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

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

- US Tariffs wreaken havoc on industry in 2025;
- 2025 Revenues: US$200.2 million down 10.2% while proactively managing down business from 2 largest clients in 2024; 2025 revenue on balance of business would have grown 2.7% when excluding these 2 clients;
- Record-high 7.9% net profit margin despite 10.2% reduction in revenue;
- Debt free with record-high US$41.5 million cash balance;
- Acquisition of activewear maker AAG's business positions us for growth in 2026;
- Early success of digitalization and platformization helping competitiveness and profitability going forward;
- Final dividend to remain at HK7.0 cents despite the 7.4% reduction in net profit.

	2025 ***US$***	2024 *US$*	**Change %**
Revenue	**200,156,359**	222,929,009	(10.2%)
Gross profit	**57,012,819**	63,490,667	(10.2%)
Gross profit margin	***28.5%***	*28.5%*	
Reversal of impairment losses/ (impairment losses) on trade receivables, net	**87,564**	(2,962,747)	(103.0%)
Profit before tax	**19,363,458**	20,098,923	(3.7%)
Profit attributable to Shareholders	**15,870,991**	17,144,830	(7.4%)
Earnings per share			
– Basic *(US cents)*	**2.54**	2.70	(5.9%)
– Diluted *(US cents)*	**2.51**	2.70	(7.0%)
Final dividend per share *(HK cents)*	**7.00**	7.00	0.0

REVIEW AND FUTURE PROSPECTS

Tariff-induced weakened sales and profits

In a year when Trump's Liberation Day tariffs wreaked havoc on the industry, we managed down our business to safeguard our current and future financial health. Revenues retreated 10.2% from the prior year to US$200.2 million for the 2025 reporting period, which was a result of applying stringent credit risk control on our former top two clients from 2024 rather than an across-the-board weakening of demand. For one of these two clients, we stopped taking new orders in January 2025 due to persistently late payments, resulting in an US$18.1 million decrease in sales in 2025 against 2024.

Our longtime client, Bonobos, went into Chapter 11 administration in 2024, when we managed to minimize our financial impact because of credit insurance protection and other recovery means. After filing for Chapter 11, the brand Bonobos was taken over by another entity. In 2025, we continued to proactively reduced our remaining business with Bonobos by US$9.1 million due to persistent credit concerns. If not for the combined US$27.2 million revenue contraction from these two clients, 2025 revenues would have grown US$4.4 million despite the backdrop of US tariffs.

As a result of the sales contraction, net profit for the 2025 reporting period decreased 7.4% to US$15.9 million from the prior year. The extraordinary events of 2025 broke a string of 3 consecutive years of record-breaking profitability. However, we are positively encouraged by our net margin, which hit a record-high of 7.9% in 2025. We attribute the increase in net margin to tight cost controls and improving operating efficiency aided by our digitalization progress, putting us in good stead for 2026 and beyond. We are also proud to have navigated a challenging 2025 with zero bad debt, a direct result of our tightening credit risk controls. With the strong cash-generating capability inherent in our asset-light business model, we were debt-free once again and accumulated a record net cash position of US$41.5 million at the end of 2025, up from US$34.1 million in 2024 despite dividend payments of US$8.1 million during the year.

Reciprocal Tariffs made 2025 the most challenging year for the industry since COVID. US tariffs on most apparel-producing countries started in the 30–50% range in April 2025, with tariffs on China spiking to an embargo-like 150% at one point during the year. Most brands that sell into the US initially reacted to the tariffs by freezing order placement. Both the level of tariffs and the uncertainty played havoc on the industry. After the initial freeze on orders, most brands kept their buying commitments curtailed in fear of committing to higher tariffs today when tariffs could be lower tomorrow. When it was clear tariffs were here to stay and tariff-induced retail price increases were inevitable, brands expected softening consumer demand and further reduced their purchase levels.

Against the tariff backdrop, we did well to have achieved record-high net margin and registered growth for the rest of our customer portfolio outside of the former two top clients from 2024. This is a testament to the strength of our versatile, asset-light business model.

