Chervon Holdings Limited
泉峰控股有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 2285)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

FINANCIAL HIGHLIGHTS

	Six months ended June 30,		Changes
	2026	2025	
	US$'000	*US$'000*	
Revenue	**1,029,066**	912,437	**12.8%**
Gross profit margin	**39.3%**	33.3%	**600 bps**
Profit for the period	**106,342**	95,271	**11.6%**
Non-HKFRS measure:			
Adjusted Net Profit	**106,342**	76,031	**39.9%**
Net cash generated from operating activities	**129,455**	256,652	**(49.6%)**
Basic (US$)	**0.21**	0.19	**10.5%**

- Revenue and net profit for the period all reached record highs for a half-year period.
- Revenue increased by 12.8% to US$1,029.1 million.
- Gross profit margin increased from 33.3% to 39.3%.
- Profit for the period increased by 11.6%, while adjusted net profit increased by 39.9%.
- The Company commenced its HK$150 million share repurchase plan following authorization and approval in May 2026.

INTERIM DIVIDEND

- The Board has resolved an interim dividend of HK$0.3258 per ordinary share for the six months ended June 30, 2026 (six months ended June 30, 2025: nil).

The board (the "**Board**") of directors (the "**Directors**") of Chervon Holdings Limited (the "**Company**") hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**", "**we**", "**us**" or "**our**") for the six months ended June 30, 2026 (the "**Reporting Period**") together with the comparative figures for the same period in 2025. The unaudited condensed consolidated financial information for the Reporting Period has been reviewed by the audit committee of the Board (the "**Audit Committee**").

BUSINESS REVIEW AND OUTLOOK

Business Review

During the Reporting Period, we delivered record-high first-half revenue, representing an increase of 12.8% to US$1,029.1 million, primarily driven by the rapid growth of our original brand manufacturing ("**OBM**") business and the active inventory build-up and restocking by our customers in response to sustained growth in end-market demand.

Our net profit also increased by 11.6% compared with the same period in 2025 primarily driven by revenue growth and gross profit margin expansion.

Revenue from our outdoor power equipment ("**OPE**") segment and power tools segment increased by 13.9% and 11.1%, respectively. Revenue from our OBM business accounted for 79.6% of our total revenue in the first half of 2026. By region, revenue increased across North America, Europe, China and the rest of the world by 14.9%, 11.1%, -7.2% and 17.2%, respectively.

Our gross profit margin increased by 600 basis points to 39.3% in first half of 2026, reaching a record high, primarily driven by (i) the increased contribution of high-margin OBM products to our sales mix, in particular the strong performance of EGO, (ii) continued improvement in operational efficiency, and (iii) the receipt of tariff refunds during the period.

We remained focused on customer needs and continue to bring new power tool and OPE products to market. Leveraging our research and development capabilities, we introduced approximately 130 new products during the Reporting Period, of which approximately 90% were lithium-ion battery powered products.

EGO

In the first half of 2026, *EGO* delivered strong growth across all regions, with all its key financial metrics reaching record highs during the Reporting Period, which fully demonstrated its strong brand competitiveness, and the solid progress across multiple strategic directions.

EGO maintained a focused and flexible product strategy, continuously enhancing its product portfolio with innovative development across both core and lifestyle product categories. Several of our product categories, including walk-behind mowers, snow blowers and rider mowers, ranked first in terms of market share in the North American market for lithium-ion battery-powered OPE products. During the Reporting Period, we launched our first automated wireless lawn mower robot in Europe during the spring season. Our multi-head category and lifestyle products, including high pressure washer, sprayer and inflator, recorded strong growth. Moreover, we successfully launched our *EGO* Commercial Riding mower to the United States, marking a significant milestone in its expansion into the U.S. market. It received positive market recognition, representing a significant milestone in our expansion into the professional riding mower segment and also further strengthened the completeness and breadth of the overall commercial product portfolio.

In addition, the *EGO* platform continues to expand, with battery pack sales representing a key growth highlight. This further solidified our 56V platform as the largest single-battery OPE platform globally, generating enhanced platform-wide synergies. Meanwhile, *EGO* has also earned various industry recognitions in 2026, including the *2026 New York Times Wirecutter Best Lawn Mower Award,* the *2026 Forbes Vetted Awards and 2026 CCN Best tested Product*.

Benefiting from the steady development momentum of our diversified channel strategy, *EGO* achieved meaningful progress across all major channels in the first half of 2026. For example, *EGO* further extended it's lead as the No. 1 OPE brand on the world's largest e-commerce platform, and outpaced market growth rates across key channels. We also strategically expanded *EGO*'s footprint in Europe by opening flagship stores and further broadened our presence in the Asia-Pacific market, reinforcing EGO's position as a leading global brand.

