8% increase YoY, after absorbing one-off integration costs arising from the AAG acquisition

## STRATEGIC DEVELOPMENT

- Deployed proprietary Product Lifecycle Management ("**PLM**") system and in-house AI engine, advancing our transformation into a tech-enabled apparel platform and driving greater operating leverage

## SHAREHOLDER RETURNS

- Interim dividend maintained at HK3.0 cents per share, reflecting confidence in cash generation

| | Six months ended 30 June | | |
|---|---|---|---|
| | **2026** | 2025 | **Change %** |
| | ***US$*** | *US$* | |
| | **(Unaudited)** | (Unaudited) | |
| **Revenue** | **113,158,996** | 91,400,662 | 23.8% |
| Gross profit | **31,614,586** | 26,222,913 | 20.6% |
| *Gross profit margin* | ***27.9%*** | *28.7%* | |
| Selling and distribution expenses | **(13,839,356)** | (10,882,254) | 27.2% |
| Administrative expenses | **(11,425,580)** | (9,353,805) | 22.1% |
| **Profit before tax** | **6,641,236** | 6,525,637 | 1.8% |
| **Profit for the period** | **5,444,920** | 5,351,023 | 1.8% |
| **Earnings per share** | | | |
| – Basic *(US cents)* | **0.88** | 0.85 | 3.5% |
| – Diluted *(US cents)* | **0.86** | 0.84 | 2.4% |
| Interim dividend per share *(HK cents)* | **3.00** | 3.00 | 0.00 |

## INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Lever Style Corporation (the "**Company**" or "**Lever Style**") hereby announces the unaudited consolidated financial results of the Company and its subsidiaries (together, the "**Group**") for the six months ended 30 June 2026 ("**Period Under Review**"), together with the comparative figures for the six months ended 30 June 2025.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 30 June 2026*

| | | **Six months ended 30 June** | |
|---|---|---|---|
| | | **2026** | 2025 |
| | *Notes* | ***US$*** | *US$* |
| | | **(Unaudited)** | (Unaudited) |
| **Revenue** | 4 | **113,158,996** | 91,400,662 |
| Cost of sales | | **(81,544,410)** | (65,177,749) |
| **Gross profit** | | **31,614,586** | 26,222,913 |
| Other income | | **693,922** | 1,004,641 |
| Other gains and losses, net | | **(325,777)** | 34,616 |
| Impairment losses on trade receivable,net | | **–** | (483,716) |
| Selling and distribution expenses | | **(13,839,356)** | (10,882,254) |
| Administrative expenses | | **(11,425,580)** | (9,353,805) |
| Finance costs | | **(76,559)** | (16,758) |
| **Profit before tax** | 6 | **6,641,236** | 6,525,637 |
| Income tax expenses | 5 | **(1,196,316)** | (1,174,614) |
| **Profit for the period** | | **5,444,920** | 5,351,023 |
| **Other comprehensive income** | | | |
| *Item that may be reclassified to profit or loss in subsequent periods:* | | | |
| Exchange differences arising on translation of foreign operations | | **258,474** | 27,953 |
| Total comprehensive income for the period | | **5,703,394** | 5,378,976 |

| | Note | Six months ended 30 June **2026** *US$* **(Unaudited)** | 2025 *US$* (Unaudited) |
|---|---|---|---|
| Profit for the period attributable to: | | | |
| Owners of the parent | | **5,444,920** | 5,351,023 |
| Total comprehensive income attributable to owners of the parent | | **5,703,394** | 5,378,976 |
| Earnings per share attributable to ordinary equity holders of the parent *(US cents)* | 8 | | |
| – Basic | | **0.88** | 0.85 |
| – Diluted | | **0.86** | 0.84 |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 30 June 2026*

