

# 2025

## LEVER STYLE CORPORATION

利華控股集團

(Incorporated in the Cayman Islands with limited liability)

## INTERIM REPORT

STOCK CODE: 1346

[WWW.LEVERSTYLE.COM](http://WWW.LEVERSTYLE.COM)

THE APPAREL ENGINE FOR DIGITAL RETAIL



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## 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

### 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

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## **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](http://www.leverstyle.com)

## **Stock Code**

1346

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## Management Discussion and Analysis

### Review and Future Prospects

2025 started innocuously with the global economy still humming along despite the challenges posed by elevated interest rates and the unending wars in Ukraine and the Middle East. Then came 2 April, when Donald Trump unleashed the Liberation Day tariffs. Given imports are widely believed to account for over 98% of the US apparel market, the apparel industry has been very much caught in Trump's crosshairs.

Frequently-changing tariff policies have created vast uncertainties, causing many apparel brands with exposure to the US market to adopt a wait-and-see approach and sharply curtail their buying. The ripple effects are extending beyond buyers and suppliers of the US market, as large US buyers accelerated moving production to countries that are perceived to be tariff-light, thus crowding out capacity for smaller buyers and buyers from other regions, launching a game of global musical chairs.

Against this backdrop affecting the second quarter onwards, the board of directors of the Company is pleased to present the Group's interim 2025 results: revenues reached US\$91.4 million, representing a 4.1% drop from the same period in 2024, while net profit grew 24.3% from the same period in 2024 to US\$5.4 million. As of 30 June 2025, the Group remained debt-free and maintained a net cash position of US\$33.2 million, despite having paid out US\$5.7 million of 2024 dividends and US\$2.2 million of accrued staff bonuses in the first half of 2025.

Even before the financial havoc created by Liberation Day tariffs, retailers' and brands' liquidity issues had already become more pervasive. As stated in the 2024 annual report's Chairman's Statement, customers' credit concerns caused the Group to intentionally ramp down business volume with two of our top five customers. Payment problems for one of those two have further deteriorated, resulting in the Group's making a sizable delinquent receivables claim on the credit insurer. Had the Group decided to continue growing its business with this customer, bad debts from receivables and work in progress inventory would have been substantially higher.

Having escaped relatively unscathed, the Group will continue to remain vigilant in controlling credit risks during these tumultuous times, as this conservatism helps protect the Group's bottom line even though it depresses the Group's top line. Having said that, stringent customers' credit controls can only help the Group minimize but not prevent bad debts, as the US\$0.5 million of bad debt provisions, representing 0.5% of revenues, during this reporting period shows.

As the Chinese saying goes, with danger comes opportunity. With unpredictable tariff whiplashes, brands and retailers need versatility in their supply chains more than ever. The Group's asset-light business model with a pan-Asian production footprint helps apparel buyers diversify country-of-origin risks, putting us in strong position to continue to win market share.

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With the industry in turmoil, more apparel suppliers are seeing the benefit of joining forces with Lever Style, thus increasing the Group's potential in merging with or acquiring companies that add to our strategic capabilities. While the Group has nothing to report as of yet in the first half of 2025, the board of directors of the Company remains hopeful that the Group can achieve inorganic growth in the second half of the year.

Notwithstanding the trade war, the Group has continued to make progress on digitalization and platformization. With the industry mired in navigating trade issues, the Group's lead in creating a two-way marketplace platform could only have further grown.

As per the disclosure to the stock exchange on 16 June 2025, Mr. William Tan, who joined the Group as COO in October 2022 and became CEO in April 2024, has continued to increase his shareholding of the Group. William's investment reflects management's commitment to drive towards the platformization vision and confidence in the Group's prospects.

In closing, while 2025 may prove to be the most difficult year for the apparel industry since COVID, the Group's strategic positioning and disciplined execution have given the Group reason to remain cautiously optimistic.

