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# NEW GONOW 新吉奥

**New Gonow Recreational Vehicles Inc.**

**新吉奥房车有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 0805)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of New Gonow Recreational Vehicles Inc. (the “**Company**”, and its subsidiaries, the “**Group**” or “**our**”) is pleased to announce the audited annual consolidated results of the Group for the year ended December 31, 2024 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2023. These annual results have been prepared under the Hong Kong Financial Reporting Standards and reviewed by the audit committee (the “**Audit Committee**”) of the Board.

### **FINANCIAL HIGHLIGHTS**

- Revenue for the financial year ended December 31, 2024 increased to RMB864.2 million, as compared to RMB720.3 million for the financial year ended December 31, 2023, representing an increase of 20.0%, primarily attributable to an increase of RMB88.5 million in revenue generated from sales of RVs, which was mainly driven by an increase of RMB214.8 million in the revenue from direct sales via self-owned stores and JV stores, partially offset by a decrease of revenue from sales to dealers of RMB126.3 million.
- Gross profit increased by RMB87.4 million from RMB181.1 million for the financial year ended December 31, 2023 to RMB268.5 million for financial year ended December 31, 2024, representing an increase of 48.3%, primarily attributable to the increase in our revenue from direct sales via self-owned stores and JV stores, as well as the growing proportion of this revenue in our total revenue.

- Gross profit margin increased by 6 percentage points from 25.1% for the financial year ended December 31, 2023 to 31.1% for the financial year ended December 31, 2024, primarily due to the higher proportion of our direct sales of RVs through self-owned stores and JV stores, attributable to the relatively higher retail prices compared to the wholesale prices for dealers.
- Cost of sales increased by RMB56.3 million or 10.4% to RMB595.6 million for the financial year ended December 31, 2024, as compared to that of RMB539.3 million for the financial year ended December 31, 2023, primarily due to the increase in the cost of raw materials and consumables resulting from the increased sales volume of our RVs, which was in line with our business growth.

## DEFINITIONS AND GLOSSARY

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Australasia”	for the purposes of this announcement only, comprising Australia and New Zealand
“Australian dollars” or “A\$” or “AUD”	Australian dollars, the lawful currency of Australia
“China” or “PRC”	the People’s Republic of China and for the purposes of this announcement only, except where the context requires otherwise, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“ERV”	an electric RV, a recreational vehicle powered by electricity, encompassing both towable and motorized variants
“Financing Partner”	De Lage Landen Pty Limited, an independent third-party financial institution incorporated in Australia that provides financing programs in Australia
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Hong Kong dollars”, “HK dollars” or “HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“JV dealers”	Leisure Lion and United RV, each of them a “JV dealer”, a subsidiary of our Company since September 13, 2023 and June 6, 2023, respectively
“JV partners”	entities that we partner with for establishing the JV stores which, referred to Green RV and/or BUYIT RV PTY LTD in the capacity of their joint investment with our Company in Leisure Lion and United RV, respectively
“JV stores”	stores operated by the JV dealers from time to time
“Listing Date”	January 13, 2025, the date on which dealings in the Shares first commenced on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Pre-IPO Share Option Scheme”	the employee stock option scheme adopted on May 24, 2024
“Prospectus”	the prospectus of the Company dated December 31, 2024
“recreational vehicle” or “RV”	a motor vehicle or a towable RV equipped with living quarters and amenities found in a home, designed for travel, camping, and leisure activities
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of US\$0.0001 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“towable ERV”	a type of towable RV equipped with power battery, enabling self-propelled towing synchronized with the towing vehicle via sensors
“towable RV”	a type of recreational vehicle that lacks its own engine or method of propulsion and must therefore be towed by a separate vehicle, such as a truck or SUV

## BUSINESS REVIEW

We are a recreational vehicle (RV) enterprise with an extensive presence in Australasia that designs, develops, manufactures and sells bespoke towable RVs. With our end-to-end capabilities in product research and development, manufacturing and sales and distribution, we design every aspect of our RV owners' user experience from conceptualization to ownership. We design and manufacture our RVs with an emphasis on comfort, safety and functionality, creating mobile homes that cater to RV owners' needs for additional space — both physically and mentally. Our capabilities span the entire RV industry value chain, encompassing visionary design, refined manufacturing, localized sales and distribution, and auxiliary after-sales services. We pride ourselves on our commitment to customization, offering a made-to-order service for our owners to personalize various aspects of their RV, from exterior esthetics to interior layout and features. This enables us to create RVs that reflect individualized demands of different RV owners and deliver superior end-to-end owner experiences from conceptualization, design selection, customization, and delivery to various after-sales services.