| | Notes | **At 30 June 2026 US$ (Unaudited)** | At 31 December 2025 US$ (Audited) |
|---|---|---|---|
| **Non-current assets** | | | |
| Plant and equipment | | **3,929,094** | 3,432,289 |
| Right-of-use assets | | **2,761,795** | 2,958,744 |
| Intangible assets | | **7,068,566** | 1,404,466 |
| Deposit and other receivables | | **2,225,475** | 1,829,569 |
| Total non-current assets | | **15,984,930** | 9,625,068 |
| **Current assets** | | | |
| Inventories | | **21,639,480** | 13,893,203 |
| Trade receivables | 9 | **39,400,916** | 39,940,402 |
| Deposits, prepayments and other receivables | | **7,728,927** | 4,429,108 |
| Derivative financial instruments | | **–** | 400 |
| Bank balances and cash | | **27,307,090** | 41,525,543 |
| Total current assets | | **96,076,413** | 99,788,656 |
| **Current liabilities** | | | |
| Trade payables | 10 | **27,139,082** | 25,055,104 |
| Other payables and accruals | | **6,236,245** | 7,926,776 |
| Contract liabilities | | **2,878,057** | 1,656,670 |
| Lease liabilities | | **639,041** | 602,926 |
| Derivative financial instruments | | **292** | – |
| Tax payables | | **2,457,329** | 1,921,867 |
| Total current liabilities | | **39,350,046** | 37,163,343 |
| **Net current assets** | | **56,726,367** | 62,625,313 |
| **Total assets less current liabilities** | | **72,711,297** | 72,250,381 |

| | At 30 June 2026 *US$* (Unaudited) | At 31 December 2025 *US$* (Audited) |
|---|---|---|
| **Non-current liabiliites** | | |
| Lease liabilities | **2,133,987** | 2,347,552 |
| Deferred tax liabilities | **152,840** | 152,840 |
| Total non-current liabilities | **2,286,827** | 2,500,392 |
| **Net assets** | **70,424,470** | 69,749,989 |
| **Equity** | | |
| Share capital | **820,640** | 820,640 |
| Shares held under share awards scheme | **(2,638,289)** | (2,642,932) |
| Reserves | **72,242,119** | 71,572,281 |
| **Total Equity** | **70,424,470** | 69,749,989 |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2026*

### 1 GENERAL

Lever Style Corporation was incorporated in the Cayman Islands as an exempted company with limited liability on 27 February 2019. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business of the Company is Room 16, Flat B, 1/F, Wing Tai Centre, 12 Hing Yip Street, Kwun Tong, Hong Kong.

Its immediate and ultimate holding company are Lever Style Holdings Limited ("**Lever Style Holdings**") and Imaginative Company Limited respectively. The ultimate controlling shareholder of the Company and its subsidiaries (collectively the "**Group**") is Mr. SZETO Chi Yan Stanley ("**Mr. SZETO**") (the "**Controlling Shareholder**").

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 13 November 2019.

The condensed consolidated financial statements are presented in United States dollars ("**US$**"), which is the same as the functional currency of the Company.

### 2 BASIS OF PREPARATION AND PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The condensed consolidated financial statements have been prepared on the historical cost convention except for certain financial instruments, which are measured at fair values.

The accounting policies adopted in the preparation of the condensed consolidated financial information are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standard (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, except for the adoption of the amended HKFRS Accounting Standard as disclosed in note 3 below.

### 3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

| | |
|---|---|
| Amendments to HKFRS 9 and HKFRS 7 | *Amendments to the Classification and Measurement of Financial Instruments* |
| Amendments to HKFRS 9 and HKFRS 7 | *Contracts Referencing Nature-dependent Electricity* |
| Annual Improvements to HKFRS Accounting Standards – Volume 11 | Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 |

The nature and impact of the amended HKFRS Accounting Standards are described below:

(a) *Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026. The amendments had no impact on the Group's interim condensed financial statements.

(b) *Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *Annual Improvements to HKFRS Accounting Standards – Volume 11* set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

## 4 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in providing supply chain solutions in multiple apparel categories for notable brands. The Group's revenue represents the amounts received and receivable from the sales of garment to external customers. All revenue is recognised at the point in time when the customers obtain control of goods delivered.

Information reported to Mr. SZETO, being the chief operating decision maker of the Company, in order to allocate resources and to assess performance, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is reviewed. Accordingly, no operating segment information is presented and only entity-wide disclosures as below are presented.

**Geographical information**

Information about the Group's revenue from external customers is presented based on the home country (location of customers' headquarters) of customer's brands.

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***US$*** | *US$* |
| | **(Unaudited)** | (Unaudited) |
| United States of America | **79,968,680** | 56,641,999 |
| Europe | **18,049,289** | 20,912,964 |
| Oceania | **9,377,739** | 9,713,904 |
| Canada | **3,928,457** | 2,854,990 |
| Greater China# | **1,513,984** | 967,372 |
| Others | **320,847** | 309,433 |
| | **113,158,996** | 91,400,662 |

# Greater China primarily includes the Chinese Mainland, Hong Kong, Macau and Taiwan.

All of the Group's identifiable non-current assets are located in the Chinese Mainland and Hong Kong.