Mergers & acquisitions

With our business negatively affected by the ongoing tariff environment, we put more focus on pursuing inorganic growth through acquisitions. In December 2025, we announced our largest acquisition to date, the acquisition of certain assets and businesses of Active Apparel Group ("**AAG**"), an Australia-based supplier of activewear such as golf shirts, running shorts and yoga leggings. AAG is a leader in the activewear segment, and it works with premium activewear brands such as TaylorMade, Bad Birdie, Bandit Running, and Tiger Woods's new apparel brand Sun Day Red. This acquisition is our seventh since our 2019 IPO and will continue to strengthen our activewear capability in a segment important to our growth. As is customary from our past 6 acquisitions, we acquired AAG's business but not its factory to safeguard our asset-light business model.

The activewear segment is the fastest-growing one in the apparel industry, and AAG's strength in activewear complements our existing strength in the fashion segment. AAG's product sophistication and customer tier also match our premium positioning. We will add value by cross-selling additional products to AAG's customers and by enhancing operating leverage. In addition, AAG's track record, premium customer base, and proven technical knowhow give us a solid foundation to use our global reach to win new activewear customers.

Future prospects

Even though US tariffs on most garment-producing countries have come down to the 20% range, the US economy remains on edge, and we believe there is a meaningful risk of a major downturn in the equity and/or crypto markets that could create the reverse wealth effect and tip the US into a recession. There is a growing trend of retail bankruptcies, which have knock-on effects on brands and the supply chain. The recent Saks Global bankruptcy filing in January 2026 is causing brands, some of which are our clients, to write off receivables. Many brands' credit standing are deteriorating, and we will remain very conservative in managing credit risk.

Despite such headwinds, we feel confident that we'll once again out-perform the industry due to the sustainable competitive advantage provided by our asset-light business model. Furthermore, the AAG acquisition will be fully reflected in our 2026 results, and we will have increased capability to win new activewear clients. Once we've stabilized AAG's business, fully integrated it into ours, and converted it into our high-performing asset-light business model, we expect AAG's business to achieve similar profitability metrics as our legacy business's.

Beyond AAG, we are continuing to explore other strategic merger and acquisition opportunities to further strengthen our product category portfolio, expand our production base, and gain scale that creates synergies and operating leverage. Brands' and retailers' declining financial fortunes impact not just us alone but our potential acquisition targets as well. With little relief in sight from a US tariff-impacted world, we expect there will be more merger and acquisition opportunities at reasonable valuations.

Digitalization and platformization progress

We have embarked on a new phase of digitalization to revolutionize the way we work. Through fully automated factory invoice handling, and the use of artificial intelligence on tasks such as reading purchase orders and translating tech packs, we are saving processing time on some mundane tasks by up to 90%. We have an ambitious plan to further augment our processes with technology that will allow us to scale efficiency and transform how we work.

Transforming into a digital two-way marketplace platform, which automatically computes costing and digtitally matches the optimal factory for each order is a long journey. To accelerate change beyond just making incremental improvements, we incubated a platformization team staffed with experts with experience from other digital platforms to overhaul the way we work with factories. After much trial and error, this team launched a digital marketplace where qualified factories can accept orders on our platform digitally, much like how Uber drivers take ride requests without the need of a human dispatcher from Uber. We are enjoying early success with more than 35 factories having joined this platform, with orders of the simplest styles placed and products already produced and delivered. We are excited to continue building from this foundation.

Conclusion

In a year best described as playing defense rather than offence, we cautiously managed down our business to minimize bad debt risks, navigated the year with record-high net margin, and added to our cash pile. By concluding the AAG acquisition in late 2025, we put ourselves back on the growth path for 2026 in spite of the challenging economic environment. Despite the slight reduction of net profit, we are maintaining the same HK7.0 cents final dividend level as the prior year, resulting in a dividend payout ratio of 51.7%.