As the largest single OPE platform with strong growth momentum, *EGO* is well positioned to capture opportunities arising from the adoption of lithium-ion electrification and intelligent technologies. We have achieved breakthroughs in Internet of Things ("**IoT**"), AI recognition, visual positioning and multi-sensor navigation, laying a solid foundation for the future expansion of our "smart" product lineup. Guided by a clear strategic roadmap and disciplined execution, EGO remains committed to delivering strong financial performance while reinforcing its leadership in the industry.

FLEX

FLEX continued to strengthen its focus on core trades and professional users, delivering innovative solutions that enhance productivity and reinforce its competitive positioning. For example, with the launch of its new-generation complete polisher product line, *FLEX* continued to offer leading performance on the market with the most powerful brushless polisher line equipped with constant speed technology. On the channel side, *FLEX* has acquired FLEX Poland Sp. z o.o. from its existing importer, effective from April 1, 2026. This strategic acquisition marked another milestone in the history of *FLEX* and underscored the Group's ongoing commitment to growth, innovation, and delivering first-class solutions to its customers worldwide. Looking ahead, we will implement a comprehensive strategic optimization for *FLEX,* covering both channels and product portfolios. We plan to further develop our professional tools (PRO) business through traditional dealer networks and adopting a more targeted trade strategy, enabling *FLEX* to capture greater market opportunities and build stronger long-term growth momentum.

SKIL

In the first half of 2026, *SKIL* delivered a strong performance against the overall sluggish market, fully demonstrating its market recognition and brand influence. This momentum was mainly driven by successful expansion in the Walmart and Tractor Supply Company during the Reporting Period. Strategically, we also expanded our footprint by entering into more than 200 stores in Canadian Tire Company. We also continued to increase our investment in the digital direct-to-consumer ("**DTC**") strategy through new e-commerce platforms in North America and Europe. These initiatives broadened *SKIL*'s market reach and strengthened brand equity, laying a solid foundation for long-term growth. We will continue to build on this momentum with an unwavering focus on innovation and customer value creation.

DEVON

Despite the continued downturn in China's real estate market and the overall decline of the power tools industry, *DEVON* achieved double-digit revenue growth, significantly improved profitability and generated positive cash inflow in the first half of 2026, outperforming the industry and further strengthening its position in the domestic market. During the Reporting Period, *DEVON* received multiple industry recognitions reflecting the strength of its products, brand and channel operations. In the e-commerce sector, the brand was awarded the *Super Strategic Partner Award*, *Super Product Award* and *Super Operator Award* by JD.com, as well as the *Trendsetting New Product Award* by Tmall. Looking ahead, *DEVON* will continue to focus on product innovation and deeper user engagement, further strengthening its competitive advantages and driving sustainable business growth.

Supply Chain and Manufacturing

During the Reporting Period, we strengthened our global manufacturing capabilities through continued progress in our Global Manufacturing Footprint initiative. The production in Vietnam increased significantly in the first half of 2026 and is expected to support a substantial portion of our US business by end of this year, providing us with greater flexibility to manage our supply chain strategy. Looking ahead, we are actively evaluating broader global capacity deployment plans in line with our global strategy to further enhance the flexibility and cost efficiency of our supply chain.

Prospects

Against the backdrop of significant tariff-related challenges since 2025, the Group has successfully navigated through a period of heightened uncertainty, representing one of the most challenging periods in its development. Over the past two years, we have taken decisive actions to adapt to the evolving operating environment through product portfolio optimization, pricing initiatives and the acceleration of the expansion of our global manufacturing footprint. These strategic actions have significantly strengthened the resilience and flexibility of our operations.

As a result, having overcome this period of adjustment, the Group delivered a strong recovery in business performance in the first half of 2026. More importantly, this performance reflects the fact that our core competitive strengths, including our brands, technology, distribution network and smart supply chain capabilities, are once again being translated into business results. We believe that the Group has moved beyond this temporary period of disruption and returned to a sustainable growth trajectory.

Looking ahead, we remain confident in our long-term prospects. Supported by our strong leadership team, globally integrated operations, industry-leading brands and continued innovation, we believe that the Group is well positioned to deliver sustainable long-term growth and create enduring value for our shareholders.

FINANCIAL REVIEW

Financial Results

The Group's revenue increased by 12.8% to US$1,029.1 million for the Reporting Period from US$912.4 million for the same period in 2025, primarily driven by the rapid growth of our original brand manufacturing ("**OBM**") business and the active inventory build-up and restocking by our customers in response to sustained end-market demand growth.

We recorded a profit for the six months ended June 30, 2026 of US$106.3 million, as compared to US$95.3 million for the same period in 2025. We had net profit margin of 10.3% during the Reporting Period as compared to 10.4% during the same period in 2025.

Profit attributable to equity shareholders of the Company increased by 11.6% from US$95.2 million in the six months ended June 30, 2025 to US$106.3 million in the same period in 2026.