We have expertise spanning the entire RV industry value chain, empowering our growth trajectory:

- ***Brand management and RV collection rejuvenation.*** Since our acquisition in 2014 of Regent, a renowned Australian RV brand with a long heritage of over 30 years, we have become a notable company in the RV industry in Australasia, operating three distinctive brands, namely the mid-end and top-selling brand, Snowy River, the luxury brand, Regent, and the semi-off-road brand, NEWGEN. Envisioning our RV owners who seek to live, holiday or travel in the RVs, we offer towable RVs ranging from family-friendly models for family's recreational use, compact models for adventurers, slide-out models for those who crave additional space in their RVs, to multi-terrain models for the ultimate semi-off-road adventure. From value-conscious newcomers to seasoned enthusiasts craving upscale luxury and personalized RVs, we cater to every type of RV owner.
- ***Product research and development.*** We have been continuously revitalizing and broadening our series of RVs to fulfill customers' demands and drive sales. We periodically launch new models and continuously incorporate upgrades to our existing RV collection, to attract new customers with different needs, generate repurchase from existing customers and expand our product collection. In 2024, we upgraded 5 models under Regent, developed and launched 13 new models and upgraded 4 models under Snowy River, and developed and launched 4 new models and upgraded 8 models under NEWGEN. We aspire to creating a sustainable and eco-friendly path for our owners to embrace RV electrification and are currently developing a trailblazing model of towable ERV (electric recreational vehicle).

- ***Manufacturing.*** We optimize our manufacturing workflows through strategic rationalization and continual upgrades of our production processes. Our production facilities in Zhejiang, China cover a sprawling area of approximately 47,567 square meters, consisting of five specialized workshops: welding, painting, lamination, tailoring and furniture, alongside two cutting-edge assembly lines. Furthermore, our two final assembly lines in Australia complement our primary manufacturing capabilities in China by undertaking final assembly of our RVs. Their proximity to end customers in the local market also enables us to swiftly address their needs for finishing touches and customization requests. From the integration of the latest machinery sourced from the United States and Australia to the development of a comprehensive technology system to execute and harmonize with high degrees of customization of our RVs, every element of our production process is engineered to uphold rigorous standards of quality and meet customer expectations. Wedding our proprietary knowledge with our refined techniques in production from all aspects, our manufacturing excellence allows us to craft RVs with strong flexibility, advanced automation, and superior operating efficiency.
- ***Sales and distribution.*** We market our RVs and interact with customers through a dynamic, multifaceted sales and distribution network and a myriad of marketing initiatives across Australasia. As of December 31, 2024, we had established a robust sales and distribution network consisting of 13 third-party dealer stores, two self-owned stores alongside an official online presence, and four JV stores with our JV partners in Australasia. Our geographic footprint spans across major cities in Australasia, including Melbourne, Sydney, Brisbane, Adelaide, Perth, Canberra, Auckland and Christchurch, with a strategic presence of one to three dealer stores, JV stores, and/or self-owned stores covering each location. Additionally, we actively engage in targeted marketing through online promotions and offline events to further enhance our brand recognition and acquire customers.

## PRODUCTS AND BRANDS

As of December 31, 2024, we had successfully mass-produced a comprehensive lineup of 50 RV models, which were all standard caravans, spanning 8 distinct series under three characteristic brands, namely the mid-end and top-selling brand, Snowy River, the luxury brand, Regent, and the semi-off-road brand, NEWGEN. Envisioning our RV owners who seek to live, vacation or travel in the RVs, we offer towable RVs ranging from family-friendly models, compact models for adventurers, slide-out models for those who crave additional space in their RVs, to multi-terrain models for the ultimate semi-off-road adventure.

### Deliveries of RVs

For the year ended December 31, 2024, we delivered an aggregate of 2,804 units of RVs, representing an increase of 4.1% from 2,694 units in 2023. Among the 2,804 units of RV that we have delivered in 2024:

- 2,408 units belonged to Snowy River, our top-selling brand that perfectly combines contemporary and modern design elements with attention to details and functionalities, targeting mid-end customers, representing an increase of 11.2% from 2,165 units in 2023;
- 137 units belonged to Regent, our luxury, high-end brand with more than three decades of history, characterized by luxurious cabins with spacious and elegantly designed interior layouts, in 2024, representing a decrease of 50.2% from 275 units in 2023;
- 259 units belonged to NEWGEN, our semi-off-road brand, designed to appeal to the younger generation of customers, in 2024, representing an increase of 2.0% from 254 units in 2023.