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Lever Style Corporation (the "**Company**") would like to announce the audited consolidated financial results of the Company and its subsidiaries (together, the "**Group**") for the year ended 31 December 2025 (the "**Reporting Period**"), together with the comparative figures for the year ended 31 December 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2025

		2025	2024
	Notes	***US$***	*US$*
REVENUE	3	**200,156,359**	222,929,009
Cost of sales		**(143,143,540)**	(159,438,342)
Gross profit		**57,012,819**	63,490,667
Other income		**1,703,016**	1,014,577
Other gains and losses, net		**187,385**	182,724
Reversal of impairment losses/(impairment losses) on trade receivables, net		**87,564**	(2,962,747)
Selling and distribution expenses		**(20,352,876)**	(22,175,956)
Administrative expenses		**(19,209,283)**	(19,381,392)
Finance costs		**(65,167)**	(68,950)
PROFIT BEFORE TAX	5	**19,363,458**	20,098,923
Income tax expense	4	**(3,492,467)**	(2,954,093)
PROFIT FOR THE YEAR		**15,870,991**	17,144,830
Other comprehensive income/(loss)			
Item that may be reclassified to profit or loss in subsequent periods:			
Exchange differences arising on translation of foreign operations		**172,748**	(113,001)
Total comprehensive income for the year		**16,043,739**	17,031,829

	Note	**2025**	2024
		US$	*US$*
Profit for the year attributable to owners of the parent		**15,870,991**	17,144,830
Total comprehensive income attributable to owners of the parent		**16,043,739**	17,031,829
Earnings per share attributable to ordinary equity holders of the parent *(US cents)*	6		
– Basic		**2.54**	2.70
– Diluted		**2.51**	2.70

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2025

	Notes	**2025** **US$**	2024 US$
NON-CURRENT ASSETS			
Plant and equipment		**3,432,289**	2,440,422
Right-of-use assets		**2,958,744**	705,218
Intangible assets		**1,404,466**	1,633,942
Deposits and other receivables		**1,829,569**	1,128,488
Total non-current assets		**9,625,068**	5,908,070
CURRENT ASSETS			
Inventories		**13,893,203**	13,651,652
Trade receivables	8	**39,940,402**	33,254,592
Deposits, prepayments and other receivables		**4,429,108**	8,153,477
Derivative financial instruments		**400**	–
Bank balances and cash		**41,525,543**	34,052,184
Total current assets		**99,788,656**	89,111,905
CURRENT LIABILITIES			
Trade payables	9	**25,055,104**	20,255,636
Other payables and accruals		**7,926,776**	7,395,132
Contract liabilities		**1,656,670**	2,470,727
Lease liabilities		**602,926**	779,162
Tax payable		**1,921,867**	893,584
Derivative financial instruments		**–**	30,414
Total current liabilities		**37,163,343**	31,824,655
NET CURRENT ASSETS		**62,625,313**	57,287,250
TOTAL ASSETS LESS CURRENT LIABILITIES		**72,250,381**	63,195,320

	2025	2024
	US$	*US$*
NON-CURRENT LIABILITIES		
Lease liabilities	**2,347,552**	21,306
Deferred tax liabilities	**152,840**	152,840
Total non-current liabilities	**2,500,392**	174,146
Net assets	**69,749,989**	63,021,174
EQUITY		
Share capital	**820,640**	820,640
Shares held under share award scheme	**(2,642,932)**	(891,333)
Reserves	**71,572,281**	63,091,867
Total equity	**69,749,989**	63,021,174

NOTES:

1. GENERAL INFORMATION

Lever Style Corporation (the "**Company**") is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The addresses 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, Kowloon, Hong Kong.

Its immediate and ultimate holding company are Lever Style Holdings Limited 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 Company is an investment holding company.

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

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the consolidated financial information.

3. REVENUE AND SEGMENT INFORMATION

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

The Group sells garment products to notable digitally native and conventional customers. Revenue is recognised when control of goods has been transferred, that is, when the goods have been shipped to the customers' specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The contracts for sales of garment products are for periods of one year or less.

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.

	2025	2024
	US$	*US$*
United States of America	**122,931,000**	125,395,340
Europe	**52,781,837**	55,011,537
Oceania	**14,319,733**	34,551,177
Canada	**5,948,941**	4,613,904
Greater China#	**3,608,949**	1,429,279
Others	**565,899**	1,927,772
Total revenue	**200,156,359**	222,929,009

Greater China primarily includes Chinese mainland, Hong Kong, Macau and Taiwan.