## 5 INCOME TAX EXPENSE

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***US$*** | *US$* |
| | **(Unaudited)** | (Unaudited) |
| Current – Hong Kong | | |
| Charge for the year | **995,967** | 924,464 |
| Current – PRC | | |
| Charge for the year | **32,733** | 156,928 |
| Under provision in prior years | **10,612** | 12,666 |
| | **43,345** | 169,594 |
| Current – Elsewhere | | |
| Charge for the year | **157,004** | 80,556 |
| Total | **1,196,316** | 1,174,614 |

Hong Kong profits tax has been provided at 16.5% (2025: 16.5%) of the estimated assessable profits for the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. For this subsidiary, the first HK$2,000,000 (2025: HK$2,000,000) of assessable profits are taxed at 8.25% (2025: 8.25%) and the remaining assessable profits are taxed at 16.5% (2025: 16.5%).

Tax on profits assessable in Chinese mainland has been calculated at the applicable enterprise income tax ("**EIT**") rate of under the Law of the People's Republic of China. Subsidiaries in Chinese mainland are subject to EIT at 25% tax rate for the current period ended 30 June 2026 (2025: 25%). Certain subsidiaries of the Group are qualified as a small low-profit enterprise as their annual taxable income were less than Renminbi 3,000,000 for both periods. The annual taxable income of a small low profit enterprise shall be computed at a reduced rate of 25% (2025: 25%) of taxable income amount, and subjected to EIT at 20% (2025: 20%) tax rate.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

## 6 PROFIT BEFORE TAX

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***US$*** | *US$* |
| | **(Unaudited)** | (Unaudited) |
| Profit before tax of the Group has been arrived at after charging/ (crediting): | | |
| Directors' remuneration | **2,075,171** | 1,568,033 |
| Other staff costs | | |
| – salaries and other allowances | **9,559,600** | 7,020,019 |
| – share based payment expense | **11,145** | 33,176 |
| – redundancy cost | **–** | 236,614 |
| – retirement benefit scheme contributions | **1,097,262** | 1,098,280 |
| Total staff costs | **12,743,178** | 9,956,122 |
| Cost of inventories sold | **81,544,410** | 65,177,749 |
| Depreciation of plant and equipment | **417,578** | 296,286 |
| Depreciation of right-of-use assets | **333,096** | 458,598 |
| Amortisation of intangible assets | **335,900** | 49,082 |
| Expense relating to short-term leases | **171,114** | 51,007 |

## 7 DIVIDENDS PAID

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***US$*** | *US$* |
| | **(Unaudited)** | (Unaudited) |
| 2025 final dividend of HK7.0 cents per ordinary share (2024: final dividend of HK7.0 cents per share) | **5,536,645** | 5,677,853 |

The Board has declared an interim dividend for the six months ended 30 June 2026 of HK3.0 cents per share (six months ended 30 June 2025: HK3.0 cents).

## 8 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***US$*** | *US$* |
| | **(Unaudited)** | (Unaudited) |
| **Earnings:** | | |
| Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation | **5,444,920** | 5,351,023 |

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| **Number of shares:** | | |
| Weighted average number of ordinary shares outstanding less shares held for share award scheme during the period used in the basic earnings per share calculation | **619,912,208** | 630,055,026 |
| Effect of dilution – weighted average number of ordinary shares: | | |
| Share Award Scheme | **10,053,103** | 6,072,212 |
| Number of shares used in diluted earnings per share calculation | **629,965,311** | 636,127,238 |

Shares purchased under the share-award scheme are deducted from total number of shares outstanding for the purpose of calculating earnings per share.