## **Financial Review**

### **Revenue**

Following the ongoing internal risk control assessment, the Company identified payment collection concerns with one of our top five customers. As a precaution, we intentionally reduced business volume and suspended shipments to this customer, resulting sales decrease during the first half of 2025. Despite these challenges, the Group was able to minimize the impact through our multi-country production capability, high-mix-low-volume solutions, quick response supply chain and multi-category expertise to help our customers better respond to tariff uncertainties. Such competitive advantage allowed the Group to manage the general downturn better, and on occasions, improve the share of wallet of our customers. Revenue of the Group decreased by approximately 4.1% from approximately US\$95.3 million in the first half of 2024 to approximately US\$91.4 million during the six months ended 30 June 2025 (the "Period Under Review").

### **Cost of sales**

Cost of sales mainly comprises material costs and subcontracting fees. Cost of sales decreased by approximately 5.7% from approximately US\$69.1 million in the first half of 2024 to approximately US\$65.2 million during the Period Under Review. Cost of sales as a percentage of total revenue decreased from approximately 72.5% in the first half of 2024 to 71.3% during the Period Under Review.

### **Gross profit and gross profit margin**

Our gross profit remained flat as from approximately US\$26.2 million in the first half of both 2024 and 2025. Gross profit margin increased from approximately 27.5% in the first half of 2024 to approximately 28.7% in the first half of 2025.

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## 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 2025 (six months ended 30 June 2024: approximately US\$4.3 million), representing a growth of approximately 24.3%. The increase in net profit for the Period Under Review is mainly due to the following factors:

- Other income increased by approximately US\$0.6 million mainly due to more interests income on cash on hand, representing the strong cash position of the Group;
- The Group maintains robust internal controls and comprehensive insurance protection to safeguard our accounts receivable, ensuring minimal impairment losses. Through meticulous monitoring and systematic evaluation processes, our internal control mechanisms continue to accurately assess and manage credit risks, thereby mitigating potential losses. Impairment loss on trade receivables decreased by approximately US\$1.9 million for the Period Under Review, underscoring the effectiveness of our risk management practices;
- Selling and distribution expenses rose by approximately US\$1.1 million, primarily due to increase in staff costs. The Company has invested in leadership and talent pool to bolster supply chains across more regions, thereby enhancing our multi-country production capabilities; and
- The income tax expense increased by approximately US\$0.4 million. The effective tax rate rose from around 14.7% in the first half of 2024 to approximately 18.0% during the Period Under Review. In the first half of 2024, certain subsidiaries had unutilised tax losses which were no longer available in the first half of 2025.

## Liquidity and Financial Resources

The Group maintains a healthy financial position. Bank balances and cash of the Group as at 30 June 2025 were approximately US\$33.2 million (at 31 December 2024: US\$34.1 million). As at 30 June 2025, the Group had net current assets of approximately US\$55.7 million. The current ratio maintained at approximately 2.8 times as at both 30 June 2025 and 31 December 2024.

The Group obtained bank facilities to fulfil our working capital requirements and to finance our purchase of raw materials and payments to contract manufacturers. As at 30 June 2025, the Group had available banking facilities of approximately US\$79.1 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\$61.2 million at 30 June 2025 (31 December 2024: US\$63.0 million). As at 30 June 2025, the gearing ratio of the Group was 0% (31 December 2024: 0%). The Group had no borrowings as at 30 June 2025. Gearing ratio is calculated based on the total debts (bank borrowings) divided by the total equity at the end of the period.

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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–54.2% as at 30 June 2025 (31 December 2024:–54.0%).

## **Contingent Liabilities**

As at 30 June 2025, the Group had no material contingent liability (31 December 2024: Nil).

## **Employees and Remuneration**

As at 30 June 2025, the Group employed a total of 349 full-time employees (31 December 2024: 347 employees). For the six months ended 30 June 2025, the aggregate remuneration of the Group's employees (including Directors' remuneration) amounted to approximately US\$10.0 million (six months ended 30 June 2024: US\$9.3 million), representing an increase of approximately 6.6%.

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 2025.

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## **Events Occurred after 30 June 2025**

There was no material event after 30 June 2025 that required to be disclosed.

## **Pledge of Assets**

As at 30 June 2025, there were no assets pledged to secure the Group's bank borrowing (31 December 2024: Nil).

## **Significant Investments Held**

No significant investments had been made by the Group for the Period Under Review were required to be disclosed.

