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**Chervon Holdings Limited**

**泉峰控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 2285)**

## **POSITIVE PROFIT ALERT**

This announcement is made by Chervon Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended June 30, 2024 (the “**Reporting Period**”) and the information currently available, the Group expects to record a net profit in the range of approximately US\$60 million to US\$65 million, as compared to a net profit of approximately US\$49 million recorded for the six months ended June 30, 2023, representing a growth in the range of approximately 22% to 33%.

Such expected positive increase in the net profit during the Reporting Period is primarily driven by the factors as described below:

- (i) our revenue increased due to strong points-of-sales performance and higher volume of customer orders. The growth was driven by our strong brand appeal, effective promotional activities and favorable weather, which helped stimulate end consumer demand and accelerate the channel destocking cycle;
- (ii) we have expanded scale and improved efficiency for production;
- (iii) we have implemented a disciplined approach for optimizing the operating expenses in a balanced and efficient manner; and
- (iv) our enhanced profitability benefited from various positive external factors, such as currency exchange rates and raw material costs.

Based on the strength of our growth during the first half of 2024, we saw a positive momentum in our profit, financial position and cash flow, and are increasingly confident in achieving our revenue growth target with improved profitability this year.

As of the date of this announcement, the Company is still in the process of finalizing the results of the Group for the Reporting Period. The information contained in this announcement is only a preliminary assessment made by the Board based on information currently available to the Group, including the unaudited consolidated management accounts for the Reporting Period. Such information has not been audited or reviewed by the auditor of the Company and/or the audit committee of the Company and may be subject to adjustments upon further review. Shareholders and potential investors are advised to read carefully the interim results announcement of the Group for the Reporting Period, which is expected to be released by the end of August 2024.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Chervon Holdings Limited**  
**PAN Longquan**  
*Chairman*

Hong Kong, July 16, 2024

*As at the date of this announcement, the Board comprises Mr. PAN Longquan, Ms. ZHANG Tong, Mr. KE Zuqian and Mr. Michael John CLANCY as executive Directors; and Mr. TIAN Ming, Dr. LI Minghui and Mr. JIANG Li as independent non-executive Directors.*