Basic earnings per share was at US$0.21 (2025: US$0.19), representing a increase of 10.5%.

Result Analysis

Gross Profit and Gross Profit Margin

Our gross profit increased by 33.0% to US$404.2 million for the Reporting Period from US$303.9 million for the same period in 2025. During the same periods, our overall gross profit margin increased from 33.3% to 39.3%, primarily driven by (i) the increased contribution of high-margin OBM products to our sales mix, in particular the strong performance of EGO, (ii) continued improvement in operational efficiency, and (iii) the receipt of tariff refunds during the period.

Other Revenue

Our other revenue, which primarily consisted of government grants, sale of scrap materials and rental income, amounted to US$0.7 million for the Reporting Period, as compared to US$1.0 million for the same period in 2025.

Other net (loss)/gain

We had other net loss of US$4.0 million for the Reporting Period, as compared to other net gain of US$31.3 million for the same period in 2025. Our other net loss for the Reporting Period was primarily attributable to net foreign exchange loss in the amount of US$13.9 million resulting from appreciation of the RMB against the U.S. dollar, partially offset by net realized and unrealized gain on derivative financial instruments of US$8.5 million, this was largely driven by our robust FX risk management, which successfully mitigated a large portion of the exchange losses.

Operating expenses

Our total operating expenses (comprising selling and distribution expenses, administrative and other operating expenses and research and development costs), increasing from US$216.5 million for the same period in 2025 to US$267.1 million for the Reporting Period.

Our selling and distribution expenses increased by 25.6%, from $129.2 million to $162.2 million, primarily attributable to the expansion of sales channels and an increase in marketing investment.

Our administrative and other operating expenses increased by 22.6% from US$47.3 million for the six months ended June 30, 2025 to US$58.0 million for the same period in 2026, primarily due to increased IT digitalization spending, as well as expenses associated with talent hiring and annual bonus accruals.

Our research and development costs increased by 17.0% from US$40.0 million for the six months ended June 30, 2025 to US$46.8 million for the Reporting Period, representing 4.5% of turnover (2025: 4.4%). This is primarily due to our continued investment in research and product development, with a strong emphasis on innovation, product development, and technological advancement.

Net Finance Costs

Our net finance costs amounted to US$1.7 million for the Reporting Period, as compared to US$2.7 million for the same period in 2025 primarily due to the optimization of our borrowing structure and enhanced cash management.

Profit before Tax

As a result of the foregoing, we recorded profit before taxation of US$132.1 million for the Reporting Period, as compared to a profit before taxation of US$113.2 million for the same period in 2025.

Income Tax Expense

Our income tax expense for the Reporting Period was US$25.8 million, compared with US$17.9 million for the same period in 2025. Our effective tax rate was 19.5% for the Reporting Period, as compared to 15.8% for the same period in 2025.

Profit for the Period

As a result of the foregoing, we recorded a profit for the period of US$106.3 million for the Reporting Period, as compared to US$95.3 million for the same period in 2025. We had a net profit margin of 10.3% for the Reporting Period, as compared to 10.4% during the same period in 2025.

Non-HKFRS Measure: Adjusted Net Profit

To supplement our consolidated results which are prepared and presented in accordance with HKFRS Accounting Standards, we utilize non-HKFRS adjusted net profit ("**Adjusted Net Profit**") as an additional financial measure.

Adjusted Net Profit is not required by, or presented in accordance with, HKFRS Accounting Standards. We believe that the presentation of non-HKFRS measures when shown in conjunction with the corresponding HKFRS Accounting Standards measures provides useful information to investors and management regarding financial and business trends in relation to our financial condition and results of operations, by eliminating any potential impact of items that our management does not consider to be indicative of our operating performance such as the impact of certain investment transactions. We also believe that the non-HKFRS measures are appropriate for evaluating the Group's operating performance. However, the use of this particular non-HKFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for the analysis of, our results of operations or financial conditions as reported under HKFRS Accounting Standards. In addition, this non-HKFRS financial measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures used by other companies.

The following table reconciles our Adjusted Net Profit for the period presented to the most directly comparable financial measure calculated and presented in accordance with HKFRS Accounting Standards, which is profit for the period:

	Six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
Profit for the period	**106,342**	95,271
Adjusted by:		
Net gain on disposal of a subsidiary[1]	**–**	(19,240)
Adjusted Net Profit	**106,342**	76,031

Notes:

(1) Represents the non-recurring gain associated with the disposal of Chervon (China) Investment.

Liquidity and Financial Resources

Financial Position

The Group continued to maintain a strong financial position. As of June 30, 2026, the Group had US$372.2 million in cash and cash equivalents (December 31, 2025: US$379.3 million). 53.4%, 37.4%, 4.3% and 4.9% of our cash and cash equivalents as of June 30, 2026 were denominated in Renminbi ("**RMB**"), US dollar, Euro and other currencies, respectively.