### Backlogs

Backlog refers to our estimate of the contract value of work that remains to be completed as of a certain date. The contract value represents the amount that we expect to receive under the terms of the contract, assuming the contract is performed in accordance with its terms. As of December 31, 2024, we have 1,267, 13 and 90 units of RVs in backlog under Snowy River, Regent and NEWGEN, respectively, with contract value of A\$70,629,000 (RMB318,324,000<sup>Note</sup>), A\$868,000 (RMB3,912,000<sup>Note</sup>) and A\$5,053,000 (RMB22,774,000<sup>Note</sup>), respectively, as compared to 1,240, 72 and 144 units of RVs in backlog under Snowy River, Regent and NEWGEN, respectively, with contract value of A\$68,457,000 (RMB309,460,000), A\$4,631,000 (RMB20,934,000) and A\$8,465,000 (RMB38,266,000) as of December 31, 2023.

#### *Note:*

For the purpose of illustration only, translations from Renminbi amounts to Australian dollars were made at the rate of RMB4.5070 to A\$1.00, based on the exchange rate published by the People's Bank of China for foreign exchange transactions prevailing on December 31, 2024. No representation is made that the Renminbi amounts should have been, could have been or may be converted to Australian, or vice versa, at that rate.

## **Product development**

### ***Hybrid towable RVs***

Our hybrid towable RV under Snowy River, SRH-Hybrid 2025, was officially launched in Australasia in February 2025, marking a strategic expansion of our hybrid towable RV lineup. Designed for families, couples, and solo travellers, this premium off-road model combines durability, advanced technology, and luxury, positioning it as a high-value offering in the competitive RV market. The SRH-Hybrid 2025 features an SRT-Range-inspired chassis and SR-Explore suspension that ensure excellent off-road stability, while Pedders springs and shock absorbers enhance flexibility and load management. Its self-sufficient power and water systems provide reliable off-grid capability for extended trips. SRH-Hybrid 2025 is also complemented with lightweight yet durable fibreglass exterior, coupled with luxurious leather interior with smart climate controls (including air conditioning and heating), and a unique 2-tier slide-out kitchen that offers large pantry and great storage space.

### ***New ERV models***

As part of our strategy of developing new towable ERV models, we have entered into a strategic collaboration agreement with Tianjin Guoxuan New Energy Technology Co., Ltd\* (天津國軒新能源科技有限公司) (“**Guoxuan**”), a wholly-owned subsidiary of Guoxuan High Tech Co., Ltd.\* (國軒高科股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002074), pursuant to which Guoxuan will provide customized power battery solutions for our new towable ERV models. With such strategic collaboration, we will be able to continue to leverage Guoxuan’s expertise and marketing resources to promote our new towable ERV models.

## **OUTLOOK AND FUTURE PLANS**

Looking ahead, we will continue to design and manufacture our RVs with emphasis on comfortability, safety and functionality, creating mobile homes that can address RV owners’ needs for additional space — both physically and mentally. We are committed to customization, and to offer a made-to-order service for our owners to personalize various aspects, from exterior esthetics to interior layout and features, such that we could continue to create RVs that reflect individualized demands of different RV owners and deliver superior end-to-end owner experiences from conceptualization, design selection, customization, delivery to various after-sales services, allowing us to remain at the forefront of the industry.

\* For identification purpose only

To achieve our mission and further strengthen our market leadership, we intend to pursue the following strategies:

- Strengthen Australasian leadership and expand into the European and Canadian markets;
- Maintain and elevate our brand image in the towable RV market;
- Continue to rejuvenate and broaden our RV collection; and
- Upgrade and automate our production facilities.

In particular, we intend to focus our resources on penetrating the European markets by replicating our journey to success in Australasia through (i) leveraging our status as a listed company on the Stock Exchange to build our brand; (ii) collaborating with local distributors to establish local presence; (iii) capturing market share with competitive pricing achieved through our supply chain management; and (iv) utilizing our scalable production capacity in our PRC facility to manufacture and export our RV to Europe, and as the market demand of our RVs build up in Europe, we will transition to manufacturing our RV components in the PRC and assembling our RVs in Europe, with an aim to achieve operational efficiency.

