LEVER STYLE CORPORATION
利華控股集團

(Incorporated in the Cayman Islands with limited liability)

2026

Interim Report

Stock sode: 1346

Certified B Corporation

FSC www.fsc.org MIX Paper | Supporting responsible forestry FSC® C220628

www.leverstyle.com

The Apparel Engine for Digital Retail

leverstyle

Content

Corporate Information

Board of Directors

Executive directors

Mr. SZETO Chi Yan Stanley *(Chairman)*
Mr. TAN William
(Chief Executive Officer ("CEO"))
Mr. LEE Yiu Ming

Independent non-executive directors

Mr. SEE Tak Wah
Mr. ANDERSEN Dee Allen
Ms. KESEBI Lale
Mr. LIU Gary

Audit Committee

Mr. SEE Tak Wah *(Chairman)*
Mr. ANDERSEN Dee Allen
Ms. KESEBI Lale
Mr. LIU Gary

Remuneration Committee

Mr. ANDERSEN Dee Allen *(Chairman)*
Mr. SEE Tak Wah
Mr. SZETO Chi Yan Stanley
Ms. KESEBI Lale
Mr. LIU Gary

Nomination Committee

Mr. SZETO Chi Yan Stanley *(Chairman)*
Mr. SEE Tak Wah
Mr. ANDERSEN Dee Allen
Ms. KESEBI Lale
Mr. LIU Gary

ESG Committee

Mr. TAN William
Mr. SEE Tak Wah
Ms. KESEBI Lale

Company Secretary

Mr. LEE Yiu Ming

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong

Room 16, Flat B
1/F, Wing Tai Centre
12 Hing Yip Street
Kwun Tong, Kowloon
Hong Kong

Principal Place of Business in China

1/F, TinWe Mansion
6 Liu Fang Road
Bao'an District
Shenzhen
China

Compliance Adviser

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

Auditor

Ernst & Young
Certified Public Accountants
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

Legal Advisor

Withers
30/F, United Centre
95 Queensway
Admiralty
Hong Kong

Principal Share Registrar and Transfer Office

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
HSBC Main Building
1 Queen's Road Central
Hong Kong

Hang Seng Bank Limited
83 Des Voeux Road Central
Central
Hong Kong

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road
Hong Kong

Citibank, N.A.
3 Garden Road
Central
Hong Kong

Company Website

www.leverstyle.com

Stock Code

1346

Management Discussion and Analysis

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.

Future Plans for Material Investments or Capital Assets and the Expected Sources of Funding

Save for the business plan disclosed in our prospectus dated 31 October 2019 or elsewhere in this interim report, there is no other plan for material investments or capital assets as at the date of this report.

Foreign Currency Exposure

The Group's reporting and functional currency is US$ whilst some of the Group's business transactions are denominated in various other currencies, primarily Renminbi ("RMB") and HK$. Foreign currency exchange contracts are used to manage foreign currency exposure. The Group's policy is to monitor its foreign currency exposure and use foreign currency exchange contracts as appropriate, to minimise its foreign currency risks. The main assets and liabilities of the Group are denominated in US dollars as at 30 June 2026.

Events Occurred after 30 June 2026

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

Pledge of Assets

As at 30 June 2026, there were no assets pledged to secure the Group's bank borrowing (31 December 2025: Nil).

Significant Investments Held

No significant investments made by the Group during the Period Under Review required disclosure.

Material Acquisition or Disposal of Subsidiaries, Associates and Joint Ventures

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.

Commitments

As at 30 June 2026, contractual commitments of the Group are set out in Note 16 to the unaudited condensed consolidated financial statements.

Other Information

Communication with Shareholders

The Company's 2026 Annual General Meeting (the "AGM") was held on 9 April 2026. All resolutions at the 2026 AGM were passed by way of a poll and the poll results were posted on the websites of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Company on the same day.

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.

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.

Board of Directors

At 30 June 2026, the composition of the Board is:

Executive directors

Mr. SZETO Chi Yan Stanley *(Chairman)*
Mr. TAN William *(CEO)*
Mr. LEE Yiu Ming

Independent non-executive directors

Mr. SEE Tak Wah
Mr. ANDERSEN Dee Allen
Ms. KESEBI Lale
Mr. LIU Gary

There is no change in the information of Directors during the six months ended 30 June 2026 and up to the date of this report, which is required to be disclosed pursuant to the Rule 13.51(B) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Board Committees

At 30 June 2026, the composition of the board committees remains the same as that set out in the announcement made by the Company on 12 February 2026.

Senior Management

At 30 June 2026, the composition of the senior management of the Company remains the same as that set out in the 2025 annual report of the Company.