Funding and Treasury Policy

The Group's funding and finance policy aims to maintain stable financial position and mitigate financial risks. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its current business operations as well as its future investments and expansion plans.

Borrowings and Gearing Ratio

As of June 30, 2026, the Group had bank loans of US$252.8 million (December 31, 2025: US$254.9 million), which were primarily denominated in RMB, and lease liabilities of US$19.5 million (December 31, 2025: US$25.6 million). As of the same date, fixed-rate and floating-rate loans account for 46.8% and 53.2%, respectively, of the Group's total bank loans.

As of June 30, 2026, short-term bank loans and current portion of long-term bank loans collectively accounted for 65.1% of the total bank loans (December 31, 2025: 42.3%).

The Group's gearing ratio (which equals total debt (including bank loans and lease liabilities) divided by total equity) remained flat at 0.3 as of December 31, 2025 and as of June 30, 2026.

Working Capital

The Group's inventories amounted to US$368.7 million as of June 30, 2026 as compared to US$448.1 million as of December 31, 2025. Our inventory turnover days were at 118 days for the Reporting Period, as compared to 161 days for the same period in 2025, primarily due to significant inventory optimization and improved inventory management efficiency during the period.

The Group's trade and bills receivables turnover days were 94 days for the Reporting Period, as compared to 83 days for the same period in 2025, primarily due to the strong rebound in sales during the second quarter, which resulted in a higher outstanding receivable balance at the end of the period.

The Group's trade and bills payables turnover days were 72 days for the Reporting Period, remain the same with last year, which are in line with the credit terms that we obtained from suppliers.

Capital Expenditures

Our capital expenditures for the Reporting Period amounted to US$47.2 million (six months ended June 30, 2025: US$56.3 million), primarily due to the production equipment upgrades and replacements, together with production expansion in Vietnam.

Capital Commitments

As of June 30, 2026, our capital commitments (including those contracted for and authorized but not contracted for) for the construction of plant and buildings and acquisition of machinery and equipment amounted to US$105.7 million (December 31, 2025: US$22.5 million), primarily for the expansion of our production capacity in Vietnam.

Pledge of Assets

During the Reporting Period, certain assets of the Group were pledged as security for bank loans, as further detailed below:

	As of June 30, 2026 *US$'000*	As of December 31, 2025 *US$'000*
Pledged deposits	**16,884**	16,357
Total	**16,884**	16,357

As of June 30, 2026, the Group had pledged deposits of US$20.8 million (December 31, 2025: US$19.5 million), which will be released upon the settlement of letters of credit and bills payable by the Group or upon the expiry of relevant banking facilities and derivative financial instruments.

Contingent Liabilities

During the Reporting Period, the Group issued guarantees to financial institutions in the People's Republic of China ("**PRC**") for certain indebtedness of our independent third-party customers, who are typically qualified distributors of ours in the PRC. As of June 30, 2026, the maximum guarantee amount was US$22.8 million (December 31, 2025: US$22.1 million) and the guarantee issued was US$4.7 million (December 31, 2025: US$1.9 million).

Significant Investments Held

During the Reporting Period, the Group did not hold any significant investments (including any investment in an investee company with a carrying amount of 5% or more of the Company's total assets as of June 30, 2026).

Exposure to Fluctuations in Foreign Exchange Rates

The Group manufactures and sells its products in many countries throughout the world. As a result, there is exposure to foreign currency risk as the Group enters into transactions and make investments denominated in multiple currencies. For example, changes in currency exchange rates may affect the relative prices at which the Group and its competitors sell products in the same market and the cost of products and services the Group requires for its operations. The Group's predominant exposures are in US dollar, Euro and RMB. The Group is subject to risks arising from the translation of balance sheets and income statements of its subsidiaries to US dollars as well as the risk arising from the export of products and sales outside the country of manufacturing.

The Group enters into foreign exchange forward contracts with financial institutions to mitigate exposure to fluctuations in foreign exchange rates. Fluctuations in the foreign exchange rates may lead to losses resulting from the Group's exposure to foreign exchange forward contracts or similar arrangements. Our net foreign exchange loss for the Reporting Period amounted to US$13.9 million, compared to the net foreign exchange gain of US$12.4 million for the same period in 2025. Our net realized and unrealized gain on derivative financial instruments (which primarily include foreign exchange forward contracts) for the Reporting Period was US$8.5 million, compared to a realized and unrealized loss of US$0.1 million for the same period in 2025.

Investment Risk Management

Our investment strategy is grounded in the principles of compliance, prudence, safety and effectiveness. Each investment decision is made based on internal vetting and discussions, considering factors such as market dynamics, expected returns and risks involved. We believe that our internal strategy and policies regarding investments and the related risk management mechanisms are adequate, and that our investment decisions have been in full compliance with our investment strategy and policies.

