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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)

INSIDE INFORMATION PROFIT WARNING

This announcement is made by Chervon Holdings Limited (the “**Company**”, together with its subsidiaries as 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 in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571, 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 first ten months ended October 31, 2023 (the “**Period**”) and information currently available, the Group expects to record a decrease in its net profit by approximately 80% to US\$21 million, as compared to a net profit of approximately US\$108 million recorded in the corresponding period in 2022. Such expected decrease in the profit during the Period is primarily due to (i) a decline in revenue caused by more conservative inventory policies adopted by the Group’s key customers facing macroeconomic uncertainties; (ii) the Group’s continued investments in research and product development, sales and marketing as well as management transformations, and (iii) the relatively low utilization of the Group’s manufacturing capacity.

The Board would like to emphasize that the Group’s financial positions remain stable and have sufficient cash resources to meet its present and future cash flow requirements for its operation. End consumer purchases of our Original Brand Manufacturing (“**OBM**”) products at points-of-sales (“**POS**”) grew solidly during the Period in the context of weakened performance in the overall market, demonstrating strong end-user recognition of our brand portfolio. The Group has also continuously invested in building long-term capabilities, such as product development. Accordingly, the Group remains confident about its prospects for business growth in the medium to long term.

The information contained in this announcement is based on the Board’s preliminary assessment after reviewing the unaudited consolidated management accounts of the Group for the first ten months ended October 31, 2023 and the information currently available to the management of the Group, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company. Shareholders and potential investors are advised to refer to the announcement of the Company for the results for the year ended December 31, 2023, which is expected to be published by the end of March 2024 in accordance with the requirements of the Listing Rules.

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, November 17, 2023

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.