

What's Hot Today:

► Lever Style (1346 HK, HK\$1.46, HK\$933mn) – Potentially benefitting from the latest US tariff news

Lever Style is an asset-light apparel supply chain solution provider offering fashion design, sample development and technical packages to clients globally.

Positive growth from current client portfolio — Lever Style reported a FY25 revenue of US\$200mn, down 10.2% YoY while net profit slid by 7.4% YoY to US\$15.9mn, primarily due to proactive credit risk control measures on two major clients from 2024, leading to reduction in business. Excluding the combined US\$27.2mn of revenue contraction from these two clients, total revenue of the remaining business would have increased by US\$4.4mn, demonstrating resilience against single client risk with a portfolio of 150+ brands.

Tab 1: Key financial figures

| US\$'mn | FY2025 | FY2024 | Changes |
|-------------------------------------|--------|--------|---------|
| Revenue | 200.2 | 222.9 | -10.2% |
| Gross Profit | 57 | 63.5 | -10.2% |
| Gross Margin | 28.5% | 28.5% | - |
| Profit Attributable to Shareholders | 15.9 | 17.1 | -7.4% |
| Net Profit Margin | 7.9% | 7.7% | 20 bps |
| EPS (US cents) | 2.54 | 2.7 | -5.9% |
| Net Cash | 41.5 | 34.1 | 21.7% |

Source: Company Data, Sunwah Kingsway Research

Tab 2: Revenue by client brand home country

| US\$'mn | FY2025 | FY2024 | Changes |
|--------------------------|--------------|--------------|----------------|
| United States of America | 122.9 | 125.4 | -2.0% |
| Europe | 52.8 | 55 | -4.0% |
| Oceania | 14.3 | 34.6 | -58.7% |
| Canada | 5.9 | 4.6 | 28.3% |
| Greater China | 3.6 | 1.4 | 157.1% |
| Others | 0.6 | 1.9 | -68.4% |
| Total revenue | 200.2 | 222.9 | -10.20% |

Source: Company Data, Sunwah Kingsway Research

| China & HK Indices | CLOSE | 1D | YTD |
|--------------------|--------|-------|-------|
| HSI | 27,081 | 2.5% | 5.7% |
| HSCEI | 9,197 | 2.7% | 3.2% |
| HSCCI | 4,466 | 1.9% | 11.2% |
| CSI300 | 4,660 | -1.3% | 0.7% |
| Shanghai A | 4,280 | -1.3% | 5.3% |
| Shanghai B | 267 | -0.1% | 5.3% |
| Shenzhen A | 2,804 | -1.1% | 5.9% |
| Shenzhen B | 1,250 | 0.0% | -1.1% |

| Key Int'l Indices | CLOSE | 1D | YTD |
|-------------------|--------|-------|-------|
| Dow Jones | 48,804 | -1.7% | 1.5% |
| S&P500 | 6,837 | -1.0% | -0.1% |
| Nasdaq | 22,627 | -1.1% | -2.6% |
| NIKEI Index | 56,949 | 0.2% | 13.1% |
| FTSE Index | 10,684 | -0.0% | 7.6% |
| CAC Index | 8,497 | -0.2% | 4.3% |
| DAX Index | 24,991 | -1.1% | 2.0% |

| Commodities | CLOSE | 1D | YTD |
|----------------------|--------|-------|-------|
| GOLD (US\$/oz.) | 5,227 | 2.3% | 21.0% |
| STEEL (US\$/oz.) | 3,034 | 1.5% | 19.3% |
| SILVER (US\$/oz.) | 88 | 4.2% | 22.1% |
| CRUDE OIL (US\$/bbl) | 66 | -0.1% | 15.4% |
| COPPER (US\$/oz.) | 12,868 | 0.5% | 3.6% |
| ALUMINIUM (US\$/oz.) | 3,089 | 0.7% | 3.1% |
| PLATINUM (US\$/oz.) | 2,155 | -0.2% | 4.3% |
| ZINC (US\$/oz.) | 3,354 | 0.4% | 7.6% |
| WHEAT (US\$/bu) | 569 | 1.8% | 12.3% |
| CORN (US\$/bu) | 440 | 0.9% | -1.8% |
| SUGAR (US\$/lb) | 75 | -3.9% | - |
| SOYBEAN (US\$/bu) | 1,149 | -0.5% | 8.4% |
| PVC (US\$/t) | | | 10.8% |
| CRB | 310 | 0.3% | 3.0% |
| BDI | | | 8.8% |