## **Material Acquisition or Disposal of Subsidiaries, Associates and Joint Ventures**

The Group had not conducted any substantial acquisition or disposal of subsidiaries, associates or joint ventures that were required to be disclosed during the Period Under Review.

## **Commitments**

As at 30 June 2025, contractual commitments of the Group are set out in Note 16 to the unaudited condensed consolidated financial statements.

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## Other Information

### Communication with Shareholders

The Company's 2025 Annual General Meeting (the "AGM") was held on 10 April 2025. All resolutions at the 2025 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 cents per share was declared by the Board for the six months ended 30 June 2025. The interim dividend is expected to be paid on or before Tuesday, 30 September 2025 to shareholders whose names appear on the register of members of the Company on Friday, 5 September 2025. For the purpose of ascertaining shareholders' entitlement to the interim dividend, the register of members of the Company will be closed from Thursday, 4 September 2025 to Friday, 5 September 2025, 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, 3 September 2025.

### Purchase, Sale or Redemption of Listed Securities of the Company

Other than the 12,524,000 shares of the Company purchased by the trustee which is disclosed in the Co-ownership Share Award Scheme section below, during the six months ended 30 June 2025, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Group's listed securities.

### Board of Directors

At 30 June 2025, 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

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There is no other change in the information of Directors during the six months ended 30 June 2025 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 2025, the composition of the board committees remains the same as that set out in the announcement made by the Company on 27 February 2025.

## **Senior Management**

At 30 June 2025, the composition of the senior management of the Company remains the same as that set out in the 2024 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.

As at 30 June 2025, 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 2024 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.

## 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 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. Subject to any early termination as may be determined by the award committee pursuant to the rules of the Share Award Scheme, the Share Award Scheme shall be valid and effective for a term of ten years commencing from Share Award Scheme Adoption Date.

During the Period Under Review, 12,524,000 ordinary shares of the Company has been purchased from the open market by the trustee of the Share Award Scheme pursuant to the Scheme (Six months ended 30 June 2024: Nil). The detail of purchase from the Stock Exchange as follows:

### For the six months ended 30 June 2025

Month of purchase	No of ordinary shares of HK\$0.01 each	Price per share		Aggregate consideration paid HK\$
		Highest HK\$	Lowest HK\$	
June 2025	12,524,000	1.15	1.1	13,895,471
				13,895,471
				US\$
				1,771,364

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 2025 are as follows:

### For the six months ended 30 June 2025

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 2025 (HK\$/share)	Balance as at 1 January 2025	Granted during the period	Vested during the period	Balance as at 30 June 2025	Vesting period
<b>Director</b>									
Mr. Szeto	31 August 2023	0.86	0.85	N/A	960,000	–	–	960,000	September 2023–August 2025
	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–October 2025
	6 November 2024	0.83	0.84	N/A	875,000	–	–	875,000	November 2024–October 2026
	6 November 2024	0.83	0.84	N/A	875,000	–	–	875,000	November 2024–October 2027
	6 November 2024	0.83	0.84	N/A	875,000	–	–	875,000	November 2024–October 2028
					6,380,000	–	–	6,380,000	
Mr. Tan	31 August 2023	0.86	0.85	N/A	250,000	–	–	250,000	September 2023–August 2025
	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–October 2025
	6 November 2024	0.83	0.84	N/A	275,000	–	–	275,000	November 2024–October 2026
	6 November 2024	0.83	0.84	N/A	275,000	–	–	275,000	November 2024–October 2027
	6 November 2024	0.83	0.84	N/A	275,000	–	–	275,000	November 2024–October 2028
					1,850,000	–	–	1,850,000	
Sub-total					8,230,000	–	–	8,230,000	