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

Information about major customers

All of the Group's revenue are made directly with the customers and the contracts with the Group's customers are mainly short-term and at fixed price.

Revenue from individual customers contributing over 10% of the total revenue of the Group is as follows:

	2025	2024
	US$	*US$*
Customer A	**23,707,600**	28,348,714
Customer B	**–***	25,129,093
Customer C	**32,872,876**	–*

* Revenue from these customers did not account for more than 10% of the Group's total revenue for the respective year.

4. INCOME TAX EXPENSE

	2025	2024
	US$	*US$*
Current – Hong Kong		
Charge for the year	**3,018,473**	2,529,362
Underprovision in prior years	**37,114**	46,900
	3,055,587	2,576,262
Current – The People's Republic of China (the "**PRC**")		
Charge for the year	**258,758**	184,726
Underprovision/(overprovision) in prior years	**(419)**	76,570
	258,339	261,296
Current – Elsewhere		
Charge for the year	**178,541**	–
Deferred tax	**–**	116,535
Total	**3,492,467**	2,954,093

Hong Kong profits tax has been provided at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, 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 (2024: HK$2,000,000) of assessable profits are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 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 year ended 31 December 2025 (2024: 25%). Certain subsidiaries of the Group are qualified as a small low-profit enterprise as their annual taxable income were less than Renminbi ("**RMB**") 3,000,000 for both years. The annual taxable income of a small low-profit enterprise shall be computed at a reduced rate of 25% (2024: 25%) of taxable income amount, and subjected to EIT at 20% (2024: 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.

5. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging/(crediting):

	2025	2024
	US$	*US$*
Directors' remuneration*	**2,977,254**	4,006,758
Other staff costs*		
– Salaries and other allowances	**14,881,952**	12,675,417
– Share based payment expense	**45,858**	49,171
– Redundancy cost	**272,656**	–
– Retirement benefit scheme contributions	**2,137,028**	2,091,109
Total staff costs	**20,314,748**	18,822,455
Auditor's remuneration	**267,849**	276,127
Cost of inventories sold	**143,143,540**	159,438,342
Depreciation of plant and equipment	**629,711**	542,167
Depreciation of right-of-use assets	**839,638**	960,355
Amortisation of intangible assets (included in selling and distribution expenses)	**98,165**	98,165
Expense relating to short-term leases	**93,871**	265,234
Impairment of intangible assets	**131,311**	–
Fair value gain on contingent consideration	**(411,107)**	–

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

6. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

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

	2025	2024
	US$	*US$*
Earnings:		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	**15,870,991**	17,144,830

	2025	2024
Number of shares:		
Weighted average number of ordinary shares outstanding less shares held for share award scheme during the year used in the basic earnings per share calculation	**624,540,324**	634,959,157
Effect of dilution – weighted average number of ordinary shares:		
Share award scheme	**7,817,462**	879,765
Number of shares used in diluted earnings per share calculation	**632,357,786**	635,838,922

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

7. DIVIDENDS

	2025	2024
	US$	*US$*
2025 interim dividend of HK3.0 cents (2024: HK3.0 cents) per ordinary share	**2,385,634**	2,447,696
2024 final dividend of HK7.0 cents per ordinary share (2024: 2023 final HK6.0 cents)	**5,677,853**	4,866,761
	8,063,487	7,314,457

Subsequent to the end of the reporting period, a final dividend of HK7.0 cents per ordinary share was proposed by the directors of the Company for the year ended 31 December 2025.

8. TRADE RECEIVABLES

	2025	2024
	US$	*US$*
Trade receivables	**40,929,344**	34,587,114
Less: allowance for expected credit losses	**(988,942)**	(1,332,522)
Net carrying amount	**39,940,402**	33,254,592

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

The following is an ageing analysis of trade receivables presented based on the invoice dates and net of loss allowance at the end of each reporting period.

	2025	2024
	US$	*US$*
0 to 30 days	**30,252,700**	23,335,134
31 to 60 days	**7,518,593**	5,963,129
Over 60 days	**2,169,109**	3,956,329
Total	**39,940,402**	33,254,592

9. TRADE PAYABLES

	2025	2024
	US$	*US$*
Trade payables	**25,055,104**	20,255,636

The credit period on trade payables was up to 60 days.