| Exchange Rates | USD | HKD | EUR | JPY | CHF | RMB |
|----------------|-------|--------|-------|---------|-------|-------|
| USD | | 7.819 | 0.849 | 154.650 | 0.775 | 6.905 |
| HKD | 0.128 | | 0.109 | 19.778 | 9.907 | 0.883 |
| EUR | 1.179 | 9.215 | | 182.280 | 1.095 | 8.149 |
| JPY | 0.006 | 5.056 | 0.549 | | 0.501 | 0.045 |
| CHF | 1.291 | 10.092 | 1.095 | 199.627 | | 8.924 |
| RMB | 0.145 | 1.132 | 0.123 | 22.365 | 0.112 | |

| Market Sentiment | CURRENT | 5D |
|-------------------------|---------|-------|
| CDS Monitor - USD SR 5Y | | |
| Greece | | N/A |
| Ireland | 83 | -2.4% |
| Italy | 139 | -0.6% |
| Portugal | 207 | -0.0% |
| Spain | 108 | 0.3% |
| VIX | 21 | 2.0% |

Source: Bloomberg

Record high NPM — Despite industry headwinds from US tariffs in 2025, the company maintains a stable GPM of 28.5% (flat YoY), thanks to its flexible asset-light model and multi-country supply chain. NPM improved to a record high of 7.9% largely due to less impairment YoY.

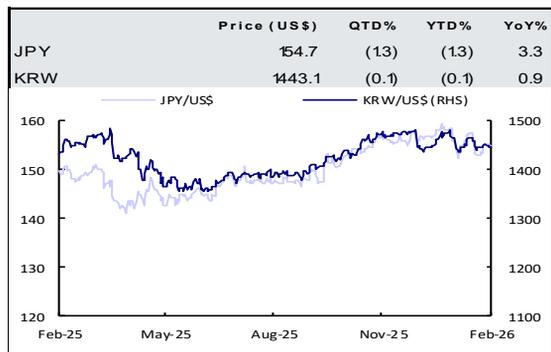
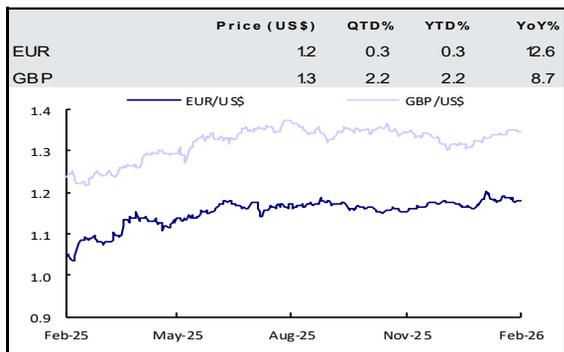
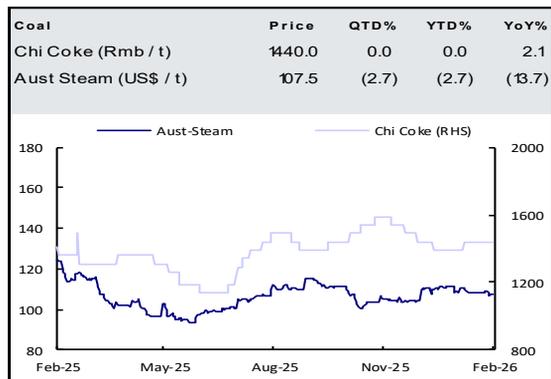
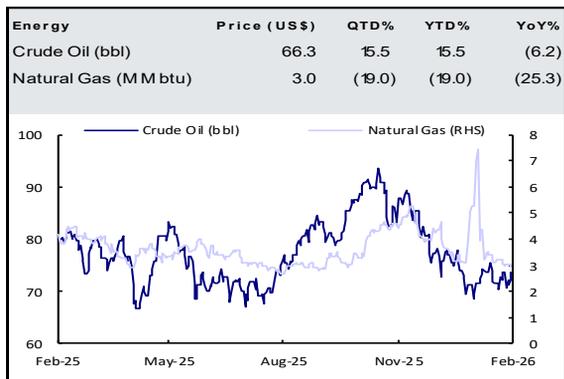
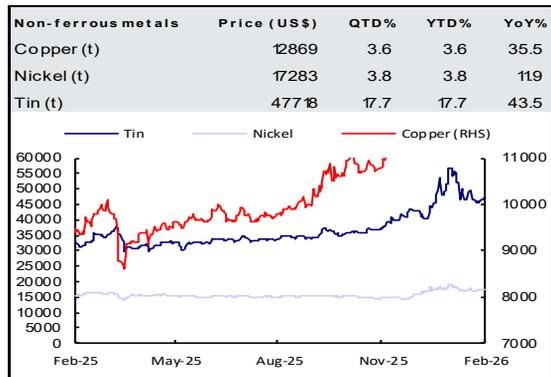
Acquired AAG to strengthen activewear business — In December 2025, the company announced the acquisition of Australian activewear manufacturer Active Apparel Group (AAG). This seventh and largest acquisition is expected to significantly enhance its capabilities in the fast-growing activewear segment, as well as complementing strengths in fashion apparel. The contribution is expected to be fully reflected in FY26, with AAG projected to achieve profitability metrics comparable to the company's legacy business. According to the Mgt, the company will continue to seek further M&A opportunities.

