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

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Lever Style Corporation (the "**Company**" or "**Lever Style**") hereby announces the unaudited consolidated financial results of the Company and its subsidiaries (together, the "**Group**") for the six months ended 30 June 2022 ("**Period Under Review**"), together with the comparative figures for the six months ended 30 June 2021.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

		Six months ended 30 June	
	Notes	**2022** ***US$*** **(Unaudited)**	2021 *US$* (Unaudited)
Revenue	4	**96,738,295**	58,390,044
Cost of sales		**(70,102,854)**	(41,257,322)
Gross profit		**26,635,441**	17,132,722
Other income		**212,426**	104,337
Other gains and losses		**(91,613)**	(59,351)
Impairment loss on trade receivables under credit loss model		**(262,226)**	–
Selling and distribution expenses		**(11,648,314)**	(8,835,424)
Administrative expenses		**(8,292,126)**	(5,993,002)
Finance costs		**(469,340)**	(275,867)
Profit before tax		**6,084,248**	2,073,415
Income tax expense	5	**(1,017,260)**	(356,521)
Profit for the period	6	**5,066,988**	1,716,894

	Notes	Six months ended 30 June **2022** *US$* **(Unaudited)**	2021 *US$* (Unaudited)
Other comprehensive (expense)/income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(326,875)**	39,045
Total comprehensive income for the period		**4,740,113**	1,755,939
Earnings per share *(US cents)*	8		
– basic		**0.79**	0.27
– diluted		**0.79**	0.27

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022

	Notes	At 30 June 2022 US$ (Unaudited)	At 31 December 2021 US$ (Audited)
Non-current assets			
Plant and equipment		**1,974,652**	2,165,596
Right-of-use assets		**2,633,478**	3,211,860
Intangible assets		**4,896,292**	5,119,030
Deposit paid for plant and equipment		**3,652**	21,675
Deferred tax assets		**151,320**	156,080
		9,659,394	10,674,241
Current assets			
Inventories		**22,462,208**	20,474,856
Trade and bills receivables	9	**13,131,652**	11,866,641
Trade receivables at fair value through other comprehensive income		**6,543,096**	6,369,640
Deposits, prepayments and other receivables		**20,238,082**	17,249,049
Derivative financial assets		**–**	54,682
Tax recoverable		**43,150**	44,982
Bank balances and cash		**24,028,223**	19,866,056
		86,446,411	75,925,906
Current liabilities			
Trade and bills payables	10	**17,491,759**	16,230,329
Other payables and accruals		**3,162,174**	3,336,590
Contract liabilities		**2,448,546**	1,811,234
Lease liabilities		**837,485**	838,084
Dividend payable		**957,903**	–
Derivative financial liabilities		**84,181**	–
Tax payables		**1,676,821**	711,442
Bank borrowings		**28,265,522**	24,599,562
		54,924,391	47,527,241
Net current assets		**31,522,020**	28,398,665
Total assets less current liabilities		**41,181,414**	39,072,906

	At 30 June 2022 *US$* (Unaudited)	At 31 December 2021 *US$* (Audited)
Non-current liabilities		
Lease liabilities	**2,104,825**	2,644,250
Other payables	**482,000**	482,000
Deferred tax liabilities	**72,439**	103,186
	2,659,264	3,229,436
	38,522,150	35,843,470
Capital and reserves		
Share capital	**820,640**	820,640
Reserves	**37,701,510**	35,022,830
	38,522,150	35,843,470

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

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 76, Flat A, 7/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 Group is Mr. SZETO Chi Yan Stanley ("**Mr. SZETO**") who has been the controlling shareholder of the Group (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**").

3 PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2021.

(a) Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2022 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfulling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

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 a 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.

Types of goods

Set out below is the breakdown of revenue by apparel categories during the period:

	Six months ended 30 June	
	2022	2021
	US$	*US$*
	(Unaudited)	(Unaudited)
Bottoms	**31,665,370**	15,358,203
Shirts	**20,254,490**	15,431,855
Outerwear	**18,600,712**	14,446,156
Soft Woven	**7,793,735**	3,259,919
Suit	**7,718,357**	2,170,906
Knit	**4,171,911**	4,970,068
Sweater	**2,307,634**	1,348,897
Others	**4,226,086**	1,404,040
Total	**96,738,295**	58,390,044

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	
	2022	2021
	US$	*US$*
	(Unaudited)	(Unaudited)
United States of America	**64,041,345**	33,394,391
Europe	**14,104,818**	12,639,103
Greater China#	**6,695,562**	5,653,098
Oceania	**6,073,397**	2,967,346
Others	**5,823,173**	3,736,106
	96,738,295	58,390,044

Greater China primarily includes the PRC, Hong Kong, Macau and Taiwan.