## 9 TRADE RECEIVABLES

| | **At 30 June** | At 31 December |
|---|---|---|
| | **2026** | 2025 |
| | ***US$*** | *US$* |
| | **(Unaudited)** | (Audited) |
| Trade receivables | **40,390,702** | 40,929,344 |
| less: allowance for expected credit losses | **(989,786)** | (988,942) |
| Net carrying amount | **39,400,916** | 39,940,402 |

The Group generally allows credit period of 30 to 60 days to its customers.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

| | **At 30 June** | At 31 December |
|---|---|---|
| | **2026** | 2025 |
| | ***US$*** | *US$* |
| | **(Unaudited)** | (Audited) |
| 0 to 30 days | **23,504,459** | 30,252,700 |
| 31 to 60 days | **12,624,363** | 7,518,593 |
| Over 60 days | **3,272,094** | 2,169,109 |
| Total | **39,400,916** | 39,940,402 |

## 10 TRADE PAYABLES

| | **At 30 June 2026** *US$* **(Unaudited)** | At 31 December 2025 *US$* (Audited) |
|---|---|---|
| Trade payables | **27,139,082** | 25,055,104 |

The trade payables are non-interest-bearing and credit period on trade payables was up to 60 days.

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice dates, is as follows:

| | **At 30 June 2026** *US$* **(Unaudited)** | At 31 December 2025 *US$* (Audited) |
|---|---|---|
| 0 to 30 days | **26,354,541** | 24,693,231 |
| 31 to 60 days | **653,122** | 206,745 |
| Over 60 days | **131,419** | 155,128 |
| Total | **27,139,082** | 25,055,104 |

## REVIEW AND FUTURE PROSPECTS

### Performance Overview

For the first half of 2026, Lever Style Corporation recorded a return to top-line growth. Following a defensive strategy in 2025 aimed at managing credit risk, the Group recorded total revenue of US$113.2 million, representing a 23.8% increase compared to the same period last year.

This revenue expansion was driven by the 2 January 2026 acquisition of the AAG business which has now been integrated into our operating platform, providing a broader foundation for our growth trajectory.

### Navigating Integration for Long-Term Value

While revenue expanded substantially, net profit for the period grew to US$5.4 million, representing a 1.8% increase, compared to the first half of 2025. This short-term pressure on our bottom line reflects one-off upfront integration costs as a result of the acquisition of AAG. These primarily included temporary staff duplication costs as we merged workflows, systems, and personnel.

Management regards these transitional costs as necessary investments to secure the structural, long-term profitability of the acquired business. With the integration phase now largely completed, our cost structure is better optimized, and we will enjoy the operating leverage that enhanced scale provides.

### Strategic Technology & In-House AI Solutions

Our platform-based strategy continues to progress, converting our operational capabilities from a traditional apparel supplier into a tech-enabled enterprise. During the period under review, we achieved several milestones in our internal technology landscape:

- **Proprietary Software Solutions:** We successfully developed and deployed our own product lifecycle management ("**PLM**") system, among other solutions. These internal enterprise systems are designed to enhance workflow transparency, accelerate speed-to-market, and reduce waste across our asset-light supply chain.

- **Customized In-House AI Engine:** Capitalizing on our expanding internal R&D capabilities, we have customized AI solutions to fit our specific business model. Rather than relying on generic off-the-shelf software, these proprietary tools support day-to-day merchandiser productivity and factory co-ordination, reinforcing our long-term competitive advantage.

**Market Outlook: Premium Resilience in a K-Shaped Economy**

The US market – our primary market – has proven surprisingly resilient through the first half of 2026. However, underneath the headline figures lies a visible "K-shaped" economic split:

- **The Lower/Middle Tier:** A highly promotional and pressured middle market where retail liquidity remains tight and consumers are value sensitive.

- **The Premium/Affluent Tier:** High-income consumers whose discretionary spending remains relatively stable, sustaining steady demand for premium products and services.

Lever Style remains largely insulated from mass-market volatility due to our focus on upscale designers and premium fashion brands. Because our brand portfolio aligns with the more resilient premium sector of the market, the Group remains well-positioned to navigate current economic conditions.

**Future Prospects & Financial Synergies**

Looking toward the second half of 2026 and into 2027, our strategic roadmap focuses on three primary operational and financial levers:

1. **AAG Bottom-Line Contribution:** With major integration headwinds resolved, the AAG activewear business is expected to start contributing to our bottom line in the second half of 2026. We target for net profit margins of this business to improve steadily, with the aim of approaching the margin profile of Lever Style's legacy business in 2027.

2. **Targeting Operating Leverage:** As we funnel expanded volume through our upgraded digital platform, we are targeting synergies from operating leverage across our vendor network, which will allow us to manage fixed overheads more efficiently.