Major Customers and Suppliers

During the Reporting Period, the Group's largest customer and five largest customers accounted for approximately 37.5% and 59.9% (six months ended June 30, 2025: 34.3% and 60.0%) respectively of the Group's total revenue; and the Group's largest supplier and five largest suppliers accounted for approximately 4.3% and 11.9% respectively for the Group's total purchases (six months ended June 30, 2025: 6.4% and 13.7%).

As far as the Directors are aware, none of the Directors, their associates or any shareholders of the Company ("**Shareholders**") who owned more than 5% of the Company's share capital had any interest in the five largest customers or suppliers of the Group.

HUMAN RESOURCES

The number of employees of the Group was 6,667 as of June 30, 2026 (6,133 as of June 30, 2025). The total staff costs for the Reporting Period amounted to US$145.9 million as compared to US$138.2 million for the same period in 2025. We did not incur equity settled share-based expenses during the Reporting Period.

The Group is committed to hiring, retaining and promoting top talents across its global teams. As part of its retention strategy, the Group offers competitive remuneration packages to its employees, including salary and allowances, performance-based bonuses and long term incentive programs. The Group also provides regular and specialized training tailored to the needs of its employees in different departments.

As of June 30, 2026, the male-to-female ratio of the Groups' employees is approximately 1.50 to 1 (December 31, 2025: 1.50:1). The ratio is primarily driven by the nature of our business as we employ a higher portion of male engineers and front-line workers. While we consider such ratio to be in line with industry norms, we are firmly committed to offering equal employment opportunities to all qualified candidates based on merits and will seek to achieve relative balance between male and female employees going forward.

INTERIM DIVIDEND

The Board resolved to declare an interim dividend of HK$0.3258 per share for the six months ended June 30, 2026 (the "**2026 Interim Dividend**") (2025: nil). Based on the number of shares in issue as of the date of this announcement, total amount of the 2026 Interim Dividend of approximately US$21.3 million will be distributed. The 2026 Interim Dividend is expected to be payable on or before Friday, September 18, 2026 to those Shareholders whose names appear on the Company's register of members as of Friday, September 4, 2026.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its own code of corporate governance.

During the Reporting Period, the Company has complied with all applicable code provisions under the CG Code and adopted most of the best practices set out therein except for the following provision.

Code provision C.2.1, Part 2 of the CG Code, recommends, but does not require, that the roles of chairperson and chief executive officer should be separate and should not be performed by the same person. Our Company deviates from this provision as Mr. Pan Longquan ("**Mr. Pan**") performs both the roles of the Chairman of our Board and the chief executive officer of our Company. Mr. Pan is the principal founder of our Group and has extensive experience in the business operations and management of our Group. Our Board believes that vesting the roles of both chairman and chief executive officer to Mr. Pan has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning. This structure will enable our Company to make and implement decisions promptly and effectively.

Our Board considers that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of our Board, including the relevant Board committees and three independent non-executive Directors. Our Board will reassess the division of the roles of chairman and the chief executive officer from time-to-time, and may recommend dividing the two roles between different people in the future, taking into account the circumstances of our Group as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry with the Directors, all of the Directors confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the Reporting Period, the Company repurchased a total of 1,850,000 shares on the Stock Exchange for an aggregate consideration of approximately HKD29.4 million before expenses. The repurchased shares were subsequently cancelled. The repurchase was effected for the enhancement of shareholder value in the long term.

Save as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

Between March 26, 2026 and May 28, 2026, the trustee for the 2024 share scheme adopted by the Company ("**2024 Share Scheme**") purchased a total of 4,335,100 shares on the market, accounting for approximately 0.85% of the total number of the Company's shares. For details regarding the on-market share purchases by the Company's trustee pursuant to the 2024 Share Scheme, please refer to the Company's announcements dated March 26, March 27, March 31, April 14, April 17 and May 28, 2026, respectively.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, the Group has no important events which occurred after the end of the Reporting Period that are required to be disclosed.

AUDIT COMMITTEE

The Board has established the Audit Committee, which comprises three independent non-executive Directors, namely, Dr. Li Minghui (Chairperson), Mr. Jiang Li and Dr. Fan Hao. The Audit Committee has also adopted written terms of reference which clearly set out its duties and obligations (the terms of reference are available on the websites of the Company and the Stock Exchange).

The Audit Committee has, together with the senior management of the Company, reviewed the accounting principles and practices adopted by the Group, and discussed internal control and financial reporting matters, including a review of the interim financial information for the six months ended June 30, 2026.

INDEPENDENT REVIEW OF AUDITOR

The unaudited interim financial report of the Group for the six months ended June 30, 2026 has been reviewed by the Company's external auditor, KPMG, in accordance with the Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INTERIM RESULTS AND 2026 INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at https://global.chervongroup.com. The interim report of the Company for the six months ended June 30, 2026, containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company in accordance with the requirements under the Listing Rules.