Continuing Professional Development

To assist the Directors and the executives in continuing their professional development, each of the Directors has been from time to time provided materials on the subject of corporate governance, including the Company's master policies which might be relevant to their roles, duties and functions as a director of a listed company.

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.

Eligible participants of the Share Option Scheme include the following:

(i) any employee (whether full time or part time) of the Group or any entity (the "Invested Entity") in which any member of the Group holds any shareholding (including any executive director but excluding any non-executive director of the Group or any Invested Entity);

(ii) any non-executive directors (including independent non-executive directors) of the Group or any Invested Entity;

(iii) any supplier of goods or services to any member of the Group or any Invested Entity;

(iv) any customer of the Group or any Invested Entity;

(v) any person or entity that provides research, development or other technological support to the Group or any Invested Entity;

(vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

(vii) any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and

(viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliances or other business arrangements to the development and growth of the Group.

As at 30 June 2026, there were no share options outstanding under the Share Option Scheme. No share options were granted, forfeited or exercised, or expired during the six months ended 30 June 2026. As at both 1 January 2026 and 30 June 2026, a total of 64,000,000 Shares were available for issue and grant under the Share Option Scheme, representing 10.00% of the issued Shares of the Company as at 13 November 2019 and approximately 10.00% of the issued Shares of the Company as at the date of this report. The maximum number of Shares issuable upon exercise of the options which may be granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting.

Share options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their respective associates (as defined under the Listing Rules), are subject to approval in advance by the independent non-executive Directors (excluding independent non-executive Director who is the grantee of the options). In addition, where any grant of share options to a substantial shareholder or an independent non-executive Director, or to any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in excess of 0.1% of the Shares in issue and with an aggregate value (based on the closing price of the Shares at the date of the grant) in excess of HK$5 million, in a 12-month period up to and including the date of grant, such grant of share options are subject to Shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK$1 by the grantee. The exercise period for the share options granted is determined by the Board, which period may commence from the date of acceptance of the offer for the grant of share options but shall end in any event not later than 10 years from the date of the grant of the option subject to the provisions for early termination under the Share Option Scheme.

The subscription price for Shares under the Share Option Scheme shall be a price determined by the Board, but shall not be less than the highest of:

(i) the closing price of Shares as stated in the daily quotations sheet of the Stock Exchange on the date of the offer of the grant, which must be a business day;

(ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer of grant; and

(iii) the nominal value of the Shares.

Co-ownership Share Award Scheme

The Company operates a co-ownership share award scheme (the "Share Award Scheme"), which was adopted on 27 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.

Individuals eligible to be granted awards include the following:

(i) any director (whether executive or non-executive);

(ii) any employee (whether full time or part time) of the Group or any advisor (professional or otherwise);

(iii) consultant to or expert in any area of business or business development of any member of the Group but excluding any person who is treated as a tax resident of a place where an Award (as defined under the Share Award Scheme) and/or the vesting and transfer of Shares pursuant to the terms of the Share Award Scheme is not permitted under the laws and regulations of such place or where in the view of the Award Committee or the Trustee (as the case may be) (as defined under the Share Award Scheme) compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such person (each an "Eligible Person").

The Award Committee may, from time to time, select any eligible person(s) for participation in the Share Award Scheme by sending to such eligible person(s) an invitation to participate on the basis of the Award Committee's (as defined under the Share Award Scheme) opinion as to such eligible person's contribution and/or future contribution to the development and growth of the Group. The invitation to participate shall set out the conditions for receiving an award and for participation in the Share Award Scheme as a Selected Participant, including but not limited to the following conditions:

(a) that the selected Eligible Person must have purchased and retained certain number of Shares in the Company on or prior to the date stated on each Invitation to Participate which is the last date the selected Eligible Person may submit the required information to the Award Committee in order to be eligible to an Award in accordance with the rules of the Share Award Scheme ("Cut Off Date"), on the basis that the Award Committee would consider the granting of an award of one (1) Share to every two (2) Qualifying Shares (or other number of Qualifying Shares as determined by the Award Committee and as set out in particular Invitation to Participant) held by the selected Eligible Person where the Invitation to Participate is sent on or after the Amendment Date;

(b) the number of Shares held or to be held by each selected Eligible Person which would be accepted and recognized by the Award Committee as Qualifying Shares for the purpose of determination of an Award shall:

    (i) be in multiples of three (3) where the award was made prior to the amendment date; or in multiples of two (2) (or such other number as determined by the Award Committee and as set out in the relevant invitation to participate) where the award is made on or after the amendment date; and

    (ii) have an aggregate purchase value (based on the value at the date of purchase of the Shares as shown on the bank/broker statement submitted) of not less than the aggregate value of 2 months of Base Salary of the Eligible Person but not more than the aggregate value of 24 months of such Base Salary of the Eligible Person; and

(c) the selected Eligible Person must be able to produce evidence as required by the Award Committee as set out in such Invitation to Participate.