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

5 INCOME TAX EXPENSE

	Six months ended 30 June	
	2022	2021
	US$	*US$*
	(Unaudited)	(Unaudited)
Hong Kong Profits Tax:		
– Current tax	**1,017,774**	223,503
PRC Enterprise Income Tax ("**EIT**")		
– Current tax	**19,813**	34,583
– Underprovision in prior years	**5,660**	13,989
	25,473	48,572
Deferred tax	**(25,987)**	84,446
	1,017,260	356,521

Hong Kong Profits Tax for both periods is calculated at 16.5% of the estimated assessable profits for the period, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. For this subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Under the Law of the PRC on Enterprise Income tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. The Group's subsidiaries, 利華服飾智造(深圳)有限公司, is qualified as Small Low-profit Enterprises with annual taxable income less than Renminbi ("**RMB**") 3 million for both periods. The portion of annual taxable income amount of a small low-profit enterprise which does not exceed RMB1 million shall be computed at a reduced rate of 12.5% of taxable income amount, and be subject to enterprise income tax at 20% tax rate; the portion of annual taxable income amount which exceeds RMB1 million but does not exceed RMB3 million shall be computed at a reduced rate of 50% of taxable income amount, and be subject to enterprise income tax at 20% tax rate. 利華設計院(深圳)有限公司 is eligible for income tax rate at 15% under the corporate income tax policy, Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone Enterprise Income Tax Preferential Catalogue for both periods.

Save as disclosed above, the Group is not subject to taxation in any other jurisdictions for both periods.

6 PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2022	2021
	US$	*US$*
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging:		
Directors' remuneration	**1,154,145**	595,079
Other staff costs		
– salaries and other allowances	**6,000,677**	4,652,308
– retirement benefit scheme contributions	**926,635**	795,010
Total staff costs	**8,081,457**	6,042,397
Auditor's remuneration	**152,465**	142,414
Cost of inventories as an expense	**70,102,854**	41,257,322
Depreciation of plant and equipment	**270,776**	318,365
Depreciation of right-of-use assets	**454,760**	448,233
Amortisation of intangible assets (included in selling and distribution expenses)	**223,738**	–
Expense relating to short-term leases	**46,602**	52,395

7 DIVIDENDS

	Six months ended 30 June	
	2022	2021
	US$	*US$*
	(Unaudited)	(Unaudited)
Final, declared, of HK2.5 cents per ordinary share for 2021 (2021: Nil)	**2,033,129**	–

The Board has not declared an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

8 EARNINGS PER SHARE

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

	Six months ended 30 June	
	2022	2021
	US$	*US$*
	(Unaudited)	(Unaudited)
Earnings:		
Profit for the purposes of calculating basic and diluted earnings per share	**5,066,988**	1,716,894
Number of shares:		
Weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings per share	**639,100,000**	639,100,000

The computation of diluted earnings per share for the six months ended 30 June 2022 does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for shares for the current interim period.

9 TRADE AND BILLS RECEIVABLES

	At 30 June 2022	At 31 December 2021
	US$	*US$*
	(Unaudited)	(Audited)
Trade receivables – contracts with customers	**13,570,853**	11,942,123
Provision on trade receivables	**(439,201)**	(177,490)
	13,131,652	11,764,633
Bills receivables	**–**	102,008
	13,131,652	11,866,641

The Group allows credit period up to 60 days to its customers.

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

	At 30 June 2022 US$ (Unaudited)	At 31 December 2021 US$ (Audited)
0 to 30 days	**12,364,894**	8,219,497
31 to 60 days	**640,891**	2,127,706
Over 60 days	**125,867**	1,417,430
	13,131,652	11,764,633

10 TRADE AND BILLS PAYABLES

	At 30 June 2022 US$ (Unaudited)	At 31 December 2021 US$ (Audited)
Trade payables	**17,491,759**	15,917,895
Bills payables	**–**	312,434
	17,491,759	16,230,329

The credit period on trade payables is up to 60 days. All bills payables are with a maturity period of less than one year.