By Order of the Board
Chervon Holdings Limited
PAN Longquan
Chairman

Hong Kong, August 17, 2026

As of 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 Dr. LI Minghui, Mr. JIANG Li and Dr. FAN Hao as independent non-executive Directors.

RESULTS SUMMARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended June 30, 2026 – unaudited

	Note	**Six months ended June 30,** **2026** ***US$'000***	2025 *US$'000*
Revenue	*2*	**1,029,066**	912,437
Cost of revenue		**(624,825)**	(608,501)
Gross profit		**404,241**	303,936
Other revenue	*3*	**705**	1,013
Other net (loss)/gain	*4*	**(4,030)**	31,316
Selling and distribution expenses		**(162,241)**	(129,168)
Administrative and other operating expenses		**(58,033)**	(47,338)
Research and development costs		**(46,789)**	(39,984)
Profit from operations		**133,853**	119,775
Net finance costs	*5*	**(1,712)**	(2,672)
Share of loss of an associate		**–**	(3,940)
Profit before taxation	*6*	**132,141**	113,163
Income tax	*7*	**(25,799)**	(17,892)
Profit for the period		**106,342**	95,271
Attributable to:			
Equity shareholders of the Company		**106,282**	95,217
Non-controlling interests		**60**	54
Profit for the period		**106,342**	95,271
Earnings per share	*9*		
Basic (US$)		**0.21**	0.19
Diluted (US$)		**0.21**	0.19

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2026 – unaudited

	Note	**Six months ended June 30,**	
		2026	2025
		US$'000	*US$'000*
Profit for the period		**106,342**	95,271
Other comprehensive income for the period (after tax and reclassification adjustments)			
Item that will not be reclassified subsequently to profit or loss:			
Remeasurement of net defined benefit liability, net of tax		**11**	11
Item that are or may be reclassified subsequently to profit or loss:			
Exchange difference on translation of financial statements of subsidiaries with functional currencies other than US dollar		**5,237**	1,005
Total comprehensive income for the period		**111,590**	96,287
Attributable to:			
Equity shareholders of the Company		**111,530**	96,233
Non-controlling interests		**60**	54
Total comprehensive income for the period		**111,590**	96,287

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of June 30, 2026 – unaudited

	Note	**As of June 30, 2026** *US$'000*	As of December 31, 2025 *US$'000*
Non-current assets			
Property, plant and equipment	*10*	**312,484**	302,211
Right-of-use assets		**86,119**	68,480
Intangible assets		**5,425**	5,174
Goodwill		**4,835**	4,532
Prepayments, deposits and other receivables		**23,527**	29,517
Financial assets at fair value through profit or loss ("**FVPL**")	*11*	**6,919**	6,778
Deferred tax assets		**42,202**	55,882
		481,511	472,574
Current assets			
Financial assets at FVPL	*11*	**34,504**	–
Derivative financial instruments		**4,567**	4,045
Inventories		**368,696**	448,051
Right to returned goods asset		**3,406**	4,329
Trade and bills receivables	*12*	**611,577**	459,204
Prepayments, deposits and other receivables		**57,611**	41,749
Taxation recoverable		**2,471**	15,236
Pledged deposits		**20,750**	19,455
Cash and cash equivalents		**372,208**	379,292
		1,475,790	1,371,361
Current liabilities			
Bank loans		**164,666**	107,754
Derivative financial instruments		**2,097**	2,203
Lease liabilities		**8,056**	9,391
Trade and bills payables	*13*	**274,819**	222,899
Other payables and accruals	*14*	**234,992**	229,151
Taxation payable		**11,937**	8,729
Provisions		**44,729**	43,529
Refund liabilities from right of return		**5,674**	6,502
		746,970	630,158
Net current assets		**728,820**	741,203
Total assets less current liabilities		**1,210,331**	1,213,777

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As of June 30, 2026 – unaudited

	Note	**As of June 30, 2026** *US$'000*	As of December 31, 2025 *US$'000*
Non-current liabilities			
Bank loans		**88,156**	147,102
Lease liabilities		**11,440**	16,167
Provisions		**8,527**	9,653
Deferred income		**9,345**	7,167
Defined benefit retirement plans obligation		**288**	329
Deferred tax liabilities		**4,869**	15,505
		122,625	195,923
NET ASSETS		**1,087,706**	1,017,854
CAPITAL AND RESERVES			
Share capital		**601,859**	601,859
Reserves		**485,564**	415,772
Total equity attributable to equity shareholders of the Company		**1,087,423**	1,017,631
Non-controlling interests		**283**	223
TOTAL EQUITY		**1,087,706**	1,017,854

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the six months ended June 30, 2026 – unaudited