The following is an ageing analysis of trade payables presented based on the invoice dates at the end of each reporting period.

	2025	2024
	US$	*US$*
0 to 30 days	**24,693,231**	19,599,122
31 to 60 days	**206,745**	456,207
Over 60 days	**155,128**	200,307
Total	**25,055,104**	20,255,636

FINANCIAL REVIEW

Revenue

In 2025, the Company reduced business with a few clients intentionally to mitigate potential financial exposure. This led to revenue of the Group decreased by 10.2% from US$222.9 million in 2024 to US$200.2 million in 2025. The Company continues to maintain such proactive credit risk practices to minimize potential bad debts from clients with poor credit standing. Positively, the revenue excluding these clients experienced growth, showing the effectiveness of a portfolio that serves more than 150 brands in multiple markets. The Company's multi-region and multi-category business model has also assisted customers to mitigate tariff impacts during 2025, leading to stronger business relationships for the long term.

Cost of sales

Our cost of sales mainly comprises material costs and subcontracting fees. Cost of sales reduced by 10.2% from US$159.4 million in 2024 to US$143.1 million in 2025. Cost of sales as a percentage of total revenue remained at 71.5% in both 2024 and 2025.

Gross profit and gross profit margin

Gross profit margin was maintained at a healthy level of 28.5% in both 2024 and 2025, highlighting the strength of the Company's business model. Our gross profit decreased from US$63.5 million in 2024 to US$57.0 million in 2025 as a direct result of the reduction in revenue, representing a reduction of 10.2%.

Profit for the year

The Company recorded a net profit margin of 7.9% which was slightly better than last year. This translated to a net profit of US$15.9 million for the year ended 31 December 2025, a reduction of 7.4% as compared to US$17.1 million for the year ended 31 December 2024. The net change in net profit compared to 2024 was mainly attributable to the following factors:

– The Company dropped business with certain clients to manage exposure risk;

– Higher interest earnings resulting from a strong cash position and effective treasury management;

– A significant decrease in impairment loss on trade receivables. The reversal of impairment loss was due to the Company's robust credit risk control procedures;

– The saving of selling and distribution expenses mainly due to less commission expense.

The robustness of the Company's business model and operational efficiency combined to maintain the gross profit margin and profit margin for 2025 despite a tumultuous year affected by the global trade war. Potentially significant credit risk was prevented by a controlled reduction in business customers at risk. Moreover, the implementation of a strong credit control system has fortified the Company's cash position, enhancing its ability to generate more interest income. This prudent approach not only mitigated the risks associated of bad debts but also underscored the Company's commitment to maintaining financial stability. As a result, the Company continued to demonstrate resilience, leveraging its operational and financial strategies to ensure sustainable growth and stability even in challenging times.

LIQUIDITY AND FINANCIAL RESOURCES

Cash and cash equivalents of the Group as at 31 December 2025 were US$41.5 million (2024: US$34.1 million). The Group had no borrowing at the end of 2025, resulting a net cash position of US$41.5 million which was a historical high record, compared to US$34.1 million in 2024. Over the past two years, the Company has consistently achieved record-high cash levels, highlighting its robust financial position and effective credit control practices. This solid foundation not only ensured strong future financial stability but also strategically positioned us for business growth through a substantial number of acquisition projects. The Company is well-prepared to capitalize on opportunities for expansion and strengthen our market presence.

As at 31 December 2025, the Group had net current assets of US$62.6 million. Compared to US$57.3 million as at 31 December 2024, it represented an increase of US$5.3 million. The current ratio for 2025 was 2.7 times whilst it was 2.8 times for 2024 which remained at a healthy position to robust liquidity and efficient management of current assets, providing the Company with the agility to meet short-term obligations and invest in growth opportunities.

The Group obtained bank facilities to fulfil its working capital requirements and to finance purchase of raw materials and payments to contract manufacturers. As at 31 December 2025, the Group had available banking facilities of US$74.0 million which is considered sufficient for the Group's operation.