3. **Pursuing M&A Opportunities:** Having demonstrated the scalability of its platform through the successful integration of the AAG business, the Group continues to actively evaluate a pipeline of further value-accretive acquisitions to expand our product capabilities and geographical production footprint.

The Group has completed the primary phases of integration, upgraded its technology base, and remains aligned with the more resilient segments of consumer demand. The Board remains confident in our underlying business model and our ability to deliver long-term value to shareholders.

**Interim Dividend**

In appreciation of our shareholders' continuous support and reflecting the Board's confidence in the Group's underlying cash generation, the Board has resolved to declare an interim dividend of HK3.0 cents per share for the six months ended 30 June 2026 (2025: HK3.0 cents per share).

## FINANCIAL REVIEW

### Revenue

Revenue of the Group increased from approximately US$91.4 million in the first half of 2025 to approximately US$113.2 million during the Period Under Review with year-on-year growth rate of 23.8%. The Group completed the acquisition of certain assets of AAG on 2 January 2026. The strong growth on revenue reflected the organic execution and the initial contribution from our seventh acquisition since our 2019 IPO and our largest to date. The transition has been implemented, and early performance is in line with our expectations. We remain confident that the acquisition will drive continued growth, strengthen our competitive positioning in activewear segment which is one of currently the fastest-growing segments in the apparel industry.

### Cost of sales

Cost of sales mainly comprises material costs and subcontracting fees. Cost of sales increased by approximately 25.1% from approximately US$65.2 million in the first half of 2025 to approximately US$81.5 million during the Period Under Review. The increase in the cost of sales was mainly driven by the increase of revenue. Cost of sales as a percentage of total revenue slightly increased from approximately 71.3% in the first half of 2025 to 72.1% during the Period Under Review.

### Gross profit and gross profit margin

Our gross profit increased from approximately US$26.2 million in the first half 2025 to approximately US$31.6 million in the first half of 2026, representing a growth of approximately 20.6%. Gross profit margin slightly reduced from approximately 28.7% in the first half of 2025 to approximately 27.9% in the first half of 2026.

### Profit for the Period Under Review

The Group recorded a net profit of approximately US$5.4 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately US$5.4 million). Even though the gross profit increased by 20.6%, the net profit for the Period Under Review remained at similar dollar amount level as the first half of 2025 mainly due to the following factors:

- Selling and distribution expenses rose by approximately US$3.0 million, mainly due to higher staff costs arising from the temporary inclusion of AAG's workforce following the acquisition and integration activities. The transition has been completed by end of the reporting period, and the Group expects reduced staff costs on the personnel management of AAG going forward due to organizational optimization and resource alignment; and

- Administrative expenses increased by approximately US$2.1 million, in part due to the (i) one-time transitional expenses incurred by AAG during the Period Under Review, including increased travelling costs for new customers' visits for business relationship building purposes from AAG integration; and (ii) higher IT-related operating costs incurred to support the Group's day-to-day operations which are aligned with the Group's strategic focus on developing a technology-enabled operating platform to enhance efficiency and support long-term business growth.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group maintains a healthy financial position. Bank balances and cash of the Group as at 30 June 2026 were approximately US$27.3 million (at 31 December 2025: US$41.5 million). The decrease of cash level was primarily attributable to the settlement of the consideration of AAG acquisition with initial purchase price at US$13.0 million.

As at 30 June 2026, the Group had net current assets of approximately US$56.7 million. The current ratio decreased slightly from approximately 2.7 times as of 31 December 2025 to approximately 2.4 times as at 30 June 2026. This remained at a healthy level and shows that the Group has robust liquidity and efficient management of current assets. It also means that the Group is well placed to meet short-term obligations and invest in future growth opportunities.

The Group obtains bank facilities to fulfil our working capital requirements and to finance our purchase of raw materials and payments to contract manufacturers from time to time. As at 30 June 2026, the Group had available banking facilities of approximately US$74 million. The amount of available bank facilities is considered sufficient for the Group's operation.

## GEARING RATIO

Equity attributable to the Company amounted to approximately US$70.4 million at 30 June 2026 (31 December 2025: US$69.7 million). As at 30 June 2026, the gearing ratio of the Group was 0% (31 December 2025: 0%). The Group had no borrowings as at 30 June 2026. Gearing ratio is calculated based on the total debts (bank borrowings) divided by the total equity at the end of the period.