On or before the Cut Off Date, the selected Eligible Person shall further send to the Award Committee the requisite information together with the second reply slip attached to the Invitation to Participate (including evidence of holding of the Qualifying Shares by valid statements of brokers; and the due diligence documents required by the Trustee as stated on the reply slip). The Award Committee shall then verify and decide on the making of a provisional Award to such Eligible Person of such number of issued Shares, fully paid or credited as fully paid, as the Award Committee shall determine pursuant to the rules of the Scheme and calculated based on the number of acceptable Qualifying Shares held by the selected Eligible Person. Upon such determination by the Award Committee to make a provisional Award, such Eligible Person shall then become a Selected Participant of the Scheme entitled to an Award once his Awarded Shares have been provisionally set aside by the Trustee under the Trust as constituted by the Trust Deed. On the other hand, any Eligible Person who has received an Invitation to Participate but who has failed to return the reply slip or the requisite information on or before the Cut Off Date shall be deemed to have declined to participate and shall therefore receive no Award and shall no longer continue to participate in the Scheme (unless and until further Invitation to Participate, if any, is received by that person), and shall have no rights or claims against the Company or the Trustee as a Selected Participant under the Scheme.

The Award Committee shall issue an Award Notice to the Trustee in writing upon the making of a provisional Award under the Scheme and provide, amongst other things, the following information: (i) the names of the selected Eligible Persons(s) and whether any selected Eligible Person is a connected person; (ii) the number of Shares provisionally awarded to the relevant selected Eligible Persons pursuant to such provisional Award; (iii) the vesting timetable and the Vesting Dates on which the Trustee should vest the legal and beneficial ownership of the Awarded Shares in the relevant selected Eligible Persons once they have become Selected Participants; and (iv) any other conditions as may be imposed by the Award Committee. Upon the receipt of an Award Notice and satisfactory review of the due diligence documents provided, the Trustee shall set aside the appropriate number of Awarded Shares provisionally awarded to each of the selected Eligible Person pending the vesting and transfer of the Awarded Shares to such selected Eligible Person. The selected Eligible Person shall then become a Selected Participant of the Scheme entitled to an Award. The Trustee shall hold the Awarded Shares so set aside during the Vesting Period for the benefit of the Selected Participants pursuant to the terms of the Trust Deed.

The Award Committee shall then issue Grant Notice(s) to the Selected Participants once the Trustee has notified the Award Committee that the Awarded Shares have been set aside by the Trustee. The Grant Notice shall contain substantially the same information as that set out in the Award Notice referable to each particular Selected Participant. An Award shall be deemed to be irrevocably accepted by a Selected Participant unless the Selected Participant shall within five (5) Business Days after the Reference Date notify the Company in writing that he declines to accept such Award by signing and returning to the Award Committee the reply slip attached to the Grant Notice.

An Award shall be personal to the Selected Participant and shall not be transferable or assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favor of any third party over or in relation to an Award or any part thereof or enter or purport to enter into any agreement to do so on or before any Vesting Dates.

Where any grant of Awarded Shares is proposed to be made to any person who is a connected person of the Company, the Company shall comply with such provisions of the Listing Rules as may be applicable unless otherwise exempted under the Listing Rules.

The Company may from time to time pay or cause to be paid funds to the Trust as directed by the Board which shall constitute part of the funds held under the Trust and managed by the Trustee for the benefit of the Eligible Persons, for the purchase or subscription (as the case may be) of Shares and other purposes set out in the Scheme and the Trust Deed.

The Trustee shall, pursuant to the directions of the Award Committee, apply such funds towards the purchase of Shares. The directions given by the Award Committee shall include matters such as the price range for the purchase of Shares, the number of Shares to be purchased at any particular time or during any particular period, and the timing of each purchase.

Unless approved by the Board, the Award Committee shall not make further award of Shares under the Scheme, and the Trustee shall not make any further purchase of Shares, if this will result in the aggregate number of Awarded Shares (whether held by the Trustee or already vested or transferred to the Selected Participants) together with the aggregate number of Shares (other than the Awarded Shares) held by the Trustee taken as a whole exceeding ten (10) per cent of the total issued Shares of the Company at any time (the "Max Shares Threshold"). The Award Committee shall not instruct the Trustee to purchase and/or subscribe for any Shares for the purpose of the Scheme if such purchase and/or subscription of Shares will result in the Max Shares Threshold being exceeded.

Unless approved by the Board, the Award Committee shall not grant any Awarded Shares to any Selected Participant if the granting of such Awarded Shares would result in the total number of Shares vested or to be vested in that Selected Participant during any twelve (12) month period exceeding 1 per cent of the total Shares then in issue (save and except that any grant of Awarded Shares to an independent non-executive director of the Company should not result in the total number of Shares vested or to be vested in that person (under this Scheme or otherwise) during any twelve (12) month period exceeding 0.1 per cent of the total Shares then in issue).