# **CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 December 2024*

		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Revenue</b>	<b>3</b>	<b>864,165</b>	720,303
Cost of sales		<u>(595,649)</u>	<u>(539,252)</u>
<b>Gross profit</b>		<b>268,516</b>	181,051
Other (loss)/income		(15,385)	14,517
Selling and distribution expenses		(83,976)	(41,547)
Administrative expenses		(79,857)	(36,209)
Research and development expenses		(13,713)	(7,968)
(Provision)/reversal of impairment loss on trade receivables		(1,712)	34
Share of profit of a joint venture		<u>—</u>	<u>113</u>
<b>Profit from operations</b>		<b>73,873</b>	109,991
Finance costs		<u>(12,374)</u>	<u>(2,315)</u>
<b>Profit before taxation</b>		<b>61,499</b>	107,676
Income tax	<b>4</b>	<u>(16,010)</u>	<u>(28,908)</u>
<b>Profit for the year</b>		<b><u>45,489</u></b>	<b><u>78,768</u></b>
<b>Attributable to:</b>			
Equity shareholders of the Company		43,331	79,973
Non-controlling interests		<u>2,158</u>	<u>(1,205)</u>
<b>Profit for the year</b>		<b><u>45,489</u></b>	<b><u>78,768</u></b>
<b>Earnings per share</b>			
Basic and diluted earnings per share ( <i>RMB</i> )	<b>5</b>	<b><u>0.06</u></b>	<b><u>0.11</u></b>

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (CONTINUED)**

*For the year ended 31 December 2024*

	<b>2024</b> <b>RMB'000</b>	2023 <b>RMB'000</b>
<b>Profit for the year</b>	<b>45,489</b>	78,768
<b>Other comprehensive income/(loss) for the year (after tax and reclassification adjustments)</b>		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	<u>(2,762)</u>	<u>1,231</u>
Other comprehensive (loss)/income for the year	<u>(2,762)</u>	<u>1,231</u>
<b>Total comprehensive income for the year</b>	<b><u>42,727</u></b>	<b><u>79,999</u></b>
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>40,792</b>	81,107
Non-controlling interests	<u>1,935</u>	<u>(1,108)</u>
<b>Total comprehensive income for the year</b>	<b><u>42,727</u></b>	<b><u>79,999</u></b>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 December 2024*

	<i>Notes</i>	<b>2024</b> <b>RMB'000</b>	<b>2023</b> <b>RMB'000</b>
<b>Non-current assets</b>			
Plant and equipment		<b>19,782</b>	19,189
Right-of-use assets		<b>72,707</b>	50,848
Intangible assets		<b>237</b>	—
Deferred tax assets		<b>23,774</b>	14,541
		<b>116,500</b>	84,578
<b>Current assets</b>			
Inventories		<b>228,103</b>	242,827
Trade and other receivables	6	<b>54,382</b>	46,138
Prepayments		<b>28,479</b>	6,021
Restricted cash		<b>103,144</b>	4,889
Cash and cash equivalents		<b>29,263</b>	14,345
		<b>443,371</b>	314,220
<b>Current liabilities</b>			
Trade and other payables	7	<b>314,757</b>	240,666
Contract liabilities		<b>12,276</b>	12,803
Loans and borrowings		<b>89,017</b>	31,208
Lease liabilities		<b>11,136</b>	29,016
Current taxation		<b>18,451</b>	7,418
Provisions		<b>3,699</b>	2,970
		<b>449,336</b>	324,081
<b>Net current liabilities</b>		<b>(5,965)</b>	(9,861)
<b>Total assets less current liabilities</b>		<b>110,535</b>	74,717

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***As at 31 December 2024*

	<b>2024</b> <b><i>RMB'000</i></b>	<b>2023</b> <b><i>RMB'000</i></b>
<b>Non-current liabilities</b>		
Loans and borrowings	<b>381</b>	408
Lease liabilities	<b>66,902</b>	43,362
Provisions	<b>3,999</b>	3,761
	<b>71,282</b>	47,531
<b>NET ASSETS</b>	<b>39,253</b>	27,186
<b>CAPITAL AND RESERVES</b>		
Share capital	—	—
Reserves	<b>35,414</b>	25,282
<b>Total equity attributable to equity shareholders of the Company</b>	<b>35,414</b>	25,282
<b>Non-controlling interests</b>	<b>3,839</b>	1,904
<b>TOTAL EQUITY</b>	<b>39,253</b>	27,186

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

The Company was incorporated in Cayman Islands on 17 May 2022 as an exempted company with limited liability under the Companies Act (Cap.22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Group are principally engaged in the manufacturing and exporting the RVs to Australia and sales RVs through dealership and stores in Australia and New Zealand.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on January 13, 2025.

The consolidated financial statements are presented in RMB, unless otherwise stated and have approved for issue by the Board of Directors on 31 March 2025. They have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance, using the historical cost convention. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The financial information relating to the financial year ended December 31, 2024 that is included in this preliminary annual results announcement does not constitute the Company's annual consolidated financial statements for that financial year but is derived from those financial statements.