	Six months ended June 30,	
	2026	2025
	USD'000	*USD'000*
Operating activities		
Cash generated from operations	**136,631**	266,971
Tax paid	**(7,176)**	(10,319)
Net cash generated from operating activities	**129,455**	256,652
Investing activities		
Payment for the purchase of properties, plants and equipment	**(47,163)**	(56,284)
Acquisition of a subsidiary, net of cash acquired	**(902)**	–
Proceeds from disposal of properties, plants and equipment	**1,418**	1,449
Proceeds from disposal of a subsidiary, net of cash disposed of	**–**	78,546
Proceeds from disposal of financial assets measured at FVPL other than derivative financial instruments	**273,268**	278,980
Payment for acquisition of financial assets measured at FVPL other than derivative financial instruments	**(307,155)**	(286,022)
Other cash flows arising from investing activities	**2,212**	2,565
Net cash (used in)/generated from investing activities	**(78,322)**	19,234
Financing activities		
Payment for purchase of shares for share award scheme	**(9,080)**	(4,049)
Payment for purchase of own shares	**(3,757)**	–
Dividends paid to equity shareholders of the Company	**(28,901)**	(118,717)
Other cash flows (paid on)/arising from financing activities	**(16,055)**	4,134
Net cash used in financing activities	**(57,793)**	(118,632)
Net (decrease)/increase in cash and cash equivalents	**(6,660)**	157,254
Cash and cash equivalents at the beginning of the period	**379,292**	328,758
Effect of foreign exchange rate changes	**(424)**	1,674
Cash and cash equivalents at the end of the period	**372,208**	487,686

NOTES

1 GENERAL INFORMATION AND BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

General Information

The Company was incorporated in Hong Kong on February 19, 1999 as a limited liability company with its registered office at Unit 04, 22/F, Saxon Tower, 7 Cheung Shun Street, Lai Chi Kok, Kowloon, Hong Kong. The Company was converted from a private company into a public company with effect from December 16, 2021 pursuant to a Special Resolution passed on December 8, 2021. The Company's shares were listed on the Main Board of the Stock Exchange on December 30, 2021.

The Company is an investment holding company. The Group are principally engaged in researching, developing, manufacturing, testing, sales, and after-sale services for power tools, OPE and related products.

Basis of Preparation

This unaudited interim financial information was extracted from the interim financial report of the Group for the six months ended June 30, 2026.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Listing Rules, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out below.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

The financial information relating to the financial year ended December 31, 2025 that is included in these condensed consolidated financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended December 31, 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

Changes in Accounting Policies

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. None of these developments have had a material effect on these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 REVENUE AND SEGMENT REPORTING

Segment Information

The Group's reportable segments are as follows:

– Power tools: sales of power tools and power tool accessories for consumer, professional and industrial users. The products are available under the *FLEX, DEVON, SKIL* and *X-TRON* brands plus ODM customers.

– OPE: sales of outdoor tools and outdoor tool accessories for premium or professional and mass-market users. The products are available under the *EGO* and *SKIL* brands, plus a few key ODM customers.

– Others: sales of parts and components to a home appliances business.

Set forth below is a breakdown of the Group's revenue by reportable segment.

	Six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
Power tools	**339,636**	305,760
OPE	**685,575**	601,999
Others	**3,855**	4,678
	1,029,066	912,437

Geographic Information

Set forth below is a breakdown of the Group's revenue by geographic information, which is based on the location of customers.

	Six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
North America	**748,025**	651,087
Europe	**199,155**	179,233
China	**54,441**	58,693
Rest of the World	**27,445**	23,424
	1,029,066	912,437

3 OTHER REVENUE

Our other revenue for the six months ended June 30, 2026 and June 30, 2025 mainly comprises of government grants, sale of scrap materials and rental income.

4 OTHER NET (LOSS)/GAIN

	Six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
Net foreign exchange (loss)/gain	**(13,883)**	12,372
Net gain/(loss) on disposal of properties, plants and equipment	**28**	(90)
Net realized and unrealized gain on financial assets at FVPL other than derivative financial instruments	**758**	480
Net realized and unrealized gain/(loss) on derivative financial instruments	**8,498**	(106)
Net gain on disposal of a subsidiary	**–**	19,240
Others	**569**	(580)
	(4,030)	31,316

5 NET FINANCE COSTS

	Six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
Interest income from bank deposits	**(2,212)**	(2,565)
Finance income	**(2,212)**	(2,565)
Interest on bank loans	**3,597**	4,632
Interest on lease liabilities	**327**	605
Finance costs	**3,924**	5,237
Net finance costs	**1,712**	2,672

6 PROFIT BEFORE TAXATION

	Six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
Profit before taxation is arrived at after charging:		
Depreciation charge	**32,535**	32,325
Amortization of intangible assets	**428**	125
Provision for write-down of inventories	**3,375**	8,549
Cost of inventories sold *(Note)*	**624,825**	608,501

Note:

Cost of inventories recognized as expenses includes amounts relating to staff costs, depreciation and amortization expenses, provision for write-down of inventories, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