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

	At 30 June 2022 US$ (Unaudited)	At 31 December 2021 US$ (Audited)
0 to 30 days	**16,307,397**	15,535,180
31 to 60 days	**807,131**	260,114
Over 60 days	**377,231**	122,601
	17,491,759	15,917,895

REVIEW AND FUTURE PROSPECTS

Taking advantage of the continued post-COVID rebound, Lever Style's first half 2022 revenues and net profit increased approximately 65% and 195% respectively as compared to the corresponding period in 2021. Despite the industry's seasonal nature that traditionally favors the second half, our first half 2022 net profit exceeded that of full year 2021 by approximately 17%.

First half 2022 was again saddled with supply chain challenges. COVID lockdowns in China became more frequent and unpredictable. The December 2021 passage of the Uyghur Forced Labor Prevention Act has made American buyers even more weary of sourcing fabrics and garments from China. We have managed to tackle such challenges by flexibly adapting our material sourcing and garment production to suit our customers' needs, thus once again demonstrating the versatility of our asset-light model. This versatility, along with our industry-leading product portfolio, has helped us outpace the industry rebound and achieve our strong growth in first half 2022.

Storm clouds

While the industry has enjoyed a strong post-COVID rebound in the past 12 months, we are seeing storm clouds forming on the horizon, and brands and retailers have turned very conservative in placing future orders.

There is a perfect storm facing the western consumers. Food and gasoline inflation has reduced appetite for discretionary spending such as apparel. Interest rate rises and higher mortgage payments, along with the end of government handouts, mean less disposable income. The weak financial markets have resulted in the reverse wealth effect, so consumers are psychologically less prone to spend. Frequent talk of recession has not helped.

If the world tips into recession, China is probably not in position to buck the trend like it did in the global financial crisis in 2008. China's frequent and unpredictable lockdowns have drastically slowed economic growth, and unless there is a change in China's COVID policy, it is hard to see economic activity and consumer demand rebounding.

Finding opportunity in danger

In 2020, the most disastrous year for the apparel industry in living memory, Lever Style was able to acquire three businesses at reasonable terms. These acquisitions set the foundation of our recent outsized growth.

If the consumer sees strong headwinds in the foreseeable future, the industry will face tough times again. And as apparel production quickly moves away from China, apparel suppliers that rely on China production in particular will face even harder times. Such pessimism makes some business owners more open to parking their businesses with ours, creating an environment for us to acquire businesses at reasonable valuations.

Adding digital experience and diversity to the Board

During the past 6 months, three of our non-executive directors – Mr. AUYANG Pak Hong Bernard, Mr. LEE Shing Tung Tommy and Mr. Jonathan Lee SELIGER – have retired from our board. They have made tremendous contributions over the years, and their input and advice will be sorely missed.

As we head down the digital transformation journey, we are adding professionals with digital transformation experience to guide us from the board level. Joining our board on 3 May 2022 is Ms. KESEBI Lale, an industry veteran who was deeply involved in Li & Fung's earlier digitalization efforts. Having just joined our board in early August is Mr. LIU Gary, who recently stepped down as the chief executive officer of South China Morning Post Publishers Limited, where he drove the digital transformation of this 100+ year old newspaper over the previous 5 years.

Lastly, I would like to use this opportunity to thank our team members, our customers and our supply partners for allowing us to achieve our strong first half 2022 results.

FINANCIAL REVIEW

Revenue

Revenue of the Group increased by approximately 65.7% from approximately US$58.4 million in the first half of 2021 to approximately US$96.7 million during the Period Under Review. The increase reflected (1) the continuation of the post-COVID rebound in the West's apparel demand; (2) our success at winning new customers; and (3) our market share growth in our customers' procurement mix, which is due to our industry-leading product range and our ability to cater to new retail's needs for flexibility in speed, order quantities and country of origin. Revenue was derived from the supply of multi-category apparel products to our customers with product development through production management to distribution logistics.

Cost of sales

Cost of sales mainly comprises material costs and subcontracting fees. Cost of sales increased by approximately 69.9% from approximately US$41.3 million in the first half of 2021 to approximately US$70.1 million during the Period Under Review. Cost of sales as a percentage of total revenue increased from approximately 70.7% in the first half of 2021 to 72.5% during the Period Under Review, reflecting inflation and supply chain disruption impact which caused price increase in both material cost and subcontracting cost.

Gross profit and gross profit margin

Our gross profit increased from approximately US$17.1 million in the first half of 2021 to approximately US$26.6 million during the Period Under Review, representing an increase of approximately 55.5%, along with the business growth. Gross profit margin decreased from approximately 29.3% in the first of 2021 to approximately 27.5% in the first half of 2022, which was mainly due to (i) inflation and price pressure in supply chain disruptions in Asia, especially on digitally native customers; and (ii) to a portion drop of Landed Duty Paid ("**LDP**") business.