### 2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKAS 1, *Presentation of financial statements — Classification of liabilities as current or non-current* ("2020 amendments") and amendments to HKAS 1, *Presentation of financial statements — Non-current liabilities with covenants* ("2022 amendments")
- Amendments to HKFRS 16, *Leases — Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures — Supplier finance arrangements*

None of these developments had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 3. REVENUE

The Group is principally engaged in manufacturing and sales of RVs.

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by major products or service lines		
— Sale of RVs	799,234	710,747
— Sale of pre-owned RVs	56,141	8,691
— Others	8,790	865
	<u>864,165</u>	<u>720,303</u>
Disaggregated by timing of revenue recognition		
Point in time	<u>864,165</u>	<u>720,303</u>

### 4. INCOME TAX

(a) Taxation in the consolidated statements of profit and loss represents:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Current tax</b>		
Provision for the year		
— PRC Corporate Income Tax	16,321	25,486
— Australia Income Tax	9,791	5,932
	<u>26,112</u>	<u>31,418</u>
<b>Deferred tax</b>		
Origination of temporary differences	<u>(10,102)</u>	<u>(2,510)</u>
Income tax expense	<u>16,010</u>	<u>28,908</u>

(b) **Reconciliation between tax expense and accounting profit at applicable tax rates:**

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit before taxation	<u>61,499</u>	<u>107,676</u>
Notional tax on profit before taxation calculated at the rates applicable to profits in the jurisdiction concerned	13,420	28,172
Tax effect of non-deductible expenses	2,590	—
Tax effect of temporary differences and tax losses not recognised in current year	<u>—</u>	<u>736</u>
	<u>16,010</u>	<u>28,908</u>

**5. EARNINGS PER SHARE**

(a) **Basic earnings per share**

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB43,331,000 (2023: RMB79,973,000) and the weighted average of 720,000,000 (2023: 720,000,000) ordinary shares. The weighted average number of ordinary shares throughout the periods presented has been adjusted retrospectively for the impacts of share allotments in May 2024 and January 2025 for little or no consideration.

(b) **Diluted earnings per share**

For the year ended 31 December 2024, the outstanding share options under the Company's share option scheme were not included in the calculation of diluted earnings per share as their inclusion would have been anti-dilutive. Accordingly, diluted earnings per share for the year ended 31 December 2024 were the same as basic earnings per share.

For the year ended 31 December 2023, there are no potential ordinary shares in issue and therefore diluted earnings per share was the same as basic earnings per share.

## 6. TRADE AND OTHER RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables, net of loss allowance	37,706	39,918
Value added tax (“VAT”) and Goods and Service Tax (“GST”) recoverable	8,850	2,233
Deposits and others	7,826	3,987
	<u>54,382</u>	<u>46,138</u>

All of the trade receivables are expected to be recovered within one year. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

### Ageing analysis

As at the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 90 days	25,869	39,918
More than 90 days less than 180 days	4,679	—
More than 180 days less than 360 days	6,600	—
More than 360 days	558	—
	<u>37,706</u>	<u>39,918</u>

## 7. TRADE AND OTHER PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Bills payable	53,247	4,760
Trade payables due to		
— related parties	7,131	6,545
— third parties	182,834	197,540
Sub-total	243,212	208,845
Accrued payroll and other benefits	19,713	21,513
VAT, GST and sundry taxes payable	10,767	7,435
Listing expense payable	26,375	—
Accrued expense	7,304	2,468
Advance due from related parties	7,182	—
Other payables	204	405
	<u>314,757</u>	<u>240,666</u>

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

As at the end of the reporting period, the ageing analysis of trade payables and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

	<b>2024</b> <b><i>RMB'000</i></b>	2023 <i>RMB'000</i>
Within 1 year	<b>242,581</b>	203,499
1 year to 2 years	<b>613</b>	4,561
2 years to 3 years	<b>18</b>	785
	<b><u>243,212</u></b>	<u>208,845</u>

## 8. DIVIDENDS

No dividends were paid or declared by the Company and the companies now comprising the Group during the year of 2024 (2023: nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Analysis

#### *Revenue*

Total revenue was RMB864.2 million in 2024, representing an increase of 20.0% from RMB720.3 million in 2023. The increase was primarily due to an increase of RMB88.5 million in revenue generated from sales of RVs, which was mainly driven by an increase of RMB214.8 million in the revenue from direct sales via self-owned stores and JV stores, partially offset by a decrease of revenue from sales to dealers of RMB126.3 million.