With the favorable cash and cash equivalents position of the Group, it has led to a net debt to equity ratio (total debts net of cash and bank balances divided by total equity at end of period) of approximately -38.8% as at 30 June 2026 (31 December 2025: -59.5%).

## CONTINGENT LIABILITIES

As at 30 June 2026, the Group had no material contingent liability (31 December 2025: Nil).

## EMPLOYEES AND REMUNERATION

As at 30 June 2026, the Group employed a total of 398 full-time employees (31 December 2025: 344 employees). For the six months ended 30 June 2026, the aggregate remuneration of the Group's employees (including Directors' remuneration) amounted to approximately US$12.7 million (six months ended 30 June 2025: US$10.0 million), representing an increase of approximately 28.0%.

The Company recognises that employees are one of the Group's most important assets. The Company strongly believes in hiring the right talent, nurturing and retaining them. The Group remunerates its staff according to their performance, qualifications and industry practices, and conducts regular reviews of its remuneration policy. Employees may receive bonuses and monetary rewards based on their performance and ratings in annual performance appraisals. The Group also offers rewards or other incentives to motivate the personal growth and career development of employees. The Company adopted the share option scheme and the co-ownership share award scheme with the objectives to recognise contributions made by the eligible employees, to motivate career development and to retain the eligible employees for the continual operation, growth and future development of the Group. Please see the paragraph headed "Share Option Scheme" and "Co-ownership Share Award Scheme" below for details.

## INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

An interim dividend of HK3.0 cents per share was declared by the Board for the six months ended 30 June 2026. The interim dividend is expected to be paid on or before Thursday, 24 September 2026 to shareholders whose names appear on the register of members of the Company on Friday, 11 September 2026. For the purpose of ascertaining shareholders' entitlement to the interim dividend, the register of members of the Company will be closed from Thursday, 10 September 2026 to Friday, 11 September 2026, both days inclusive, during which period no transfer of shares will be registered. To qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 9 September 2026.

## CORPORATE GOVERNANCE

The Board and the management of the Group are committed to the maintenance of good corporate governance practices and procedures. The Company has adopted the code provisions in the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance. The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has been in compliance with all code provisions as set out in the CG Code contained in Appendix C1 of the Listing Rules during the Period Under Review.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the Model Code for Securities Transactions by Directors of Listing Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors' securities transactions. Upon specific enquiries being made of all Directors, each of them has confirmed that they have complied with the required standards set out in the Model Code during the Period Under Review. The Group has established written guidelines for relevant employees in respect of securities transactions. No incident of non-compliance with the written guidelines was noted during the Period Under Review.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2026, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Group's listed securities (including the sale or transfer of treasury shares, if any).

During the six months ended and as at 30 June 2026, the Company did not hold any treasury shares.

## SHARE OPTION SCHEME

The Company operates a share option scheme (the "**Share Option Scheme**"), which was adopted on 12 October 2019 (the "**Adoption Date**"), for the purpose of providing incentives or rewards to selected eligible participants for their contribution to the Group. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for 10 years from the Adoption Date.

There has been no movement in the Share Option Scheme during the Period Under Review.

## CO-OWNERSHIP SHARE AWARD SCHEME

The Company operates a co-ownership share award scheme (the "**Share Award Scheme**"), which was adopted on 18 October 2021 (the "**Share Award Scheme Adoption Date**") and amended on 13 June 2023, for the purpose of recognizing and rewarding the contributions of certain eligible persons for the growth and development of the Group and providing them with incentives in order to retain them for the continual operation, development and long term growth of the Group and to attract suitable personnel for further development of the Group. Subject to any early termination as may be determined by the award committee pursuant to the rules of the Share Award Scheme, the Share Award Scheme shall be valid and effective for a term of ten years commencing from Share Award Scheme Adoption Date.

During the six months ended 30 June 2026, no ordinary shares of the Company have been purchased from the open market by the trustee of the Share Award Scheme pursuant to the rules of the Share Award Scheme.

