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Vanov Holdings Company Limited

環龍控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2260)

PROFIT WARNING

This announcement is made by the board of directors (the “**Board**”) of Vanov Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) 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) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board hereby informs the shareholders and potential investors of the Company that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2025 (the “**1H2025**”) and information currently available to the Board, the Group is expected to record a net profit attributable to the shareholders of the Company of approximately RMB6.6 million to RMB7.6 million for the 1H2025 (which represents a decrease of approximately 58.8% to 64.2% as compared to the net profit attributable to the shareholders of the Company of approximately RMB18.4 million for the six months ended 30 June 2024 (the “**1H2024**”)).

While the Group’s revenue for the 1H2025 remained stable, the main reasons for the decrease in the net profit attributable to the shareholders of the Company are set out below:

1. The strategic investments in capacity upgrade: the increased depreciation and amortization following the commencement of operation of the 14.5-meter high-end production line of Shanghai Jinxiong Fabrics Co., Ltd.* (上海金熊造紙網毯有限公司) (“**Shanghai Jinxiong**”) have resulted in a year-on-year rise in the relevant expenses. Additionally, the cessation of interest capitalization on the corresponding project loan for Shanghai Jinxiong’s 14.5-meter high-end production line upon the completion of construction has led to an increase in finance costs;
2. Strengthen its technological leadership: the Group has consistently intensified its investment in research and development, and the relevant expenditures increased as compared with the 1H2024; and

3. Decrease in other income: there were decreases in government subsidies and additional value-added tax credit as compared with the 1H2024.

During the reporting period, the Board considered the Group's operating performance to be stable. The Group will focus on its core strategies and deepen its comprehensive cooperation with large-scale paper manufacturing groups to further expand into overseas markets and promote the ramp-up of its high-end products while accelerating technology upgrades, continuing to optimize product performance and enhancing its competitiveness. With regards to internal management, the Group will deepen its organizational reforms and improving its operation efficiency, so as to achieve all-round enhancement of quality and efficiency. Through the synergistic promotion of customer cultivation, product upgrading and cost optimization, the Group will continue to enhance the quality of profitability and operational resilience.

As of the date of this announcement, the Company is in the process of finalizing its unaudited interim results for the 1H2025. The information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the information currently available including the unaudited consolidated management accounts of the Group for the 1H2025. Such consolidated management accounts have not been audited by the Company's auditors and shall be subject to finalization and necessary adjustments (if any). Shareholders and potential investors of the Company are advised to carefully read the announcement on the Group's interim results for the 1H2025, which is expected to be published by the end of August 2025.

By order of the Board
Vanov Holdings Company Limited
Shen Genlian
Chairperson of the Board and executive Director

Hong Kong, 11 August 2025

As at the date of this announcement, the Board comprises Ms. Shen Genlian, Mr. Zhou Jun, Mr. Xie Zongguo and Ms. Yuan Aomei as the executive Directors; and Mr. Ip Wang Hoi, Mr. Zhang Shenjin and Mr. Wang Yunchen as the independent non-executive Directors.

** for identification purposes only*