Profit for the Period Under Review

The Group recorded a net profit of approximately US$5.1 million for the six months ended 30 June 2022 (six months ended 30 June 2021: approximately US$1.7 million). The increase in profit for the period is mainly attributable to the following factors:

– the continuation of the post-COVID rebound in the West's apparel demand;

– our success at winning new customers; and

– our market share growth in our customers' procurement mix, which is due to our industry-leading product range and our ability to cater to new retail's needs for flexibility in speed, order quantities and country of origin.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintains a healthy financial position. Cash and cash equivalents of the Group as at 30 June 2022 were approximately US$24.0 million (at 31 December 2021: US$19.9 million). As at 30 June 2022, the Group had net current assets of approximately US$31.5 million. The current ratio maintained at approximately 1.6 times as at both 30 June 2022 and 31 December 2021.

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 2022, the Group had available banking facilities of approximately US$54.3 million. Out of the total available banking facilities, we had unutilized banking facilities amounted for approximately US$17.3 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$38.5 million at 30 June 2022 (31 December 2021: US$35.8 million). As at 30 June 2022, the gearing ratio of the Group was approximately 73.4% (31 December 2021: 68.6%). Gearing ratio is calculated based on the total debts (bank borrowings) divided by the total equity at the end of the period.

With the favorable cash and cash equivalents position of the Group, it has led to a net debt to equity ratio (total debts net of cash and bank balances divided by total equity at end of period) of approximately 11.0% in 2022 (31 December 2021: 13.2%).

CONTINGENT LIABILITIES

As at 30 June 2022, the Group had no material contingent liability (31 December 2021: Nil).

EMPLOYEES AND REMUNERATION

As at 30 June 2022, the Group employed a total of 329 full-time employees (31 December 2021: 341 employees). For the six months ended 30 June 2022, the aggregate remuneration of the Group's employees (including Directors' remuneration) amounted to approximately US$8.1 million (six months ended 30 June 2021: US$6.0 million), representing an increase of approximately 33.7%.

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 share award scheme with the objectives to recognise contributions made by the eligible employees, to motivate career development and to retain the eligible employees for the continual operation, growth and future development of the Group. Please see the paragraph headed "Share Option Scheme" and "Co-ownership Share Award Scheme" below for details.

INTERIM DIVIDEND

No interim dividend was proposed by the Board for the six months ended 30 June 2022.

CORPORATE GOVERNANCE

The Board and the management of the Group are committed to the maintenance of good corporate governance practices and procedures. The Company has adopted the code provisions in the Corporate Governance Code (the "**CG Code**") set out in Appendix 14 to 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 14 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 10 to the Listing Rules as its code of conduct regarding directors' securities transactions. Upon specific enquiries being made of all Directors, each of them has confirmed that they have complied with the required standards set out in the Model Code during the Period Under Review. The Group has established written guidelines for relevant employees in respect of securities transactions. No incident of non-compliance with the written guidelines was noted during the Period Under Review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2022, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Group's listed securities.

SHARE OPTION SCHEME

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

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

CO-OWNERSHIP SHARE AWARD SCHEME

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

During the Period Under Review, 1,000,000 ordinary shares of the Company have been purchased from the open market by the trustee of the Share Award Scheme pursuant to the Scheme.

EVENTS OCCURRED AFTER 30 JUNE 2022

There was no event after 30 June 2022 that required to be disclosed.

AUDIT COMMITTEE

The Company has established an Audit Committee on 12 October 2019 in compliance with the CG Code with written terms of reference. The Audit Committee has four members, namely Mr. SEE Tak Wah, Mr. ANDERSEN Dee Allen, Ms. KESEBI Lale and Mr. LIU Gary, all of whom are independent non-executive Directors. Mr. SEE Tak Wah is the chairman of the Audit Committee and possesses the appropriate professional qualifications. The primary duties of the Audit Committee are to oversee the financial reporting system and internal control system of the Group, oversee the audit process, review and oversee the existing and potential risks of the Group and perform other duties and responsibilities as assigned by the Board. For the six months ended 30 June 2022, 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 2021. 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 2022, recommending their adoption by the Board.

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

PUBLICATION OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

This announcement is published on the websites of the Company (www.leverstyle.com) and the Stock Exchange (www.hkexnews.hk), and the interim report of the Company for the six months ended 30 June 2022 will be dispatched to the shareholders of the Company and published on the above websites in due course.

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

Hong Kong, 23 August 2022

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