**MATERIAL ACQUISITIONS AND DISPOSALS**

On 17 December 2025, Lever Style Limited (an indirectly wholly-owned subsidiary of the Company) (the "**Purchaser**") entered into an asset purchase agreement with Active Apparel Group Pty Ltd and Active Apparel Group (America) LLC (the "**Vendors**") and AAG Holdco Pty Ltd (as guarantor), pursuant to which the Vendors agreed to sell and the Purchaser agreed to purchase the Sale Assets, comprising certain purchase orders, accounts receivable and asset records of the Vendors, at a total purchase price equivalent to the aggregate earn out amounts payable under the agreement, with an initial purchase price fixed at US$13 million.

70% of the initial purchase price was paid upon completion on 2 January 2026, with the remaining 30% payable in instalments upon collection of the accounts receivable forming part of the acquired assets, and additional earn out amounts payable over four consecutive 6-month periods (24 months in aggregate) calculated as 2.5 times net profit after tax for the first and second earn out periods and 2 times net profit after tax for the third and fourth earn out periods, subject to the cumulative aggregate of all earn out amounts first exceeding the initial purchase price. For further details, please refer to the announcements of the Company dated 17 December 2025, 9 January 2026 and 16 February 2026.

**EVENTS OCCURRED AFTER 30 JUNE 2026**

There was no material event after 30 June 2026 that required to be disclosed.

**AUDIT COMMITTEE**

The Company has established an Audit Committee on 12 October 2019 in compliance with the CG Code with written terms of reference. The Audit Committee has four members, namely Mr. SEE Tak Wah, Mr. ANDERSEN Dee Allen, Ms. KESEBI Lale and Mr. LIU Gary, all of whom are independent non-executive Directors. Mr. SEE Tak Wah is the chairman of the Audit Committee and possesses the appropriate professional qualifications. The primary duties of the Audit Committee are to oversee the financial reporting system and internal control system of the Group, oversee the audit process, review and oversee the existing and potential risks of the Group and perform other duties and responsibilities as assigned by the Board. For the six months ended 30 June 2026, the Audit Committee met the independent auditors to discuss their findings during the audit of the consolidated financial statements for the year ended 31 December 2025. The Audit Committee reviewed the actions taken by management to address the findings and was satisfied with the work done. The Audit Committee also reviewed the work of the internal audit in examining the application of policies and internal controls in specific locations within the Group and was satisfied with the quality of the work undertaken. Nothing of a material nature was revealed and the Audit Committee proposed to the Board a small number of actions to strengthen compliance further that were adopted and are being implemented.

The Audit Committee has reviewed, together with the management of the Group, the accounting principles and policies adopted by the Group and discussed with them the unaudited condensed consolidated financial statements and interim results announcement of the Group for the six months ended 30 June 2026, recommending their adoption by the Board.

## REMUNERATION COMMITTEE

The Company has established a Remuneration Committee on 12 October 2019 in compliance with the CG Code with written terms of reference. The Remuneration Committee has five members, Mr. ANDERSEN Dee Allen (an independent non-executive Director), Mr. SEE Tak Wah (an independent non-executive Director), Mr. SZETO Chi Yan Stanley (an executive Director), Ms. KESEBI Lale (an independent non-executive Director) and Mr. LIU Gary (an independent non-executive Director). Mr. ANDERSEN Dee Allen is the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are to establish, review and make recommendations to the Board on our Company's policy and structure concerning remuneration of the Directors and senior management, on the diversity policy of the Board and senior management, on the establishment of a formal and transparent procedure for developing policies concerning such remuneration, determine the terms of the specific remuneration package of each executive Director and senior management and review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

## NOMINATION COMMITTEE

The Company has established a Nomination Committee on 12 October 2019 in compliance with the CG Code with written terms of reference. The Nomination Committee has five members, Mr. SZETO Chi Yan Stanley (an executive Director), Mr. SEE Tak Wah (an independent non-executive Director), Mr. ANDERSEN Dee Allen (an independent non-executive Director), Ms. KESEBI Lale (an independent non-executive Director) and Mr. LIU Gary (an independent non-executive Director). Mr. SZETO Chi Yan Stanley is the chairman of Nomination Committee. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board; assess the independence of the independent non-executive Directors and make recommendations to the Board on the appointment and re-appointment of Directors and succession planning for Directors; recommend to the Board suitably qualified persons to become a member of the Board and to review the structure, size, composition of the Board and board diversity on a regular basis and as required.

## PUBLICATION OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

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

On behalf of the Board
**Lever Style Corporation**
**SZETO Chi Yan Stanley**
*Chairman and Executive Director*

Hong Kong, 13 July 2026

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