Our revenue generated from the sales of RV was RMB799.2 million in 2024, representing an increase of 12.5% from RMB710.7 million in 2023. This increase was mainly attributable to (i) the increase in the sales volume of our RVs, and (ii) an increase in the average selling price, which was primarily driven by the higher proportion of our direct sales of RVs through self-owned stores and JV stores. The number of RVs delivered increased from 2,694 units in 2023 to 2,804 units in 2024, which was in line with our business growth.

Our sales volume of RVs via direct sales increased from 394 units in 2023 to 1,064 units in 2024. As a result, our revenue from direct sales via self-owned stores and JV stores grew from RMB129.1 million in 2023 to RMB343.9 million in 2024.

At the same time, the sales volume of RVs through sales to dealers decreased from 2,300 units in 2023 to 1,740 units in 2024. Accordingly, revenue generated from sales to dealers decreased from RMB581.6 million in 2023 to RMB455.3 million in 2024.

Starting from 2023, we provide an option for customers to trade in their eligible pre-owned RV for purchase of a new RV that we offer at all of our self-owned stores and JV stores, and resell these pre-owned RVs typically at the same stores. We recorded revenue from sales of pre-owned RVs of RMB56.1 million in 2024, representing an increase of RMB47.4 million from RMB8.7 million in 2023.

#### *Cost of Sales*

Our cost of sales consists of cost of raw materials, staff costs, shipping and handling expenses, as well as overhead.

Cost of sales was RMB595.6 million in 2024, representing an increase of 10.4% from RMB539.3 million in 2023. The increase was primarily due to the increase in the cost of raw materials and consumables resulting from the increased sales volume of our RVs, which was in line with our business growth.

### ***Gross Profit and Gross Margin***

Our gross profit represents our revenue less our cost of sales, and our gross profit margin represents our gross profit as a percentage of our revenue.

Gross profit was RMB268.5 million in 2024, representing an increase of 48.3% from RMB181.1 million in 2023, primarily attributable to the increase in our revenue from direct sales via self-owned stores and JV stores, as well as the growing proportion of this revenue in our total revenue. Our gross margin improved from 25.1% in 2023 to 31.1% in 2024, primarily due to the higher proportion of our direct sales of RVs through self-owned stores and JV stores, attributable to the relatively higher retail prices compared to the wholesale prices for dealers.

### ***Other Income/(Loss)***

Our other income/(loss) primarily consists of foreign exchange gain/(loss).

Our other loss was of RMB15.4 million in 2024 compared to other income RMB14.5 million in 2023, primarily attributable to the fluctuation of the Australian dollar exchange rate against the Renminbi, resulting in a foreign exchange loss.

### ***Selling and Distribution Expenses***

Our selling and distribution expenses primarily consist of staff costs and advertising and promotion expenses.

Selling and distribution expenses were RMB84.0 million in 2024, representing an increase of 102.4% from RMB41.5 million in 2023. This increase was primarily due to (i) the increased marketing campaigns and promotional activities, and (ii) the increased number of sales personnel in line with our business expansion.

### ***Administrative Expenses***

Our administrative expenses primarily consist of staff costs, listing expenses, professional services and office expenses.

Administrative expenses were RMB79.9 million in 2024 representing an increase of 120.7% from RMB36.2 million in 2023. This increase was primarily due to the increased number of administrative personnel in line with our business expansion and the listing expenses incurred.

### ***Research and Development Expenses***

Our research and development expenses (the “**R&D**”) primarily consist of staff costs.

R&D expenses were RMB13.7 million in 2024, representing an increase of 71.3% from RMB8.0 million in 2023. The increase was primarily driven by an increased number of R&D employees resulting in higher employee compensation expenses.

### ***(Provision)/reversal of impairment loss on trade receivables***

Our (provision)/reversal of impairment loss on trade receivables represents provisions or reversals of impairment of trade receivables.

We recorded a provision of impairment loss on trade receivables of RMB1.7 million in 2024, as compared to a reversal of impairment loss on trade receivables of RMB34 thousand in 2023, in line with the trend in trade receivables.

### ***Finance costs***

Our finance costs increased by RMB10.1 million, or 439.1%, from RMB2.3 million in 2023 to RMB12.4 million in 2024, primarily due to the increase in interest expense on borrowings from the Financing Partner, in line with our business growth.

### ***Income tax***

Our income tax decreased by RMB12.9 million, or 44.6%, from RMB28.9 million in 2023 to RMB16.0 million in 2024, in line with our decreased profit.

### ***Profit of the Reporting Period***

As a result of above factors, our profit for the year decreased by RMB33.3 million from RMB78.8 million in 2023 to RMB45.5 million in 2024.