7 INCOME TAX

Taxation in the consolidated statements of profit or loss represents:

	Six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
Current tax		
Chinese Mainland Corporate Income Tax		
Provision for the period	**1,058**	1,708
(Over)/under-provision in respect of prior years	**(232)**	715
	826	2,423
Hong Kong Profits Tax		
Provision for the period	**12,435**	14,437
Tax jurisdictions outside Chinese Mainland and Hong Kong		
Provision for the period	**9,888**	2,421
Deferred tax		
Origination and reversal of temporary differences	**2,650**	(1,389)
Total income tax expense	**25,799**	17,892

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2025: 16.5%) to the six months ended June 30, 2026. The provision for Chinese Mainland income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in the Chinese Mainland as determined in accordance with the relevant income tax rules and regulations of the Chinese Mainland. Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the relevant countries.

8 DIVIDENDS

The Board resolved to declare an interim dividend of HK$0.3258 (US$ equivalent 0.0418) per share for the six months ended June 30, 2026 (no interim dividend for the six months ended June 30, 2025).

9 EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share was based on the profit attributable to ordinary equity shareholders of the Company of US$106,282,000 (six months ended June 30, 2025: US$95,217,000) and the weighted average of 505,809,614 ordinary shares (2025: 509,775,827 shares) in issue during the Reporting Period.

Diluted earnings per share

There were no dilutive potential ordinary shares in existence for the six months ended June 30, 2026 and six months ended June 30, 2025. The calculated diluted earnings per share equals the basic earnings per share at June 30, 2026 and June 30, 2025.

10 ADDITIONS OF PROPERTIES, PLANTS AND EQUIPMENT

For the six months ended June 30, 2026, the Group spent approximately US$ 31.9 million (for the six months ended June 30, 2025: US$ 32.2 million) on the acquisition of property, plant and equipment.

11 FINANCIAL ASSETS AT FVPL

As of June 30, 2026, The Group's non-current balances of financial assets at FVPL represent a life insurance product issued by an independent third-party insurance company. The Group's current balances of financial assets at FVPL represent the structured deposits and wealth management products issued by banks.

12 TRADE AND BILLS RECEIVABLES

Trade and bills receivables are due within 30 to 180 days from the date of billing. Set forth below is a breakdown of the Group's trade and bills receivables:

	As of June 30, 2026	As of December 31, 2025
	US$'000	*US$'000*
Trade debtors and bills receivable, net of loss allowance		
– measured at amortised cost		
Trade receivables	**608,719**	452,842
Bills receivables	**1,052**	2,298
– measured at fair value through other comprehensive income ("**FVOCI**")		
Trade receivables	**1,806**	4,064
	611,577	459,204

As of the end of the Reporting Period, the aging analysis of trade and bills receivables, based on the invoice date and net of loss allowance, is as follows:

	As of June 30, 2026	As of December 31, 2025
	US$'000	*US$'000*
Within 6 months	**607,703**	449,843
Over 6 months but within 12 months	**1,729**	4,552
Over 12 months	**339**	745
	609,771	455,140

13 TRADE AND BILLS PAYABLES

Set forth below is a breakdown of the Group's trade and bills payables:

	As of June 30, 2026	As of December 31, 2025
	US$'000	*US$'000*
Trade payables	**257,062**	208,257
Bills payable	**17,757**	14,642
	274,819	222,899

As of the end of the Reporting Period, the aging analysis of trade and bills payables, based on the invoice date, is as follows:

	As of June 30, 2026	As of December 31, 2025
	US$'000	*US$'000*
Within 3 months	**265,024**	186,244
3 to 12 months	**9,795**	36,655
	274,819	222,899

All of the trade and bills payables are expected to be settled within one year or repayable on demand.

14 OTHER PAYABLES AND ACCRUALS

	As of June 30, 2026	As of December 31, 2025
	US$'000	*US$'000*
Other payables and accrued charges *(Note)*	**174,387**	173,971
Salaries, wages, bonus and benefits payable	**28,094**	26,308
Payables for purchase of properties, plants and equipment	**17,705**	15,953
Interest payables	**138**	155
Other tax payables	**14,668**	12,764
	234,992	229,151

Note: Other payables and accrued charges primarily comprise accruals for marketing and advertising fee, utility expenses, service fee and other expenses.

All of the other payables and accruals are expected to be settled within one year or repayable on demand.

15 CAPITAL COMMITMENTS

Capital commitments outstanding at the respective period end not provided for in the consolidated financial statements are as follows:

	As of June 30, 2026	As of December 31, 2025
	US$'000	*US$'000*
Contracted for	**15,394**	9,360
Authorised but not contracted for	**90,266**	13,111
	105,660	22,471
Represented by:		
Construction of plant and buildings	**104,130**	21,577
Acquisition of machinery and equipment	**1,530**	894
	105,660	22,471