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 2025 (HK\$/share)	Balance as at 1 January 2025	Granted during the period	Vested during the period	Balance as at 30 June 2025	Vesting period
<b>Independent non-executive directors</b>									
Mr. See	6 November 2024	0.83	0.84	N/A	42,000	–	–	42,000	November 2024–October 2025
	6 November 2024	0.83	0.84	N/A	42,000	–	–	42,000	November 2024–October 2026
	6 November 2024	0.83	0.84	N/A	42,000	–	–	42,000	November 2024–October 2027
	6 November 2024	0.83	0.84	N/A	42,000	–	–	42,000	November 2024–October 2028
					168,000	–	–	168,000	
Mr. Andersen	6 November 2024	0.83	0.84	N/A	26,250	–	–	26,250	November 2024–October 2025
	6 November 2024	0.83	0.84	N/A	26,250	–	–	26,250	November 2024–October 2026
	6 November 2024	0.83	0.84	N/A	26,250	–	–	26,250	November 2024–October 2027
	6 November 2024	0.83	0.84	N/A	26,250	–	–	26,250	November 2024–October 2028
					105,000	–	–	105,000	
Sub-total					273,000	–	–	273,000	
<b>Employees (top five highest paid individuals)</b>									
An individual	28 February 2022	0.385	0.385	1.15	74,000	–	74,000	–	March 2022–February 2025
	28 February 2022	0.385	0.385	N/A	74,000	–	–	74,000	March 2022–February 2026
	31 August 2023	0.86	0.85	N/A	56,500	–	–	56,500	September 2023–August 2025
	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–October 2025
	6 November 2024	0.83	0.84	N/A	43,000	–	–	43,000	November 2024–October 2026
	6 November 2024	0.83	0.84	N/A	43,000	–	–	43,000	November 2024–October 2027
	6 November 2024	0.83	0.84	N/A	43,000	–	–	43,000	November 2024–October 2028
Sub-total					489,500	–	74,000	415,500	

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 2025 (HK\$/share)	Balance as at 1 January 2025	Granted during the period	Vested during the period	Balance as at 30 June 2025	Vesting period
Employees (other than the five highest paid individuals)									
In aggregate	28 February 2022	0.385	0.385	1.15	20,333	–	20,333	–	March 2022–February 2025
	28 February 2022	0.385	0.385	N/A	20,333	–	–	20,333	March 2022–February 2026
	31 August 2023	0.86	0.85	N/A	131,000	–	–	131,000	September 2023–August 2025
	31 August 2023	0.86	0.85	N/A	131,000	–	–	131,000	September 2023–August 2026
	31 August 2023	0.86	0.85	N/A	131,000	–	–	131,000	September 2023–August 2027
	6 November 2024	0.83	0.84	N/A	141,375	–	–	141,375	November 2024–October 2025
	6 November 2024	0.83	0.84	N/A	141,375	–	–	141,375	November 2024–October 2026
	6 November 2024	0.83	0.84	N/A	141,375	–	–	141,375	November 2024–October 2027
	6 November 2024	0.83	0.84	N/A	141,375	–	–	141,375	November 2024–October 2028
Sub-total					999,166	–	20,333	978,833	
Total					9,991,666	–	94,333	9,897,333	

	Number of awarded shares during the six months ended 30 June	
	2025	2024
<b>At beginning of the period</b>		
Number of awarded shares held by the trustee	8,149,834	4,405,667
Number of awarded shares granted but not yet vested	9,991,666	5,872,999
Maximum number of awarded shares available for grant	49,332,168	58,037,001
<b>At end of the period</b>		
Number of awarded shares held by the trustee	20,579,501	4,311,334
Number of awarded shares granted but not yet vested	9,897,333	5,778,666
Maximum number of awarded shares available for grant	49,332,168	58,131,334
<b>% to the issued shares of the Company as at 30 June</b>	7.72%	9.10%
<b>Granted during the period</b>	–	–
<b>Vested during the period</b>	94,333	94,333
<b>Purchased during the period</b>	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 2025, 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)	347,542,000 (L)	54.38%
Mr. TAN William ("Mr. TAN")	Beneficial owner	17,094,000 (L)	2.67%
Mr. LEE Yiu Ming ("Mr. LEE")	Beneficial owner	14,400,000 (L)	2.25%
Ms. YIU Chui Ping	Interest of spouse (Note 4)	14,400,000 (L)	2.25%
Mr. ANDERSEN Dee Allen	Beneficial owner	210,000 (L)	0.03%
Mr. SEE Tak Wah	Beneficial owner	336,000 (L)	0.05%