The Group granted in respect of 377,332 company shares on 28 February 2022 to two eligible employees, having a vesting period of one to four years from 2023 to 2026. There are 94,333 award shares vested during the Period Under Review.

The Group granted in respect of 5,590,000 company shares on 31 August 2023 to six Selected Participants, having a vesting period of one to four years from 2024 to 2027. Out of the six Selected Participants, one Selected Participant is an executive Director of the Company whereas the other Selected Participants are each not a director, chief executive or substantial shareholder of the Company, nor an associate (as defined under the Listing Rules) of any of them, nor a connected Person of the Company as at the date of granting. No shares were vested during the Period Under Review.

The Group granted in respect of 5,610,500 company shares on 04 November 2024 to eight Selected Participants, having a vesting period of one to four years from 2025 to 2028. Out of the eight Selected Participants, two Selected Participants are executive Directors and 2 Selected Participants are independent non-executive Directors whereas the remaining 4 Selected Participants are each not a director, chief executive or substantial shareholder of the Company, nor an associate (as defined under the Listing Rules) of any of them, nor a connected person of the Company as at the date of this granting. No shares were vested during the Period Under Review.

The Group granted in respect of 12,782,000 company shares on 18 July 2025 to one Selected Participant, having a vesting period of one to eight years from 2026 to 2033. The Selected Participant is an executive Director. No award shares were vested during the Period Under Review. Pursuant to the terms of the Share Option Scheme and Share Award Scheme, there is no specified vesting period in respect of options granted under the Share Option Scheme and Awarded Shares under the Share Award Scheme.

Pursuant to the terms of the Share Option Scheme and Share Award Scheme, there is no specified vesting period in respect of options granted under the Share Option Scheme and Awarded Shares under the Share Award Scheme.

No award shares were forfeited or lapsed during the Period Under Review. Movements of the number of awarded shares outstanding during the period ended 30 June 2026 are as follows:

For the six months ended 30 June 2026

Name or category of grantee	Date of grant	Closing price immediately prior to the grant (HK$/share)	Fair value as of date of grant of the awards granted (HK$/share)	Weighted average closing price immediately before the vesting date of awards during the period ended 30 June 2026 (HK$/share)	Balance as at 1 January 2026	Granted during the period	Vested during the period	Forfeited shares	Balance as at 30 June 2026	Vesting period
Executive Directors										
Mr. Szeto	31 August 2023	0.86	0.85	N/A	960,000	–	–	–	960,000	September 2023–August 2026
	31 August 2023	0.86	0.85	N/A	960,000	–	–	–	960,000	September 2023–August 2027
	6 November 2024	0.83	0.84	N/A	875,000	–	–	–	875,000	November 2024–November 2026
	6 November 2024	0.83	0.84	N/A	875,000	–	–	–	875,000	November 2024–November 2027
	6 November 2024	0.83	0.84	N/A	875,000	–	–	–	875,000	November 2024–November 2028
					4,545,000	–	–	–	4,545,000	
Mr. Tan	31 August 2023	0.86	0.85	N/A	250,000	–	–	–	250,000	September 2023–August 2026
	31 August 2023	0.86	0.85	N/A	250,000	–	–	–	250,000	September 2023–August 2027
	6 November 2024	0.83	0.84	N/A	275,000	–	–	–	275,000	November 2024–November 2026
	6 November 2024	0.83	0.84	N/A	275,000	–	–	–	275,000	November 2024–November 2027
	6 November 2024	0.83	0.84	N/A	275,000	–	–	–	275,000	November 2024–November 2028
	18 July 2025	1.39	1.40	N/A	1,597,750	–	–	–	1,597,750	July 2025–July 2026
	18 July 2025	1.39	1.40	N/A	1,597,750	–	–	–	1,597,750	July 2025–July 2027
	18 July 2025	1.39	1.40	N/A	1,597,750	–	–	–	1,597,750	July 2025–July 2028
	18 July 2025	1.39	1.40	N/A	1,597,750	–	–	–	1,597,750	July 2025–July 2029
	18 July 2025	1.39	1.40	N/A	1,597,750	–	–	–	1,597,750	July 2025–July 2030
	18 July 2025	1.39	1.40	N/A	1,597,750	–	–	–	1,597,750	July 2025–July 2031
	18 July 2025	1.39	1.40	N/A	1,597,750	–	–	–	1,597,750	July 2025–July 2032
	18 July 2025	1.39	1.40	N/A	1,597,750	–	–	–	1,597,750	July 2025–July 2033
					14,107,000	–	–	–	14,107,000	
Sub-total					18,652,000	–	–	–	18,652,000	