### ***Liquidity and Capital Resources***

As of December 31, 2024, we had net current liabilities of RMB6.0 million, primarily due to (i) trade and other payables of RMB314.8 million, representing an increase of RMB74.1 million compared to RMB240.7 million as of December 31, 2023, and (ii) loans and borrowings of RMB89.0 million, representing an increase of RMB57.8 million compared to RMB31.2 million as of December 31, 2023, partially offset by (iii) inventories of RMB228.1 million, representing a decrease of RMB14.7 million compared to RMB242.8 million as of December 31, 2023, (iv) trade and other receivables of RMB54.4 million, representing an increase of RMB8.3 million compared to RMB46.1 million as of December 31, 2023, and (v) cash and cash equivalents of RMB29.3 million, representing an increase of RMB15.0 million compared to RMB14.3 million as of December 31, 2023.

### ***Loans and Borrowings***

As of December 31, 2024 and 2023, we had total loans and borrowings of RMB89.4 million and RMB31.6 million, respectively. Our total loans and borrowings as of December 31, 2024 primarily comprise (i) the secured loans and borrowings RMB64.2 million provided by the Financing Partner to the subsidiaries, which operate our self-owned stores and JV stores, (ii) short-term unsecured bank loans RMB19.3 million provided by a commercial bank, and (iii) secured short-term bank loans provided by a commercial bank RMB5.5 million.

### ***Gearing Ratio***

We monitored capital using gearing ratio. As of December 31, 2024, the Group's gearing ratio was positive value, which is calculated as net debt divided by the capital plus net debt. Net debt includes loans and borrowings, trade and other payables and lease liabilities, less cash and cash equivalents, restricted cash. Capital includes equity attributable to equity shareholders of the Company.

### ***Treasury Policy***

Our policy is to regularly monitor liquidity requirements, and to ensure that we maintain sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet our liquidity requirements in the short and longer term.

### ***Restricted cash and pledge of assets***

As of December 31, 2024, our bank deposits of RMB103.1 million were restricted for the purposes of leasing deposits and pledged as guarantees of loans and borrowings and bills payable.

### ***Future Plans for Material Investments and Capital Assets***

As of December 31, 2024, the Group has no specific plan for material investments and acquisition of capital assets.

### ***Capital Commitments and Capital Expenditure***

As of December 31, 2024, we had no material capital commitment.

Our capital expenditures primarily consisted of payment for purchases of plant and equipment in 2024, which was amounted to RMB8.0 million in 2024.

### ***Contingent Liabilities and Guarantees***

As of December 31, 2024, the maximum amounts of guarantee issued was RMB24.8 million. Save as the foregoing, our Company did not have any material contingent liabilities.

### ***Significant Investment, Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures***

For the year ended 31 December 2024, our Company did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

For the year ended December 31, 2024, our Company did not have any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of December 31, 2024).

### ***Non-HKFRS Measures***

To supplement our annual results, which are presented in accordance with HKFRSs, we also use adjusted net profit as an additional financial measure, which is not required by, or presented in accordance with HKFRS. We believe this non-HKFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of items.

We believe this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit may not be comparable to similarly titled measures presented by other companies. The use of this non-HKFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under HKFRS. We define adjusted net profit as net profit for the period adjusted by adding back listing expenses.

The following table reconciles our adjusted net profit for the years presented (non-HKFRS measures) to the most directly comparable financial measure calculated and presented in accordance with HKFRS, which is net profit for the year:

	<b>2024</b>	2023
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Reconciliation of net profit to adjusted net profit:</b>		
Net profit for the year	<b>45,489</b>	78,768
Add:		
— listing expenses <sup>(1)</sup>	<b>27,444</b>	—
Adjusted net profit <sup>(2)</sup>	<b>72,933</b>	78,768

*Notes:*

(1) Listing expenses relate to this Global Offering of the Company.

(2) A non-HKFRS measure.

## EMPLOYEES

As of December 31, 2024, the Group had 722 employees, comprising 506 employees based in China and 216 employees based in Australia.

The following table sets forth the breakdown of the Group's employees by function as of December 31, 2024:

Function	Number of Employees	% of Total
Production and Supply Chain	510	70.6
Sales and Marketing	51	7.1
General and Administration support	102	14.1
Production and Development and Technology	59	8.2
Total	722	100.0

We believe that maintaining a stable and motivated employee force is critical to the success of our business. We invest in staff training through various training programs on a regular basis as we believe the level of professional knowledge and skill of our employees plays an important role in our continued success. We recruit personnel from the open market, and we formulate our recruitment policy based on market conditions, our business demand and expansion plans. We adopt comprehensive assessment criteria when selecting candidates, taking into account a number of factors such as experience, skills, and competencies. We assess the credentials and suitability of candidates through interviews and aptitude tests as appropriate.