Digital transformation progresses — Meanwhile, digital transformation advanced with the company's self-developed digital marketplace platform (similar to SHEIN's digital platform, enabling digital order matching). The platform attracted over 35 factories, with products successfully delivered while saving 90% of time, enhancing operational efficiency and competitiveness.

Stable dividend with net cash equivalent to 24% market cap — Lever Style maintained a final dividend of 7 HK cents per share despite the earnings decline. Full-year dividend is maintained at 10 HK cents, representing a full-year payout ratio of 51.7%. At the end of 2025, the company recorded debt-free net cash position of US\$41.5mn. Even if we take out the minimum US\$13m commitment to buy AAG, the cash still represents about 24% of its market capitalization.

Our view: Lever Style has demonstrated the resilience of its asset-light model in a challenging 2025. Proactive credit risk management helped it avoid major client bad debts. Despite lower revenue, the company achieved a record-high net margin and maintained a solid cash reserve. With the AAG acquisition set for full consolidation in 2026 and continued expansion of its digital platform, the company is closely evolving with the latest industry trend. We believe Lever Style is well-positioned to lead the industry by its flexibility and wide product range. Furthermore, the latest development of the US tariff should also benefit the company's US business. The counter is trading at 4.3x FY26E P/E. (Research Department)

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

| Indicators | Freq | Obs Date | Expected Release Date |
|-----------------------------------|------|----------|-----------------------|
| PPI | MoM | | 27-Feb-26 |
| Business Inventories | MoM | | 2-Mar-26 |
| Housing Starts / Building Permits | MoM | | 9-Mar-26 |
| New home Sales | MoM | | 20-Mar-26 |
| ISM Manufacturing PMI | MoM | | 2-Mar-26 |
| Personal Income & Spending | MoM | | 13-Mar-26 |
| Durable Goods Orders | MoM | | 23-Feb-26 |
| Factory Orders | MoM | | 23-Feb-26 |
| Initial Jobless Claims | WoW | | 26-Feb-26 |
| Trade Balance | MoM | | 12-Mar-26 |
| Wholesale Inventories | MoM | | 24-Feb-26 |
| Employment Report | MoM | | 6-Mar-26 |
| CPI | MoM | | 11-Mar-26 |
| Retail Sales | MoM | | 2-Mar-26 |
| Existing Home Sales | MoM | | 10-Mar-26 |
| Industrial Production | MoM | | 16-Mar-26 |
| GDP | QoQ | | 13-Mar-26 |
| Consumer Confidence | MoM | | 24-Feb-26 |
| Auto Sales | MoM | | |

China Economic Calendar

| Indicators | Freq | Obs Date | Expected Release Date |
|---------------------------|------|----------|-----------------------|
| PMI Manufacturing | MoM | | 4-Mar-26 |
| Foreign Exchange Reserves | QoQ | | 7-Mar-26 |
| Money Supply - M2 | MoM | | 9-Mar-26 |
| PPI | MoM | | 9-Mar-26 |
| CPI | MoM | | 9-Mar-26 |
| Trade Balance | MoM | | 14-Apr-26 |
| Retail Sales | MoM | | 16-Apr-26 |
| Industrial Production | MoM | | 16-Apr-26 |
| GDP | YoY | | 16-Apr-26 |

Hong Kong Economic Calendar

| Indicators | Freq | Obs Date | Expected Release Date |
|--------------------------|------|----------|-----------------------|
| CPI | MoM | | 25-Feb-26 |
| GDP | QoQ | | 25-Feb-26 |
| Trade Balance | MoM | | 27-Feb-26 |
| Money Supply - M2 | MoM | | 27-Feb-26 |
| Retail Sales | MoM | | 4-Mar-26 |
| PMI | MoM | | 4-Mar-26 |
| Foreign Currency Reserve | MoM | | 6-Mar-26 |
| Producer Prices Index | QoQ | | 13-Mar-26 |
| Industrial Production | QoQ | | 13-Mar-26 |
| Unemployment Rate | MoM | | 18-Mar-26 |
| Composite Interest Rate | MoM | | |

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