Name or category of grantee	Date of grant	Closing price immediately prior to the grant (HK$/share)	Fair value as of date of grant of the awards granted (HK$/share)	Weighted average closing price immediately before the vesting date of awards during the period ended 30 June 2026 (HK$/share)	Balance as at 1 January 2026	Granted during the period	Vested during the period	Forfeited shares	Balance as at 30 June 2026	Vesting period
Independent non-executive directors										
Mr. See	6 November 2024	0.83	0.84	N/A	42,000	–	–	–	42,000	November 2024–November 2026
	6 November 2024	0.83	0.84	N/A	42,000	–	–	–	42,000	November 2024–November 2027
	6 November 2024	0.83	0.84	N/A	42,000	–	–	–	42,000	November 2024–November 2028
					126,000	–	–	–	126,000	
Mr. Andersen	6 November 2024	0.83	0.84	N/A	26,250	–	–	–	26,250	November 2024–November 2026
	6 November 2024	0.83	0.84	N/A	26,250	–	–	–	26,250	November 2024–November 2027
	6 November 2024	0.83	0.84	N/A	26,250	–	–	–	26,250	November 2024–November 2028
					78,750	–	–	–	78,750	
Sub-total					204,750	–	–	–	204,750	

Name or category of grantee	Date of grant	Closing price immediately prior to the grant (HK$/share)	Fair value as of date of grant of the awards granted (HK$/share)	Weighted average closing price immediately before the vesting date of awards during the period ended 30 June 2026 (HK$/share)	Balance as at 1 January 2026	Granted during the period	Vested during the period	Forfeited shares	Balance as at 30 June 2026	Vesting period
Employees (top five highest paid individuals)										
An individual	28 February 2022	0.385	0.385	1.48	74,000	–	74,000	–	–	March 2022–February 2026
	31 August 2023	0.86	0.85	N/A	56,500	–	–	–	56,500	September 2023–August 2026
	31 August 2023	0.86	0.85	N/A	56,500	–	–	–	56,500	September 2023–August 2027
	6 November 2024	0.83	0.84	N/A	43,000	–	–	–	43,000	November 2024–November 2026
	6 November 2024	0.83	0.84	N/A	43,000	–	–	–	43,000	November 2024–November 2027
	6 November 2024	0.83	0.84	N/A	43,000	–	–	–	43,000	November 2024–November 2028
Sub-total					316,000	–	74,000	–	242,000	
Employees (other than the five highest paid individuals)										
In aggregate	28 February 2022	0.385	0.385	1.48	20,333	–	20,333	–	–	March 2022–February 2026
	31 August 2023	0.86	0.85	N/A	92,000	–	–	–	92,000	September 2023–August 2026
	31 August 2023	0.86	0.85	N/A	92,000	–	–	–	92,000	September 2023–August 2027
	6 November 2024	0.83	0.84	N/A	86,375	–	–	–	86,375	November 2024–November 2026
	6 November 2024	0.83	0.84	N/A	86,375	–	–	–	86,375	November 2024–November 2027
	6 November 2024	0.83	0.84	N/A	86,375	–	–	–	86,375	November 2024–November 2028
Sub-total					463,458	–	20,333	–	443,125	
Total					19,636,208	–	94,333	–	19,541,875	

	Number of awarded shares during the six months ended 30 June	
	2026	2025
At beginning of the period		
Number of awarded shares held by the trustee	**19,251,376**	8,149,834
Number of awarded shares granted but not yet vested	**19,636,208**	9,991,666
Maximum number of awarded shares available for grant	**36,550,168**	49,332,168
At end of the period		
Number of awarded shares held by the trustee	**19,157,043**	20,579,501
Number of awarded shares granted but not yet vested	**19,541,875**	9,897,333
Maximum number of awarded shares available for grant	**36,550,168**	49,332,168
Approximate percentage of maximum number of awarded shares available for grant to 639,100,000 shares in issue as at the 30 June 2026	**5.72%**	7.72%
Granted during the period	**–**	–
Vested during the period	**94,333**	94,333
Purchased during the period	**–**	12,524,000

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 30 June 2026, the interests and short positions of the Directors and/or chief executives of the Company in any shares of the Company (the "Shares"), underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (cap. 571) (the "SFO")) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which are required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register kept by the Company, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors (the "Model Code") are as follows:

Interests in Shares of the Company

Name of Director	Capacity/Nature of interest	Number of Shares (Note 1)	Approximate percentage of shareholding in the Company (Note 2)
Mr. SZETO Chi Yan Stanley ("Mr. SZETO")	Beneficial owner/ Interest of controlled corporation (Note 3)	349,377,000 (L)	54.67%
Mr. TAN William	Beneficial owner	17,619,000 (L)	2.76%
Mr. LEE Yiu Ming ("Mr. LEE")	Beneficial owner (Note 4)	14,400,000 (L)	2.25%
Mr. SEE Tak Wah	Beneficial owner	378,000 (L)	0.06%
Mr. ANDERSEN Dee Allen	Beneficial owner	236,250 (L)	0.04%

Notes:

1. The Letter "L" denotes the person's long position in the relevant Shares.

2. This is calculated based on the 639,100,000 Shares in issue as at 30 June 2026.

3. Mr. SZETO is beneficially interested in 6,545,000 Shares of the Company. Lever Style Holdings is interested in 342,832,000 Shares of the Company. As Lever Style Holdings is wholly-owned by Imaginative Company Limited which is in turn wholly-owned by Mr. SZETO, Mr. SZETO is deemed to be interested in the 342,832,000 Shares of the Company held by Lever Style Holdings under the SFO.

4. Ms. YIU Chui Ping is the spouse of Mr. LEE and was therefore deemed to be interested in the 14,400,000 Shares held by Mr. LEE.

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 30 June 2026, so far as is known to the Directors, the following persons (other than the Directors or chief executive of the Company), who have interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company in accordance with the provision of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, are as follows:

Name of Shareholder	Capacity/Nature of interest	Number of Shares (Note 1)	Approximate percentage of shareholding in the Company (Note 2)
Imaginative Company Limited	Interest of controlled corporation (Note 3)	342,832,000 Shares (L)	53.64%
Lever Style Holdings	Beneficial owner (Note 3)	342,832,000 Shares (L)	53.64%
LFX Growth Capital Limited	Beneficial owner (Note 4)	44,008,000 Shares (L)	6.88%

Notes:

1. The Letter "L" denotes the person's long position in the relevant Shares.

2. This is calculated based on the 639,100,000 Shares in issue as at 30 June 2026.

3. Lever Style Holdings is wholly owned by Imaginative Company Limited. Imaginative Company Limited is in turn wholly-owned by Mr. SZETO. Accordingly, Mr. SZETO and Imaginative Company Limited are deemed to be interested in 342,832,000 Shares held by Lever Style Holdings for the purpose of SFO.

4. LFX Growth Capital Limited is indirectly wholly-owned by Golden Lincoln Holdings II Limited ("GLH II"). GLH II is controlled 60% by Fung Lincoln Holdings Limited ("FLH") and 40% by GLP Golden Lincoln A Holdings Limited ("GLP A"). FLH is owned 79.54% by Fung Holdings (1937) Limited which is wholly-owned by King Lun Holdings Limited ("KLH"). KLH is owned 50% by Dr. William Fung Kwok Lun and 50% by HSBC Trustee (CI) Limited, the trustee of a trust established for the benefits of the family members of Dr. Victor Fung Kwok King. GLP A is 100% controlled by GLP China Holdings Limited which is indirectly owned 84.3% by GLP Holdings L.P.. GLP Holdings Limited is the general partner of GLP Holdings L.P..

Save as disclosed above, no other interest or short position in the Shares and underlying Shares of the Company were recorded in the register required to be kept under section 336 of the SFO as at 30 June 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.

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 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.

Risk Management and Internal Control

The main features of the risk management and internal control systems are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations.

The Group has established a risk management framework, which consists of the Board, the Audit Committee and its senior managerial personnel. The Board determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives, and has the overall responsibility for monitoring the design, implementation and the overall effectiveness of risk management and internal control systems.

The Group has implemented procedures for identifying and managing risks in accordance with its operation manual ("Operation Manual"). The Operation Manual sets out directions in identifying, evaluating and managing significant risks. At least on an annual basis, the senior managerial personnel identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritizes the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established for those risks considered to be significant.

In addition, the Group has set up an internal audit function to assist the Board and the Audit Committee with ongoing evaluation and monitoring of the risk management and internal control systems of the Group. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board on a timely basis to ensure prompt remediation actions are taken.

For the Period Under Review, two interim internal audit reports rendered by the internal auditor have been submitted to and reviewed by the Audit Committee and the Board. The review on the effectiveness of the Group's risk management and internal control systems included, among other things, the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's assessment on risk management and internal control systems; the extent and frequency of communication with the Board in relation to results of risk and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the Listing Rules. The Board considers the Group's risk management and internal control systems are effective.