We offer our employees different remuneration packages based on their positions. Generally, the remuneration structure of our employees includes salary, benefits and bonus. Our compensation programs are designed to remunerate our employees based on their performance, measured against specified objective criteria. We maintain standard employee benefit plans for our employees based in China as required by PRC laws and regulations, including housing fund contribution, pension insurance, medical insurance, workplace injury insurance, unemployment insurance, and maternity insurance. In Australia, we make standard superannuation contributions for employees, provide employees with leave entitlements, and maintain necessary insurances (including workers' compensation insurance) as required under Australian laws and regulations.

To recognize the contributions of key employees and motivate them to further promote the development of the Company, the Company adopted the Pre-IPO Share Option Scheme. For details, please refer to "Appendix IV — Statutory and General Information — D. PRE-IPO SHARE OPTION SCHEME" in the Prospectus.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares (as defined in the Listing Rules)) during the period from the Listing Date to the date of this announcement. As at December 31, 2024, the Company did not hold any treasury shares (as defined in the Listing Rules).

## **USE OF NET PROCEEDS FROM THE LISTING**

With the Shares of the Company listed on the Stock Exchange on January 13, 2025, the net proceeds from the Global Offering were approximately HK\$292.6 million, which will be utilized for the purposes as set out in our Prospectus. As of the date of this announcement, there was no change in the intended use of net proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. To the extent that net proceeds are not immediately used for the intended use and to the extent permitted by the relevant law and regulations, the Company has placed the net proceeds into short-term interest-bearing accounts at authorized financial institutions as defined under the Securities and Futures Ordinance or the applicable laws in the relevant jurisdiction for non-Hong Kong based deposits.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

Our Company's corporate governance practices are based on the principles and code provisions set forth in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules. As the Shares of our Company were not yet listed on the Stock Exchange until January 13, 2025, the principles and code provisions of the CG Code contained in Appendix C1 to the Listing Rules were not applicable to the Company until January 13, 2025.

From the Listing Date to the date of this results announcement, our Company has complied with the applicable code provisions set out in the CG Code contained in Appendix C1 to the Listing Rules, except for code provision C.2.1 as explained below.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Our Company does not have a separate role for chairman and chief executive officer and Mr. Miao Xuezhong currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within our Company and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

Our 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 code of conduct regarding directors’ dealing in the Company’s securities. As the Shares of our Company were not yet listed on the Stock Exchange until January 13, 2025, the Model Code was not applicable to our Company until January 13, 2025.

Having made specific enquiries to all of the Directors of the Company, all Directors confirmed that they have fully complied with all relevant requirements set out in the Model Code from the Listing Date to the date of this results announcement.

## **SCOPE OF WORK OF KPMG**

The financial figures in respect of the Group’s consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary announcement have been agreed by the Group’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

## **AUDIT COMMITTEE**

The Company has established the Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee of our Company comprises Ms. NG Weng Sin, Mr. YU Mingyang and Ms. HE Jie, all of whom are independent non-executive Directors. The Audit Committee of our Company has reviewed the annual results of our Company for the year ended December 31, 2024.

## **EVENTS AFTER THE REPORTING PERIOD**

Subsequent to the financial year ended December 31, 2024, the following significant events took place:

On January 13, 2025, the Company successfully completed its initial public offering of 240,000,000 Shares at HK\$1.27 per share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%), and its shares were listed on the Main Board of the Stock Exchange.

Save as disclosed in this announcement, the Company is not aware of any significant event that might affect the Group since December 31, 2024 and up to the date of this announcement.

## **DIVIDEND**

The Board did not recommend the distribution of any final dividend for the year ended December 31, 2024.

## **PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement has been published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.newgonowrv.hk](http://www.newgonowrv.hk).

The annual report of the Company will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company's shareholders upon request in due course.

By order of the Board  
**New Gonow Recreational Vehicles Inc.**

**Mr. Miao Xuezhong**  
*Founder, Chief Executive Officer and Chairman of the Board*

Hong Kong, March 31, 2025

*As at the date of this announcement, the Board comprises Mr. Miao Xuezhong, Mr. Liu Tao, Mr. Liu Qin and Mr. Andrew Robert Crank as executive Directors; Mr. Yu Mingyang, Ms. He Jie and Ms. Ng Weng Sin as independent non-executive Directors.*