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Lever Style Corporation

利華控股集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1346)

PARTIAL CHANGE IN NATURE OF THE USE OF PROCEEDS FROM THE GLOBAL OFFERING

References are made to: (i) the prospectus of Lever Style Corporation (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 31 October 2019 (the “**Prospectus**”), and (ii) the interim report of the Company for the six months ended 30 June 2021 published by the Company on 29 September 2021 (the “**Interim Report 2021**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

PARTIAL CHANGE IN NATURE OF THE USE OF PROCEEDS AS DISCLOSED IN THE PROSPECTUS

As disclosed in the “Future Plans and Use of Proceeds” section of the Prospectus, the Company intended to apply approximately 68.3% of the net proceeds from the Global Offering (“**Net Proceeds**”), being approximately HK\$71.7 million, for expansion into additional apparel categories. The Company also stated as it intended to acquire at least 50.0% of the equity interest in acquiree(s), the acquiree(s)’ financial results will be consolidated into the Group’s financial statements upon completion and it is expected that the acquirees will have a positive contribution to the revenue of the Group.

As at the date of announcement, the Company has fully utilised the above allocated Net Proceeds for expansion into additional apparel categories (being approximately HK\$71.7 million) by acquiring, amongst other things, the purchase orders, trade account receivables, inventory, intellectual property rights and the technical know-how in respect of sweaters, technical & high-performance outerwear, denim and washed products, and activewear including cycling jerseys from different vendors (“**Previous Acquisitions**”) since the Listing Date. For details of the Previous Acquisitions, please refer to the announcements of the Company dated 31 July 2020, 25 August 2020, 9 February 2021 and 12 October 2021 respectively.

The Company would like to inform Shareholders and potential investors that for all the Previous Acquisitions, the Company did not acquire any equity interest in companies or entities held by the vendors but rather acquired certain assets of those vendors as mentioned above. Accordingly, while expanding into additional apparel categories, there is a partial change in the nature of the use of the allocated Net Proceeds from acquiring equity interests in acquirees to acquiring assets from acquirees. There is no change in the intended usage of the allocated Net Proceeds in expanding into additional apparel categories and the Company had already utilised such allocated portion of the Net Proceeds in implementing its purpose in expanding into additional apparel categories as stated in the Prospectus.

The Board would like to also inform Shareholders and potential investors that the partial change in the nature of the use of the allocated Net Proceeds from acquiring equity interests in acquirees to acquiring assets from acquirees aligns with the Company's business model of a versatile multi-product apparel supply solutions provider as stated in the Prospectus. In addition, by acquiring assets, the Company will be able to choose and acquire those which are of value to the Company without having to accept any liability attached to the equity interests in acquirees so that the allocated Net Proceeds in expanding into additional apparel categories could be utilised in a more beneficial way which is in the interests of the Company and its Shareholders as a whole.

Set out below is a table showing the utilised and unutilised net proceeds from the Global Offering as at the date of this announcement:

Purposes of the use of the net proceeds from the Global Offering	Percentage of net proceeds from the Global Offering to be utilised	Actual allocated net proceeds from the Global Offering (HK\$' million)	Actual	Unutilized
			net proceeds from the Global Offering utilised as at the date of this announcement (HK\$' million)	net proceeds from the Global Offering as at the date of this announcement (HK\$' million)
(i) Expansion into the additional apparel categories by acquisition(s)	68.3%	71.7	71.7	–
(ii) Capital investment in relation to our B2B online platform	16.3%	17.1	16.5	0.6
(iii) Capital investment in relation to digitalisation	5.9%	6.3	6.3	–
(iv) Repayment of existing debts	5.3%	5.6	5.6	–
(v) General working capital	4.2%	4.4	4.4	–
Total	100%	105.1	104.5	0.6

As disclosed in the Interim Report 2021, the Company intended to utilise the remaining unutilised Net Proceeds as capital investment in relation to the Company's B2B online platform by December 2021. Save as disclosed in this announcement, there is no other change in the nature and timeline of the unutilised Net Proceeds as disclosed in the Prospectus and the Interim Report 2021. The Board further confirms that there are no material changes in the nature of the businesses of the Group.

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

Hong Kong, 13 December 2021

As at the date of this announcement, the Board comprises (i) Mr. Szeto Chi Yan Stanley (Chairman), Dr. Chan Yuk Mau Eddie, Mr. Lee Yiu Ming and Mr. Jonathan Lee Seliger as executive Directors; and (ii) Mr. See Tak Wah, Mr. Auyang Pak Hong Bernard, Mr. Lee Shing Tung Tommy and Mr. Andersen Dee Allen as the independent non-executive Directors.