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	NOTES	Six months ended 30 June **2026** **US$** **(Unaudited)**	 2025 US$ (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	5	**693,922**	1,004,641
Other gains and losses, net		**(325,777)**	34,616
Impairment losses on trade receivables,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	7	**(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

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

For the six months ended 30 June 2026

	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)	9		
– 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	10	**3,929,094**	3,432,289
Right-of-use assets	11	**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	12	**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	13	**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

Condensed Consolidated Statement of Financial Position (Continued)

At 30 June 2026

	NOTE	**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	14	**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

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Share capital US$	Share premium US$	Merger reserve US$	Statutory reserve US$ (Note i)	Capital reserve US$	Share held under share-award scheme US$	Award shares compensation reserve US$	Exchange reserve US$	Retained profits US$	Total US$
At 1 January 2025 (Audited)	820,640	26,393,444	(13,295,621)	493,848	5,559	(891,333)	275,526	(1,007,627)	50,226,738	63,021,174
Profit for the period	–	–	–	–	–	–	–	–	5,351,023	5,351,023
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	–	27,953	–	27,953
Total comprehensive income for the period	–	–	–	–	–	–	–	27,953	5,351,023	5,378,976
Dividend recognised as distribution	–	–	–	–	–	–	–	–	(5,677,853)	(5,677,853)
Transfer to statutory reserve	–	–	–	74,614	–	–	–	–	(74,614)	–
Vesting of shares under share award scheme	–	–	–	–	–	4,669	(4,669)	–	–	–
Recognition of share-based payment expense	–	–	–	–	–	–	241,806	–	–	241,806
Purchase of shares for the purpose of share award scheme	–	–	–	–	–	(1,771,364)	–	–	–	(1,771,364)
At 30 June 2025 (Unaudited)	820,640	26,393,444	(13,295,621)	568,462	5,559	(2,658,028)	512,663	(979,674)	49,825,294	61,192,739
At 1 January 2026 (Audited)	820,640	26,393,444	(13,295,621)	568,462	5,559	(2,642,932)	775,688	(834,879)	57,959,628	69,749,989
Profit for the period	–	–	–	–	–	–	–	–	5,444,920	5,444,920
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	–	258,474	–	258,474
Total comprehensive income for the period	–	–	–	–	–	–	–	258,474	5,444,920	5,703,394
Dividend recognized as distribution	–	–	–	–	–	–	–	–	(5,536,645)	(5,536,645)
Transfer to statutory reserve	–	–	–	93,643	–	–	–	–	(93,643)	–
Vesting of shares under share award scheme	–	–	–	–	–	4,643	(4,643)	–	–	–
Recognition of share-based payment expenses	–	–	–	–	–	–	507,732	–	–	507,732
Purchase of shares for the purpose of share award scheme	–	–	–	–	–	–	–	–	–	–
At 30 June 2026 (Unaudited)	820,640	26,393,444	(13,295,621)	662,105	5,559	(2,638,289)	1,278,777	(576,405)	57,774,260	70,424,470

Note:

(i) According to the relevant laws of the People's Republic of China (the "PRC"), the Company's subsidiaries established in the PRC have to transfer 10% of their profits after taxation to the statutory reserve. The transfer to this reserve must be made before the distribution of a dividend to the equity owners. The transfer can cease when the balance of the reserve reaches 50% of the registered capital of the respective subsidiaries. The reserve can be applied either to set off accumulated losses or to increase capital.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	US$	US$
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Profit before tax	**6,641,236**	6,525,637
Adjustments for:		
Finance costs	**76,559**	16,758
Interest income	**(514,368)**	(639,832)
Depreciation of plant and equipment	**417,578**	296,286
Depreciation of right-of-use assets	**333,096**	458,598
Amortization of intangible assets	**335,900**	49,082
Impairment losses on trade receivables net	**–**	483,716
Share-based payment expenses	**507,732**	241,806
Fair value losses on derivatives financial instruments	**692**	254,071
Loss on write-off of plant and equipment	**4,190**	3,857
Gain on lease modification	**(2,216)**	–
Operating cash flow before movements in working capital	**7,800,399**	7,689,979
Increase in inventories	**(7,727,910)**	(2,587,346)
Decrease in trade and bills receivables	**581,050**	2,590,169
Decrease/(increase) in deposits and prepayments	**(3,231,471)**	1,323,143
Increase in trade and bills payables	**1,972,927**	57,984
Decrease in other payables and accruals	**(1,728,730)**	(1,351,066)
Increase in contract liabilities	**1,217,479**	150,658
Cash generated from operations	**(1,116,256)**	7,873,521
Income Tax paid	**(681,722)**	(854,137)
Receipt/(payment) arising from net settlement of foreign currency forward contracts	**20,473**	(25,010)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**(1,777,505)**	6,994,374
INVESTING ACTIVITIES		
Purchase of plant and equipment	**(560,598)**	(447,341)
Interest received	**514,368**	639,832
Deposit paid for plant and equipment	**(705,634)**	(124,830)
Purchase of intangible asset	**(6,000,000)**	–
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**(6,751,864)**	67,661

Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	US$	US$
	(Unaudited)	(Unaudited)
FINANCING ACTIVITIES		
New import loans raised	**3,819,392**	1,081,189
Repayment of import loans	**(3,819,392)**	(1,081,189)
New bank loans raised	**4,987,900**	–
Repayment of bank loans	**(4,987,900)**	–
Interest paid	**(76,559)**	(16,758)
Repayment of lease liabilities	**(303,689)**	(541,915)
Dividend paid	**(5,536,645)**	(5,677,853)
Purchase of shares held for share-award scheme	**–**	(1,771,364)
NET CASH USED IN FINANCING ACTIVITIES	**(5,916,893)**	(8,007,890)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(14,446,262)**	(945,855)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**41,525,543**	34,052,184
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**227,809**	59,464
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Bank balances and cash	**27,307,090**	33,165,793

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 D2 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 Standards (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 Standards as disclosed in note 3 below.

3 Principal Accounting Policies

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 D2 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 Standards (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 Standards as disclosed in note 3 below.

Application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs")

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

3 Principal Accounting Policies (Continued)

Application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

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 **US$** **(Unaudited)**	2025 US$ (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 Other Income

	Six months ended 30 June	
	2026	2025
	US$	US$
	(Unaudited)	(Unaudited)
Interests on bank deposits	**514,368**	639,832
Government grants	**159,046**	343,876
Others	**20,508**	20,933
	693,922	1,004,641

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 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.

8 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: interim dividend of HK3.0 cents per share).

9 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.

10 Plant and Equipment

During the current interim period, the Group incurred total expenditure of approximately US$870,326 (six months ended 30 June 2025: approximately US$467,095) on the acquisition of plant and equipment.

11 Right-of-use Assets

During the current interim period, additions to right-of-use assets amounted to US$17,627 (six months ended 30 June 2025: Nil).

12 Trade Receivables

	At 30 June 2026 US$ (Unaudited)	At 31 December 2025 US$ (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 2026 US$ (Unaudited)	At 31 December 2025 US$ (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

13 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

14 Share Capital

	At 30 June 2026 US$ (Unaudited)	At 31 December 2025 US$ (Audited)
Issued and fully paid		
639,100,000 Ordinary shares of HK$0.01 each	**820,640**	820,640

15 Share-based Payment

Share Option Scheme

The Company's Share Option Scheme was adopted pursuant to a resolution passed on 12 October 2019 for the primary purpose of providing incentives to directors and eligible employees, and will remain in force for 10 years from the Adoption Date.

As at 30 June 2026, there were no share options outstanding under the Share Option Scheme. No share options were granted, forfeited or exercised, or expired during the year ended 31 December 2025 and the Period Under Review. The total number of shares available for issue under the share option scheme is 64,000,000, representing approximately 10.0% of issued shares of the Company as at the date of this report.

The Group has no expense for the Period Under Review in relation to share options granted by the Company.

Share Award Scheme

The Company operates a co-ownership share award scheme (the "Share Award Scheme"), which was adopted on 27 October 2021 and amended on 13 June 2023 for the purpose of recognising 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. A trustee, as an independent third party, was appointed by the Company for the administration of the Share Award Scheme. The trustee shall purchase the Company's shares from the market out of cash contributed by the Company and shall hold such shares in trust until they are vested to the participants in accordance to the rules of the Share Award Scheme.

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.

16 Commitments

The Group had the following contractual commitments at the end of the reporting period:

	At 30 June 2026 US$ (Unaudited)	At 31 December 2025 US$ (Audited)
Capital expenditure in respect of the acquisition of plant and equipment	**261,351**	158,814

17 Related Party Transactions

(a) During the six months ended 30 June 2026, the Group entered into the following transactions with a related party:

Name of related parties	Nature of transactions	Six months ended 30 June	
		2026	2025
		US$	US$
		(Unaudited)	(Unaudited)
Calman Limited*	Short-term lease expenses	**38,352**	38,536

* The company is controlled by Mr. Bernard Szeto and Ms. Fong Tong, both are close family members of Mr. SZETO.

(b) Compensation of key management personnel

The remuneration of key management personnel which represents the directors of the Company and key executives of the Group during the interim period was as follows:

	Six months ended 30 June	
	2026	2025
	US$	US$
	(Unaudited)	(Unaudited)
Salaries and other allowances	**442,545**	445,472
Performance related bonus	**1,089,998**	869,077
Retirement benefit scheme contributions	**3,828**	3,854
Equity-settled share awards	**493,831**	200,959
	2,030,202	1,519,362

Performance related bonus was determined with reference to the Group's revenue, operating results, individual performance and comparable market statistics.

The remuneration of directors and key executives is determined having regard to the performance of individuals and market trends.