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 2025.
3. Lever Style Holdings is interested in 347,542,000 Shares. Lever Style Holdings is wholly-owned by Imaginative Company Limited. Imaginative Company Limited is wholly-owned by Mr. SZETO. Accordingly, Mr. SZETO, Imaginative Company Limited are interested in 347,542,000 Shares. Mr. SZETO is personally interested in 347,542,000 Shares. As such, Mr. SZETO is deemed to be interested in a total of 347,542,000 Shares.
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 Shares and Underlying Shares of the Company

As at 30 June 2025, 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)	347,542,000 Shares (L)	54.38%
Lever Style Holdings	Beneficial owner (Note 3)	347,542,000 Shares (L)	54.38%
Fung Trinity Holdings Limited	Beneficial owner (Note 4)	45,000,000 Shares (L)	7.04%
Fung Portfolio Limited	Interest of controlled corporation (Note 4)	45,000,000 Shares (L)	7.04%
Fung Capital Limited	Interest of controlled corporation (Note 4)	45,000,000 Shares (L)	7.04%
Fung Investments Limited	Interest of controlled corporation (Note 4)	45,000,000 Shares (L)	7.04%
King Lun Holdings Limited	Interest of controlled corporation (Note 4)	45,000,000 Shares (L)	7.04%

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 2024.
3. Lever Style Holdings is wholly owned Imaginative Company Limited. Imaginative Company Limited is in turn wholly-owned by Mr. SZETO. Accordingly, Mr. SZETO and Imaginative Company Limited are interested in 339,582,000 Shares for the purpose of SFO.
4. Fung Trinity Holdings Limited is wholly-owned by Fung Portfolio Limited. The entire voting rights of Fung Portfolio Limited is owned by Fung Capital Limited. Fung Capital Limited is wholly-owned by Fung Investments Limited which is wholly-owned by King Lun Holdings Limited, which is legally owned as to 50.0% and 50.0% by Dr. William Fung Kwok Lun and HSBC Trustee (CI) Limited respectively, being the trustee of a family trust established for the family of Dr. Victor Fung Kwok King.

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 2025.

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## 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 Part 2 of Appendix C1 (the “CG Code”) to 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 noncompliance 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. As at the date of this report, 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 2025, 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 2024. The Audit Committee reviewed the actions taken by management to address the findings and was satisfied with the work done. The Audit Committee also reviewed the work of the Internal Audit in examining the application of policies and internal controls in specific locations within the Group and was satisfied with the quality of the work undertaken. Nothing of a material nature was revealed and the Audit Committee proposed to the Board a small number of actions to strengthen compliance further that were adopted and are being implemented.

The Audit Committee has reviewed, together with the management of the Group, the accounting principles and policies adopted by the Group and discussed with them the unaudited condensed consolidated financial statements and interim results announcement of the Group for the six months ended 30 June 2025, recommending their adoption by the Board.

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## 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 interim report, 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 interim report, 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.

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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 2025

	NOTES	Six months ended 30 June	
		2025 US\$ (Unaudited)	2024 US\$ (Unaudited)
Revenue	4	91,400,662	95,342,134
Cost of sales		(65,177,749)	(69,130,867)
Gross profit		26,222,913	26,211,267
Other income	5	1,004,641	356,399
Other gains and losses, net		34,616	117,100
Impairment loss on trade receivables, net		(483,716)	(2,424,913)
Selling and distribution expenses		(10,882,254)	(9,781,359)
Administrative expenses		(9,353,805)	(9,392,684)
Finance costs		(16,758)	(42,004)
Profit before tax		6,525,637	5,043,806
Income tax expense	6	(1,174,614)	(739,707)
Profit for the period	7	5,351,023	4,304,099
<b>Other comprehensive expense</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		27,953	(45,826)
Total comprehensive income for the period		5,378,976	4,258,273
Profit/(loss) for the period attributable to:			
Owners of the company		5,351,023	4,304,099
Non-controlling interests		–	–
		5,351,023	4,304,099