GEARING RATIO

Equity attributable to the Company amounted to US$69.7 million at 31 December 2025 (2024: US$63.0 million). As at 31 December 2025, the gearing ratio of the Group was 0% (2024: 0%). Gearing ratio is calculated based on the total debts (bank borrowings) divided by the total equity at the end of the year. The 0% gearing ratio for 2025 was mainly due to no bank borrowings at the end of the year.

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 year) of -59.5% in 2025 (2024: -54.0%).

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no material contingent liability (2024: Nil).

EMPLOYEES AND REMUNERATION

As at 31 December 2025, the Group employed a total of 344 full-time employees (2024: 347 employees). For the year ended 31 December 2025, the aggregate remuneration of the Group's employees (including Directors' remuneration) increased by US$1.5 million to US$20.3 million (2024: US$18.8 million).

The Company recognises the employees as 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 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.

FINAL DIVIDEND

The Board has resolved to propose a final dividend of HK7.0 cents (2024: HK7.0 cents) per ordinary share with HK$44.7 million (equivalent to US$5.7 million) for the year ended 31 December 2025. After adding the distributed HK3 cents interim dividend in 2025, it represents the Company will distribute 51.7% of the Group's net profit for the year ended 31 December 2025.

The proposed final dividend payment is subject to approval by the shareholders of the Company at the forthcoming annual general meeting ("**AGM**") to be held on Thursday, 9 April 2026. If approved by shareholders of the Company, the proposed final dividend is expected to be paid on or before Friday, 24 April 2026 to shareholders of the Company whose names appear on the register of members of the Company on Friday, 17 April 2026.

CLOSURE OF REGISTER OF MEMBERS FOR ENTITLEMENT TO ATTEND AND VOTE AT ANNUAL GENERAL MEETING AND FOR ENTITLEMENT TO THE PROPOSED FINAL DIVIDEND

The AGM will be held on Thursday, 9 April 2026. Notice of the AGM will be sent to shareholders of the Company in due course. For the purpose of determining shareholder's eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 1 April 2026 to Thursday, 9 April 2026, both days inclusive, during which period no transfer of shares will be registered. In order to qualify to attend and vote at the AGM, 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 Tuesday, 31 March 2026. The record date for entitlement to AGM will be Thursday, 9 April 2026.

For the purpose of ascertaining shareholders' entitlement to the proposed final dividend (subject to the approval of the shareholders of the Company at the AGM), the register of members of the Company will be closed from Thursday, 16 April 2026 to Friday, 17 April 2026, both days inclusive, during which period no transfer of shares will be registered. To qualify for the proposed final 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, 15 April 2026.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions in the Corporate Governance Code (the "**CG Code**") set out in Part 2 Appendix C1 to Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") 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 year ended 31 December 2025.

DIRECTORS' SECURITIES TRANSACTIONS

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 (formerly Appendix 10) 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 for the year ended 31 December 2025. 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 year ended 31 December 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Apart from the Company's shares purchased under the share award scheme of the Company of 13,996,000 shares, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the year ended 31 December 2025.

EVENTS OCCURRING AFTER END OF 2025

On 2 January 2026, the Company acquired certain assets and businesses of the Active Apparel Group ("**AAG**") whose product sophistication and customer tier are on par with the Company's premium positioning. Further details were disclosed in both the announcement of the Company dated 17 December 2025 and further announcement of the Company dated 9 January 2026. Save for this, there was no event after the Reporting Period that is required to be disclosed.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 12 February 2026. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the Hong Kong Institute of Certified Public Accountants. and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on this preliminary announcement.

AUDIT COMMITTEE AND REVIEW ON THE ANNUAL RESULTS

The Company has established an Audit Committee on 12 October 2019 in compliance with the CG Code with written terms of reference. As at the date of this announcement, 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. The Audit Committee of the Company, together with the management of the Company and the external auditor, reviewed both the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year ended 31 December 2025.

REMUNERATION COMMITTEE

The Company has established a Remuneration Committee on 12 October 2019 in compliance with the CG Code with written terms of reference. As at the date of this announcement, 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. As at the date of this announcement, 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 annual report of the Company for the year ended 31 December 2025 will be dispatched to shareholders 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, 12 February 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 independent non-executive Directors.