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

For the six months ended 30 June 2025

		Six months ended 30 June	
	NOTE	2025 US\$ (Unaudited)	2024 US\$ (Unaudited)
Total comprehensive income/(expense) attributable to:			
Owners of the company		5,378,976	4,258,273
Non-controlling interests		–	–
		5,378,976	4,258,273
Earnings per share (US cents)	9		
– basic		0.85	0.68
– diluted		0.84	0.68

## Condensed Consolidated Statement of Financial Position

At 30 June 2025

	NOTES	At 30 June 2025 US\$ (Unaudited)	At 31 December 2024 US\$ (Audited)
<b>Non-current assets</b>			
Plant and equipment	10	2,609,751	2,440,422
Right-of-use assets	11	247,829	705,218
Intangible assets		1,584,860	1,633,942
Deposit and other receivables		1,233,563	1,128,488
Total non-current assets		5,676,003	5,908,070
<b>Current assets</b>			
Inventories		16,242,787	13,651,652
Trade receivables	12	30,181,840	33,254,592
Deposits, prepayments and other receivables		6,843,869	8,153,477
Bank balances and cash		33,165,793	34,052,184
Total current assets		86,434,289	89,111,905
<b>Current liabilities</b>			
Trade payables	13	20,322,145	20,255,636
Other payables and accruals		6,049,581	7,395,132
Contract liabilities		2,623,351	2,470,727
Lease liabilities		256,011	779,162
Derivative financial liabilities		284,485	30,414
Tax payables		1,224,592	893,584
Total current liabilities		30,760,165	31,824,655
<b>Net current assets</b>		55,674,124	57,287,250
<b>Total assets less current liabilities</b>		61,350,127	63,195,320

## Condensed Consolidated Statement of Financial Position (Continued)

At 30 June 2025

	NOTE	At 30 June 2025 US\$ (Unaudited)	At 31 December 2024 US\$ (Audited)
<b>Non-current liabilities</b>			
Lease liabilities		4,548	21,306
Deferred tax liabilities		152,840	152,840
Total non-current liabilities		157,388	174,146
<b>NET ASSETS</b>		<b>61,192,739</b>	63,021,174
<b>EQUITY</b>			
Share capital	14	820,640	820,640
Shares held under share award scheme		(2,658,028)	(891,333)
Reserves		63,030,127	63,091,867
<b>TOTAL EQUITY</b>		<b>61,192,739</b>	63,021,174

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	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 2024 (Audited)	820,640	26,393,444	(13,295,621)	434,835	5,559	(471,956)	109,417	(894,626)	40,455,378	53,557,070
Profit for the period	-	-	-	-	-	-	-	-	4,304,099	4,304,099
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	(45,826)	-	(45,826)
Total comprehensive income for the period	-	-	-	-	-	-	-	(45,826)	4,304,099	4,258,273
Dividend recognised as distribution	-	-	-	-	-	-	-	-	(4,866,761)	(4,866,761)
Vesting of shares under share award scheme	-	-	-	-	-	4,645	(4,645)	-	-	-
Recognition of share-based payment expense	-	-	-	-	-	-	135,370	-	-	135,370
Transfer to statutory reserve	-	-	-	59,013	-	-	-	-	(59,013)	-
At 30 June 2024 (Unaudited)	820,640	26,393,444	(13,295,621)	493,848	5,559	(467,311)	240,142	(940,452)	39,833,703	53,083,952
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

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 2025

	Six months ended 30 June	
	2025 US\$ (Unaudited)	2024 US\$ (Unaudited)
<b>OPERATING ACTIVITIES</b>		
Profit before tax	6,525,637	5,043,806
<b>Adjustments for:</b>		
Finance costs	16,758	42,004
Interest income	(639,832)	(268,246)
Depreciation of plant and equipment	296,286	263,026
Depreciation of right-of-use assets	458,598	474,663
Amortisation of intangible asset	49,082	49,082
Impairment loss on trade receivables, net	483,716	2,424,913
Share-based payment expenses	241,806	135,370
Fair value loss on derivative financial assets/liabilities	254,071	32,239
Loss on write-off of plant and equipment	3,857	–
<b>Operating cash flow before movements in working capital</b>	<b>7,689,979</b>	<b>8,196,857</b>
Increase in inventories	(2,587,346)	(2,782,232)
Decrease in trade receivables	2,590,169	3,703,041
Decrease in deposits, prepayments and other receivables	1,323,143	3,373,163
Increase/(decrease) in trade payables	57,984	(5,342,535)
Decrease in other payables and accruals	(1,351,066)	(1,824,694)
Increase/(decrease) in contract liabilities	150,658	(803,928)
<b>Cash generated from operations</b>	<b>7,873,521</b>	<b>4,519,672</b>
Income tax paid	(854,137)	(4,154,057)
Payment arising from net settlement of foreign currency forward contracts	(25,010)	–
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>6,994,374</b>	<b>365,615</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(447,341)	(202,329)
Interest received	639,832	268,246
Deposit paid for plant and equipment	(124,830)	–
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>67,661</b>	<b>65,917</b>

## Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 US\$ (Unaudited)	2024 US\$ (Unaudited)
<b>FINANCING ACTIVITIES</b>		
New bank borrowings raised	1,081,189	2,008,238
Repayment of bank borrowings	(1,081,189)	(2,008,238)
Interest paid	(16,758)	(42,004)
Repayment of lease liabilities	(541,915)	(522,548)
Dividend paid	(5,677,853)	(4,866,761)
Share purchase for share award scheme	(1,771,364)	–
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(8,007,890)</b>	<b>(5,431,313)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(945,855)</b>	<b>(4,999,781)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>34,052,184</b>	<b>18,120,388</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>59,464</b>	<b>(29,728)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		
represented by bank balances and cash	33,165,793	13,090,879

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## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

### 1 General

Lever Style Corporation was incorporated in the Cayman Islands as an exempted company with limited liability on 27 February 2019. 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.

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 is presented in United States dollars ("US\$"), which is the same as the functional currency of the Company.

### 2 Basis of Preparation and Presentation of the Condensed Consolidated Financial Statements

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

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### 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 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

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

The accounting policies adopted in the preparation of the condensed consolidated financial information are consistent with those applied in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standard (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, except for the adoption of the amended HKFRS Accounting Standard as disclosed in note 3 below.

#### **Application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)**

The Group has adopted the following amended HKFRS Accounting Standard for the first time for the current period’s financial statements.

Amendments to HKAS 21

*Lack of Exchangeability*

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 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	
	2025 US\$ (Unaudited)	2024 US\$ (Unaudited)
United States of America	56,641,999	52,738,989
Europe	20,912,964	26,287,617
Oceania	9,713,904	15,146,797
Greater China <sup>#</sup>	967,372	473,314
Others	3,164,423	695,417
	91,400,662	95,342,134

<sup>#</sup> Greater China primarily includes the Mainland China, Hong Kong, Macau and Taiwan.

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

## 5 Other Income

	Six months ended 30 June	
	2025 US\$ (Unaudited)	2024 US\$ (Unaudited)
Government grants	343,876	79,556
Interests on bank deposits	639,832	268,246
Others	20,933	8,597
	<b>1,004,641</b>	<b>356,399</b>

## 6 Income Tax Expense

	Six months ended 30 June	
	2025 US\$ (Unaudited)	2024 US\$ (Unaudited)
Hong Kong Profits Tax:		
– Current tax	924,464	542,679
PRC Enterprise Income Tax (“EIT”)		
– Current tax	156,928	79,979
– Under provision in prior years	12,666	76,570
	<b>169,594</b>	<b>156,549</b>
Others		
– Current tax	80,556	–
– Deferred tax	–	40,479
	<b>1,174,614</b>	<b>739,707</b>

Hong Kong profits tax has been provided at 16.5% (2024: 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 (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%).

## 6 Income Tax Expense (Continued)

Tax on profits assessable in Mainland China has been calculated at the applicable enterprise income tax ("EIT") rate of under the Law of the People's Republic of China (the "PRC"). Subsidiaries in Mainland China are subject to EIT at 25% tax rate for the current period ended 30 June 2025 (2024: 25%). Certain subsidiaries of the Group are qualified as a small low-profit enterprise as their annual taxable income were less than RMB3,000,000 for both periods. 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.

## 7 Profit for the Period

	Six months ended 30 June	
	2025 US\$ (Unaudited)	2024 US\$ (Unaudited)
Profit for the period has been arrived at after charging:		
Directors' remuneration	1,568,033	2,103,729
Other staff costs		
– salaries and other allowances	7,020,019	6,176,802
– share based payment expense	33,176	20,286
– redundancy cost	236,614	–
– retirement benefit scheme contributions	1,098,280	1,039,342
Total staff costs	9,956,122	9,340,159
Cost of inventories as an expense	65,177,749	69,130,867
Depreciation of plant and equipment	296,286	263,026
Depreciation of right-of-use assets	458,598	474,663
Amortisation of intangible assets (included in selling and distribution expenses)	49,082	49,082
Expense relating to short-term leases	51,007	233,250

## 8 Dividends Paid

	Six months ended 30 June	
	2025 US\$ (Unaudited)	2024 US\$ (Unaudited)
Final, declared, of HK7 cents per ordinary share for 2024 (2023: HK6 cents per ordinary share)	5,677,853	4,866,761

The Board has declared an interim dividend for the six months ended 30 June 2025 of HK3 cents per share (six months ended 30 June 2024: HK3 cents).

## 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	
	2025 US\$ (Unaudited)	2024 US\$ (Unaudited)
<b>Earnings:</b>		
Profit for the purposes of calculating basic and diluted earnings per share	5,351,023	4,304,099

	Six months ended 30 June	
	2025	2024
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	630,055,026	634,756,012
Effect of dilutive potential ordinary shares: Share Award Scheme	6,072,212	1,263,082
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share	636,127,238	636,019,094

Shares purchased under the share-award scheme are deducted from total number of shares in issue 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\$467,095 (six months ended 30 June 2024: approximately US\$290,356) on the acquisition of plant and equipment.

## 11 Right-of-use Assets

During the current interim period, there is no additional right-of-use assets (six months ended 30 June 2024: US\$17,660).

## 12 Trade Receivables

	At 30 June 2025 US\$ (Unaudited)	At 31 December 2024 US\$ (Audited)
Trade receivables – contracts with customers	31,769,469	34,587,114
Provision on trade receivables	(1,587,629)	(1,332,522)
	30,181,840	33,254,592

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 2025 US\$ (Unaudited)	At 31 December 2024 US\$ (Audited)
0 to 30 days	17,987,685	23,335,134
31 to 60 days	7,137,957	5,963,129
Over 60 days	5,056,198	3,956,329
	30,181,840	33,254,592

## 13 Trade Payables

	At 30 June 2025 US\$ (Unaudited)	At 31 December 2024 US\$ (Audited)
Trade payables	20,322,145	20,255,636

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 2025 US\$ (Unaudited)	At 31 December 2024 US\$ (Audited)
0 to 30 days	19,620,228	19,599,122
31 to 60 days	355,088	456,207
Over 60 days	346,829	200,307
	20,322,145	20,255,636

## 14 Share Capital

	At 30 June 2025 US\$ (Unaudited)	At 31 December 2024 US\$ (Audited)
Issued and fully paid		
639,100,000 Ordinary shares of HK\$0.01 each	820,640	820,640

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## 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 2025, 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 2024 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.

Other than the 12,524,000 shares of the Company purchased by the trustee which is disclosed in the Co-ownership Share Award Scheme section, during the six months ended 30 June 2025, 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 2025 US\$ (Unaudited)	At 31 December 2024 US\$ (Audited)
Capital expenditure in respect of the acquisition of plant and equipment	158,814	–

## 17 Related Party Transactions

- (a) During the six months ended 30 June 2024, the Group entered into the following transactions with a related party:

Name of related parties	Nature of transactions	Six months ended 30 June	
		2025 US\$ (Unaudited)	2024 US\$ (Unaudited)
Calman Limited*	Short-term lease expenses	38,536	38,364

\* 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	
	2025 US\$ (Unaudited)	2024 US\$ (Unaudited)
Salaries and other allowances	445,472	657,926
Performance related bonus	869,077	1,283,064
Retirement benefit scheme contributions	3,854	6,655
Equity-settled share awards	200,959	115,084
	1,519,362	2,062,729

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.